



City Manager's Office

AGENDA REPORT

DATE:	May 17, 2022
TO:	Mayor Butt and Members of the City Council
FROM:	Shasa Curl, City Manager Thomas Omolo, Senior Management Analyst Lizeht Zepeda, Senior Business Assistance Officer
Subject:	Resolution of Intention to Renew the Downtown Richmond Property and Business Improvement District
FINANCIAL IMPACT:	There is no immediate financial impact caused by this action. If DRPBID renewal is approved by 50 percent or more of the returned property owner ballots and the City adopts a resolution to renew the DRPBID, the City's annual assessment would be \$39,305.10 beginning in the fiscal year 2022-2023.
PREVIOUS COUNCIL ACTION:	May 3, 2022
STATEMENT OF THE ISSUE:	City staff members are seeking the adoption of a Resolution of Intention to Renew the Downtown Richmond Property and Business Improvement District (DRPBID).
RECOMMENDED ACTION:	ADOPT a resolution of intention confirming the City Council's intention to renew the Downtown Richmond Property and Business Improvement District – City Manager's Office (Shasa Curl/Thomas Omolo 620-6512).

DISCUSSION:

The Richmond Main Street Initiative and the Downtown Richmond Property and Business Improvement District (DRPBID) property owners have proposed the renewal of the DRPBID to provide activities and improvements which constitute and convey special benefits to assessed property owners. The renewed DRPBID will provide additional maintenance, safety and nuisance abatement, marketing, promotions and business development, capital improvements, and related administration to assess properties within the DRPBID boundary. On May 3, 2022, the Richmond City Council authorized the City Manager to execute all documents on behalf of the City of Richmond in support of the renewal of the DRPBID.

The City of Richmond is a significant property owner in the district. City staff members are requesting City Council approval to continue the support for the DRPBID. The DRPBID will be governed in accordance with a written Management District Plan (Attachment 2), pursuant to Streets and Highways Code section 36622. The Plan sets guidelines for the DRPBID, including the assessment rate, service plan, collection provisions, and governance.

The DRPBID assessment rate (cost to the parcel owner) is based on parcel type and square footage. The initial annual assessment rate applied to commercial parcels is \$0.15 per square foot per year, and to non-profit housing, parcels are \$0.08 per square foot per year. Assessment rates may be subject to an increase of no more than three percent (3%) per year.

The California Constitution, in Article XIII D, provides that "parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels, in fact, receive no special benefit." No public agency, including the City of Richmond, owning parcels in the DRPBID, has made such a demonstration. City-owned parcels within the DRPBID will receive special benefits from the full range of DRPBID activities and improvements and will, therefore, be assessed at the full commercial rate, commensurate with the degree of special benefit.

The Resolution of Intention may be adopted by Council upon receipt of petitions from property owners who will pay more than 50 percent of the proposed assessment. After the adoption of the Resolution of Intention, the "Right to Vote on Taxes Act" requires that the City mail a notice and ballot to affected property owners. If 50 percent or more of the ballots received, weighted by assessment, are in support of DRPBID renewal, the City Council may adopt a resolution renewing the DRPBID after holding a public hearing on the proposed renewal. City staff recommends holding the final hearing and ballot count on July 5, 2022. This date is in compliance with the legally required minimum 45-day return period for property owner ballots. The assessment, if renewed, would be placed on property tax bills; thus, the hearing must be held no later than July 19, 2022, to comply with the county assessor's deadline.

ATTACHMENTS:

Attachment 1 - Resolution of Intention to Renew the DRPBID

Attachment 2 - Management District Plan

Attachment 3 - Petition Tracker and Signed Petitions

Attachment 4 - Notice of Hearing

Attachment 5 - Ballots