



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 21, 2021

FROM: FINANCE DEPARTMENT WARDS: 1 & 2

SUBJECT: ANNUAL REPORT OF DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA AND RESOLUTION OF INTENTION TO LEVY THE ANNUAL ASSESSMENT IN THE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA FOR CALENDAR YEAR 2022 AND SETTING TIME AND PLACE FOR PUBLIC HEARING ON LEVY OF PROPOSED ASSESSMENT

ISSUES:

Approve the annual report of the Riverside Downtown Partnership (RDP), acting in its capacity as the advisory board to the Riverside Downtown Parking and Business Improvement Area (Downtown BIA), adopt a Resolution declaring the City of Riverside's intention to levy an annual assessment for Calendar Year 2022, and fixing the time and place for a public hearing on the proposed assessment.

RECOMMENDATIONS:

That the City Council:

1. Receive and approve the Annual Report of the Riverside Downtown Partnership, acting in its capacity as the advisory board to the Downtown Parking and Business Improvement Area;
2. Adopt a Resolution declaring the City of Riverside's intention to levy an annual assessment in the Downtown Business Improvement District for Calendar Year 2022, from January 1, 2022, through December 31, 2022; and
3. Set a public hearing for October 19, 2021, at 3:00 p.m. on the levy of the proposed assessment.

BACKGROUND:

The City of Riverside established the Downtown Parking and Business Improvement Area (RDPBIA) in 1985 to promote, represent, and manage an environment that supports downtown Riverside as a regional destination for economic arts, cultural, and residential uses. The Riverside Downtown Partnership (RDP) was designated as the advisory board and is empowered to manage the RDPBIA. The annual Downtown BIA assessment is described in the Riverside

Municipal Code (RMC) section 3.46.060 as an amount equal to one-hundred percent (100%) of the business tax charge, as amended.

The City's business tax rates are adjusted annually on November 1st. The rates increase or decrease equivalent to the most recent change in the annual average of the consumer price index as published by the Bureau of Labor Statistics for the Riverside-San Bernardino-Ontario metropolitan area or five percent, whichever is less.

In June 2010, the Redevelopment Agency approved an agreement to provide the Downtown BID matching funds of \$100,000 per year. The City Redevelopment Agency provided matching funds for ten years, which concluded in 2020.

The Downtown BIA was formed under Section 36500 of the Streets & Highways Code of the State of California. The Code requires that the advisory board prepare a report for each year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report (Attachment 2). The City Council may approve the report as filed by the advisory board or may modify any portion of the report and approve it as modified.

DISCUSSION:

The Annual Report details the method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment levied against his or her business. Based on the Riverside Downtown Parking and Business Improvement Area Annual Report, there are no proposed changes to the boundaries of the RDPBIA.

The current activities and improvements for the upcoming year include parking patrol and visitor assistance, downtown beautification efforts, downtown public events, music in public places, and promotion of business activities. The RDPBIA redirected its resources to make business and patron security a top priority during the pandemic. The increased commitment to security continued during the first half of 2021 but was reduced during the second half, in part due to reduced available funding.

To levy the RDPBIA assessments for calendar year 2022, the City Council must adopt the Resolution of Intention (Attachment 1) and set a date for a public hearing. The Resolution of Intention will be published in a newspaper of general distribution seven (7) days prior to the public hearing. In addition, a notice of the public hearing will be mailed to each holder of a business license tax certificate within the designated RDPBIA by mail, postage prepaid as required. The Public Hearing will be held October 19, 2021, at 3:00 pm, at which time any protests may be heard against the proposed assessment.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 3 Economic Opportunity Goal No. 3.1 – Facilitate partnerships and programs to develop, attract and retain innovative business sectors.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Administrative support of the Downtown BID assessment process supports Riverside's diverse business community and results in greater public good overall.

2. **Equity** – The Downtown BID equitably spreads the cost of promoting downtown area businesses to the owners that receive the benefits.
3. **Fiscal Responsibility** – The Downtown BID improves marketing, promotion, and business and community partnerships within the Downtown Business Area with minimal use of public funds.
4. **Innovation** – The Downtown BID is an innovative and collaborative way to support the changing needs of the Downtown Business District, enabling business owners to guide their destiny.
5. **Sustainability & Resiliency** – The Business Improvement District model is a sustainable way to ensure the resiliency of downtown area businesses.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report. The City collects the assessments for the Downtown BID via the annual business tax process. The revenue generated from the assessment is projected to be approximately \$368,000 for Calendar Year 2022. All assessments collected are transferred directly to the RDP.

Prepared by: Heidi Schrader, Debt and Treasury Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Kris Martinez, Interim Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Resolution Declaring Intention to Levy an annual assessment in the Downtown Parking and Business Improvement Area
2. Annual Report of the Riverside Downtown Parking and Business Improvement Area
3. Boundary Map of the Downtown Parking and Business Improvement Area