

# Downtown Reno Business Improvement District: Management Plan



*As Amended on May 8, 2019*

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## **CHANGE MANAGEMENT**

**10/31/17** Original management plan

**05/08/19** BID objectives to include activities defined in NRS 271.147(1) to allow for beautification and improvement of the public portions of any area. Specifically, define Premium-Plus Services to include such standards.

Created contingency reserve accounts for Standard and Premium Plus Service funding pools.

Added language that upon the close of a fiscal year, any fund balance would be added to the appropriate contingency reserve account. For example, if the budget for the following fiscal year for Standard Services was set at \$100,000 with an additional \$10,000 placed in contingency reserve and at the end of the current fiscal year there remains \$5,000 in unspent funds in Standard Services, these funds automatically rollover into the contingency reserve account.

Clarified that budget updates do not constitute changes to the Management Plan, only changes to significant deviations from objectives, boundaries, services levels or assessment methodology may require updates and applicable public hearings.

Base Level of Services is now incorporated into the Professional Services Agreement with the selected DMO.

Provided an updated map.

## Downtown Reno Business Improvement District: Management Plan Summary

### BID Objectives

Through the “Consolidated Local Improvement Law” (Chapter 271 of the Nevada Revised Statutes), counties, cities and towns are allowed to form Neighborhood Improvement Projects for the improvement of an area by providing for the beautification and improvement of the public portions of any area as well as promotional activities (see NRS 271.147). Beautification and improvements may include any public restrooms; facilities for outdoor lighting and heating; decorations; fountains; landscaping; facilities or equipment, or both, to enhance protection of persons and property within the improvement district; ramps, sidewalks and plazas; and rehabilitation or removal of existing structures. A “promotional activity” includes “providing services related to security, sanitation, the removal of graffiti, the cleaning of streets and sidewalks and providing other municipal services that are supplemental to those typically provided by the municipality” (NRS 271.178).

The **Downtown Reno Business Improvement District (BID)** herein is intended to be a private sector led and managed Neighborhood Improvement Project under NRS271 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 provided on **page 9**.

### 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 Services**, in addition to Standard 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.
- **Premium-Plus Services**, in addition to Standard and Premium Services, will provide along the Virginia Street corridor expanded and daily maintenance services and if needed, any public restrooms; facilities for outdoor lighting and heating; decorations; fountains; landscaping; facilities or equipment, or both, to enhance protection of persons and property within the improvement district; ramps, sidewalks and plazas; and rehabilitation or removal of existing structures. 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 \$2.35 million is projected: Standard Services \$1,850,000 & Premium Services \$500,000. A summary Year 1 budget is provided below:

<b>Standard Services</b>	
Safety Ambassadors	\$ 725,000
Supplemental Reno Police	\$ 725,000
BID Staff & Marketing	\$ 400,000
<b>TOTAL STANDARD SERVICES</b>	<b>\$ 1,850,000</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>\$ 2,350,000</b>

Changes to the Operating Budget will be at the discretion of the Board of Directors of the Downtown Reno

Management Organization (see below) contracted to operate and manage the BID. Changes to the Operating Budget do not necessitate an update to the Management Plan as NRS provisions contain safeguards and requirements for the non-profit association through contracts, audits and reporting. Changes to the objectives, boundaries, services levels or assessment methodology may require updates to this plan and public hearings.

#### 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	\$ 0.00506/per \$1 of value
Premium	\$ 0.00805/per \$1 of value	\$ 0.00506/per \$1 of value + \$10.87/foot of linear frontage
Premium-Plus	\$ 0.00805/per \$1 of value	\$ 0.00506/per \$1 of value + \$ 29.75/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

Annual adjustments to the rates also do not constitute a change in the Management Plan so long as they are within the limits provided for in the *Annual Adjustments to Assessments* section.

#### 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 \$725,000 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. \$875,000) 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 to 19 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 15 to 19 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-minded organizations will have the option to organize under the umbrella of the Reno Downtown DMO if mutually agreed upon.

The DMO will have committees that encourage property owners, residents and other stakeholders to have creative input into the design and implementation of DMO and BID-funded initiatives. Initial recommended committees include 1) Clean and Safe and 2) Marketing and Economic Development.

