



CITY OF LONG BEACH

C-16

DEPARTMENT OF ECONOMIC DEVELOPMENT

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

September 18, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution approving the Annual Report for October 1, 2018 to September 30, 2019, for the Long Beach Tourism Business Improvement Area, declaring its intention to levy the annual assessment and setting the date of hearing for October 2, 2018. (Districts 1, 2, 4, 5)

DISCUSSION

The Long Beach Convention and Visitors Bureau (CVB), as the Advisory Board to the Long Beach Tourism Business Improvement Area (LBTBIA), promotes and markets the City of Long Beach (City) as a tourism destination using funds generated through the assessment of hotel properties located in the LBTBIA. State law governing parking and business improvement areas requires that an Annual Report be submitted to the City Council by the Advisory Board designated for the assessment district.

On August 16, 2018, the CVB Board voted to recommend to the City Council approval of the LBTBIA Annual Report (Exhibit A to Resolution). The Annual Report describes proposed activities and budgetary information, as well as the method and basis for continuation of the assessment. The Annual Report proposes no change in the method of levying the assessment, and no significant change to the proposed activities.

The Fiscal Year 2019 (FY 19) Annual Report, transmitting the recommendations of the LBTBIA Advisory Board, proposes the following assessment rates:

ASSESSMENT FORMULA

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

The City enters into agreements with business and/or property owner associations (associations) which utilize assessment revenues to provide services and improvements in Business Improvement District (BID) areas. These agreements set forth the parameters and requirements of the relationship between the associations and the City,

HONORABLE MAYOR AND CITY COUNCIL

September 18, 2018

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and include requirements such as annual reporting, deadlines, and payment schedules, and perpetuate annually based on City Council's approvals of annual reports. Per the City Auditor's recommendation in the BID Oversight Audit, the City will re-execute the agreement with the CVB to reflect current procedures and other changes deemed necessary. The agreement will be periodically revisited as processes and requirements change to ensure it stays current and relevant.

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 2, 2018.

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 30, 2018 and by Budget Analysis Officer Julissa José-Murray on August 28, 2018.

TIMING CONSIDERATIONS

City Council action is requested on September 18, 2018, to set the date for the public hearing for October 2, 2018. The new contract year begins on October 1, 2018.

FISCAL IMPACT

It is estimated that the LBTBIA will generate \$5,751,290 in FY 19 through the proposed continuation of the assessment. Short-term room rental assessment funds are collected from hotels and passed directly through to the CVB for implementation of tourism programs. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

JK:VDR:er

Attachment: Resolution

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Lona Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING AN ANNUAL REPORT FOR OCTOBER 1, 2018 TO SEPTEMBER 30, 2019 FOR THE LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA AND DECLARING ITS INTENTION TO LEVY THE ANNUAL ASSESSMENT FOR THAT FISCAL YEAR

WHEREAS, pursuant to Section 36533 of the California Streets and Highways Code, the Board of Directors of the Long Beach Area Convention and Visitors Bureau has caused a Report to be prepared for October 1, 2018 to September 30, 2019 relating to the Long Beach Tourism Business Improvement Area ("LBTBIA") which is located generally in the Airport District and the Downtown District, which is specifically described in the Report; and

WHEREAS, said Report contains, among other things, with respect to October 1, 2018 to September 30, 2019 all matters required to be included by the above cited Section 36533; and

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

A. Confirm levy of and direct collecting within the Area, assessments for the LBTBIA for October 1, 2018 to September 30, 2019. Said assessments are proposed to be levied on such classifications and at such rates as are set forth in Exhibit "A" attached hereto and incorporated herein;

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

WHEREAS, to this end, the proposed activities and improvements 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, 2018
4 to September 30, 2019, 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 2, 2018 at 5:00 p.m., regarding the Report, the levy and the proposed program
9 for October 1, 2018 to September 30, 2019;

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, 2018 to September 30, 2019, as filed
14 with the City Clerk is hereby approved.

15 Section 2. On October 2, 2018 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, 2018 to September 30, 2019 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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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2018, by the following vote:

Ayes:	Councilmembers:	_____

Noes:	Councilmembers:	_____

Absent:	Councilmembers:	_____

City Clerk

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Lona Beach, CA 90802-4664

EXHIBIT "A"

LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA ANNUAL REPORT

**Submitted by the Long Beach Convention & Visitor's Bureau
October 1, 2018—September 30, 2019**

EXECUTIVE SUMMARY

- Long Beach, has experienced continued growth in RevPar (Revenue per available Room; occupancy x average room rate) over previous years, with estimated growth this fiscal year of 1%.
- The Convention & Visitor's Bureau (CVB) Sales staff participated in 29 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 1 major Client Familiarization Trip to increase Long Beach exposure to new and existing customers.
- The CVB placed 67 advertisements in the 9 top meeting trade publications with a print circulation of 320,000 professional meeting planners and over 1.6 million total media impressions.
- The CVB placed 50 digital advertisements with 6 major trade publications. Total minimum impressions of 158,000 (based on open rates).
- The CVB also partnered with the Aquarium and the Queen Mary on a two page spread in three of the most popular consumer publications in the region. The ads ran in the California Visitors Guide, Sunset Magazine, Westways Magazine and Highroads Magazine. Advertising was also done in the Gazette Newspaper. Total combined circulation was 5,700,000 with over 15 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 83.5 million social media reach.
- Social media combined with public relations efforts have resulted in securing 382 placements: 176,131,755 in circulation/impressions, which garnered an advertising equivalency of \$1,833,403.

SALES OVERVIEW:

Long Beach Tourism Business Improvement Area (LBTBIA) funding has assisted the CVB's Sales Department in their efforts to bring quality meeting and convention groups to Long Beach. During the 2017/2018 fiscal year, the CVB sales team participated in the following events aimed at professional Meeting Planners & Executive Directors:

- 29 Trade Shows
- 3 Sales Missions (CVB joined by Convention Center & hotel leadership and sales staff)
- 1 Major Long Beach Familiarization Trip

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 18 individual sales calls, hosted 7 customer events with over 260 total clients and guests. This sales mission generated 9 new RFPs representing 25,526 room nights, an estimated economic impact of \$11,101,875 and \$711,722 transient occupancy tax (TOT) revenue. Additionally 11,651 room nights were tracked that the DC Mission assisted in moving closer to a definite booking with \$3,061,250 in EEI and \$320,650 in TOT revenue. This mission also moved 2 groups to definite for 3,386 room with economic impact of \$1,666,250 and TOT of \$122,898. There are 7 RFPs expected by the end of the calendar year with 21,988 room nights economic impact of \$8,370,000 and TOT of \$598,600.
- **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. The CVB and partners met with nearly 217 clients with received RFPs totaling 14,394 room nights. Potential room nights overall are estimated at 242,696 with an estimated economic impact of \$116 million and estimated TOT of \$6 million.
- **San Francisco Sales Mission:** This mission took place over 2 days where CVB staff was joined by Convention Center & hotel Sales Representatives, to host sales calls and customer events for the Sacramento area meeting planners. The CVB and partners met nearly 110 clients with a potential of 10,000 room nights, estimated economic impact of \$2 million and estimated TOT of \$270,000.

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 2017/2018, we hosted client FAM Trips for the Toyota Grand Prix, and the Asics World Series of Beach Volleyball along with "The Cove" launch event. Of these events, the Grand Prix is our most important client FAM.

- **Grand Prix FAM:** The CVB hosted 85 clients and guests representing a combined potential of 97,000 room nights, \$86 million estimated economic impact, and \$2.4 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.

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:

- 9 Top Trade Publications
- 320,000 Total Circulation
- 67 Advertisements
- Over 1.6 million Total Minimum Impressions

Trade Publications for 2017/2018:

- 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
- Smart Meetings: Circulation: 44,000

Trade Digital Advertising

- 6 Top Trade Publications
- 158,000 Total Minimum Impressions (based on open rates)
- 50 advertisements

Digital Publications:

- Meeting News Group (Meeting News, Successful Meetings & M&C)
- USAE
- PCMA News Junkie

- PCMA DC Chapter News Letter
- BizBash
- Smart Meetings

Consumer Advertising:

(Readers are primarily pleasure and business travelers)

Consumer Publication Synopsis:

- 4 Top Consumer Publications
- Over 5,700,000 Total Circulation
- 20 Advertisements
- Over 15 million Total Minimum Impressions

Consumer Publications for 2017/2018:

- California Visitors Guide: Circulation: 500,000
- Westways Magazine: Circulation: 4,000,000
- Highroads Magazine: Circulation: 495,000
- Gazettes Newspaper: circulation: 67,000
- Sunset Magazine: circulation: 665,000

DIGITAL MARKETING OVERVIEW

For 2018/2019, our new “Summer of Fun” social marketing campaign brings together dozens of our Long Beach hospitality partners in a combined social media outreach across multiple platforms including Facebook, Twitter, Instagram, and YouTube, plus the extensive use of UGC (user-generated content) and a blog featuring Long Beach locations and activities. The LBCVB also uses social media platforms for a “three strike” program to market Long Beach to meetings and conventions attendees: 1. Working the event’s meeting planner, the CVB team uses the group’s website and social media connections to sell Long Beach to potential attendees, helping to boost attendance at the conference; 2. CVB digital team uses social channels while the group is meeting in Long Beach, posting stories from the convention and promoting local sites and attractions; and 3. After the meeting, CVB social posts photos and stories from the convention, showing non-attendees what they missed.

