



CITY OF LONG BEACH

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DEPARTMENT OF PUBLIC WORKS
333 West Ocean Boulevard 9th Floor • Long Beach, CA 90802 • (562) 570-6383

CH-1

October 1, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record, conclude the hearing and adopt the attached Resolution approving the Long Beach Tourism Business Improvement Area program and assessment for the period of October 1, 2013 through September 30, 2014; authorize the City Manager to execute an agreement with the Long Beach Area Convention and Visitors Bureau for a one-year term; and increase appropriations in the Parking and Business Area Improvement Fund (SR 132) in the Department of Public Works (PW) by \$244,200. (Districts 1, 2, 4 and 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). This self-assessment was established June 21, 2005. It established an assessment rate of 3 percent of the gross short-term room rental revenue for hotels within the LBTBIA boundary that have 31 rooms or more. 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.

State law governing Parking and Business Improvement Areas requires the submission of an annual assessment report by the Advisory Commission designated for this Assessment District. On July 18, 2013, the LBCVB Board voted to recommend to City Council approval of the LBTBIA Assessment Report (attached). The Assessment Report describes boundaries, proposed activities and budgetary information, as well as the method and basis for the continuation of the assessment. The report proposes no change in the basis and method of levying the assessment and no significant change in proposed activities.

At its September 3, 2013 meeting, City Council approved Resolution No. RES-13-0079 granting approval of the Assessment Report, declaring the intention of the City Council to levy the assessment, and set October 1, 2013 as the date of the public hearing. A hearing notice, including a copy of the resolution, was published in local media within seven days of the hearing date, as required.

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.

HONORABLE MAYOR AND CITY COUNCIL

October 1, 2013

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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.

A Resolution is attached approving the Annual Report and Budget for October 1, 2013 to September 30, 2014. Should the Assessment Report be approved, the City Council is requested to authorize the execution of an agreement with the LBACVB for the use of assessment funds for marketing and promotional purposes. The estimated revenue for Fiscal Year 2014 (FY 14) is \$3,863,000.

This matter was reviewed by Deputy City Attorney Amy Webber on August 29, 2013, and by Budget Management Officer Victoria Bell on September 11, 2013.

TIMING CONSIDERATIONS

City Council action is requested on October 1, 2013 to authorize renewal of necessary documents for the new contract year, which begins on October 1, 2013.

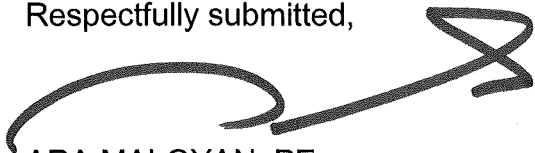
FISCAL IMPACT

It is expected that the LBTBIA will generate \$3,863,000 in FY 14 through the proposed continuation of the assessment. Of this amount, \$3,618,800 was included in the FY 14 Budget. An appropriation increase for the balance of \$244,200 is requested in the Parking and Business Area Improvement Fund (SR 132) in the Department of Public Works (PW). Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ARA MALOYAN, PE
ACTING DIRECTOR OF PUBLIC WORKS

AM:VSG:jf
LBTBIA Pub Hrng v4.doc

Attachment: Resolution

APPROVED:



PATRICK H. WEST
CITY MANAGER

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH CONFIRMING, FOLLOWING
5 HEARING, AN ANNUAL REPORT OF THE LONG BEACH
6 TOURISM BUSINESS IMPROVEMENT AREA, CONTINUING
7 THE LEVY OF ANNUAL ASSESSMENT AS SET FORTH IN
8 SAID REPORT AND SETTING FORTH OTHER RELATED
9 MATTERS
10

11 WHEREAS, pursuant to Section 36533 of the California Streets and
12 Highways Code, the Long Beach Tourism Business Improvement Area Advisory Board
13 has caused a Report to be prepared for October 1, 2013 through September 30, 2014
14 relating to the Long Beach Tourism Business Improvement Area ("LBTBIA"); and

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

17 WHEREAS, on October 1, 2013 at 5:00 p.m., the City Council conducted a
18 public hearing relating to that Report in accordance with its Resolution of Intention No.
19 RES-13-0079, adopted September 3, 2013, at which public hearing all interested persons
20 were afforded a full opportunity to appear and be heard on all matters relating to the
21 Report; and

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

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

27 Section 1. A public hearing having been conducted on October 1, 2013
28 at 5:00 p.m., and all persons having been afforded an opportunity to appear and be

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

1 heard, the City Council hereby confirms the Report of the Long Beach Tourism Business
2 Improvement Area, previously filed and approved by Resolution No. RES-13-0079,
3 adopted September 3, 2013, as originally filed, and declares that this resolution shall
4 constitute the levy of the Assessment referred to in the Report for October 1, 2013
5 through September 30, 2014 as more specifically set forth in Exhibit "A".