### **Downtown Reno Management Organization**



### **Downtown BID**



### 3. WHY CREATE THE DOWNTOWN RENO BID?

#### What is a BID?

The International Downtown Association estimates that more than 1,000 business improvement districts (BID) currently operate throughout the United States and Canada. **A BID provides enhanced improvements and activities, such as public safety, maintenance and image enhancement, in addition to those provided by local government.** BIDs provide services that improve the overall viability of business districts, resulting in higher property values, sales and tax revenues. Downtown BIDs are found in major cities throughout the West, including Boise, Denver, Sacramento, Salt Lake City and Spokane.

#### Why Create a BID for Downtown Reno?

- **Influence the Future Growth and Development of Downtown:** The BID is intended to be a private sector led and managed entity that will influence how future policies and civic investments are crafted to benefit downtown. Issues that the BID plans to tackle include improving public safety, addressing homelessness, improving blighted buildings, increasing transportation options and creating quality public spaces.
- **Create a Consistently Clean, Welcoming and Attractive Downtown:** Downtown Reno is challenged by an inconsistent experience in its public realm –occasionally intimidating street behaviors, dirty sidewalks and graffiti that detract from the overall daily experience of visitors, employees and residents. The BID will supplement existing City services, providing additional resources to ensure a consistently clean and welcoming downtown at all times.
- **Enhance Property Values, Sales, and Occupancies:** BIDs are a critical mechanism in strengthening the economic foundation of downtowns. A Downtown Reno BID will fund improvements and services that enhance the overall economic vitality of the downtown business district. Success will be measured by higher property values, sales and occupancies.
- **Help Downtown Reno Compete:** As a business location and a retail/entertainment destination, Reno competes with growing cities throughout the West. Moving forward out of a recessionary economic cycle, the BID will provide resources to help Downtown Reno strengthen its unique position in this increasingly competitive market.
- **Maximize Ratepayer Control and Accountability:** The BID will be governed by a board composed of a majority of property owners and a new downtown organizational structure, ensuring that decisions affecting assessments are made by affected property and business owners. BID-financed programs will be subject to an annual audit and other private sector performance standards and controls.

## 4. IMPROVEMENT & ACTIVITY PLAN

### A. Process to Establish the BID Management Plan

The impetus and opportunity to move forward to create a Downtown BID came along with the Downtown Reno Action Plan process in 2016. The Action Plan identified the BID as the best mechanism to advance downtown's economic development, create a consistently clean and safe public realm, and improve the private sector's ability to advance policies that enhance downtown's business climate. More than 1,400 business, resident and community voices contributed to the Action Plan and its recommendations. In April of 2017, the Reno City Council unanimously adopted the Action Plan and authorized resources to help the downtown community explore the formation of the BID.

To form the Downtown BID Management District Plan, downtown property and business owners and civic leaders have been involved in a participatory process that was initiated following the adoption of the Downtown Action Plan in the spring of 2017. The consulting firms Progressive Urban Management Associates and Kristin Lowell Inc. were retained by the City of Reno to guide the process for creating the BID. Input from nearly 100 property owners, businesses, residents and civic leaders have been obtained through an extensive community outreach process. Key steps of the process included:

- A series of BID Steering Committee meetings with key property owners, businesses, residents and civic leaders.
- Property owner forums were convened in October of 2017 to present final draft BID Management Plan concepts and solicit input for final revisions.
- Periodic presentations and briefings have been held for the Reno City Council and appropriate staff members throughout the process.

Overall, the outreach process revealed a willingness to support a BID, particularly if it can address the following key issues:

- **Leadership and influence** to guide policy and civic investment decisions affecting downtown.
- **Enhanced safety and security** with an emphasis on containing disruptive street behaviors and challenges arising from homelessness.
- **Economic development** to help attract new businesses, jobs and investment to downtown, including improving blighted buildings.
- **Activating public spaces** to make downtown more inviting and livable.

**City Base Level of Services:** Concurrent with the property and business owner outreach process to develop the BID Management Plan, meetings were held with City staff to develop an accounting of current city services and a policy commitment to continue these services



through the duration of the BID. **Base level of services are incorporated into the Professional Services Agreement with the selected DMO as attachments.**

## **B. BID Boundaries**

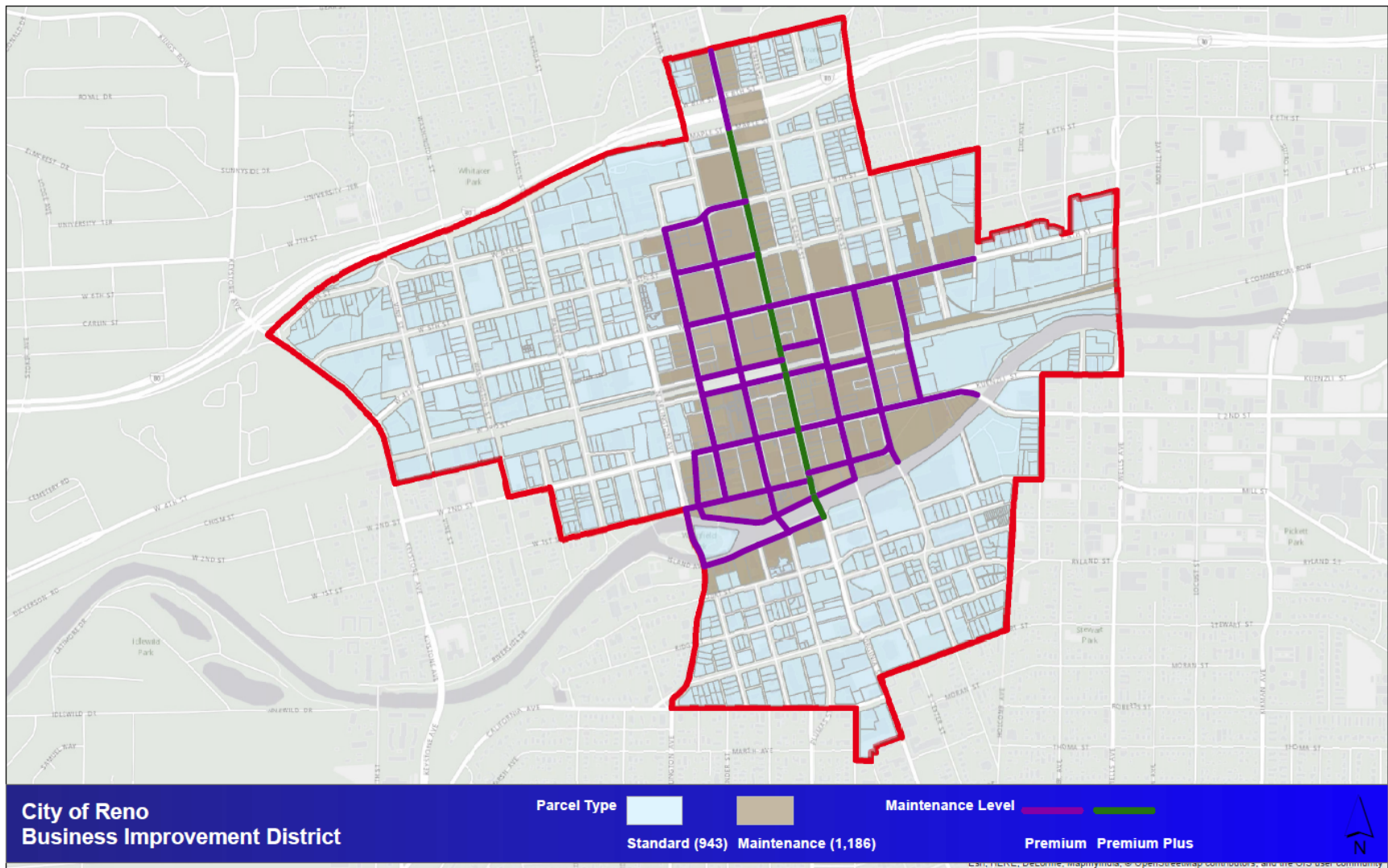
**Replacing Two SADs with One BID:** Currently, downtown property owners pay special assessments through two special assessment districts (SADs) to support extra police and sidewalk cleaning services provided by the City of Reno. The BID will replace the existing assessment districts and introduce a new private-sector led approach to keeping downtown safe and clean.

The proposed BID district will encompass the core of the downtown area that is currently serviced by the two SADs, 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 provided on the following page.

