

ANNUAL REPORT

Riverside New Car Dealers Association
Auto Center Business Improvement District

Overview of Activities, Programs, and Projects
September 1, 2023 – August 31, 2024

Planning Ahead:
September 1, 2024 – August 31, 2025

Submitted by
Riverside New Car Dealers Association

May 15th, 2024

Introduction

The formation of the Auto Center Business Improvement District (BID) was approved by the Riverside City Council on July 26, 2011, and since September 1, 2011, the BID has functioned under the following parameters: The Riverside New Car Dealers Association (RNCDA) has been designated to manage the BID. Each business within the BID is assessed an additional assessment on their business tax renewal. During the BID formation, 13 businesses were determined to be within the district and have been assessed \$8,000 per business each year. In 2021, the RNCDA proposed a modification to the boundaries of the BID to include four additional businesses, and a modification of the assessment amount to be \$6,100 per business. This was approved by City Council on July 20, 2021.

In anticipation of the BID formation, the City of Riverside, City Council and Redevelopment Agency approved on August 15, 2011, an agreement with RNCDA to provide the BID with \$100,000 in matching funds annually for a period of ten years to be used towards funding the cost of an electronic sign for the Auto Center. The City Council approved a subsequent agreement with the RNCDA on August 26, 2015, to continue matching funds to help fund the maintenance and operating costs of the electronic sign in exchange for 15% daily advertising time of the electronic sign usage within the Auto Center BID through September 1, 2023.

Due to outdated technology and the lack of the replacement parts, plus looking for more efficient electric usage, the RNCDA installed a new freeway sign in 2023 and has entered into a new five-year agreement with the city.

The following pages outline activities, programs, and projects undertaken by the Riverside New Car Dealers Association, in compliance with California Streets and Highways Code Section 36533.

Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area

There are no proposed changes to the Auto Center Business Improvement District boundaries as they currently exist.

The improvement and activities of the current and upcoming fiscal years

Physical Improvement Projects. The funds provided to the BID by the City of Riverside have been applied to construction and debt service for the new electronic sign along the CA-91 freeway adjacent to the Riverside Auto Center. The new sign construction was completed July 2023.

Current Sign/Property Maintenance. The assessments collected from the businesses located in the BID funded maintenance for the electronic sign along the CA-91 freeway, as well as other property maintenance costs of the Auto Center. These activities will continue in the upcoming fiscal year.

Estimated cost of providing improvement debt service and other activities for FY 2024/25

An estimate of the cost of providing the activities and improvement debt service for the year 24/25 are listed below.

Physical Improvement Project Debt Service	\$ 0
Current Sign/Property Maintenance	\$ 89,686
Advertising, Marketing and Promotion	<u>\$114,014</u>
Total Budget Estimate	\$203,700

The budget outlined above is based upon anticipated revenue from the BID assessment. Should additional revenue be received during the 24/25 fiscal year, these monies will be utilized in accordance with paragraph 1 of Resolution No. 24096, which outlines the following activities:

- a) Engage in general business promotions.
- b) Engage in business activities.
- c) Promote events.
- d) Advertise to promote District businesses.
- e) Operate and maintain electronic display signs.
- f) Maintain and repair entryway monuments, pods, and landscaping.
- g) Provide for physical improvements.

The method and basis for levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for the year.

It is proposed that the existing \$6,100 per business assessment be continued within the existing boundaries of the Auto Center Business Improvement District.

The amount of any surplus or deficit revenues to be carried over from a previous year.

There are no anticipated surplus funds. If surplus funds become available, they will be used for debt service and/or other maintenance costs of the electronic sign along the CA-91 freeway.

Additional topics:

1)What are the specific benefits the BID is providing to businesses?

The BID supports Riverside Auto Square businesses by bringing awareness to auto buyers and those needing their vehicle serviced in the Riverside area.

2) How do we know the attendant benefits have been achieved?

The freeway sign has proven to achieve its intended benefits by continued patronage of the dealers in the Auto Square and feedback from customers regarding offers and promotions that the sign displays.

3) How are BID staff and activities responding to emerging needs and how are these needs identified??

