



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

October 11, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the hearing and adopt a Resolution continuing the Long Beach Tourism Business Improvement Area assessment for the period of October 1, 2016 through September 30, 2017; and, authorize the City Manager to extend the agreement with the Long Beach Area Convention and Visitors Bureau for a one-year term. (Districts 1, 2, 4, 5)

DISCUSSION

The Long Beach Area Convention and Visitors Bureau (LBCVB) promotes and markets the City of Long Beach as a tourism destination, using funds generated through self-assessment of hotel properties located in the Long Beach Tourism Business Improvement Area (LBTBIA), in addition to funds provided by the City through the Special Advertising and Promotions Fund. The LBCVB governs the assessment to be collected. To continue the assessment levy, State law requires that a public hearing be held on the proposed program and assessment. A copy of the Annual Report describing proposed assessment, activities and allocations is attached to the Resolution as Exhibit A. These items were reviewed by the City Council at its meeting of September 20, 2016.

The Annual Report describes boundaries, proposed activities and budgetary information, as well as the method and basis for the continuation of the assessment. The Annual Report proposes no change in the basis and method of levying the assessment and no significant change in proposed activities.

At its September 20, 2016 meeting, the City Council approved Resolution No. RES-16-0087, granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set October 11, 2016 as the date of the public hearing. A hearing notice, including a copy of the Resolution, was published in local media.

State law 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 Annual Report. State law further 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 greater than 50 percent of the proposed assessments, the City Council shall not levy the assessment. If protests in such quantity are directed against a specific portion of the program, the City Council shall eliminate that portion.

A Resolution is attached approving the Annual Report and budget for October 1, 2016 to September 30, 2017. Should the Annual Report be approved, the City Council is requested to authorize the execution of an agreement with the LBCVB for the use of assessment funds for marketing and promotional purposes. The annual Report, transmitting the recommendations of the LBTBIA Advisory Board, proposes the following assessment:

Method of Assessment

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. This assessment is separate from all other LBCVB funding sources, such as transient occupancy tax revenue sharing. Assessment revenue is received by the City and transferred to the LBCVB 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.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 27, 2016 and by Revenue Management Officer Julissa Josè-Murray on September 28, 2016.

TIMING CONSIDERATIONS

City Council action is requested on October 11, 2016, to allow purchase order and contract modifications to be completed so that FY 17 assessment transfers may be made as required by the Agreement of Funding with the LBCVB.

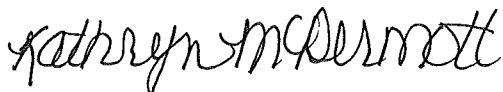
FISCAL IMPACT

It is estimated that the LBTBIA will generate \$5,214,240 in FY 17 through the continuation of the existing 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 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. Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KATHRYN McDERMOTT
INTERIM DIRECTOR OF ECONOMIC &
PROPERTY DEVELOPMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH CONFIRMING, FOLLOWING HEARING, AN ANNUAL REPORT OF THE LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA, CONTINUING THE LEVY OF ANNUAL ASSESSMENT AS SET FORTH IN SAID REPORT AND SETTING FORTH OTHER RELATED MATTERS

WHEREAS, pursuant to Section 36533 of the California Streets and Highways Code, the Long Beach Tourism Business Improvement Area Advisory Board has caused a Report to be prepared for October 1, 2016 through September 30, 2017 relating to the Long Beach Tourism Business Improvement Area ("LBTBIA"); and

WHEREAS, said Report contains, among other things, all matters required to be included by the above cited Section 36533; and

WHEREAS, on October 11, 2016 at 5:00 p.m., the City Council conducted a public hearing relating to that Report in accordance with Resolution No. RES-16-0087, adopted September 20, 2016, at which public hearing all interested persons were afforded a full opportunity to appear and be heard on all matters relating to the Report; and

WHEREAS, a majority protest not having been received, it is the City Council's desire to confirm the Report as originally filed and impose and continue the levy of the Annual Assessment as described in the Report;

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

Section 1. A public hearing having been conducted on October 11, 2016 at 5:00 p.m., and all persons having been afforded an opportunity to appear and be

EXHIBIT "A"

**LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA
ANNUAL REPORT**

October 1, 2016—September 30, 2017

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 tradeshows 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.

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