



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 16, 2025

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; ORDINANCE REVISING BOUNDARIES OF ARLINGTON BUSINESS IMPROVEMENT DISTRICT AND ASSESSMENT AMOUNT AND LEVYING ASSESSMENTS FOR FISCAL YEAR 2025/26

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 2025/26 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 2025/26. Adopt an ordinance to amend the Riverside Municipal Code to amend the boundaries and levy methodology.

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 2025/26, including whether a majority protest of affected business owners has occurred;
2. Accept the recommendations of the Advisory Board and adopt an Ordinance to amend Chapter 3.48.050 of the Riverside Municipal Code to amend the boundaries of the Arlington Business Improvement District (Arlington BID); and
3. Accept the recommendation of the Advisory Board and adopt an Ordinance to amend Chapter 3.48.070 of the Riverside Municipal Code to amend the assessment amount of the Arlington Business Improvement District (Arlington BID); and
4. Adopt a Resolution confirming the annual report of the Arlington Business Partnership, acting as the advisory board to the Arlington Business Improvement District, and levy assessments for FY 2025/26.

BACKGROUND:

The City of Riverside established the Arlington Business Improvement District (Arlington BID) to represent and promote local businesses and community engagement events, initiate improvement projects, and foster a sense of pride within the Arlington business area. The City Council approved the BID's formation on September 24, 2002, with the first BID assessments beginning on November 1, 2002 and the BID was codified in Chapter 3.48 of Riverside Municipal Code. The Arlington Business Partnership (ABP) was designated as the advisory board to manage the Arlington BID.

The District encompasses an area from Arlington Avenue to the north, Van Buren to Lincoln on the south, and parts of Magnolia Avenue from Tyler on the west to Jackson Street on the east. The annual Arlington BID assessment is currently set at 90% of the business tax charge or \$400, whichever is less.

Business tax rates in the City, including any associated charges, 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 Arlington BID was formed under Section 36500 of the California Streets & Highways Code. The Code mandates that the advisory board prepare an annual report detailing the assessments and activities funded by the BID. The City Council may approve the report as filed or request modifications.

During the annual levy process for FY 2023/2024, the City Council determined that to enhance transparency within all Business Improvement Districts, additional detailed information would need to be provided from the advisory boards. Resolution No. 24095 was approved by City Council on March 19, 2024, and details the scope of the new reporting requirements for the Arlington BID.

On August 19, 2025, the City Council received and approved the Annual Report of the Arlington Business Partnership, acting in its capacity as the advisory board to the Arlington Business Improvement District. City staff also introduced an Ordinance to the City Council to amend Chapter 3.48.050 and 3.48.070 of the Riverside Municipal Code, which would amend the Business Improvement District Boundaries as well as the Rate and Method of Assessment. The Council approved the introduction of the Ordinance at this first reading, while setting a Public Hearing date of September 16, 2025, for proposed adoption.

DISCUSSION:

The Streets & Highways Code mandates reporting requirements that the Advisory Board must follow. These reports are presented to the City Council each year and include items such as any proposed changes to the boundaries or assessment amounts in the district, the method and basis of assessments, and improvements and activities for the coming year.

The City Council adopted a resolution on August 19, 2025, declaring the intention to impose an assessment for the Arlington BID for FY 2025/26, effective November 1, 2025, and setting a public hearing for September 16, 2025.

According to the FY 2025/2026 Arlington BID Annual Report, changes are proposed to the district boundaries and the assessment amounts. The first change is to amend the district boundaries to

include additional frontage on Indiana Avenue, Magnolia Avenue, and Jackson Street. The second is an amendment to the BID assessment. Currently businesses within the district pay a rate of 90% of the non-discounted business tax charge, with a cap of \$400 per year. The proposed change to the assessment would revise the assessment amount to a flat fee of \$400 per business. Both changes are described in detail in the annual report and attached maps.

The report provides a detailed method and basis of calculating the assessments enabling each business owner to estimate their annual charges. Upcoming activities include programs to enhance the physical environment, clean up vandalism, beautify, and prepare for the various community events such as the annual chili cook-off and Winter Wonderland.

To levy the Arlington BID assessments for FY 2025/2026, the City Council must adopt a Resolution confirming the annual report and approve the levying assessments for FY2025/26. The Resolution of Intention has been published in a general distribution newspaper seven (7) days prior to the public hearing. Additionally, a notice has been mailed to business license tax certificate holder's within the Arlington BID, as well as any potential new businesses within the proposed expanded boundaries of the district.

Upon 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 Fiscal Year 2025/26, Council must approve the Resolution and Ordinance as recommended above.

FISCAL IMPACT:

This action has no fiscal impact to the City. Upon adoption of the resolution at the set public hearing, the assessment is expected to generate approximately \$375,200 for FY 2025/2026, which the City will collect through the annual business tax process and transfer directly to the Arlington Business Partnership.

Prepared by: Meline Carranza, Debt and Treasury Manager
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Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Resolution confirming the Annual Report and Levy for FY 2025/26
2. Ordinance to amend Chapter 3.48 of the Riverside Municipal Code
3. Current Boundary Map of Arlington BID
4. Proposed new Boundary Map of the Arlington BID
5. Annual Report of the Arlington BID
6. Presentation – City
7. Presentation – Arlington Advisory Board
8. Notice of Public Hearing