The Board anticipates an 8-10% increase in auto square visitors due to the technology of the new sign installed July of 2023. The Board also feels strongly that the BID process is beneficial to keeping the RNCDA intact as a whole entity.

Any topics related to the function of the sign including regular maintenance, replacement of failed/faulty LED panels and annual washing are regularly discussed with the Auto Center association and sign company. There are also regular reports covering the content each dealer and the city of Riverside displays in their given allotment.

4) What are the strategic goals of the BID, and how is progress tracked over time?

One of the primary goals of the BID was to fund the maintenance of the updated freeway sign to help drive business to Riverside Auto Center and provide the City of Riverside with an additional outlet to provide information to the populace who travel along the 91 Freeway. In an effort to effectively continue that goal, a new and improved electronic sign was installed.

5) Board Policies, Members and Budget

Please refer to the following Exhibits

Exhibit 1

- Mission Statement/Purpose/Website

Exhibit 2

- Current List of Board of Directors

Exhibit 3

- Detailed Budget for the Prior Year

Exhibit 4

- Detailed Budget for the Current Year

Respectfully submitted,



Dave Crain, President
Riverside New Car Dealers Association
Auto Center Business Improvement District

Exhibit 1

RIVERSIDE AUTO CENTER

Purpose

The Corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Mutual Benefit Corporation Law. The general purpose of this Corporation is to engage in any lawful act or activity other than credit union business for which a corporation may be organized under such law. The specific purposes of this Corporation are:

- (a) to promote the new car and truck industry within the City of Riverside, State of California;
- (b) to engage in any other activities in furtherance of the purposes for which the Corporation is formed: and
- (c) to receive, invest and utilize funds and property acquired through the solicitation of contributions, donations, city funding and the like for the purposes for which the Corporation is formed.

Membership

Members of this Association shall be limited to any dealership maintaining a business address in the Riverside Auto Center and is actively engaged as a franchised motor vehicle dealer in the business of buying and selling new motor vehicles, either passenger or commercial. Each Member application must be approved by a majority vote of the Board of Directors.

It is the existence of a separate business location that determines individual membership and not the number of franchises. A business location is defined as premises having a separate street address and a separate display area.

The Membership shall terminate on the failure of a Member to qualify for Membership under the provisions of Section 1. The Board of Directors may suspend a Member for action detrimental to the Association, or for the failure to have paid the assessment for a period in excess of 30 days. The Board of Directors upon such conditions may reinstate a Member that is suspended as the board may prescribe.

All Members are Directors of the Association. The term Dealer Principal, as used herein, shall be that person so designated by the manufacturer that granted such a franchise and indicated the same in the respective franchise agreement. Unless the Dealer Principal has duly appointed a Designee, then all action required by a member/director shall taken by the Dealer Principal. A Dealer Principal of a member may appoint a designee to represent it both as a member and director. Any such appointment shall be in writing and filed with the Association. Such a designation may be revoked at any time, whether orally or in writing. A designee shall have all authority of a member and director, with the exception that a designee who has held his/her appointment for less than two years is not eligible for an officer position of the association.

Persons entitled to vote at any meeting of Members/Directors shall be those persons, or their Designee, who are Members in good standing. In order to be in good standing, a Member must be current in the payment of all assessments duly imposed, and not are subject to suspension.

Website

There is no website in place for the BID process.

Exhibit 2

Board of Directors

Jeff Sreen	Sreen Acura
Joe Garafalo	Jaguar Riverside
Chuck Huges	BMW of Riverside
Dave Crain	Dutton Motor Company (Buick/GMA/Cadillac)
Duane Pratt	Fritts Ford
Adel Shammas	Lexus of Riverside
GL Moss	Moss Bros (CDJR)
Richard Michaelson	Riverside Honda Riverside Hyundai Riverside Mazda Riverside Nissan Riverside Volkswagen
Mark Aiken	Riverside Kia
Michael Sego	Riverside Chevrolet
Ken Colson	DCH Subaru
Marshall Gordon	Toyota of Riverside
Jonathan Kienle	Walters Audi Walters Mercedes Walters Porsche Walters Sprinter

