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 public hearing, and adopt a Resolution continuing the East Anaheim Street Parking and 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 East Anaheim Street Business Alliance for a one-year term. (Districts 3, 4)

DISCUSSION

The East Anaheim Street Business Alliance (EASBA) promotes and markets the commercial area along East Anaheim Street using funds generated through the assessment of businesses located in the East Anaheim Street Parking and Business Improvement Area (EASPBIA). The EASBA 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 assessments, activities and allocations is attached to the Resolution as Exhibit A. These items were reviewed by the City Council at its meeting of September 13, 2016.

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

At its September 13, 2016 meeting, the City Council approved Resolution No. RES-16-0084, 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 EASBA for the use of assessment funds for marketing and promotional purposes. The Annual Report, transmitting the recommendations of the EASPBIA Advisory Board, proposes the following assessment rates:

Method of Assessment

This is the special benefit assessment for marketing and promotion of businesses operating within the area. Assessments are calculated as follows:

- Type 1 Businesses: Retail, recreation and entertainment, and unique businesses shall pay annual assessment fees of:
    - Base Fee: $300 per year except that secondary licensees in these classes are exempt; and,
    - Employee Fee: $15 per employee up to $300 maximum.

- Type 2 Businesses: Service, vending, professional, wholesale, contractor, manufacturing and miscellaneous mobile businesses shall pay annual assessment fees of:
    - Base Fee: $200 per year except that secondary licensees in these classes shall pay a base fee of $120; and,
    - Employee Fee: $15 per employee up to $300 maximum.

- Type 3 Businesses: Non-residential space rental businesses shall pay annual assessment fees of:
    - Base Fee: $120 per year.
    - Employee Fee: not applicable.

Residential property rental, home-based and secondary licensees are exempt from the assessment.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 19, 2016 and by Revenue Management Officer Julissa Josè-Murray on September 22, 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 EASBA.

FISCAL IMPACT

It is estimated that the EASPBIA will generate $140,000 in FY 17 through continuation of the existing assessment. Assessment funds are collected through additional fees attached to EASPBIA business licenses and passed directly through to the EASBA for implementation of their annual 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 EASBA. Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

KATHRYN MCDERMOTT
INTERIM DIRECTOR OF
ECONOMIC AND PROPERTY DEVELOPMENT

KM:jsf
EASPBIA FY 17 Pub Hrng ccl v1.doc

Attachment: Resolution

APPROVED:

PATRICK H. WEST
CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH CONFIRMING, FOLLOWING HEARING, THE ANNUAL REPORT OF THE EAST ANAHEIM STREET PARKING AND BUSINESS IMPROVEMENT AREA ADVISORY COMMISSION, 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 East Anaheim Street Parking and Business Improvement Area Advisory Board has caused a Report to be prepared for October 1, 2016 through September 30, 2017 relating to the East Anaheim Street Parking and Business Improvement Area ("EASPBIA"); 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 its Resolution of Intention No. RES-16-0084, adopted September 13, 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,

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

at 5:00 p.m., and all persons having been afforded an opportunity to appear and be heard, the City Council hereby confirms the Report of the East Anaheim Street Parking and Business Improvement Area Advisory Board, previously filed and approved by Resolution No. RES-16-0084, adopted September 13, 2016, as originally filed, and declares that this resolution shall constitute the levy of the Assessment referred to in the Report for October 1, 2016 through September 30, 2017 as more specifically set forth in Exhibit "A".

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

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2016, 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
Long Beach, CA 90802-4664

EXHIBIT "A"

EAST ANAHEIM STREET PARKING
and
BUSINESS IMPROVEMENT AREA

Kristine Hammond - EASBA Executive Director
5150 E. Pacific Coast Highway, Suite 200, Long Beach, CA 90804

EAST ANAHEIM STREET PARKING
and
BUSINESS IMPROVEMENT AREA
In the Zaferia Area of Long Beach, CA

ANNUAL DISTRICT REPORT

2016 – 2017

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1. DISTRICT OVERVIEW

Conceived by a coalition of business owners located along Anaheim Street east of Junipero, the East Anaheim Street Parking and Business Improvement Area (the "EASPBIA" or the "District") is a benefit assessment district proposed to provide a more attractive and vibrant business environment in the East Anaheim Street business area.

