

CITY OF LONG BEACH

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

333 West Ocean Boulevard 3rd Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

September 20, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution approving the Annual Report for October 1, 2016 to September 30, 2017, for the Long Beach Tourism Business Improvement Area, declaring its intention to levy the annual assessment and setting the date of hearing for October 11, 2016. (Districts 1, 2, 4, 5)

DISCUSSION

The Long Beach Area Convention and Visitor Bureau (LBCVB) promotes and markets the City of Long Beach as a tourism destination using funds generated through the assessment of hotel properties located in the Long Beach Tourism Business Improvement Area (LBTBIA). State law governing Parking and Business Improvement Areas requires that an Annual Report be submitted to the City Council by the Advisory Commission designated for the Assessment District.

On August 18, 2016, the LBCVB Board voted to recommend to the City Council approval of the LBTBIA Annual Report (Exhibit A to Resolution). The Annual Report describes boundaries, proposed activities and budgetary information, as well as the method and basis for continuation of the assessment. The Annual Report proposes no significant change in the method of levying the assessment, and no significant change to the proposed activities.

The Fiscal Year 2017 Annual Report, transmitting the recommendations of the LBTBIA Advisory Board, proposes the following assessment rates:

ASSESSMENT FORMULA

The LBTBIA assessment shall be levied on all hotel businesses, existing and future, with greater than 30 rooms. The assessment shall be based on 3 percent of the gross short-term room rental revenues for the previous month. The assessment will be collected monthly. New hotel businesses within the boundaries will not be exempt from the levy assessment pursuant to Section 36531 of the California Streets and Highways Code.

The recommended Resolution grants approval of the Annual Report, declares the intention of the City Council to levy the assessment for proposed activities, and sets the date of the public hearing for October 11, 2016.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 1, 2016 and by Revenue Management Officer Julissa Josè-Murray on August 30, 2016.

TIMING CONSIDERATIONS

City Council action is requested on September 20, 2016, to set the date for the public hearing for October 11, 2016. The new contract year begins on October 1, 2016.

FISCAL IMPACT

It is estimated that the LBTBIA will generate \$5,214,240 in FY 17 through the proposed continuation of the assessment. Short-term room rental-assessment funds are collected from hotels and passed directly through to the LBCVB for implementation of tourism programs. Sufficient funds are included in the FY 17 Proposed Budget in the Parking and Business Area Improvement Fund (SR 132) in the Economic and Property Development Department (EP) for City pass-through payment to LBCVB. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


KATHRYN MCDERMOTT
INTERIM DIRECTOR OF
ECONOMIC AND PROPERTY DEVELOPMENT

KM:jsf
LBTBIA FY 17 ROI 09.11.16 ccl v1.doc

Attachment: Resolution

APPROVED:


PATRICK H. WEST
CITY MANAGER

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING AN ANNUAL REPORT
5 FOR OCTOBER 1, 2016 TO SEPTEMBER 30, 2017 FOR THE
6 LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA
7 ("LBTBIA") AND DECLARING ITS INTENTION TO LEVY THE
8 ANNUAL ASSESSMENT FOR THAT FISCAL YEAR
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10 WHEREAS, pursuant to Section 36533 of the California Streets and
11 Highways Code, the Board of Directors of the Long Beach Area Convention and Visitors
12 Bureau has caused a Report to be prepared for October 1, 2016 to September 30, 2017
13 relating to the Long Beach Tourism Business Improvement Area ("LBTBIA") which is
14 located generally in the Airport District and the Downtown District, which is specifically
15 described in the Report; and

16 WHEREAS, said Report contains, among other things, with respect to
17 October 1, 2016 to September 30, 2017 all matters required to be included by the above
18 cited Section 36533; and

19 WHEREAS, having approved such Report, the City Council hereby
20 declares its intention to:

21 A. Confirm levy of and direct collecting within the Area, assessments for
22 the LBTBIA for October 1, 2016 to September 30, 2017. Said assessments are proposed
23 to be levied on such classifications and at such rates as are set forth in Exhibit "A"
24 attached hereto and incorporated herein;

25 B. Provide that each business shall pay the assessment monthly, at the
26 same time the transient occupancy tax is due; and

