

## Downtown Reno Business Improvement District: Management Plan Summary (DRAFT October 1, 2017)

### BID Objectives

The Downtown Reno Business Improvement District (BID) is intended to be a private sector led and managed neighborhood improvement program with the following objectives:

- **Stabilize Downtown Streets:** Provide advocacy, leadership, and services that address downtown’s most pressing challenges/opportunities, such as improving public safety, reducing homelessness, enhancing cleanliness, increasing mobility (transportation and access), and activating quality public spaces.
- **Economic and Community Development:** Increase business activity for existing operators and attract new investment to downtown through housing, economic development, and diversification initiatives. Enhance property values, sales, and occupancies.
- **Unified Voice and Champion for Downtown:** Align existing groups to speak with a single unified voice on behalf of downtown
- **Accountability:** Offer accountability to ratepayers through a property and business owner-managed governance structure.

### BID Boundaries

The Downtown Reno BID will encompass a large area of the downtown bounded roughly by Interstate 80/9<sup>th</sup> Street to the north; Wells Avenue to the east; the Truckee River, California, and Moran Streets to the south; and Keystone Avenue to the west. A map of the proposed BID service area is attached.

### Service Areas

(see attached map)

The Downtown Reno BID will offer the following levels of service:

- **Standard Services** will include a “clean and safe” program that deploys teams of safety ambassadors and maintenance patrols throughout the downtown. Ambassador services will include quality of life crime deterrence, engagement of the homeless population, on-demand safety escorts, ongoing public engagement, and hospitality services. These services will augment supplemental City of Reno police services, including foot and bike patrols that will be supported by BID funds. District-wide maintenance services will include “on-demand spot cleaning” throughout downtown. In addition, the program will include support for a downtown management organization providing leadership, economic development, communications, marketing services, and advocacy to advance issues and policies that benefit downtown and improve the area’s overall image and appeal for employees, visitors, and residents.
- **Premium and Premium-Plus Services** will add maintenance patrols concentrated within the core of downtown providing periodic removal of litter, weeds, and graffiti; cleaning of public furniture and fixtures; power washing; and special maintenance needs as they arise. The Virginia Street corridor will receive daily maintenance services and properties along this corridor will pay a higher “premium-plus” service rate.

**Estimated Operating Budget**

For the initial year of BID operation, an annual operating budget of \$2.3 million is projected: Standard Services \$1,800,000 & Premium Services \$500,000. A summary Year 1 budget is provided below:

<b>Standard Services</b>	
Safety Ambassadors	\$ 700,000
Supplemental Reno Police	\$ 700,000
BID Staff & Marketing	\$ 400,000
<b>TOTAL STANDARD SERVICES</b>	<b>\$ 1,800,000</b>
<b>Premium Services</b>	
Supplemental Maintenance: Core of Downtown	\$ 400,000
Enhanced Daily Services: Virginia Street	\$ 100,000
<b>TOTAL PREMIUM SERVICES</b>	<b>\$ 500,000</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 2,300,000</b>

**Estimated Annual Costs**

The BID operating budget is distributed on a cost allocation basis to a database that contains **assessed valuations and linear street frontage** for all assessable properties within each service zone. According to NRS 271, properties exempt from assessment are limited to those owned by the federal government and public schools. Local governments may opt in to pay their fair share of assessment, but are not required to do so by the statute.

The new BID is replacing two pre-existing special assessment districts, one for enhanced City policing services and one for enhanced City maintenance services. A comparison of existing rates to proposed BID rates is provided below.