**Benefit Zones:** Three benefit zones are proposed with three different levels of service. The benefits are delineated as follows:

- **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 Services**, in addition to Standard 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.
- **Premium-Plus Services**, in addition to Standard and Premium Services, will provide along the Virginia Street corridor expanded and daily maintenance services and if needed, any public restrooms; facilities for outdoor lighting and heating; decorations; fountains; landscaping; facilities or equipment, or both, to enhance protection of persons and property within the improvement district; ramps, sidewalks and plazas; and rehabilitation or removal of existing structures. Properties along this corridor will pay a higher “premium-plus” service rate.

A map of the proposed district boundary and benefit zones is provided on the following page and a more detailed map with specific parcel lines will be provided upon request.

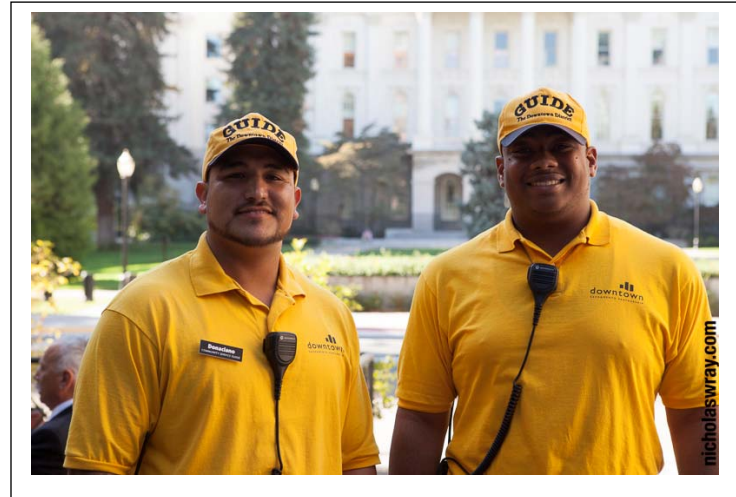


## C. Work Program

### Clean & Safe Program

To respond to stakeholder priorities and guiding principles for a Downtown Reno BID, several scenarios were developed for providing district-wide Clean and Safe services. Objectives in developing the Clean and Safe scenarios included:

- Deploy a Clean and Safe program that will make a visible, tangible and lasting impact.
- Carefully document existing City services and ensure that BID-funded services are supplemental to, and do not replace, existing City services.
- Ensure that the program is properly capitalized and that additional funding will not be required once the BID is created.
- Provide flexibility in the modeling of the program so that the BID can either create its own in-house program or contract with private firms.



Nationally, BID Clean and Safe programs are typically provided by teams of highly trained maintenance workers and hospitality “ambassadors”. Both ambassadors and maintenance workers wear distinctive and colorful uniforms that maximize the visibility of their presence on the street plus complement overall downtown marketing efforts.

Hospitality ambassadors are trained for a variety of tasks, ranging from providing information to visitors to offering escort services for employees, to bearing witness against persons who commit nuisance crimes. Ambassadors act as “eyes and ears” for police and can carry radios that interface with police dispatch systems. They do not carry weapons. Urban Clean and Safe programs also work in concert with local social service providers to address homelessness, offering service referrals and, as the program matures, entry-level employment options for persons living on the street.

The firm of Block by Block, a national Clean and Safe service provider that specializes in urban BIDs (including downtown Oakland, Santa Monica and Long Beach), provided cost estimates for a Downtown Reno Clean and Safe program, including service frequencies, manpower, equipment and costs. Based upon the Block by Block evaluation, the BID Management Plan recommends resources for a Clean and Safe



program with total annual resources estimated at \$1,175,000. The range of service frequencies that could be expected from this level of investment are provided below:

<b>Standard Services: Throughout the Entire BID</b>	
<b>Safety &amp; Hospitality Ambassadors</b>	
<i>Hospitality F.T.E.</i>	<i>530 hours per week</i>
Coverage in All Areas	7 days/week; 8 to 16 hours
Primary method of coverage	Walking & Segway patrols
Patrol rounds	2 rounds per shift
Business contacts	3 per shift
Outreach with street populations	Daily
Social Outreach/Case Workers	2 F.T.E. (included)
Safety Escorts for Employees, Residents or Visitors	Daily as needed
On-Demand "Spot Cleaning"	Daily as needed
Reporting	Daily
<b>Premium and Premium-Plus Zones Only</b>	
<b>Cleaning Services</b>	
Average Weekly Coverage	7 days/week
Litter removal/pan & broom	Once per day
Detail cleaning of public amenities	Daily as needed
Graffiti removal	Daily as needed
Weed removal	Daily as needed
Pressure washing/spot cleaning	Daily as needed
Pressure washing/scheduled cleaning	Four times per year (premium) Weekly (premium-plus)
Alley Cleaning	On Demand "Spot Cleaning"

**Supplemental Reno Police and City Maintenance Services:** Similar to one of the existing SADs, the BID will continue to pay for supplemental Reno Police services in the downtown area. 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 \$725,000 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 funds 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.

Similarly, enhanced City of Reno maintenance services are currently funded through a second, smaller SAD that raises about \$300,000 annually. The BID plan anticipates expanding both the maintenance budget and geographic reach of supplemental maintenance services. It will be the discretion of the BID board of directors to either continue to contract with the City for enhanced maintenance services or seek competitive bids moving forward.

**Downtown-Wide Advocacy, Improvements & Activities:** All ratepayers within the proposed Downtown Reno BID would share in supporting a variety of activities aimed to influence policies, civic investments, business attraction, public space activation and other improvements and activities that benefit the entire downtown. A new self-sustaining private/public downtown management organization will be the entity that implements downtown-wide improvements. The new organization will be governed by board of property, business and civic interests representing downtown's various business types and geographic sub-districts. A list of activities that could be undertaken include:

- Advocate on behalf of property and business owners to advance policy responses that are advantageous to downtown.
- Work with the city, county and other governmental agencies to increase resources available to help treat, house and otherwise assist street populations.
- Help coordinate responses between social service agencies to maximize the effectiveness of existing services to reduce street populations.
- Advance public improvements that can improve downtown for a variety of investment sectors, including efforts to improve mobility for all transportation modes.
- Compile and maintain up-to-date market information on downtown, including a variety of indicators that will be of interest to potential investors and community influencers.
- Recruit and retain new businesses with an emphasis on local independent concepts and new services that can serve downtown's residential population.
- Communicate and market the economic benefits of downtown through a variety of mediums.
- Enhance communications between all downtown stakeholders and keep property and business owners informed of new projects and policies.
- Special projects to demonstrate how various improvements could benefit downtown, including temporary "tactical urbanism" installations and efforts to implement concepts from the Downtown Action Plan.

Like any business, the BID will require a professional staff to properly manage programs, communicate with stakeholders and provide leadership. To this end, the BID Management Plan has budgeted for two professional positions, including an Executive Director and a Communications/Marketing Manager.

To reduce administrative costs, increase leveraging of funds and avoid duplication of enhanced services, this plan anticipates that the day-to-day services financed by the BID will be managed by a new non-profit organization, a Downtown Reno Management Organization. BID funds can be further leveraged by sponsorships from special events, contracts, grants, earned income and membership dues from interested parties who are not assessed as part of the BID (i.e. businesses with downtown interests that are not located there).

Additional administrative costs will include:

- Accounting and annual financial audit
- Insurance
- Program support costs including supplies, equipment and rent
- Other administration costs associated with the overhead and administrative support of programs.

A reserve is also budgeted to provide a contingency for unforeseen program needs and to provide a cushion for assessment delinquencies. Reserve funds can also be utilized to pay for costs associated with BID renewal.



## D. Plan Budgets

The total improvement and activity plan budget for 2018 is projected at \$2,350,000. The initial budget allocation is summarized below:

<b>Standard Services</b>	
Safety Ambassadors	\$ 725,000
Supplemental Reno Police	\$ 725,000
BID Staff & Marketing	\$ 400,000
<b>TOTAL STANDARD SERVICES</b>	<b>\$ 1,850,000</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>\$ 2,350,000</b>

An illustrative budget is provided on the following page, but changes to the Operating Budget will be at the discretion of the Board of Directors of the Downtown Reno Management Organization contracted to operate and manage the BID. Changes to the Operating Budget do not necessitate an update to the Management Plan as NRS provisions contain safeguards and requirements for the non-profit association through contracts, audits and reporting.

## Ten Year Maximum Assessments

A projected maximum ten year of commercial assessment rates for the Downtown Reno BID is provided in the exhibit below. Projections are based upon the assumption that assessment rates increase by 5% per year, the maximum allowed under the proposed annual budget adjustment to keep pace with changes in the consumer price index and other program costs. Actual assessment rates may not increase 5%, as determined by the BID Board of Directors.

