



CITY OF LONG BEACH

H-1

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

October 7, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, approve the Resolution confirming the Fourth Street Parking and Business Improvement Area Annual Report, continuing the assessment for the period of October 1, 2008 through September 30, 2009, conclude the hearing, and authorize the City Manager to extend the agreement with the Fourth Street Business Improvement Association for a one-year term. (District 2)

DISCUSSION

The Fourth Street Business Improvement Association (FSBIA) uses business license assessment funds to promote and market the commercial area along Fourth Street on behalf of businesses located in the Fourth Street Parking and Business Improvement Area (FSPBIA). The FSBIA 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.

The Assessment Report describes boundaries, proposed activities and budgetary information, as well as the method and basis for continuation of the assessment. The Assessment Report proposes no change in the basis and method of levying the assessment and no significant change in proposed activities. A copy of the Assessment Report describing proposed activities and allocations is provided (Attachment A).

At its September 16, 2008 meeting, City Council approved RES No. 08-0112, granting approval of the Assessment Report, declaring the intention of the City Council to levy the assessment, and setting October 7, 2008 as the date of the public hearing. A hearing notice, including a copy of the resolution, was published in local media.

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 2009 Assessment Report, transmitting the recommendations of the FSPBIA Advisory Commission, proposes the following assessment rates:

<u>Business License Category</u>	<u>Annual Assessment</u>
Financial/Banking & Insurance	\$200
Service Real Estate Offices	200
Retail – Restaurant w/Alcohol & RTE	200
Retail – Other	200
Consulting	200
Construction Contractor	200
Professional	200
Service – Other	200
Misc, Rec/Ent, Vend, Manf, Uniq, Whlsl,	100
Commercial space rental	100
Non-profit business operations	100
Residential property rental	0
All Secondary Licensees	0

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 directed against a specific portion of the program, the City Council shall eliminate that portion.

On December 12, 2007, the City entered into an Agreement for Funding with the FSBI setting forth the duties and delegations of the parties. This Agreement is automatically extended on a year-by-year basis upon approval of the annual Assessment Report and related levy of assessments by City Council.

This letter was reviewed by Assistant City Attorney Heather Mahood on September 9, 2008, Budget Management Officer Victoria Bell on September 17, 2008, and the City Treasurer's Office on September 10, 2008.

TIMING CONSIDERATIONS

City Council action is requested on October 7, 2008 to allow purchase order and contract modifications to be completed so that Fiscal Year 2009 (FY 09) assessment transfers may be made as required by the Agreement for Funding with the FSBI.

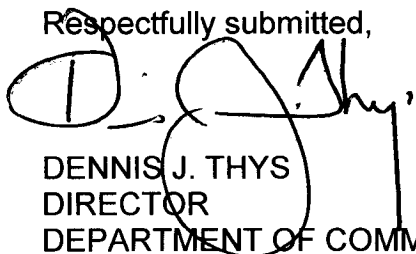
FISCAL IMPACT

It is estimated that the FSPBIA will generate \$10,800 in FY 09 through the proposed continuation of the existing assessment. Assessment funds are collected through additional fees attached to FSPBIA business licenses and passed directly through to the Fourth Street Improvement Association for implementation of annual programs. Sufficient funds are included in the FY 09 Adopted Budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). There is no fiscal impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



DENNIS J. THYS
DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT

DJT/RMS:tb
10-07-08 4th Street PBIA Pub Hrng v3.doc

Attachments: Attachment A: Fourth Street Parking and Business Improvement Area Annual Report and Service Plan
Resolution Confirming Annual Report and Levy of Assessment

APPROVED:



PATRICK H. WEST
CITY MANAGER



**Fourth Street Parking and Business
Improvement Area**

**Fiscal Year 2009 Assessment
Report and Service Plan**

For the period

October 1, 2008 to September 30, 2009

August 2008

Fourth Street Parking and Business Improvement Area 2009 Assessment Report and Service Plan

City of Long Beach, California

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I. DISTRICT OVERVIEW

Conceived by a coalition of Fourth Street business owners, the Fourth Street Parking and Business Improvement Area (the "FSPBIA" or the "District") is a benefit assessment district formed on September 11, 2007 by Ordinance 07-0043 to attract customers to the Fourth Street shopping area. No changes to the boundaries or assessment methodology are requested for this period.

The purpose of the district is to promote and market the Fourth Street shopping district through events and advertising. The Fourth Street Improvement Association (the "FSIA") manages the District under contract with the City of Long Beach.

A. Location: Fourth Street between Cherry Avenue and Carroll Park North. See map in Section II.

B. Services: Marketing, promotions and cleanliness programs to improve the appearance and attractiveness of the business district.

C. Method of Assessment: Special benefit assessment for marketing and promotion of businesses operating within the District. The estimated 2009 fiscal year revenue from business assessments is \$10,800.

Each business operating within the District will be assessed \$200 per year with the following exceptions:

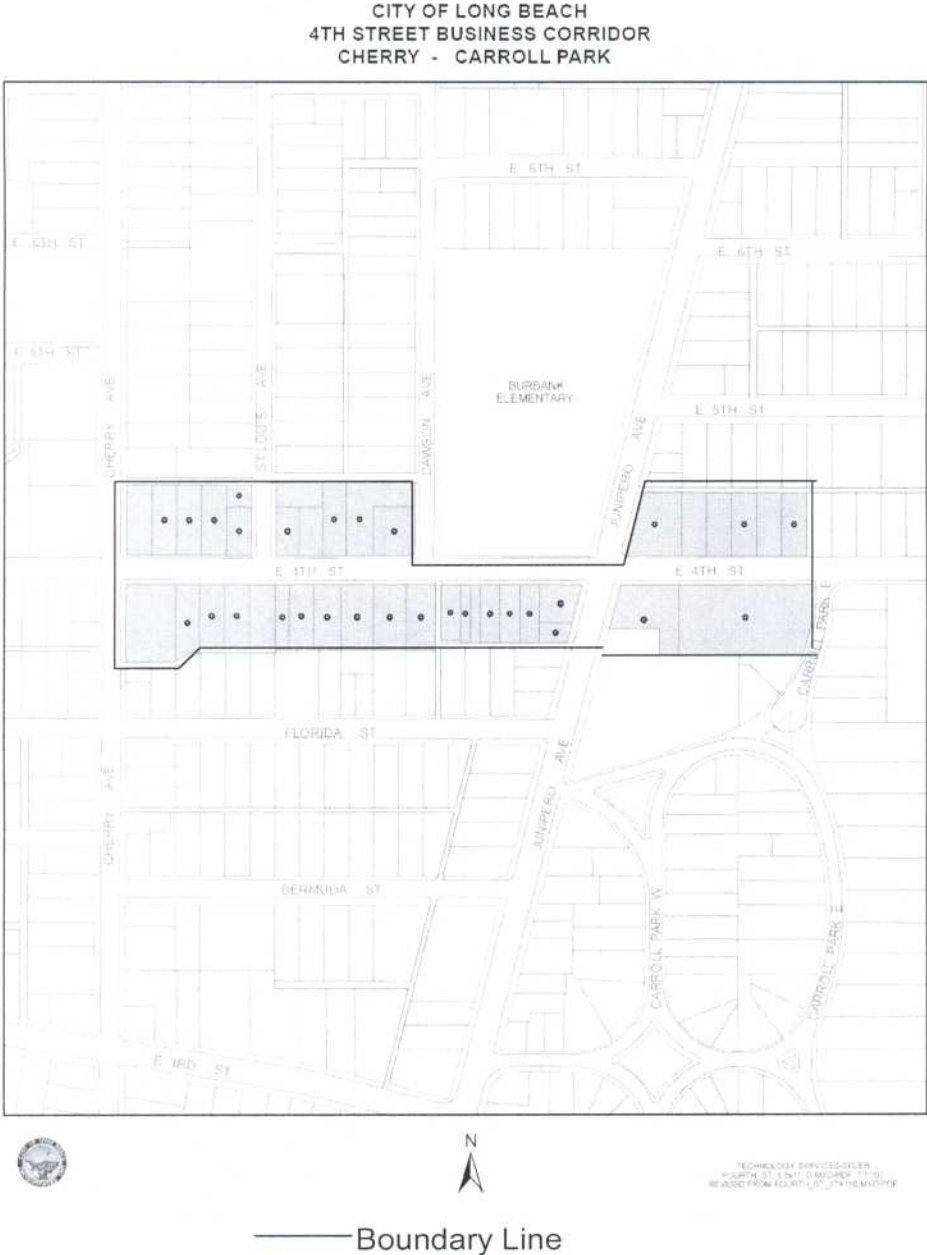
- Each miscellaneous, wholesale, mobile business, contractor, commercial space rental and professional services licensee is assessed \$100 per year
- Each Non profit organization is assessed \$100 per year
- Secondary service operator and residential rental licensees are exempt from the assessment

D. Method of Collection District assessments will be invoiced and due with annual City of Long Beach Business License renewal statements. Assessment revenue received will be segregated into a special fund for transfer to the FSIA.

E. Authority The FSPBIA is a benefit assessment district formed under the authority of the State of California, Streets and Highways Code Part 6 (commencing with Section 36500) of Division 18; the Parking and Business Improvement Area Law of 1989 (the "District Law").

II. Fourth Street Parking and Business Improvement Area Boundary

A. District Map – 4th Street; Cherry Avenue to Carroll Park East



B. General Description

The Fourth Street Improvement Association (FSIA) delivers marketing and promotional services within the Fourth Street area with funds received from Fourth Street Parking and Business Improvement Area (FSPBIA) assessments.

III. SERVICE PLAN AND BUDGET

A. District Needs and Purpose

The area along Fourth Street between Cherry Avenue and Carroll Park East offers a truly unique shopping area. This relatively small area is known regionally as well as internationally for its eclectic shops and hip product selection.

Fourth Street businesses continue making strides in promoting the district. Working together during the first year of the business improvement district, the FSIA has continued with regular meetings, gained the participation of the additional businesses and increased the scope and impact of marketing and promotional programs. Programs conducted during 2008 include:

- Sidewalk sales
- Holiday Open House event
- Street Fairs
- Regular street clean-ups
- "Garden Walk Development"
- Business listing brochure
- Street safety and business education
- Joint advertising
- 4th Street Fair
- Development of 4th Street Retro Row website
- 4th Street Retro Row Street banners
- Regular street cleaning of 4th Street Retro Row
- Implementation of adopt a tree program on 4th Street Retro Row
- Development of a business outreach committee on 4th Street Retro Row
- Pursue the development of a pocket park on the vacant lot on 4th Street and Cherry Avenue

Planned FY 2009 activities include:

- 2 Sidewalk sales
- Holiday Open House event
- Street Fair
- Regular street clean-ups
- "Garden Walk Development"
- Business listing brochure
- Street safety and business education
- Joint advertising
- 4th Street Fair
- Development of 4th Street Retro Row website
- 4th Street Retro Row Street banners
- Regular street cleaning of 4th Street Retro Row

- Development of a business outreach committee on 4th Street Retro Row
- Pursue the development of a pocket park on the vacant lot on 4th Street and Cherry Avenue

B. Service Plan

The FSPBIA Service Plan provides for funding for marketing and promoting and maintaining the cleanliness and attractiveness of the shopping area. Although we are a new organization, with relatively few participants, we have amassed a modest budget that will enable us to plan and promote events, as well as contribute to the overall cleanliness of our area.

Services to be provided are:

1. Marketing Media and Materials Amount: \$2,800

These services will include the development and continual updating of the 4th Street website, as well as print advertising for our special events and general pieces to promote the street.

