



# CITY OF LONG BEACH

# H-1

Office of City Manager

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6711 • Fax (562) 570-7650

October 14, 2014

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Receive 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, 2014 through September 30, 2015, and authorize the City Manager to execute an agreement with the Long Beach Area Convention and Visitors Bureau for a one-year term. (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 August 21, 2014, the LBCVB Board voted to recommend to City Council approval of the LBTBIA Annual Report (attached). The Annual 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 9, 2014 meeting, City Council approved Resolution No. RES-14-0081 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set October 14, 2014 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.

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, 2014 to September 30, 2015. Should the Annual 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 2015 (FY 15) is \$4,240,950.

This letter was reviewed by Deputy City Attorney Amy Webber on September 25, 2014, and by Budget Management Officer Victoria Bell on September 26, 2014.

#### TIMING CONSIDERATIONS

City Council action is requested on October 14, 2014 to authorize renewal of necessary documents for the new contract year, which begins on October 1, 2014.

#### FISCAL IMPACT

It is estimated that the LBTBIA will generate \$4,240,950 in FY 15 through the proposed continuation of the assessment. Short-term room rental-assessment funds are collected from hotels and passed directly through to the LBCVB for implementation of tourism programs. Due to an anticipated increase in short-term room rental revenue within the LBTBIA boundaries, assessment revenue is estimated to increase by \$378,000 from FY 14. Of the total estimated pass-through, \$3,863,000 is included in the FY 15 Budget in the Parking and Business Area Improvement Fund (SR 132) in the Public Works Department (PW). If necessary, an appropriation increase for the balance may be requested during FY 15. There is no local job impact associated with this action.

#### SUGGESTED ACTION:

Approve recommendation.

HONORABLE MAYOR AND CITY COUNCIL  
October 14, 2014  
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Respectfully submitted,



MICHAEL P. CONWAY  
DIRECTOR OF ECONOMIC AND PROPERTY DEVELOPMENT

APPROVED:



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PATRICK H. WEST  
CITY MANAGER

MPC:VSG:jfj  
LBTBIA 10.14.14 Pub Hrng FY15 v1.doc

Attachment: RESOLUTION

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

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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, 2014 through September 30, 2015 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 14, 2014 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-14-0081, adopted September 9, 2014, 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 14, 2014 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-14-0081,  
3 adopted September 9, 2014, as originally filed, and declares that this resolution shall  
4 constitute the levy of the Assessment referred to in the Report for October 1, 2014  
5 through September 30, 2015 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 \_\_\_\_\_, 2014,  
10 by the following vote:

11 Ayes: Councilmembers: \_\_\_\_\_

12 \_\_\_\_\_

13 \_\_\_\_\_

14 \_\_\_\_\_

15 Noes: Councilmembers: \_\_\_\_\_

16 \_\_\_\_\_

17 Absent: Councilmembers: \_\_\_\_\_

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City Clerk

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# LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA ANNUAL REPORT

October 1, 2014—September 30, 2015

## EXECUTIVE SUMMARY

- Long Beach has experienced continued growth in year to date RevPar (Revenue Per Available Room; occupancy x average room rate) with a 3% increase over prior year. We expect to see continued growth with Conventions up 15% over prior year from August through December of 2014.
- The CVB Sales staff participated in 29 national tradeshows in several markets across the country.
- The CVB Sales staff participated in 4 major Sales Missions in key feeder markets with General Manager's and Directors of Sales from the Long Beach Convention Center and hotel community.
- The CVB Sales staff conducted 5 Client Familiarizations Trips to increase Long Beach exposure to new and existing customers.
- The CVB placed 52 advertisements in the 13 top meeting trade publications with a print circulation of 370,000 professional meeting planners and over 2 million total media impressions.
- The CVB embarked on a "first-ever" 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 more than 7.6 million social media impressions.

## **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 2013/2014 fiscal year, the CVB sales team participated in the following events aimed at professional Meeting Planners & Executive Directors:

- **29 Trade Shows**
- **4 Sales Missions (CVB joined by Convention Center & hotel leadership and sales staff)**
- **5 Long Beach Familiarization Trips**

## **Sales Missions:**

- **Washington DC Sales Mission:** CVB Sales staff led a contingent of 12 Long Beach Hospitality Partners which included General Managers and Directors of Sales from the

Convention Center & Hotel's. The mission was 5 days and during that time we conducted 24 individual sales calls, hosted 7 customer events and had over 300 total customer contacts. As a result, we have booked 3 citywide conventions thus far, worth a combined estimate of \$5.3 M and over 15,000 room nights in our hotels for Long Beach.

- **Chicago Sales Mission:** This mission will take place over 3 days in November 2014, where CVB staff will be joined by Convention Center & Hotel Sales Representatives. We have confirmed 12 individual sales calls and will be hosting 5 customer events.

### **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 2013/2014, we hosted 5 Client FAM trips for the Toyota Grand Prix, National Red Bull Flugtag, the Asics World Series of Beach Volleyball, the Pacific Ballroom Sky Transformation event, and the Health Professionals Network in September. Of these events, the Grand Prix is our most important client FAM.

- **Grand Prix FAM:** The CVB hosted over 60 clients and guests representing a combined potential of 56,000 room nights and \$52 million overall economic impact. As of June 2014, we have generated 6 specific leads for a total of 42,710 room nights and approximately \$40 million in EEI. Over the past two years, the Grand Prix FAM has helped bring 7 new events to Long Beach, bringing the city approximately \$500,000 in TOT to the city.

### **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, although with five fewer publications and less ad frequency.

#### **Trade Publication Synopsis:**

- **12 Top Trade Publications**
- **370,000 Total Circulation**
- **52 Advertisements**
- **Over 2,000,000 Total Minimum Impressions**

#### **Trade Publications for 2013/2014:**

**Meeting & Conventions:** Circulation: 50,000

**Successful Meetings:** