

INTRODUCED: May 14, 2018

AN ORDINANCE No. 2018-146

To approve the Work Plan and Budget for the fiscal year ending Jun. 30, 2019, for the provision of services in the Downtown Richmond Special Service and Assessment Districts.

Patron – President Hilbert

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAY 29 2018 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Work Plan and Budget for the fiscal year ending June 30, 2019, for the provision of services in the Downtown Richmond Special Service and Assessment Districts and their overlay districts, as attached to this ordinance, are hereby approved.

§ 2. This ordinance shall be in force and effect upon adoption.

AYES: 7 NOES: 0 ABSTAIN: _____

ADOPTED: MAY 29 2018 REJECTED: _____ STRICKEN: _____



Richmond City Council

The Voice of the People

Richmond, Virginia

Lou Brown Ali
Council Chief of Staff

Office of the Council Chief of Staff

Council Ordinance/Resolution Request

TO Allen L. Jackson, Richmond City Attorney

THROUGH Lou Brown Ali, Council Chief of Staff *MLB on behalf*

FROM Joyce L. Davis, Council Policy Analyst *JLD.*
Office of the Council Chief of Staff

COPY Chris Hilbert, 3rd District Council member
Haskell Brown, Deputy City Attorney
Meghan Brown, Deputy Council Chief of Staff *MLB*
Lisa Townes, 3rd District Liaison

RECEIVED

MAY 04 2018

OFFICE OF CITY ATTORNEY

DATE May 4, 2018

PAGE/s 1 of 2

TITLE: Approval of Annual Budget and Work Plan FY 18-19 for services in the Downtown Richmond Special Service and Assessment Districts

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

Council member Chris Hilbert

SUGGESTED STANDING COMMITTEE

Finance Committee

ORDINANCE/RESOLUTION SUMMARY

Ordinance to approve the Work Plan and Budget for the fiscal year ending June 30, 2019 for the provision of services in the Downtown Richmond Special Service and Assessment Districts.

BACKGROUND

The patron requests an ordinance to approve the Work Plan and Budget for the fiscal year ending June 30, 2019, for the provision of services in the Downtown Richmond Special Service and Assessment Districts. Attached is the FY19 budget and Work Plan.

Venture Richmond is under contract with the City to manage the Downtown Special Assessment Districts and submits an annual Work Plan and Budget to City Council. Upon approval of this plan, by ordinance, Venture Richmond will implement programs for the Service Districts, through June 30, 2019. Venture Richmond provides management of the Clean, Safe and Green Program, provides marketing services; produces various downtown events; is the property manager for the Riverfront Overlay District; and

provides a variety of services including the canal cruises.

Fiscal Impact

The City provides a contribution to the Venture Richmond program annually. It is used to pay for the Clean & Safe program managed by Venture Richmond. The City originally agreed to outsource the Downtown sidewalk cleaning program (\$700,000) to Richmond Renaissance (now Venture Richmond) as part of 50/50 partnership between the City and Downtown property owners/businesses who agreed to increase their Special Service District Tax Rate from \$0.03/\$100 of assessed value to \$0.05/\$100. The City has previously also provided funding of \$490,248 for the support for the riverfront, festivals and events, marketing and promotion (\$490,248); for a total of \$1,190,248 (\$490,248+\$700,000).

The Mayor's proposed FY19 budget includes \$900,000 in Non-Departmental funds for Venture Richmond for municipal services (\$700,000 for Downtown sidewalk cleaning and \$200,000 for riverfront management, maintenance and operations. The Mayor's budget also included an arts and culture grant for \$265,000 for festivals and events (2nd Street Festival and Richmond Folk Festivals).

Venture Richmond's Work Plan also indicates that it receives special funds from the following sources for FY19. The Downtown Special Service District programs are funded by property owners in the General District (\$1,527,557) and the Riverfront Overlay Districts (\$386,343); a total of \$1,913,900 from the downtown Service District, which Venture Richmond is under contract to manage.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact

Funding is expected to be included in the FY 2019 proposed and adopted budgets. The budget submitted currently does align with the funding that is proposed in the Mayor's FY19 budget in Non-Departmental for Venture Richmond.

