



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 19, 2021**

FROM: FINANCE DEPARTMENT **WARDS: 5 & 6**

SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING ANNUAL REPORT OF ARLINGTON BUSINESS PARTNERSHIP ACTING AS ADVISORY BOARD TO ARLINGTON BUSINESS IMPROVEMENT DISTRICT AND LEVYING ASSESSMENTS FOR FISCAL YEAR 2021-2022

ISSUES:

Conduct a Public Hearing to hear and rule on any protests to the annual assessment proposed for the Arlington Business Improvement District for Fiscal Year 2021-2022, and adopt a Resolution confirming the annual report of the Arlington Business Partnership, acting as the advisory board to the Arlington Business Improvement District, and levying assessments for Fiscal Year 2021-2022.

RECOMMENDATIONS:

That the City Council:

1. Conduct a Public Hearing to hear and rule on any protests to the annual assessment proposed for the Arlington Business Improvement District for Fiscal Year 2021-2022; and
2. Adopt a Resolution confirming the annual report of the Arlington Business Partnership, acting as the advisory board to the Arlington Business Improvement District, and levying assessments for Fiscal Year 2021-2022.

BACKGROUND:

The City Council approved the formation of the Arlington Business Improvement District (Arlington BID) on September 24, 2002, with the first BID assessments effective November 1, 2002. The Arlington Business Partnership (ABP) was designated as the advisory board and is empowered to manage the Arlington BID. The Arlington BID was formed pursuant to the provisions of the California Streets and Highways Code Section 36500. The Riverside Municipal Code section 3.48.070 outlines the allowable annual assessment for the Arlington BID as an amount equal to 90 percent (90%) of the non-discounted business tax charge, not to exceed \$400 per business. The City's business tax rates are adjusted annually on November 1. The rates increase or decrease based on the most recent change in the annual average of the consumer price index for the Riverside-San Bernardino-Ontario metropolitan area, or five percent, whichever is less.

On May 25, 2010, the City of Riverside Redevelopment Agency approved a three-year agreement to provide the Arlington BID matching funds of \$100,000 per year. On January 25, 2011, the Redevelopment Agency amended the agreement with ABP to extend the term by an additional seven years. In 2012, the Redevelopment Agency was dissolved, and the State of California allocated funds for the repayment of the agreement under the Successor Agency Recognized Obligation Payment Schedule. Fiscal Year 2021 was the final year of the former RDA agreement, and there is no longer an allocation of tax increment from the State. The loss of this revenue to the Arlington BID has created an operational deficit, and they requested the City of Riverside consider a new agreement in their Annual Report. This budgetary gap can be closed in the current year because of administrative reductions and one-time use of reserves.

The Arlington BID was formed under Section 36500 of the Streets & Highways Code of the State of California. The Code requires the advisory board to prepare a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report (Attachment 1). 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 City Council adopted a resolution on September 7, 2021, declaring its intention to impose an assessment for the Arlington BID for Fiscal Year 2021-2022, effective November 1, 2021, and setting a Public Hearing for October 5, 2021. At that meeting, the Annual Report of the Arlington Business Partnership (ABP), acting as the advisory board to the Arlington BID, was included as supporting documentation to assist the City Council in making its decision to adopt the resolution. Based on the Fiscal Year 2021-2022 Arlington BID Annual Report, there are no proposed changes to the boundaries of the Arlington BID. There is a request to include street vendors within the existing Arlington BID boundaries if the practice the Riverside City Council is currently considering is approved. This wouldn't require an amendment of the existing boundaries of Arlington BID to implement.

The Report included information on the District's operations and projects of the current year and those proposed for the coming year. The Report also confirmed that there are no proposed changes to the assessment methodology or district boundaries for Fiscal Year 2021-2022. Prior to adopting the Resolution of Intention, Council requested that the following questions be addressed during the public hearing:

1. What are the specific benefits the BID is providing to businesses?
2. How do we know the attendant benefits have been achieved?
3. How are Arlington BID staff and activities responding to emerging needs?
4. How are these needs identified?
5. What are the strategic goals of the BID, and how is progress tracked over time?

A representative of the Arlington Business Partnership will be available at the public hearing to address these questions, and any others Council might have on operations within the Arlington BID.

Upon the conclusion of this public hearing, the City Council must rule as to whether there has been a majority protest to the imposition of the assessment for the type of activities proposed. If none exist, the City Council may confirm the Annual Report with direction to the ABP to expend

the resources of the Arlington BID in accordance with Riverside Municipal Code section 3.48 and adopt the resolution imposing the assessment for Fiscal Year 2021-2022.

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 Arlington BID assessment process supports Riverside’s diverse business community and results in the greater public good overall.
2. **Equity** – The Arlington BID equitably spreads the cost of promoting Arlington area businesses to the owners that receive the benefits.
3. **Fiscal Responsibility** – The Arlington BID improves marketing, promotion, and business and community partnerships within the Arlington Business Corridor with minimal use of public funds.
4. **Innovation** – The Arlington BID is an innovative and collaborative way to support the changing needs of the Arlington 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 Arlington Corridor Businesses.

FISCAL IMPACT:

There is no fiscal impact to the City if the assessments are not collected because all funds are transferred directly from the City to the ABP. The projected assessments are approximately \$210,000 for Fiscal Year 2021-2022.

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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
2. Annual Report of the Arlington BID
3. Boundary Map of the Arlington BID
4. ABP Questions and Answers
5. Presentation
6. Notice of Public Hearing