27 WHEREAS, to this end, the proposed activities and improvements
28 undertaken by the Area include those generally specified in the establishing Ordinance

1 No. ORD-05-0018, as adopted by the City Council on July 5, 2005; and

2 WHEREAS, a copy of the Report is on file with the City Clerk and includes
3 a full description of the activities and improvements to be provided from October 1, 2016
4 to September 30, 2017, the boundaries of the area, and the proposed assessments to be
5 levied on the businesses that fiscal year and all other information required by law; and

6 WHEREAS, it is the desire of this City Council to fix a time and place for a
7 public hearing to be held in the City Council Chamber of the City of Long Beach on
8 October 11, 2016 at 5:00 p.m., regarding the Report, the levy and the proposed program
9 for October 1, 2016 to September 30, 2017;

10 NOW THEREFORE, the City Council of the City of Long Beach resolves as
11 follows:

12 Section 1. That certain Report entitled "Long Beach Tourism Business
13 Improvement Area Annual Report" for October 1, 2016 to September 30, 2017, as filed
14 with the City Clerk is hereby approved.

15 Section 2. On October 11, 2016 at 5:00 p.m., in City Council Chamber,
16 City Hall, 333 West Ocean Boulevard, Long Beach, California 90802, the City Council of
17 the City of Long Beach will conduct a public hearing on the levy of proposed
18 assessments for October 1, 2016 to September 30, 2017 for the LBTBIA. All concerned
19 persons are invited to attend and be heard, and oral or written protests may be made, in
20 accordance with the following procedures:

21 A. At the public hearing, the City Council shall hear and consider all
22 protests. A protest may be made orally or in writing by any interested person. Any
23 protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and
24 shall clearly set forth the irregularity or defect to which the objection is made.

25 B. Every written protest shall be filed with the City Clerk at or before the
26 time fixed for the public hearing. The City Council may waive any irregularity in the form
27 or content of any written protest and at the public hearing may correct minor defects in the
28 proceedings. A written protest may be withdrawn in writing at any time before the

1 conclusion of the public hearing.

2 C. Each written protest shall contain a description of the business in
3 which the person subscribing the protest is interested sufficient to identify the business
4 and, if a person subscribing is not shown on the official records of the City as the owner of
5 the business, the protest shall contain or be accompanied by written evidence that the
6 person subscribing is the owner of the business. A written protest which does not comply
7 with this section shall not be counted in determining a majority protest.

8 D. Testimony is also invited relating to any perceived irregularities in or
9 protests to previous years' proceedings/assessments.

10 Section 3. The City Clerk shall give notice of the public hearing called for
11 in Section 2 by causing this Resolution of Intention to be published once in a newspaper
12 of general circulation in the City not less than seven days before the public hearing.

13 Section 4. This resolution shall take effect immediately upon its adoption
14 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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EXHIBIT “A”

LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA ANNUAL REPORT

October 1, 2015—September 30, 2016

EXECUTIVE SUMMARY

- Long Beach has experienced continued growth in RevPar (Revenue per Available Room; occupancy x average room rate) over the previous year, with an 11.1% increase from January to May 2016.
- The CVB Sales staff participated in 25 national tradeshow in several markets across the country.
- The CVB Sales staff participated in 3 major Sales Missions in key feeder markets with General Managers and Directors of Sales from Long Beach hotels and the Long Beach Convention Center.
- The CVB Sales staff conducted 2 major Client Familiarizations Trips to increase Long Beach exposure to new and existing customers.
- The CVB placed 16 advertisements in the 8 top meeting trade publications with a print circulation of 280,000 professional meeting planners and over 1.4 million total media impressions.
- The CVB placed 49 digital advertisements with 7 major trade publications. Total minimum impressions of 143,000 (based on open rates)
- The CVB also partnered with the Aquarium and the Queen Mary on a full page ad in three of the most popular consumer publications in the region. The ads ran in Sunset Magazine, Westways Magazine and Highroads Magazine. Advertising was also done in the LA Magazine and Gazette Newspaper. Total combined circulation was 5,500,000 with over 11 million in impressions.
- The CVB continued to expand on the joint partnership with our major attractions for a social media marketing campaign to raise awareness of Long Beach as a tourism destination and to boost overnight leisure travel vacations, resulting in a potential 45.9 million social media reach.