The goal of the district is to promote and market the East Anaheim Street business area through events, advertising, and cleanliness. The East Anaheim Street Business Alliance (EASBA), under contract with the City of Long Beach, will manage the District.

a. Location

The East Anaheim Street Parking and Business Improvement Area is bounded by Junipero Avenue to the west, Pacific Coast Highway to the east, 11th Street to the south, and 14th Street to the north. See map, Section 2. Historically, this area is known as Zaferia.

b. Services

Marketing, promotions, and cleanliness programs to improve the appearance and attractiveness of the district.

c. Method of Assessment

Special benefit assessment for marketing and promotion of businesses operating within the area. The estimated 2016-2017 fiscal year revenue from business assessments is $140,000. Assessments are calculated as follows:

- Type 1 Businesses: Retail, recreation and entertainment, and unique businesses shall pay annual assessment fees of:
  - Base Fee: $300 per year except that secondary licensees in these classes are exempt, and:
  - Employee Fee: $15 per employee up to $300 maximum.

- Type 2 Businesses: Service, vending, professional, wholesale, contractor, manufacturing and miscellaneous mobile businesses shall pay annual assessment fees of:
  - Base Fee: $200 per year except that secondary licensees in these classes shall pay a base fee of $120; and
  - Employee Fee: $15 per employee up to $300 maximum.

- Type 3 Businesses: Non-residential space rental businesses shall pay annual assessment fees of:
  - Base Fee: $120 per year Employee Fee: not applicable

Residential property rental, home-based and secondary 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 EASBA.

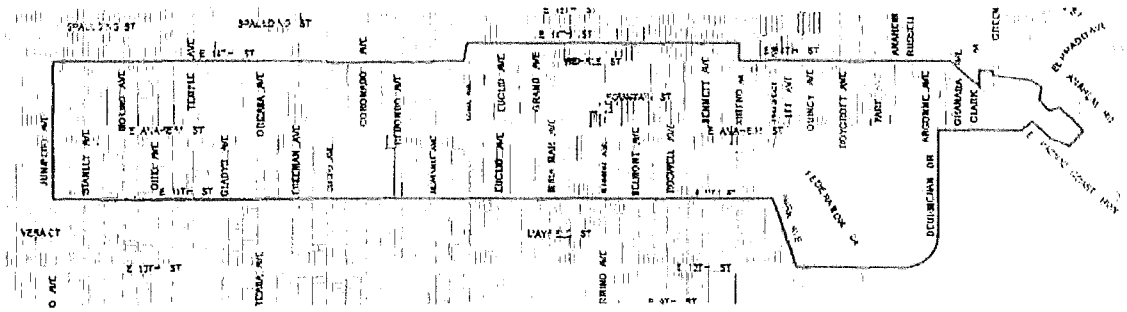
e. Authority

The EASPBIA 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).

2. GENERAL INFORMATION

a. District Boundary

Junipero Avenue to the west, Pacific Coast Highway to the east, 11th Street to the south, and 14th Street to the north. This area is located in the historically know area of Zaferia.



(Note: On June 10, 2016, the EASBA Board of Directors voted to clarify the boundaries of the district in order to reflect the original intention when the EASPBIA was formed. The correct boundaries are reflected on the map above. One parcel excluded [5100 Anaheim Road - five businesses and the commercial property itself]. They were not included on the original assessment roll and petition mailing list. Recent GIS mapping used by the City added them because the building falls within the general description of the boundary.)

b. General Description

Based on the results of the 2008 Business Survey taken by business owners in the district area, and using the funds received from the EASPBIA assessments, the East Anaheim Street Business Alliance (EASBA) has been working with member businesses on enhancing the identity and promoting the area for the benefit of all businesses. EASBA has also coordinated with the Conservation Corp of Long Beach to conduct sidewalk trash and debris pickup and provide distribution of promotional materials on a weekly basis, and sidewalk power washing two times per year. EASBA has also purchased and maintained eight (8) security cameras installed along the E. Anaheim Corridor. (Due to the facilitation by Councilmember Daryl Supernaw, the ownership and maintenance of these cameras will be handed over the City of Long Beach by the beginning of the 2016-2017 fiscal year.)

c. Board of Directors

The Board of Directors meets once per month, generally the first week of every month. In accordance with the *Brown Act*, the meetings of the Board of Directors are publicized to the members and the public via the organization's website, www.zaferia.org, and regular electronic mail news blasts to the entire distribution list.

