


**FORMULA OPTIONS
FOR PORT OF LONG BEACH
TRANSFER TO CITY OF LONG BEACH**



The formula that was voted and approved by the citizens of Long Beach in 1980 determined a 10% transfer from the Port of Long Beach to the City of Long Beach.

The intent behind the provision was not clarified other than to state that the transfer would “help defray lifeguard and beach maintenance costs.”

The City Council did not request the 10% transfer until June 1994. Since 1994, the City Council has requested this transfer each year.



Four options for consideration are:

1. To reach the \$16M base:

Change the formula to read 20% of net income.



2. Change the formula to “gross” revenue:

Example for 2009 Projections:

2% of Gross Revenue	\$ 8,068,815.00
5% of Gross Revenue	20,172,037.00
7% of Gross Revenue	28,240,852.00



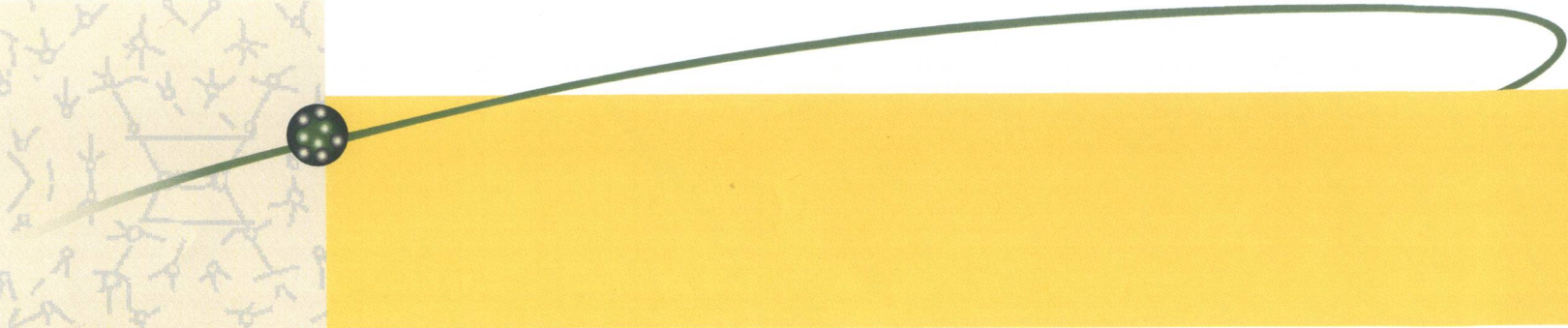
3. Hybrid Formula:

10% of net income or \$16M, whichever is greater.

A clause to provide for inflation using the CPI or a percentage of the growth factor.

The POLB transfer will be whichever is greater.

Example: CPI is 2% Growth Factor is 5%
Transfer is then increased by 5



4. POLB to Adopt the Long Beach Waterways and Beaches.

This would include all recreational activities, lifeguards, other safety related costs and infrastructure needs within the Tidelands area.