Riverside Auto Center - December 31, 2023 Cashflow

Updated 1.11.24

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
Carry Over (w/\$ from Control Acct)	174,255.38	196,054.63	225,319.66	229,271.47	224,044.75	218,468.77	217,862.94	234,145.51	233,000.63	352,962.72	371,686.49	374,475.00	
CASH IN:													
Advertising Dues	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	342,048.00
B.I.D. Dues	8,394.00	16,794.00			4,200.00		18,300.00			18,300.00	12,200.00	12,200.00	90,388.00
City Sign Money									100,000.00				100,000.00
Maintenance Dues									22,173.22				56,487.58
Other Income			6,570.80			7,216.97						20,526.59	-
Duplicate Payment													-
Total Revenue	36,898.00	45,298.00	35,074.80	28,504.00	32,704.00	35,720.97	46,804.00	28,504.00	150,677.22	46,804.00	40,704.00	61,230.59	588,923.58
CASH OUT:													
Advertising													
TV/Cable - General Market/Hispanic	3,366.80	3,498.40	3,450.50										10,315.70
Digital(Spectrum)	3,500.00		3,500.00										7,000.00
Production (urt, digital, TV)													-
Website Maintenance	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
Digital Media(Fox)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
Digital First													2,04%
Promotions/Events													0.00%
Agency Fee													0.00%
Total Media cash out	10,366.80	6,998.40	10,450.50	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	59,315.70
Maintenance & Management													
CLS/misc		574.15		1,227.50	1,840.59	2,010.60		477.13	993.41		1,967.60	483.01	9,573.99
Basic Backflow								168.00					168.00
City of Riverside (Water)		3,482.85	1,781.11	2,367.77	3,149.38	4,182.91	5,177.37	6,202.44	6,265.86	6,225.77	6,160.80	5,689.42	50,665.68
Total IM&MA cash out		4,057.00	1,781.11	3,595.27	4,989.97	6,173.51	5,177.37	6,847.57	7,259.27	6,225.77	8,128.40	6,172.43	60,407.67
Sign Cost													
Programming/Main/Repairs (EMI)	1,830.28	1,830.28	1,830.28	7,287.54	1,830.28		1,604.03	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	26,157.69
Sign Wash (EMI)							1,500.00						1,500.00
Power (City of Riverside)													0.25%
Sign Communications (AT&T)	213.52	213.52	211.53	211.53	211.53	211.62	211.62	211.62	213.62	213.62	213.62	213.62	2,550.97
Property Taxes (Riverside County)													0.00%
Loan Payment (out of Control account)			12,500.00	12,500.00	25,000.00	18,210.26	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	143,210.26
Legal													24.32%
Insurance (General Liability/Sign)											8,444.71		8,444.71
Total Sign cash out	2,043.80	2,043.80	14,541.81	19,999.07	27,041.81	18,421.88	15,815.65	14,700.62	14,702.62	14,702.62	23,147.33	14,702.62	181,863.63
Admin													
Board Meetings													0.00%
Management/Office Expenses (Garrett)	2,674.00	2,902.12	2,726.74	2,752.47	2,716.98	2,681.10	2,973.75	2,940.00	3,295.53	2,997.47	2,962.00	2,955.90	34,578.06
Insurance (D & O Coverage)						2,582.00			1,524.00				4,106.00
Legal			1,592.50			2,747.50	1,207.50	1,827.50	402.50	630.00	157.50		8,365.00
Accountant													3,150.00
Franchise Tax Board / City Taxes / IRS						189.55				-			0.53%
Print (press enterprise)													189.55
Bank Fees	14.15	31.65	30.33	33.91	31.22	31.26	47.16	33.19	31.21	24.37	20.26	20.03	2,500.00
Total Non Media cash out	2,688.15	2,933.77	4,349.57	6,636.38	2,748.20	8,231.41	6,028.41	4,600.69	5,253.24	3,651.84	3,133.76	2,975.93	53,237.35
Monthly Net	21,799.25	29,265.03	3,951.81	(5,226.72)	(5,575.98)	(605.83)	16,282.57	(1,144.88)	119,962.09	18,723.77	2,786.51	33,879.61	354,824.35
Ending Balance	196,054.63	225,319.66	229,271.47	224,044.75	218,468.77	217,862.94	234,145.51	233,000.63	352,962.72	371,686.49	374,475.00	408,354.61	408,354.61