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/updated 12.22.08/sn

Venture Richmond - Service Districts
 Consolidated Budget
 Budget FY 2018-2019

	FY 18-19 Budget				
	Consolidated Service District Total	General District	Riverfront	Shockoe Slip	Broad/Grace
Projected Income (July 1, 2018-June 30, 2019)					
Interest Income - Service Districts	442	442			
Prior Years Fund Balance Carried Forward	59,647		10,000	24,283	25,363
Assessed Funds (General District)	1,477,557	1,477,557			
Assessed Funds (City account balance/carryover)	50,000	50,000			
City Share - Clean & Safe & Riverfront	900,000	700,000	200,000		
Assessed Funds (Riverfront)	388,343		388,343		
Riverfront-Other Revenue (earned and General District)	293,700		293,700		
Projected Total Income - FY 2018-2019	3,167,689	2,227,999	890,043	24,283	25,363
TOTAL Income	3,167,689	2,227,999	890,043	24,283	25,363
Expenses (July 1, 2018-June 30, 2019)					

Audit	5,000	5,000			
Clean & Safe Landscaping & Beautification	145,684	145,684			
Clean & Safe Contract Services	886,000	886,000			
Depreciation - Clean & Safe Equipment	28,388	28,388			
Insurance	6,335	6,335			
Bank Fees					
Downtown Marketing	282,182	282,182		24,283	25,363
Legal	3,000	3,000			
Neighborhood Programs	49,647				
Downtown New Initiatives (SB Camera's, Econ Dev., etc.)	50,000	50,000			
Program Management	284,369	284,369			
General Administration Allocation	132,080	132,080			
GD support to Richmond Folk Festival	200,000	200,000			
GD support to Friday Cheers	50,000	50,000			
GD support to 2nd Street Festival	75,000	75,000			
GD support of Riverfront	70,000	70,000			
Riverfront (management, maintenance, operations, etc.)	890,043		890,043		
TOTAL EXPENSES	3,167,689	2,227,999	890,043	24,283	25,363
NET INCOME - June 30, 2019		0	0	0	0

Notes to FY 2018-2019 budget
 * Use of fund balance from Shockoe Slip Consumer District & Broad/Grace Consumer District
 ** Clean & Safe equipment is a purchase using funding from previous tax years; amortized over 4 years

Venture Richmond Special Assessment District Management

Work Plan and Budget FY 2018-2019

Venture Richmond represents the merger of Richmond Renaissance, River District Alliance, Richmond Riverfront Corporation and City Celebrations. Venture Richmond is under contract with the City of Richmond to manage the Downtown Special Service and Assessment Districts. It is also under contract to manage, operate and maintain the Downtown Riverfront which includes the Canal Walk and Canal Cruise operations, Brown's Island and the Belle Isle parking lot.

PROGRAM EVALUATION

The Service District programs were established in 1990 and are supported by the City of Richmond Administration, City Council and the Downtown business community. The FY 2017-2018 Work Plan and Budget continues to support the recommendations from a comprehensive evaluation of the Service District programs in 2006. The evaluation included: a VCU Metro Poll Telephone Survey of residents in the region to determine the community perceptions of Downtown Richmond; an online opinion survey for Downtown property owners, residents and businesses who pay the Special Assessment; and focus group discussions with the Downtown neighborhood organizations and Venture Richmond committees. We plan to undergo another evaluation in the next 18 months.

There is strong support for the Service District programs, in fact, 82% of the tax payers, who filled out the online survey, believed we should continue to provide enhanced services, such as Clean & Safe and marketing, for Downtown.

CLEAN & SAFE

The Downtown Special Assessment District continues to enjoy remarkable success, helping to transform a historic downtown into a thriving, vibrant area which is emerging as a key tax base driver for the City.

In accordance with the applicable Ordinance that formed the basis of the public-private partnership and imposed a \$.05/100 special assessment on District property owners for enhanced services. The City of Richmond's share of this public-private partnership is \$700,000 annually for the outsourcing of Downtown sidewalk cleaning. Private sector

support from the property owners via the special assessment is over \$1.9 million and greatly exceeds the "City share" and continues to escalate.