SALES OVERVIEW:

LBTBIA funding has also assisted the CVB's Sales Department in their efforts to bring quality meeting and convention groups to Long Beach. During the 2015/2016 fiscal year, the CVB sales team participated in the following events aimed at professional Meeting Planners & Executive Directors:

- 25 Trade Shows
- 3 Sales Missions (CVB joined by Convention Center & hotel leadership and sales staff)
- 2 Major Long Beach Familiarization Trips

Sales Missions:

- **Washington DC Sales Mission:** CVB Sales staff led a large contingent of Long Beach Hospitality Partners which included General Managers and Directors of Sales from the Convention Center & Long Beach hotels. The mission was 5 days and during that time we conducted 21 individual sales calls, hosted 7 customer events with over 350 total clients and

guests. This sales mission reached out to potential meeting clients with a total potential for Long Beach of 41,320 room nights, an estimated economic impact of \$15,340,100, and \$1,174,186 in TOT revenue.

- **Chicago Sales Mission:** This mission took place over 3 days where CVB staff was joined by Convention Center & hotel Sales Representatives, to host sales calls and customer events for Chicago area meeting planners.
- **Sacramento Sales Mission:** CVB Sales staff led a contingent of Long Beach Hospitality Partners which included General Managers and Directors of Sales from the Convention Center and Long Beach hotels. In addition to sales calls, the Long Beach team hosted 2 customer events, making personal contact with more than 100 major meeting planners. Already, the CVB has one definite booking from this area, the California District Attorneys Association 2017 Winter Conference, with a potential for 1,754 room nights, \$258,830 in estimated economic impact and \$38,478 in TOT revenue.

Client Familiarization Trips:

“FAM Trips” are a primary tool in selling meeting planners on the features and benefits of booking their conventions in our city. In 2015/2016, we hosted client FAM Trips for the Toyota Grand Prix, and the Asics World Series of Beach Volleyball. Of these events, the Grand Prix is our most important client FAM.

- **Grand Prix FAM:** The CVB hosted 75 clients and guests representing a combined potential of 93,831 room nights, \$160 million estimated economic impact, and \$4.9 million in TOT revenue. The Grand Prix continues to be a major showcase opportunity for the City, and is a critical Sales and Marketing tool for future convention business.
- **ASICS World Series of Beach Volleyball FAM:** This FAM occurs August 25/28 so no statistics are available at this time. The CVB Sales Staff will host more than 30 meeting planner clients and their guests, including planners from the DC market and local and regional planners.

MARKETING/ADVERTISING OVERVIEW:

Meeting Trade Advertising

(Readers are primarily professional meeting planners)

In the Meetings Trade Market the CVB was able to continue its advertising and promotional efforts to include a wide range of publications to improve reader awareness of Long Beach. We also expanded our presence in digital media.

Trade Publication Synopsis:

- 8 Top Trade Publications
- 280,000 Total Circulation
- 66 Advertisements
- Over 1.4 million Total Minimum Impressions

Trade Publications for 2015/2016:

- Meeting & Conventions: Circulation: 60,000
- Successful Meetings: Circulation: 55,000

- PCMA DC Newsletter: 700 circulation to high potential DC planners
- Convene: Circulation: 26,000
- Black Meetings & Tourism: Circulation: 28,000
- Long Beach Business Journal: Circulation: 28,000
- USAE: Circulation: 7,000
- BizBash Magazine: Circulation: 65,000

Trade Digital Advertising

- 7 Top Trade Publications
- 143,000 Total Minimum Impressions (based on open rates)
- 48 advertisements

Digital Publications:

- Meeting News Group (Meeting News, Successful Meetings & M&C)
- USAE
- PCMA News Junkie
- PCMA DC Chapter News Letter
- BizBash

Consumer Advertising:

(Readers are primarily pleasure and business travelers)

Consumer Publication Synopsis:

- 6 Top Consumer Publications
- Over 5,500,000 Total Circulation
- 17 Advertisements
- Over 11 million Total Minimum Impressions

Consumer Publications for 2015/2016:

- California Visitors Guide: Circulation: 500,000
- Westways Magazine: Circulation: 4,000,000
- Highroads Magazine: Circulation: 495,000
- Gazettes Newspaper: circulation: 67,000
- Sunset Magazine (SoCal): circulation: 325,000
- LA Magazine: circulation: 140,000

DIGITAL MARKETING OVERVIEW

The CVB has continued with its' "Beach with Benefits" social marketing campaign, bringing together dozens of our Long Beach hospitality partners in a combined social media outreach.

