



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: NOVEMBER 19, 2024**

**FROM: FINANCE DEPARTMENT** **WARD: 1**

**SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING ANNUAL REPORT OF RIVERSIDE BUSINESS PARTNERSHIP ACTING AS ADVISORY BOARD TO RIVERSIDE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA AND LEVYING ASSESSMENTS FOR CALENDAR YEAR 2025**

## **ISSUES:**

Conduct a Public Hearing to hear and rule on any protests to the annual assessment proposed for the Riverside Downtown Parking and Business Improvement District for Calendar Year 2025 and adopt a Resolution confirming the annual report of the Riverside Downtown Partnership, acting as the advisory board to the Riverside Downtown Parking and Business Improvement District, and levying assessments for Calendar Year 2025.

## **RECOMMENDATIONS:**

That the City Council:

1. Conduct a Public Hearing to hear and rule on any protests to the annual assessment proposed for the Riverside Downtown Parking and Business Improvement Area annual assessment and projects for Calendar Year 2025; and
2. Adopt a Resolution confirming the annual report of the Riverside Downtown Partnership, acting as the advisory board to the Downtown Parking and Business Improvement Area and levying assessments for Calendar Year 2025.

## **BACKGROUND:**

The City of Riverside established the Downtown Parking and Business Improvement Area (Downtown BIA) to promote, represent and manage an environment that supports downtown Riverside as a regional destination for economic growth. The City Council approved the Downtown BIA in June 1985, with the first assessments beginning January 1, 1986, and was codified in Chapter 3.46 of the Riverside Municipal Code. The Riverside Downtown Partnership (RDP) was designated as the advisory board to manage the Downtown BIA.

The annual assessment for each business within the Downtown BIA is set at a rate of one hundred percent (100%) of the non-discounted business tax charge. The City's business tax rates are adjusted annually on November 1 and are based upon the most recent annual change in the

consumer price index for the Riverside-San Bernardino-Ontario metropolitan area, or by a maximum of 5%, whichever is lower.

The Downtown BIA was formed under Section 36500 of the California Streets & Highways Code. The Code mandates the advisory board to prepare an annual report detailing the adjustments and activities funded by the district. The City Council may approve the report as filed or request modification and approve it as modified.

## **DISCUSSION:**

The City Council adopted a resolution on October 22, 2024, declaring the intention to impose an assessment for the Downtown BIA for calendar year 2025, and setting a public hearing for November 19, 2024. According to the annual report provided by RDP, there are no proposed changes to the district boundaries or assessment amounts. The report provides a detailed method and basis of calculating the assessments, enabling each business owner to estimate their annual charges. The activities and benefits for the upcoming year include security patrol, visitor assistance, and promotion of business activities and public events such as the Riverside Art and Music Festival, the Mission Inn Run, and Miracles on Main. Beautification efforts include outdoor murals, alley lighting, tree trimming, and other initiatives. A detailed budget which describes the prior year's revenues and expenditures in the District, as well as the planned expenditures for the coming year are shown in the attached Supplemental Documents.

During the FY 2023-2024 levy process, the City Council emphasized the need for greater transparency within all the Business Improvement Districts, leading to the approval of Resolution 24097 on March 19, 2024. This resolution outlines the new, more detailed reporting requirements that have been integrated into the annual report and supplemental documents prepared by RDP. A representative from Downtown BIA will be available at the public hearing to address these items and any Council questions.

1. Existing board policies and board members
2. Mission statement
3. Strategic goals of the BID
4. Community Engagement Plan
  - a. Specific and tangible benefits the BID is providing to businesses
  - b. Description of how the advisory board determined the benefits are needed and related outcomes have been achieved
  - c. Clarify how BID staff and activities respond to emerging needs and how those needs are identified
  - d. Clarify how progress is tracked over time
5. Any proposed changes in the boundaries or assessment amounts within the district
6. If a website is in place for the BID, provide a link to the website and a description of the resources, financials, and other information that is available to the public through the site
7. The method and basis of levying the assessments in sufficient detail to allow each business owner to estimate the amount of assessment to be levied against his or her business
8. An estimate of the cost of providing the improvements and activities for that fiscal year
9. The improvements and activities to be provided for that fiscal year
10. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year
11. The amount of any contributions to be made from sources other than the levied assessments
12. List of sponsors in prior fiscal year and expected sponsors in upcoming fiscal year
13. Detailed line-item budget for the prior fiscal year and upcoming fiscal year

As shown in the Annual Report, there are no proposed changes to the boundaries or assessment amounts of the Downtown BIA. 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. In calendar year 2024, each business would be assessed at an amount equal to one hundred percent (100%) of their non-discounted business tax charge.

Upon the conclusion of this public hearing, the City Council may confirm the Annual Report as originally filed, or Council can order changes to any portion of the annual report and confirm the report as modified. To levy assessments for Calendar Year 2025, City Council must approve the Resolution confirming the Annual Report and levying assessments in the District.

### **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** – Establishing Business Improvement Districts and publishing Annual Reports ensures transparency and fairness in funding and managing services within the business district area.
2. **Equity** – The Downtown BIA equitably distributes the cost of promoting local businesses amongst those who benefit.
3. **Fiscal Responsibility** – The Downtown BIA supports marketing, promotion, and business and community partnerships within the Downtown Business Area with minimal use of public funds.
4. **Innovation** – The Downtown BIA 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 annual levy process provides a sustainable funding for improvements and promotions for businesses within the Downtown Business Area.

### **FISCAL IMPACT:**

This action has no fiscal impact to the City. The assessment is expected to generate approximately \$490,000 for calendar year 2025, which the City will collect through the annual business tax process and transfer directly to the Riverside Downtown Partnership.

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Certified as to	
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Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/Treasurer

Approved as to form: Jack Liu, Interim City Attorney

Attachments:

1. Resolution
2. Annual Report of the Riverside Downtown Parking and Business Improvement Area
3. Supplemental Documents for Downtown BIA
4. Boundary Map of the Riverside Downtown Parking and Business Improvement Area
5. Presentation – City of Riverside
6. Presentation – Riverside Downtown Partnership