The **goals** of the Downtown Clean and Safe Program include the following:

- **Enhance the cleanliness of Downtown** - Venture Richmond has contracted with minority owned Community Business Group to provide sidewalk cleaning services, weeding, leaf collection, steam cleaning homeless waste spots and other cleanliness related services in the districts. The Clean and Safe team provides an **enhanced sense of safety** on the streets and operates seven days a week. Funds (\$700,000) previously used by the City to provide sidewalk cleaning services Downtown are transferred and outsourced to Venture Richmond to help fund this program.
- **Beautify Downtown** - Venture Richmond will continue to work with the City of Richmond to beautify the Downtown district. This fills a void that some active civic associations would otherwise provide, but is not provided by the City on a consistent basis. Venture Richmond oversees and maintains the Broad St planters which were relocated for BRT and most replaced around the Coliseum. Venture Richmond also oversees and maintains the Grace Street Beautification program and the 3rd and 5th Street Gateway Beautification Program developed in partnership with Maymont and the City. Venture Richmond contracts with KleaneKare, a minority owned business, to provide the ongoing watering and maintenance for these beautification projects. Additional beautification projects overseen, funded and maintained by Venture Richmond include the 12th and Canal St. median, 14th and Dock St. median and the hanging baskets in Shockoe. At the City's request last year, Venture Richmond also waters and maintains the Maggie Walker Plaza area.
- **Enhance the feeling of safety** Downtown by providing enhanced cleaning, additional eyes and ears on the street, beautification services that exceeded normal City standards, and handling the difficult problem areas that require constant attention.

NEIGHBORHOOD PROGRAMS

To work with the Shockoe Slip and the Broad/Grace Consumer Districts to support specific programs that benefit those neighborhoods, such as capital improvement and beautification projects, neighborhood marketing initiatives, and events.

It should be noted that no City funds are used for these programs. These consumer districts had an extra tax assessment in the past, and the remaining balance of those funds is being used for these programs.

DOWNTOWN MARKETING

In addition to our ongoing marketing and promotional efforts for Downtown and the Riverfront Canal Cruises, Venture Richmond will continue to lead the RVA Branding initiative, which has helped unify the region. We have distributed hundreds of thousands of RVA bumper stickers to residents to enhance pride in Downtown and the City. The new RVA Creates A to Z banners enhance the sense of place Downtown and are showcasing about 30 things / activities that are created Downtown continuing to drive the brand of being the creative center for RVA.

We are bringing more attention to the residential and commercial development boom that is underway downtown, through highly creative marketing strategies which include the Downtown Development Forum and Development Update magazine. The Development Update Magazine and the Downtown Dining Guide are important tools for the City's Economic Development initiative. We use the Dining Guide brochure and ads to promote over 200 Downtown restaurants to visitors throughout the region.

DOWNTOWN EVENTS

To support major community festivals produced by Venture Richmond, such as the Richmond Folk Festival, 2nd Street Festival, Friday Cheers, and Dominion RiverRock.

DOWNTOWN INIATIVES

Venture Richmond is working with Shockoe Partnership to privately fund the Richmond Police Department's plan to add CTV security camera's in the Shockoe Bottom. We are also working with the City and others on how to leverage Venture Richmond's time and talents to further support the economic development of Downtown.

RIVERFRONT DISTRICT

To support Riverfront programs, property management and improvements. Venture Richmond is under contract with the City to manage and maintain city-owned Canal Walk, Brown's Island and the Belle Isle parking lot. In addition to the Riverfront Overlay District's assessed funds, the City provides \$200,000 for their share of the operating costs and the General District supports the Riverfront with \$70,000.

To fund the development and implementation of programs and property management for Richmond's Riverfront Overlay Districts. The annual work plan for this area includes:

- Maintain Tredegar Green as a public open space
- Continue to enhance the level of maintenance, landscaping, and improvements of the Canal Walk corridor, Brown's Island, Bayscape

Area – Haxall Headgate Park, Tredegar Green and all of the leased areas;

- Facilitate interest in Richmond Riverfront development opportunities and provide assistance to developers and tenants;
- Coordinate private covenant and Riverfront design guideline compliance and Architectural Review Committee reviews of riverfront projects;
- Coordinate continuous improvements along the canal and riverfront area;
- Maintain and enhance the “botanical makeover” of the Canal Walk from Reynold’s east towards the Floodwall, working in partnership with Lewis Ginter Botanical Garden and corporate volunteers.
- Continue site management role and active leasing of Brown’s Island and Turning Basin event venues.
- Secure renewal or replacement of all business package, workers compensation, marine liability and general liability insurance policies.
- Annual upkeep of the historic interpretations
- Operate and market the Riverfront Canal Cruises

As a condition to the continuation of the Agreement for the Provision of Services in the Downtown Richmond Special Service and Assessment Districts dated December 31, 1996, as modified, amended and assigned (the "Services Agreement") and to secure Venture Richmond's performance under the Services Agreement, Venture Richmond granted to the City (as defined in the Services Agreement) a lien on substantially all of the assets of Venture Richmond.