



AGENDA REPORT

Economic Development

DATE:	July 19, 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:	Ballot Approval to Renew the Downtown Richmond Property and Business Improvement District
FINANCIAL IMPACT:	No immediate financial impact is caused by this action. If DRPBID renewal is approved by 50 percent or more of the returned property owner ballots and the City adopts the resolution to renew the DRPBID, the City's annual assessment for fiscal year 2022-2023 would be \$39,305.10.
PREVIOUS COUNCIL ACTION:	May 3, 2022 & May 17, 2022
STATEMENT OF THE ISSUE:	City staff is requesting the City Council conduct the noticed Public Hearing to consider adopting of a Resolution renewing the Downtown Richmond Property and Business Improvement District (DRPBID), approving the assessment formula, and levying the assessments.
RECOMMENDED ACTION:	ADOPT a resolution renewing the Downtown Richmond Property and Business Improvement District (DRPBID), approving the assessment formula, and levying the assessments – City Manager's Office (Shasa Curl/Thomas Omolo/Lizeht Zepeda 620-6512). This item was continued from the July 5, 2022, meeting.

DISCUSSION:

The Richmond Main Street Initiative and Downtown Richmond Property Business Improvement District (DRPBID) property owners have proposed a 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 assessed properties within the DRPBID boundary. The Richmond City Council authorized the City Manager to sign a petition supporting DRPBID renewal and including City property in the DRPBID on May 17, 2022.

The City of Richmond is a significant property owner in this area and City staff is requesting City Council continue to support the DRPBID. The DRPBID will be governed in accordance with a written Management District Plan, 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 (Attachment 2).

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 applied to non-profit housing parcels is \$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 renewed DRPBID will have a seven (7) year life beginning January 1, 2023, to December 31, 2029. After the seven (7) year term, the DRPBID may be renewed again for up to ten (10) years if property owners support continuing the programs (Attachment 2).

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 renewing the DRPBID may be adopted by City Council after holding a public hearing on the proposed renewal if fifty percent (50%) or more of the ballots received (weighted by assessment) are in support of DRPBID 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 31, 2022, to comply with the county assessor's deadline.

DOCUMENTS ATTACHED:

Attachment 1 – Resolution Renewing the DRPBID, Approving the Assessment Formula,
and Levying the Assessments

Attachment 2 – Management District Plan