



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

September 12, 2006

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION

Receive supporting documentation into the record, approve the annual report, conclude the hearing, authorize the City Manager to execute an agreement with the Bixby Knolls Business Improvement Association for a one-year term, and declare the Ordinance approving the Bixby Knolls Parking and Business Improvement Area program continuing the assessment for the period of October 1, 2006 through September 30, 2007 with a decreased assessment rate read the first time and laid over to the next regular meeting for final reading. (Districts 7 and 8)

## DISCUSSION

The Bixby Knolls Business Improvement Association (BKBIA) uses assessment funds to promote and market the Bixby Knolls commercial area on behalf of businesses located in the Bixby Knolls Parking and Business Improvement Area (BKPBA). The City contracts with the BKBIA annually using assessment revenue collected from BKPBA members to govern the assessment to be collected and the activities to be funded by the assessment.

On July 27, 2006, the BKPBA Advisory Commission voted to recommend to the City Council approval of the BKPBA Assessment Report (Attachment A). The assessment report describes the boundaries, proposed activities and budgetary information, as well as the method and basis for continuation of the assessment. The report proposes a 39 percent decrease in assessment rate for retail service independent contractors operating secondary to another service business located at the same address. This change is consistent with the City of Long Beach Business License tax and other business improvement districts in the City of Long Beach.

To change the assessment rate and continue the assessment levy, State law requires that a public hearing be held on the proposed program and assessment. A copy of the Assessment Report describing proposed activities and allocations is provided as Attachment A. City Council reviewed these items and set a September 12, 2006 hearing date at its meeting of August 22, 2006.

State law further provides that the City Council shall hear and consider all protests against the assessment, program, boundaries of the area, and/or any benefit zone as

proposed in the Assessment Report. The Assessment Report transmitting the recommendations of the BKPBA Advisory Commission proposes the following:

- Continue the current year assessment at the following rates:

<u>Type A</u>	\$ 135.00 + \$ 2.50/employee
Contractors, Manufacturing, Professions, Wholesale, Unique, Insurance	

<u>Type B</u>	\$ 165.00 + \$ 3.25/employee
Services, Vending Operations	

<u>Type C</u>	\$ 185.00 + \$ 4.00/employee
Recreation & Entertainment, Retailing	

<u>Type D</u>	\$ 500.00
Financial Institutions	

- Independent Contractors (per Municipal Code 3.80.243) in service-related retail businesses operating at the same address as the primary licensee pay \$100.65 per year plus \$3.25 per employee.
- Make no significant changes in the activities program.
- Make no changes in the existing boundaries.

The law provides that protests may be made orally or in writing. Protests regarding the regularity or sufficiency of the proceedings shall be in writing. If written protests are received from area business owners representing 50 percent or more of the proposed assessments, the City Council shall not levy the assessment. If protests in such quantity are against a specific portion of the program, the City Council shall eliminate that portion.

A hearing notice and copy of resolution RES-06-0093 was published in local media as required. The attached ordinance amends ordinance C-6646.

Should the Assessment Report be approved, the City Council is requested to authorize the execution of an agreement with the BKBIA for the use of assessment funds for marketing and promotion activities within the business improvement area.

This letter was reviewed by Assistant City Attorney Heather Mahood on August 16, 2006, Budget Management Officer David Wodynski on August 30, 2006, and the City Treasurer's Office on August 24, 2006.

TIMING CONSIDERATIONS

The BKBIA contract year begins October 1, 2006. City Council action is requested following public hearing on September 12, 2006, to allow timely contract renewal.

FISCAL IMPACT

The recommended contract amount for Fiscal Year 2007 is \$155,000. Estimated assessment revenue is \$155,000 which will be deposited in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). While this amount is an increase from Fiscal Year 2006, the increase is less than it would have been without the rate decrease for independent contractors. There is no impact on the General Fund.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST  
DIRECTOR OF COMMUNITY DEVELOPMENT

PHW:RS:tb

Attachments: Attachment A - Bixby Knolls Business Improvement Association Annual Report  
Ordinance reducing the assessments levied within the Bixby Knolls Business Improvement Area

Bixby 09-12-06 Pub Hrng Appr Cncl Ltr v 02.doc

APPROVED:

  
GERALD R. MILLER  
CITY MANAGER