<b>Maximum Assessment Rates</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
Standard Service: Assessed Value	0.00506	0.00531	0.00558	0.00586	0.00615	0.00646	0.00678	0.00712	0.00748	0.00785
Premium Service: Linear Frontage	10.87	11.41	11.98	12.58	13.21	13.87	14.57	15.30	16.06	16.86
Premium Plus: Linear Frontage	29.75	31.24	32.80	34.44	36.16	37.97	39.87	41.86	43.95	46.15

## Illustrative Budget

The following budget provides an example on how the BID funds could be utilized. Annual budgets will be determined and set by the BID Board of Directors.

<b><u>STANDARD SERVICES</u></b>	<b><u>BID</u></b>	<b><u>Reno GF/Other</u></b>	<b><u>TOTAL</u></b>
<b>BID Program Staff</b>	\$ 200,000		\$200,000
<ul style="list-style-type: none"> <li>Executive Director</li> <li>Marketing &amp; Communications Manager</li> <li>Administrative Overhead</li> </ul>			
<b>Marketing &amp; Economic Development services:</b>	\$ 200,000		\$ 200,000
<ul style="list-style-type: none"> <li>Promotions, special events, social media</li> <li>Market data, research, and planning</li> <li>Public art, pop-up storefronts, and temporary tactical urbanism</li> </ul>			
<b>Ambassador Services Contract</b>	\$ 725,000		\$ 725,000
<ul style="list-style-type: none"> <li>Average of 530 hours of weekly coverage by safety ambassadors, case workers, and maintenance patrols (Can be adjusted for seasonal and weekly demands - Includes equipment rental, uniforms, supplies, etc.)</li> </ul>			
<b>Enhanced Police Services Contract</b>	\$ 725,000	\$ 875,000	\$ 1,600,000
<ul style="list-style-type: none"> <li>Supplemental police services from City of Reno Police, including walking and bike patrols</li> </ul>			
<b>TOTAL STANDARD SERVICES</b>	<b>\$ 1,850,000</b>	<b>\$ 875,000</b>	<b>\$2,725,000</b>
<b><u>PREMIUM SERVICES</u></b>			
<b>Maintenance Services Contract</b>	\$ 500,000		\$ 500,000
<ul style="list-style-type: none"> <li>Daily coverage by maintenance patrols in the core of downtown, focusing efforts along and in the vicinity of the Virginia Street corridor (Can be adjusted for seasonal and weekly demands - Includes equipment rental, uniforms, supplies, etc.)</li> </ul>			
<b>TOTAL PREMIUM SERVICES</b>	<b>\$ 500,000</b>	<b>\$ 0</b>	<b>\$ 500,000</b>
<b>TOTAL ANNUAL BUDGET</b>	<b>\$ 2,350,000</b>	<b>\$ 875,000</b>	<b>\$3,225,000</b>

## 5. ASSESSMENTS

### A. Assessment Methodology

To develop the BID assessment methodology, the consulting team includes Kristin Lowell Inc., a certified engineer. In collaboration with City of Reno staff, Kristin Lowell Inc. evaluated several methods of assessment for conveying special benefits from the type of improvements and activities described within the Downtown Reno BID Management Plan.

*Additional information and justification for the proposed assessment methods and adjustments are provided in the Engineer's Report, prepared by Kristin Lowell Inc. and provided as an Exhibit to the Management Plan.*

The special benefits conveyed to each property owner within the BID are distributed based on the assessed value of buildings and linear frontage through a "cost allocation" approach — the costs of specific services are allocated to the assessment variables that benefit most from services. Assessed value and linear frontage are proposed as the key variables for the assessment methodology:

- **Assessed Value:** Assessed value is utilized to assess the special benefit from services to properties, including tenants, residents, visitors and employees.
- **Linear Frontage:** Linear frontage is utilized to assess added special benefit from cleaning services to the ground floor exterior of buildings.