OFFICERS		TERMS
President Tracy Ames	Proprietor – The Red Leprechaun	2016 - 2018
Vice President Andrew Vonderschmitt	Executive Director – Long Beach Playhouse Theatres	2015 - 2017
Secretary Kourosh Davatolhagh	Vice President, Relationship Manager – Farmers & Merchants Bank	2016 - 2018
Treasurer Alisa Admiral	Principal - Law Offices of Alisa Admiral	2016 - 2018
DIRECTORS		
Cameron Crockett	Principal Architect - Ultra-Unit Architectural Studio	2016 - 2018
Michael Shafer	Financial Advisor – Edward Jones	2015 – 2017
Becher Neme	Principal Architect – Neme Design Solutions	2015 - 2017
Executive Director Kristine Hammond	director@easba.com Work: (562) 735-4921	

3. SERVICE PLAN AND BUDGET

a. The Year in Review

Fiscal year 2015-2016 has proved to be an exciting year for EASBA. A new Executive Director was hired in December 2015 who has brought non-profit management and business skills to the organization. The Board of Directors solidified its rebranding efforts that began the previous fiscal year with the approval of a new logo. The underlying concept is to bring awareness to the Zaferia area with the underlying support of EASBA. The new logo represents a combination of several ideas essential to the personality of this vibrant area and has been received positively by EASBA members and the public.

The 2015 – 2016 fiscal year continued with providing power washing of the East Anaheim Street sidewalks, which sees the heaviest foot traffic in the district, as well as the continuation of the weekly contract with the Conservation Corps of Long Beach to perform trash and debris cleanup and flyer

distribution as needed. The eight security cameras installed along the corridor continued to provide a valuable resource.

The ongoing monthly member lunch program, also open to the public and is free of charge to all, had speakers from various City of Long Beach Departments, the East Division of the Police Department, 4th District Councilmember Daryl Supernaw and representatives from 3rd District Councilmember Suzy Price's office, the Mayor's I-Team, the new Zaferia.org website developer and the graphic artist of the new Zaferia logo.

The Board set goals to implement quarterly events that promote the Zaferia area and the EASBA members. In April a lawn bowling event was held at the local Long Beach Lawn Bowling Club facility, free of charge and open to the public, that exposed attendees to the lively and fun outdoor game and the non-profit Lawn Bowling Club. In July, EASBA contracted with the non-profit Long Beach Playhouse and provided two free and open to the public performances of *Shakespeare in the Park – A Midsummer Night's Dream* at the Recreation Park Band Shell stage. This event was outstanding for its inaugural attempt with just over 200 in attendance at each performance. A coupon page for summertime food and drink deals was distributed to all in attendance, along with Zaferia business information.

The year saw an elimination of some marketing efforts that were determined to be of questionable value and an implementation of more cost-effective marketing, such as the implementation of a new www.Zaferia.org website. The new website includes a mobile-friendly directory to enable users to easily find businesses and services in the district. Zaferia branded t-shirts have been purchased and are raffled off to attendees of the monthly member lunch programs as a way to help with brand awareness.

b. The Year Ahead

EASBA will continue with providing cleaning services to the common areas of the district with sidewalk cleaning and litter/debris removal. The ownership and maintenance of the security cameras are scheduled to be turned over to the City of Long Beach by the end of the summer of 2016.

EASBA intends to focus much of its efforts in 2016 – 2017 on marketing the vast variety of services, restaurants, bars, and retail, to the Long Beach residents, particularly those in the immediate neighborhoods. EASBA is currently working with a California State University - Long Beach graduate level marketing class to develop a strategic marketing plan to guide EASBA in reaching CSULB students and bring awareness of the EASBA businesses and the Zaferia area. The Board is currently looking into expanding our social media efforts.

EASBA will continue to make improvements to the new website www.Zaferia.org, adding a Happy Hour page and other 'specials' that our members would like assistance in promoting. We are looking into adding a Calendar of Events strictly pertaining to live music.

c. Budget

Revenue		
Member Assessments	$	168,000
15% Uncollectable	$	(28,000)
Total Revenue	**$**	**140,000**
Administrative Expenditures		
Office Management & Organization Expenses	$	62,141.80
Program Expenditures		
Promotional Events	$	20,000
Meetings / Mixers	$	6,905
Speaker Fees	$	1,000
Organization Marketing	$	12,000
Trash & Weed Abatement	$	19,008
Sidewalk Power Washing	$	6,200
Pole Banner Maintenance	$	8,000
Dues & Sponsorships	$	545
Total Program Expenditures	**$**	**73,658**
Total Expenditures	**$**	**135,800**
Contingency Fund	$	4,200
NET	$	-

4. 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 and will be assessed according to the fee schedule as outlined above under Section 1, Subsection c.

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 percent (3%) 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.