2. Promotional Events Amount: \$2800

We have approached 2009 with cautious enthusiasm. Planned events include sidewalk sales, Holiday open house, and last Thursdays. Beginning with a portion of last year's budget, we have stated saving some "seed money" so that we will be able to host a 4th Street Fair in the near future.

3. Streetscape and Cleanliness Amount: \$2,800

In an ongoing effort to maintain the cleanliness of our street, we have earmarked funds for street-scaping and cleanliness. One of the major budget items for this year will be for sidewalk cleaning, which will certainly brighten up the street and improve its aesthetic.

C. Services Budget

Services will be provided based on the following estimated allocation of FSPBIA revenue totaling \$10,800 for FY 2009. No Consumer Price Index adjustment is applied to assessment fees for FY 2009.

2009 FSBI Budget

PROGRAMS

Marketing		
Website	\$ 240	
Marketing Collaterals	1,060	
Advertising	<u>1,500</u>	
Subtotal	2,800	
Promotional Events		
Summer Street Fair Seed	1,800	
Holiday Open House	600	
Last Saturday's (4 per yr)	<u>400</u>	
Subtotal	2800	
Streetscape & Cleanliness		
Landscaping Supplies	\$ 600	
Sidewalk Cleaning	1,200	
Street Signage	600	
Graffiti/Vandalism Repair	200	
Bike parking	<u>200</u>	
Subtotal	2800	
	Programs Total	\$8,400

ADMINISTRATION

Accounting	\$ 90	
Tel./Fax	300	
Insurance	1,200	
Supplies	300	
Postage	90	
Contingency	<u>420</u>	
	Administration Total	\$2,400

2009 Budget Total \$10,800

Estimated Fiscal Year 2008 year-end revenue carryover is \$7500. These funds will be used to establish a prudent operating reserve and provide additional program funding in FY 2009.

IV. ASSESSMENTS

A. Methodology

Improvements and activities identified in the Service Plan are designed to improve the appearance of pedestrian areas, improve safety and make the area more attractive to customers. All businesses in the district will benefit from these improvements, but retail, financial, professional and service businesses are expected to benefit more than miscellaneous, wholesale, manufacturing or other

businesses that do not rely upon foot traffic for their business. Therefore, these businesses pay a reduced assessment. The proposed assessment rate for each business operating within the District is shown in the following table.

Business License Category	Rate
Financial/Banking & Insurance	\$200
Service Real Estate Offices	200
Retail – Restaurant w/Alcohol & RTE	200
Retail – Other	200
Consulting	200
Construction Contractor	200
Professional	200
Service – Other	200
Misc, Rec/Ent, Vend, Manf, Uniq, Whlsl,	100
Commercial space rental	100
Non-profit business operations	100
Residential property rental	0
All Secondary Licensees	0

Estimated FY 2009 assessment revenue is \$10,800.

B. CPI Adjustments

The assessment may be increased each year to reflect the annual change in the Consumer Price Index for All Urban Consumers in Los Angeles-Riverside-Orange County. The annual increase shall not exceed three (3%) percent of the previous year’s assessment. The annual Consumer Price Index variance will be calculated in March and applied in July of each year. The District will have a fiscal year of October 1 through September 30.

C. Time and Manner for Collecting Assessments

Business operator assessments will be invoiced and due with annual City of Long Beach Business License renewal statements. Assessment revenue received will be segregated into a special fund for transfer to the FSIA.

VII. DISTRICT GOVERNANCE

A. The Fourth Street Improvement Association

1. The Fourth Street Improvement Association shall manage the FSPBIA and shall exercise the powers of the Advisory Board set forth in the District Law including the following.

(a) The Advisory Board shall cause to be prepared a report for each fiscal year (October 1 through September 30) for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used

(b) The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following:

- (1) Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.
- (2) The improvements and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements and the activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- (5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- (6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The City Council may approve the report as filed by the Advisory Board or may modify any particular contained in the report and approve it as modified. The City Council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

2. The Fourth Street Improvement Association board will serve and the FSPBIA Advisory Board and shall be appointed by the City Council as required by District Law.
3. The FSPBIA Advisory Board shall comply with the Brown Act when discussing or acting on matters within the subject matter of the district

(e.g. annual report assessment methodology, boundaries, budget and Service Plan).

B. Disestablishment

According to State law, any district where there is no outstanding indebtedness may be disestablished by resolution of the City Council. This may occur if the City Council finds that funds have been improperly used or if the assesses request disestablishment. There will be a thirty-day window every year beginning on the one-year anniversary of the establishment of the District, in which business owners may petition to disestablish the District. If the assesses who pay 50% or more of the total assessments levied submit a written petition to disestablish the District, the City Council will do so.

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH CONFIRMING, FOLLOWING
5 HEARING, THE ANNUAL REPORT OF THE FOURTH
6 STREET PARKING AND BUSINESS IMPROVEMENT AREA
7 ADVISORY COMMISSION, CONTINUING THE LEVY OF
8 ANNUAL ASSESSMENT AS SET FORTH IN SAID REPORT
9 AND SETTING FORTH OTHER RELATED MATTERS

10
11 WHEREAS, pursuant to Section 36533 of the California Streets and
12 Highways Code, the Fourth Street Parking and Business Improvement Area Advisory
13 Board has caused a Report to be prepared for October 1, 2008 through September 30,
14 2009 relating to the Fourth Street Parking and Business Improvement Area ("FSPBIA")
15 which is located generally in that section of the City of Long Beach generally bounded by
16 Cherry Avenue and Carroll Park North with frontage along Fourth Street ; and

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

19 WHEREAS, on October 7, 2008, at 5:00 p.m., the City Council conducted a
20 public hearing relating to that Report in accordance with its Resolution of Intention No.
21 _____, adopted September 16, 2008, at which public hearing all interested
22 persons were afforded a full opportunity to appear and be heard on all matters relating to
23 the Report; and,

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

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

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 Section 1. A public hearing having been conducted on October 7, 2008,
2 at 5:00 p.m., and all persons having been afforded an opportunity to appear and be
3 heard, the City Council hereby confirms the Report of the Fourth Street Parking and
4 Business Improvement Area Advisory Board, previously filed and approved by Resolution
5 No. _____, adopted September 16, 2008, as originally filed, and declares
6 that this resolution shall constitute the levy of the Assessment referred to in the Report for
7 October 1, 2008 through September 30, 2009 as more specifically set forth in Exhibit "A".

8 Section 2. The City Council further confirms that the Advisory Board for
9 the FSPBIA shall consist of the Board of Directors of the Fourth Street Business
10 Association.

11 Section 3. This resolution shall take effect immediately upon its adoption
12 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

13 I hereby certify that the foregoing resolution was adopted by the City
14 Council of the City of Long Beach at its meeting of _____, 2008, by the
15 following vote:

16 Ayes: Councilmembers: _____
17 _____

18 _____

19 _____

20 Noes: Councilmembers: _____

21 _____

22 Absent: Councilmembers: _____

23 _____

24 _____

25 _____

City Clerk

27 HAM:fl
28 7/18/08; rev/ 7/23/08
 #A08-02057

Exhibit A

**FY 2009 Fourth Street PBIA
Assessment Formula**

Business License Category	Rate
Financial/Banking & Insurance	\$200
Service Real Estate Offices	200
Retail – Restaurant w/Alcohol & RTE	200
Retail – Other	200
Consulting	200
Construction Contractor	200
Professional	200
Service – Other	200
Misc, Rec/Ent, Vend, Manf, Uniq, Whlsl,	100
Commercial space rental	100
Non-profit business operations	100
Residential property rental	0
All Secondary Licensees	0

Estimated FY 2009 assessment revenue is \$10,800.