**Property Use Considerations:** The methodology provides the following treatments for property used exclusively for residential, nonprofit and government:

- **Treatment of Residential Property:** Residential uses will benefit fully from BID safe and clean services and will be assessed accordingly. However, there is diminished benefit to residential properties from proposed marketing and economic development services that will primarily benefit commercial properties. A distinction is made between rental apartments and condominiums/single family homes:
  - Rental apartments are considering income-producing property and will pay 100% the amount of commercial assessments;
  - Condominiums and single family homes will not benefit from marketing and economic development services, and will therefore pay a decreased proportional assessment rate excluding marketing and economic development services-related costs.

- **Assessment Policy on Nonprofit and Government Properties:** Properties that are exempt from property tax and nonprofit organizations (e.g. faith-based, low income housing, cultural, community services, local, county and state government, etc.), will not benefit from increased commercial activity resulting from BID services and thereby will receive reduced benefits from BID services.

An owner of real property located within the BID boundaries may reduce their assessment if ALL of the following conditions are met:

1. The property owner is a nonprofit corporation that has obtained federal tax exemption under Internal Revenue Code section 501c3.
2. The class or category of real property has been granted an exemption, in whole or in part, from real property taxation.
3. The nonprofit or governmental property owner occupies a majority of building square footage within the subject property.
4. The property owner makes the request in writing to the Downtown Reno BID prior to the submission of the BID assessment rolls to the Washoe County Assessor (to accommodate periodic changes in ownership or use, on or before **April 1** of each year), accompanied by documentation of the tax-exempt status of the property owner and the class or category of real property.
5. The City of Reno may verify the documentation of tax-exempt status and classification of the property for assessment purposes prior to submitting the assessments to the County Assessor.

If ALL of these conditions are met, the amount of the BID assessment to be levied will be for one-half (50%) of the standard, premium or premium-plus rate, depending on the location of the property.

- **Hardship Determination:** The Nevada statute requires that the City establish a procedure to allow a person whose property is included within the boundaries of an improvement or assessment district to apply for a hardship determination pursuant to the provisions of NRS Chapter 271. A hardship procedure ordinance will be developed for the BID similar to the existing SAD hardship ordinance which currently provides detailed policies and procedures for determining a hardship. To qualify for a hardship determination, an application will need to be filed with the City of Reno. For properties that qualify for a hardship, assessments will be postponed until subject properties are sold or transferred, an application for hardship determination is disapproved or other conditions as determined by the City of Reno.

## B. Calculation of Assessments

The preceding methodology is applied to a database that has been constructed by Kristin Lowell Inc. and the City of Reno. The process for compiling the property database includes the following steps:

- Property data was first obtained from the City of Reno.
- County assessor property data was cross-checked with reliable private sector sources.

- Property owners may request final verification of data from the City of Reno on or before **April 1, 2018, which is one month prior to the submission of assessment information to the Washoe County Assessor.**

**Benefit Zone Adjustments:** The assessments are adjusted to reflect anticipated service frequencies within each of three benefit zones:

- **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 Services**, in addition to Standard 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.
- **Premium-Plus Services**, in addition to Standard and Premium Services, will provide along the Virginia Street corridor expanded and daily maintenance services and if needed, any public restrooms; facilities for outdoor lighting and heating; decorations; fountains; landscaping; facilities or equipment, or both, to enhance protection of persons and property within the improvement district; ramps, sidewalks and plazas; and rehabilitation or removal of existing structures. Properties along this corridor will pay a higher “premium-plus” service rate.

The resulting assessment calculation by service and benefit zone follows:

Assessment by Service	Per \$1 of Assessed Value per Year	Per Foot of Linear Frontage per Year
<b>Standard:</b> Downtown-Wide Safety, Marketing & Economic Development	\$ 0.00506	\$ 0.00
<b>Premium:</b> Enhanced Maintenance	\$ 0.00506	\$ 10.87
<b>Premium-Plus:</b> Enhanced Maintenance on Virginia Street	\$ 0.00506	\$ 29.75

Based upon the preceding calculations, plus the assessment adjustments outlined in prior section, the following assessment rates are projected for the first year of the BID:

Property Type/Service Area	Per \$1 of Assessed Value per Year	Per Foot of Linear Frontage per Year
Commercial/Standard	\$ 0.00506	\$ 0.00
Commercial/Premium	\$ 0.00506	\$ 10.87
Commercial/Premium-Plus	\$ 0.00506	\$ 29.75
Residential/Standard	\$ 0.00430	\$ 0.00
Residential/Premium	\$ 0.00430	\$ 10.87
Residential/Premium-Plus	\$ 0.00430	\$ 29.75
Non-Profit-Government/Standard	\$ 0.00253	\$ 0.00
Non-Profit-Government/Premium	\$ 0.00253	\$ 5.43
Non-Profit-Government/Premium-Plus	\$ 0.00253	\$ 14.87

These again are illustrative of year 1, but changes to the Operating Budget will be at the discretion of the Board of Directors of the Downtown Reno Management Organization contracted to operate and manage the BID. Changes to the Operating Budget do not necessitate an update to the Management Plan as NRS provisions contain safeguards and requirements for the non-profit association through contracts, audits and reporting.

