

INTRODUCED: June 12, 2023

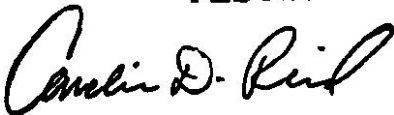
AN ORDINANCE No. 2023-185

To approve the Work Plan and Budget for the fiscal year ending Jun. 30, 2024, for the provision of services in the Downtown Richmond Special Service and Assessment Districts.

Patrons – Ms. Robertson, Ms. Newbille and President Jones

Approved as to form and legality
by the City Attorney

**A TRUE COPY:
TESTE:**



City Clerk

PUBLIC HEARING: JUN 26 2023 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Work Plan and Budget for the fiscal year ending June 30, 2024, 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: JUN 26 2023 REJECTED: _____ STRICKEN: _____



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Council Ordinance/Resolution Request

TO Laura Drewry, Richmond City Attorney

THROUGH LaTasha T. Holmes, Council Chief of Staff

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

COPY Ellen Robertson, 6th District Council member
Tabrica Rentz, Deputy City Attorney
Tavares Floyd, 6th District Liaison

DATE June 1, 2023

PAGE/s 1 of 2

TITLE: **Approval of Annual Budget and Work Plan FY 23-24 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 Ellen Robertson

SUGGESTED STANDING COMMITTEE

Finance Committee

ORDINANCE/RESOLUTION SUMMARY

Ordinance to approve the Work Plan and Budget for the fiscal year ending June 30, 2024 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, 2024, for the provision of services in the Downtown Richmond Special Service and Assessment Districts. Attached is the FY 24 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, 2024. Venture Richmond provides management of the Clean and Safe 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 Mayor's proposed FY 24 budget included a total of \$1,375,000 in Non-Departmental funds for Venture Richmond (\$700,000 Sidewalk cleaning + 200,000 Riverfront maintenance + \$475,000 Manchester cleaning addition).

The City provides a contribution to the Venture Richmond program annually. The funding is used to pay for the Clean & Safe program managed by Venture Richmond. In accordance with the applicable Ordinance that formed the basis of the public-private partnership and imposed a \$0.5/100 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 and \$200,000 for maintenance and management of the Riverfront corridor, along with the most recent addition cleaning of the Manchester district.

Venture Richmond also receives special funds for its FY 24 budget from additional sources. The Downtown Special Service District programs are funded by property owners in the General District and the Riverfront Overlay District. The Downtown Special Service District programs are funded by property owners in the General District downtown service district (\$1,915,597); the Riverfront Overlay District (\$489,577); and the Manchester District (\$470,000) for a projected assessed revenue of \$2.8 million dollars.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact

Funding is included in the City of Richmond FY 24 proposed and adopted budgets.

Attachment/s Yes No

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

Venture Richmond - Service Districts
Consolidated Budget
Budget FY 2023-2024
as of 3-30-23

FY 23-24 Budget						
	Consolidated Service District Total	General District	Riverfront	Manchester	Shockoe Slip	Broad/Grace
Projected Income (July 1, 2023-June 30, 2024)						
Interest Income - Service Districts	82	82				
Prior Years Fund Balance Carried Forward	49,622				24,301	25,321
Assessed Funds	2,875,341	1,915,597	489,577	470,167		
Assessed Funds (City account balance/carryover)						
City Share -Clean & Safe & Riverfront & Manchester Contributions	1,375,000	700,000	200,000	475,000		
Riverfront-Other Revenue (earned)	525,770		525,770			
Projected Total Income - FY 2023-2024	4,825,815	2,615,679	1,215,347	945,167	24,301	25,321
TOTAL Income	4,825,815	2,615,679	1,215,347	945,167	24,301	25,321
Expenses (July 1, 2023-June 30, 2024)						
Audit	6,500	6,500				
Clean & Safe Landscaping & Beautification	145,000	145,000				
Clean & Safe Contract Services	1,120,850	1,120,850				
Depreciation - Clean & Safe Equipment	43,660	43,660	**			
Insurance	7,824	7,824				
Bank Fees	60	60				
Downtown Marketing	220,000	220,000				
Legal	3,000	3,000				
Neighborhood Programs	49,622					
Downtown New initiatives (Econ. Dev., Riverfront, etc.)					24,301	25,321
Placemaking	51,332	51,332				
Program Management	449,282	449,282				
General Administration Allocation	158,171	158,171				
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	85,000	85,000				
Manchester	945,167			945,167		
Riverfront (management, maintenance, operations, etc.)	1,215,347		1,215,347			
TOTAL EXPENSES	4,825,815	2,615,679	1,215,347	945,167	24,301	25,321
NET INCOME - June 30, 2024	-	-	-	-	-	-

Notes to FY 2023-2024 budget

- * Use of fund balance from Shockoe Slip Consumer District & Broad/Grace Consumer District
- ** Clean & Safe equipment is purchased using funding from previous tax years; amortized over 4 years

Work Plan and Budget FY 2023-2024

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. In 2023, City Council approved expanding the General District Boundaries to Manchester, effective January 1, 2023. Manchester is included in this work plan and budget.

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 2022-2024 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. There is strong support for the Service District programs, in fact, 82% of the taxpayers, who filled out the online survey, believed we should continue to provide enhanced services, such as Clean & Safe and marketing, for Downtown.

In 2020, Venture Richmond hired VCU's Center for Urban and Regional Analysis to conduct an economic impact study of Venture Richmond and its programs, which included quantitative and qualitative research. Focus group discussions with Downtown stakeholders showed strong support for Venture Richmond's programs and the impact they have on the community. The total economic impact of Venture Richmond operations and event attendee spending is \$57.7 million.

Venture Richmond also completed a research study with the International Downtown Association (IDA) on "The Value of U.S. Downtowns and Center Cities" in 2020. The study quantifies the value of Downtowns across 150 metrics under five core value principles with a focus on how downtowns contribute to the city and region. From 2017 to 2022, IDA has analyzed a total of 45 downtowns and center cities across the country. Downtown Richmond has emerged as a fast-growing and vibrant cultural center for the region. With only 5.3% of the citywide land area, Downtown has 9.2% of Richmond's population and almost 2% of the region's population- a fairly large share compared to other Downtowns in the study.

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 more than \$2.3 million and with the expansion to Manchester the number increases by \$475,000 for a total of more than 2.8 million. This greatly exceeds the "City share" and private investment 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 part of 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 it is not provided by the City on a consistent basis. Venture Richmond oversees and maintains the Broad St planters, the Grace Street Beautification program, the 3rd and 5th Street Gateways and 124 hanging baskets along Broad St. and in Shockoe Slip.
- Beautification Program developed in partnership with Lewis Ginter Botanical Garden, Maymont and the City. Venture Richmond contracts to provide the ongoing watering and maintenance for these beautification projects. Additional beautification projects overseen, funded and maintained by Venture Richmond include the Broad St. mohawk medians, the 12th and Canal St. median and 14th and Dock St. median.
- 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.

We are bringing more attention to the small businesses, as well as the residential and commercial development boom that is underway downtown, through highly creative marketing strategies. We continue to expand our website, redesigned in 2019, that promotes Downtown and includes an interactive map highlighting downtown restaurants and shops, historic sites and attractions. We recently launched a “Faces of Downtown” campaign in print, TV and social media platforms. The goal of the program is to remind the region of the faces of our small businesses who have been hurt by the pandemic and need support from the region. Several new marketing initiatives will be launched in 2023.

DOWNTOWN EVENTS

To support major community festivals produced by Venture Richmond, such as the Richmond Folk Festival, 2nd Street Festival, and Friday Cheers. We also produce Dominion Energy Riverrock in partnership with the Sports Backers.

DOWNTOWN INITIATIVES

To provide funding for new Venture Richmond Downtown initiatives that support enhanced services, economic development, riverfront improvements, placemaking or other programs aligned with our strategic plan. 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 \$85,000.

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, on a limited basis, to charts during the pandemic in 2021.
- Implement the Brown's Island Improvement Plan to assist the City of Richmond in implementing recommendations from the 2012 Richmond Riverfront Plan that will make Brown's Island a safer and more effective event venue and a more attractive and accessible public park. The 2023 focus will be on fund raising for the plan.

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.