Service Area	Existing SAD Rates	Proposed BID Rates
Standard	\$ 0.00499/per \$1 of value	\$ 0.00513/per \$1 of value
Premium	\$ 0.00499/per \$1 of value	\$ 0.00513/per \$1 of value + \$11.38/foot of linear frontage
Premium-Plus	\$ 0.00805/per \$1 of value	\$ 0.00513/per \$1 of value + \$ 30.70/foot of linear frontage

Adjusted rates are recommended for non-profit, government, and residential properties as follows:

- Owned by non-profits and government and used for a non-profit use: **50% discount** on all assessment rates
- Residential properties: Pay **85%** of the standard area commercial rate – adjustment to take marketing out of residential rate

**Assessment Cap** For properties that are in excess of \$50,000,000 in assessed value, the standard assessment applies only to the first \$50,000,000 of assessed value. This cap acknowledges the diminished benefit from BID services to large high value properties and also acknowledges the assessed value differential between newer and older real estate improvements.

**City Services** The City of Reno will establish a documented base level of pre-BID City services. The BID will not replace any pre-existing general City services.

Currently, one of the SADs raises \$1.6 million annually to support dedicated deployment of City of Reno police officers within the downtown area. This Management Plan initially allocates \$700,000 annually to support these supplemental police services, and recommends that these services be deployed exclusively through foot and bicycle patrols. The City of Reno has committed to fund the remaining amount (i.e. \$900,000) with a combination of city general fund allocations and other non-city contributions to ensure that existing supplemental patrols are retained for the first three years of the BID.

**Collection & Enforcement** BID assessments will appear as a line item on annual property tax bills and will carry the same lien authority for enforcement as standard property taxes.

**Term of the District** The BID will be established with an initial term of 10 years. In Year 5, the BID will undergo a formal evaluation to determine that the services and assessment methods are consistent with the needs of the district. Any adjustments may be considered at that time. To extend the BID beyond the initial 10-year term, a new operating plan will need to be developed and a property owner petition process consistent with NRS 271 undertaken to affirm support for the district.

**Annual Adjustments to Assessments** It is the intent of the BID operating plan that budgets and assessment will be adjusted annually. Any increase in assessment rates will be limited to a maximum of 5% as determined by the BID board of directors. The BID assessment roll will be updated annually to incorporate new development.

**Annual Adjustments to Boundaries and Service Areas** NRS271 allows for annual adjustments to BID boundaries and service areas. The process would require the Downtown Reno Management Organization (see below) to request modifications to the Reno City Council. Adjustments would be considered during a public hearing. Boundary and service area adjustments are anticipated to respond to new development activity and/or other needed adjustments to programming.

**District Formation** BID formation requires petition support from property owners representing more than 50% of the assessments to be paid. Petitions are submitted to the City of Reno and the BID is formed by an ordinance of the Reno City Council.

**District Governance** The BID will be governed by a new 501(c)6 non-profit organization with a board of directors comprised of property and business owners representing a wide variety of geographic sub-districts and use-types within the downtown. The board is expected to be self-selected through a nominating process inviting participation from downtown property owners, businesses, and residents. A 15-member board is anticipated with the following considerations:

- Geographic representation including representation from each of the planning sub-districts identified in the 2017 Downtown Action Plan: Entertainment, Riverwalk, University, and Northwest.
- Use-type representation including gaming, hospitality, office, retail, non-profit, residential, health care and civic
- A mix of small and large property owners, including standing seats for the three private sector property owners paying the most assessments
- At least two business tenants that are not property owners
- Two government representatives or their designees from the 1) Reno City Council and 2) Washoe County Commission

**New Reno Downtown Management Organization** The BID will usher in a new downtown management model that is commonly found in peer cities to Reno throughout the nation. The organizational parts include:

- The Downtown BID will be an assessment district that finances the services specified within this plan. As permitted by Nevada statutes, the BID will contract with a new non-profit Management Organization that will implement day-to-day services.
- A new Reno Downtown Management Organization (DMO) will become the operating arm for the BID. Envisioned as a 501(c)6 non-profit organization, all staff and overhead will be housed in the new Reno DMO. Its board will be composed of up to 15-members as outlined above. This structure will allow for a unified and cohesive approach to the management, marketing, and maintenance of downtown Reno. It will also provide a conduit for diversifying BID funds by helping to attract sponsorships, grants, contracts, and memberships from companies located outside of downtown. Other like-