### C. Assessment Adjustments

**Annual Assessment Adjustment:** Annual assessment rates may be adjusted for annual changes in the Reno Area Consumer Price Index (CPI) for all urban consumers and/or other changes in programs costs, not to exceed 5%. Actual annual adjustments may range from 0% to 5%. Assessment rates will not exceed the levels shown in the Five Year Operating Budget and Maximum Assessment exhibit. The BID assessment roll will be updated annually to incorporate new development.

**Annual Boundary Adjustment:** 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. *See NRS 271.297.*

**Assessment Cap:** For individual properties that are in excess of \$50,000,000 million in assessed value, the assessment applies only to the first 50 million dollars of assessable value. This cap acknowledges the diminished benefit from BID services to large and/or high rise property development. The assessment cap does not apply to assessable frontage.

**Budget Process:** A balanced budget approach is utilized to develop each annual budget within the constraints of the assessment rates. Any annual budget surplus or deficit is tracked by program. Prior year surpluses may be used as deemed necessary by the BID board of directors based on the allocations described in the Management District Plan. *See NRS 271.428.*

**Time and Manner for Collecting Assessments:** As provided by state law, the Downtown Reno BID assessment appears as a separate line item on annual property tax bills prepared by Washoe County. Property tax bills are distributed in the fall and payment is expected by lump sum or installment. Existing laws for enforcement and appeal of property taxes apply to BID assessments.

**Disestablishment:** State law provides for the disestablishment of a BID pursuant to an annual review process. Each year that the BID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the District. This 30-day period begins each year on the anniversary day that the district was first established by City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay more than 50 percent (50%) of the assessments levied, the BID may be disestablished. The City Council will hold a public hearing on disestablishing the BID prior to actually doing so.

**Issuance of Bonds:** No bonds or other bonded debt is to be issued to finance activities and improvements envisioned in the Management District Plan. If the BID Board decides to issue bonds or other bonded debt in the future that increases the term and/or assessment rates set in this Plan, revisions to the Management Plan will require new petition procedures.

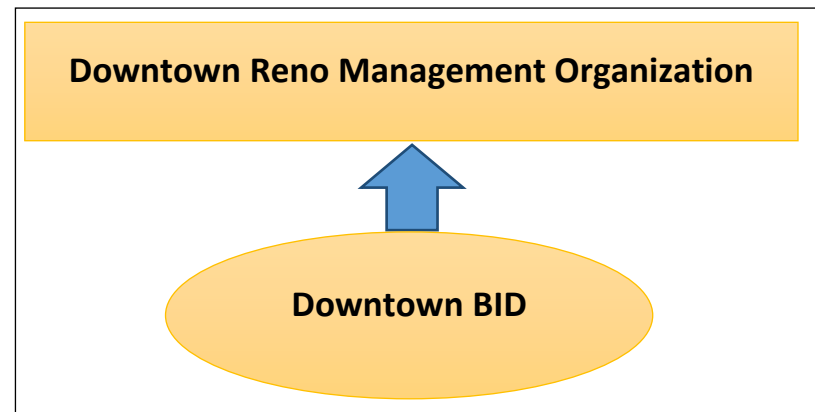
## 6. GOVERNANCE

**BID Board of Directors:** The BID will be governed by a new non-profit organization (501(c)6) 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 to 19 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 Downtown Reno 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 15 to 19 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-minded organizations will have the option to organize under the umbrella of the Reno Downtown DMO if mutually agreed upon.



The DMO will have committees that encourage property owners, residents and other stakeholders to have creative input into the design and implementation of DMO and BID-funded initiatives. Initial recommended committees include 1) Clean and Safe and 2) Marketing and Economic Development.