Major CVB partners include:

- Aquarium of the Pacific
- JetBlue

- Long Beach Airport
- Queen Mary

Additional partners include our hotels, restaurants, museums and attractions. Collectively, this marketing partnership has a social media reach of:

- 1,586,751 Facebook users
- 2,077,773 Twitter followers
- 227,438 Instagram followers
- Over a million email contacts

Six major online sweepstakes contests target JetBlue's major cities with direct flights to Long Beach:

- Anchorage
- Seattle/Portland
- San Francisco/Oakland
- Las Vegas/Reno
- Salt Lake City
- Austin

A seventh contest is open to anyone, including local residents. Each contest features a VIP 3-night stay in Long Beach including round trip airfare for two, first-class accommodations in one of our participating hotels, attraction tickets including one-of-a-kind behind the scenes opportunities and fine dining in our top restaurants. The campaign has been resoundingly successful, resulting in over 200,000 social media engagements with a potential reach of 45.9 million.

NATIONAL AWARDS WON BY THE LONG BEACH CVB 2015/2016

- **Pinnacle Award**
Successful Meetings Magazine
(13 consecutive wins)

- **Gold Service Award & Elite Hall of Fame**
Meetings & Conventions Magazine

(20 consecutive wins/inducted into Elite Hall of Fame 2007)

- **Distinctive Achievement Award**
Association Conventions & Facilities Magazine
(9 consecutive wins)

- **Award of Excellence**
Corporate & Incentive Travel Magazine
(11 consecutive wins)

- **World Class Award**
Insurance & Financial Meetings Magazine
(10 consecutive wins)

- **Platinum Choice Award**
Smart Meetings Magazine
(1 win—new award started this year)

All the above awards are presented for superior customer service and are voted on by professional meeting planners through blind selection, meaning they do not have a list of names from which to choose.

FISCAL YEAR 2016/2017 BUDGET

For 2016/2017, the Long Beach Convention & Visitors Bureau Sales and Marketing staff will continue our proven successful programs—exploring sales, marketing and advertising opportunities in the meetings and conventions marketplace. We will continue to expand and increase the reach of our social media marketing efforts to increase the online presence of Long Beach in both the meetings and leisure travel markets.

LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA (LBTBIA) ASSESSMENT FORMULA 2016 – 2017

The Long Beach Tourism assessment shall be levied on all hotel businesses, existing and future, with greater than thirty (30) rooms, within the area based upon three percent (3%) of the gross short term room rental revenue. The assessment will be collected monthly, based on three percent (3%) of the gross short term room rental revenues for the previous month. New hotel businesses within the boundaries will not be exempt from the levy assessment pursuant to Section 36531 (of the California Streets and Highways Code).

8/19/2016

Long Beach Area Convention & Visitors Bureau
Budget 2016/17
PBIA

	2016/2017 Budget	2015/2016 May Fore	Variance to Prior Year
Revenue			
City Funds	0	-	-
PBIA	5,214,240	5,131,144	83,096
PBIA Carryover	0	-	-
Total Revenues	5,214,240	5,131,144	83,096
Expenses			
Personnel	2,021,388	2,006,924	14,464
Fam Tours	45,000	34,700	10,300
Trade Shows	12,000	9,750	2,250
Trade & Consumer Print Advertising	1,382,980	1,084,094	298,886
Trade & Consumer Digital Advertising	664,172	642,000	22,172
Gifts	0	-	-
Special Projects	0	-	-
Travel & Entertainment Out of Town	385,700	380,184	5,516
Travel & Entertainment In Town	191,000	166,950	24,050
Support Marketing	412,000	414,000	(2,000)
Allocated Reserve	100,000	458,162	(358,162)
Total Expenses	5,214,240	5,196,764	17,476
Net Change to Assets	0	(65,620)	65,620