NATIONAL AWARDS WON BY THE LONG BEACH CVB 2017/2018

All of the awards below are presented for superior 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.

STELLA AWARD—“Best CVB in the West 2017”—Long Beach CVB

From: NorthStar Media Group

The publisher of both Successful Meetings Magazine and Meetings & Conventions Magazines, combined their individual awards beginning in 2017, creating the very prestigious Stella Awards. Finalists are chosen by the meetings industry readers of the two magazines, and the winners are named by a panel of experienced industry judges.

STELLA AWARD—2nd Place “Best Convention Center in the West 2017”—Long Beach Convention & Entertainment Center (Winner was Hawaii Conv. Ctr.)

From: NorthStar Media Group

“The 25 Most Influential People in the Meetings Industry 2017: The Trailblazers”—Steve Goodling, President & CEO, Long Beach CVB

From: Successful Meetings Magazine

2017 BizBash Hall of Fame

Steve Goodling, President & CEO, Long Beach Convention & Visitors Bureau

Pinnacle Award--Successful Meetings Magazine

The Long Beach Convention & Visitors Bureau won 13 Pinnacle Awards for Customer Service, winning every year from 2004 to 2017. The Pinnacle was folded into Meetings & Conventions Magazine Gold Service Award by their parent company.

Gold Service Award & Elite Hall of Fame Member—Meetings & Conventions Magazine

The Long Beach CVB won 21 consecutive Gold Service awards, gaining Elite Hall of Fame status after their 12th win in 2007. In 2017 the Gold Service Award and Pinnacle were combined into the Stella Award, with Long Beach winning the first one for Best CVB in the West.

Distinctive Achievement Award 2017—Assn. Conventions & Facilities Magazine
Long Beach CVB has 10 consecutive wins.

Award of Excellence 2017—Corporate & Incentive Travel Magazine
Long Beach has won 13 consecutive years.

World Class Award 2017—Insurance & Financial Meetings Magazine
Long Beach CVB has 11 consecutive wins.

Platinum Choice Award 2017—Smart Meetings Magazine
Long Beach CVB has won 3 consecutive years.

Top Destination Award of Excellence 2017—Facilities & Destinations Magazine
Long Beach CVB first-time win.

Prime Site Award of Excellence 2017—Facilities & Destinations Magazine
Long Beach Convention & Entertainment Center first-time win.

SAVOR Catering nominated for best-catered event GALA Award 2017 by Special Events Magazine (the other two nominees were Fairmont The Queen Elizabeth in Montreal and the Venetian/Palazzo Hotel in Las Vegas)

Finalist – Best New Venue for Meetings and Events 2017—Terrace Theater Plaza
The National BizBash Event Style Awards
(Winner was Riviera at the World Trade Center, New York)

SPECIAL EVENTS MAGAZINE 2017 Finalist - Best Use of Lighting
Special Events Magazine Gala Awards: Presented to LB Convention Center/Premiere, for Musica Angelica 2016 Gala in The Pacific Ballroom.

FISCAL YEAR 2018/2019 BUDGET

For 2018/2019, 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

2018 – 2019

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).

Long Beach Area Convention & Visitors Bureau
Budget 2018/2019
TOTAL

	2018/2019 Budget	2017/2018 June Forecast	Variance to prior Forecast
Revenue			
City Funds	4,958,676	4,708,676	250,000
Memberships	300,000	300,000	-
Airport Marketing	132,000	132,000	-
Digital Adv Boards	65,000	61,875	3,125
PBIA	5,751,290	5,638,520	112,770
Interest Income	0	5	(5)
Concierge Desk/Visitor Centers	7,000	7,000	-
Total Revenues	11,213,966	10,848,076	365,890
Expenses			
Personnel	4,968,606	4,726,517	249,593
		0	
Fam Tours	254,000	205,006	48,994
Trade Shows	301,669	301,669	-
Trade & Consumer Print Advertising	1,826,634	1,851,579	(24,945)
Trade & Consumer Digital Advertising	664,950	664,950	-
Gifts	98,645	98,645	-
Special Projects	253,419	454,322	(200,903)
		0	
Travel & Entertainment Out of Town	569,499	569,499	-
Travel & Entertainment In Town	441,791	441,791	-
		0	
Support Marketing	889,080	724,031	165,049
		0	
Visitor Centers	56,892	56,892	-
		0	
Administrative Expenses	888,781	888,781	-
Allocated Reserve	0	0	-
Total Expenses	11,213,966	10,983,682	237,788
Net Change to Assets	0	(135,606)	