Riverside Auto Center - April 30, 2024 Cashflow

Updated 5-7-24

CASH IN:	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
	408,354.61	429,130.91	455,787.00	489,740.61	495,590.51	511,801.30	528,087.50	558,438.88	571,645.13	705,152.32	728,803.70	748,687.48	
Carry Over (w/\$ from Control Acct)													
Advertising Dues	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	28,504.00	342,048.00
B.I.D. Dues	18,300.00				4,200.00		18,300.00		100,000.00	18,300.00	8,000.00	12,200.00	79,300.00
City Sign Money			13,501.24			7,216.97			22,173.22			20,526.59	100,000.00
Maintenance Dues													63,418.02
Other Income													18,300.00
Outstanding AR Reconciliation													
Total Revenue	46,804.00	40,704.00	48,105.24	28,504.00	32,704.00	35,720.97	46,804.00	28,504.00	150,677.22	46,804.00	36,504.00	61,230.59	603,066.02
CASH OUT:													
Advertising													
TV/Cable - General Market/Hispanic													-
Digital(Spectrum)													-
Production (url, digital, TV)													-
Website Maintenance	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
Digital Media(Fox)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
Digital First													
Promotions/Events													-
Agency Fee													-
Total Media cash out	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	42,000.00
Maintenance & Management													
CLS/misc	202.72	1,573.14	1,180.48	4,256.31	1,840.59	2,010.60		477.13	993.41		1,967.60	483.01	14,984.99
Basic Backflow								168.00					168.00
City of Riverside (Water)	3,474.28	3,574.12	3,496.51	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	64,544.91
Total IM&MA cash out	3,677.00	5,147.26	4,676.99	10,256.31	7,840.59	8,010.60	6,000.00	6,645.13	6,993.41	6,000.00	7,967.60	6,483.01	79,697.90
Sign Cost													
Programming/Main/Repairs (EMI)	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	1,989.00	23,868.00
Sign Wash (EMI)													-
Power (City of Riverside)													-
Sign Communications (AT&T)	213.66	213.66	213.66	212.99	213.62	213.62	213.62	213.62	213.62	213.62	213.62	213.62	2,562.93
Property Taxes (Riverside County)													-
Loan Payment (out of Control account)	12,500.00												12,500.00
Legal													-
Insurance (General Liability/Sign)										8,500.00			8,500.00
Total Sign cash out	14,702.66	2,202.66	2,202.66	2,201.99	2,202.62	2,202.62	2,202.62	2,202.62	2,202.62	10,702.62	2,202.62	2,202.62	47,430.93
Admin													
Board Meetings			100.00										100.00
Management/Office Expenses (Garrett)	2,955.10	3,180.67	3,034.79	3,012.54	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	2,950.00	35,783.10
Insurance (D & O Coverage)						2,582.00		2,950.00	1,524.00				4,106.00
Legal	1,172.50		612.50	1,312.50									3,097.50
Accountant													1,653.75
Franchise Tax Board / City Taxes / IRS						189.55				-			189.55
Print (press enterprise)				700.00			1,800.00						2,500.00
Bank Fees	20.44	17.32	24.69	17.01									79.46
Total Non Media cash out	4,148.04	3,197.99	3,771.98	6,695.80	2,950.00	5,721.55	4,750.00	2,950.00	4,474.00	2,950.00	2,950.00	2,950.00	47,509.36
Monthly Net	20,776.30	26,656.09	33,953.61	5,849.90	16,210.79	16,286.20	30,351.38	13,206.25	133,507.19	23,651.38	19,883.78	46,094.96	216,638.19
Ending Balance	429,130.91	455,787.00	489,740.61	495,590.51	511,801.30	528,087.50	558,438.88	571,645.13	705,152.32	728,803.70	748,687.48	794,782.44	794,782.44