6 Section 2. This resolution shall take effect immediately upon its adoption
7 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

8 I hereby certify that the foregoing resolution was adopted by the City
9 Council of the City of Long Beach at its meeting of _____, 2013, by the
10 following vote:

11 Ayes: Councilmembers: _____

12 _____

13 _____

14 _____

15 Noes: Councilmembers: _____

16 _____

17 Absent: Councilmembers: _____

18 _____

19 _____

20 _____

City Clerk

21 _____

22 _____

23 _____

24 _____

25 _____

26 _____

27 _____

28 _____

EXHIBIT "A"

LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA ANNUAL REPORT

October 1, 2013—September 30, 2014

EXECUTIVE SUMMARY

- From October 2012 to July 2013 the CVB has booked conventions & meetings worth an estimated **\$229.2 million** in economic impact for the City of Long Beach.
- Projection for fiscal year end is an estimated **\$255.4 million** in economic impact.
- The CVB Sales staff participated in 24 national tradeshow across the U.S.
- The CVB Sales staff led 2 major sales missions that included participation from Mayor Bob Foster, Airport Director Mario Rodriguez, Ken Uriu, Port of Long Beach, and general managers and directors of sales from Convention Center and hotel partners.
- The CVB conducted 1 client familiarization trip into Long Beach for the Toyota Grand Prix and hosted 5 customer events/mini fams over various special events in our city.
- In 2012/2013 the Long Beach CVB won 6 national awards for customer service from major meeting trade publications (including perpetual membership in the Meetings & Conventions Elite Hall of Fame). The CVB is on track to repeat that success in 2013/2014.
- The CVB won 2 Platinum and 3 Gold medal Hermes Creative awards for 2013 for direct mail marketing, advertising projects and video productions
- The Long Beach Convention & Entertainment Center won the prestigious “Inner Circle” Award 2012 from Association Meetings Magazine

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 as a premiere convention & meetings destination.

Trade Publication Synopsis:

- 13 Top Trade Publications
- 388,000 Total Circulation
- 53 Advertisements
- 2.1 Million Total Minimum Impressions

Trade Publications for 2013/2014:

Meetings & Conventions:
Circulation: 50,000

Long Beach Business Journal
Circulation: 35,000

Association Conventions & Facilities
Circulation: 20,000

HSMAI:
Circulation: 7,000

Successful Meetings:
Circulation: 50,000

Convene:
Circulation: 35,000

Corporate & Incentive Travel:
Circulation: 40,000

Black Meetings & Tourism:
Circulation: 28,000

Smart Meetings
Circulation: 31,000

Association Meetings:
Circulation 20,107

Biz Bash:
Circulation: 35,000

Corporate Meetings & Incentives:
Circulation 32,000

DIGITAL COMMUNICATIONS / PUBLIC RELATIONS

Social Media:

In 2012, the Long Beach CVB started a successful social media program that includes Facebook and Twitter. The CVB'S social media program continues to grow. Using a strategy to engage followers with appealing images and content about Long Beach, to date we have 4,518 Facebook likes and a following of 8,177 on Twitter and the numbers continue to increase.

Public Relations:

Long Beach garnered substantial media coverage, including major stories in the Wall Street Journal, New York Times, Christian Science Monitor, Instinct Magazine, Sunset Magazine and Westways. Local coverage included stories in the LA Times, Orange County Register, LANG Newspaper group (9 daily newspapers), Long Beach Business Journal and the Gazette Newspapers. Multiple articles about Long Beach also appeared in eight meeting trade publications.

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 2012/2013 fiscal year, the CVB sales team participated in the following events aimed at professional Meeting Planners & Executive Directors:

- 24 Trade Shows
- 2 Sales Missions (CVB joined by Long Beach Mayor, Port of Long Beach, Long Beach Airport, Convention Center and hotel general managers and directors of sales)
- 1 Long Beach Familiarization Trip
- 5 Customer Events/Mini Fams

Sales Missions:

- **Chicago Sales Mission:** CVB staff was joined by Convention Center and hotel sales representatives. We hosted 4 customer events for approximately 85 clients and 42 different organizations. We conducted 10 individual sales calls equaling a combined potential of 48,000 room nights, \$63 million estimated economic impact and over \$865,000 in TOT.
- **Washington DC Sales Mission:** CVB Sales staff led a contingent of 23 Long Beach Hospitality Partners which included Mayor Bob Foster, Ken Uriu, Port of Long Beach, Airport Director Mario Rodriguez, Kerry Gerot, Airport Public Affairs Officer, as well as general managers and directors of sales from the Convention Center and hotels. The mission was 4 days and during that time we hosted 7 customer events and had approximately 230 total customer contacts with 188 different organizations. We conducted 24 individual sales calls equaling a combined potential of 123,000 room nights, \$46 million in economic impact and over \$2 million in TOT. As of August 2013, we have received 6 new RFPs as a direct result of the mission, totaling 9,335 potential room nights, \$3 million in economic impact and \$172,000 TOT for Long Beach.

Client Familiarization Trips:

"FAM Trips" are a primary tool in selling meeting planners on the features and advantages of booking their conventions in our city. In 2012/2013, we hosted 1 Client FAM trip for the Toyota Grand Prix as well as 5 Customer Events/Mini Fams: Bogart & Co. Grand Opening, Flugtag, World Series Volleyball, Jackson Browne and the Long Beach Jazz Festival. Of these events, the Grand Prix is our most important client FAM.

- **Grand Prix FAM Trip:** 50+ companies and organizations with a combined potential of 84,000 room nights, \$865,000 in TOT and \$63 million in overall economic impact. As a result of our 2013 FAM, we currently have 3 tentative groups that have a potential of 21,529 room nights, \$8,215,000 in EEI and \$219,348 in TOT.

NATIONAL AWARDS WON BY LONG BEACH CVB

The Long Beach Convention & Visitors Bureau won 6 major meeting trade industry awards for customer service. The service awards are voted on by planners through “un-aided” recall and are a reflection of the extra effort Long Beach puts into providing the highest level of customer service.

- **ELITE HALL OF FAME**—Meetings & Conventions Magazine
Member since 2007
- **GOLD SERVICE AWARD**—Meetings & Conventions Magazine
17th Consecutive Win
- **PINNACLE AWARD**—Successful Meetings Magazine
8th Consecutive Win
- **DISTINCTIVE ACHIEVEMENT AWARD**—Assn. Convention & Facilities Magazine
5TH Consecutive Win
- **AWARD OF EXCELLENCE**—Corporate & Incentive Travel Magazine
8th Consecutive Win
- **WORLD CLASS AWARD**—Insurance & Financial Management Meetings Magazine
7th Consecutive Win

HERMES CREATIVE AWARDS—2013

Association of Marketing & Communications Professionals

- **PLATINUM 2013—Advertising/Direct Mail Piece**
Long Beach Arena Project “Party in a Box”
- **PLATINUM 2013—Video Marketing Product**
Long Beach Arena Project Promotional Video
- **GOLD 2013—Marketing/Collateral/Branding**
Long Beach CVB 24-Page Sales Insert
- **GOLD 2013—Video/Marketing Services**
Long Beach CVB Client Testimonial Video
- **GOLD 2013—Video/Marketing Product**
Long Beach, CA Promotional Video

FISCAL YEAR 2013/2014 BUDGET

For 2012/2013, 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.

LBTBIA

	2012/2013 Budget	2012/2013 Forecast	2013/2014 Budget
Revenue			
City Funds	0		0
Memberships	0		0
Visitor Guide	0		0
Special Events	0		0
Registration Assistance	0		0
Housing Assistance/Passkey	0		0
PBIA	3,618,800	3,863,823	3,863,000
PBIA Carryover	0		0
Interest Income	0		0
Annual Mtg	0		0
Concierge Desk/Visitor Centers	0		0
Rent & Office Services	0		0
Total Revenues	3,618,800	3,863,823	3,863,000
Expenses			
Personnel	2,195,342	2,149,070	2,165,451
Fam Tours	0	0	20,000
Trade Shows	40,000	37,997	12,000
Media/Advertising	531,058	833,494	833,000
Special Projects	113,000	109,647	75,000
Gifts	0	0	0
Bid Presentations	0	0	0
Travel & Entertainment Out of Town	269,400	270,665	273,549
Travel & Entertainment In Town	120,000	112,950	109,000
Support Marketing	350,000	350,000	375,000
Reg Assist/Visitor Centers	0	0	0
Administrative Expenses	0	0	0
Allocated Reserve	0	0	0
Total Expenses	3,618,800	3,863,823	3,863,000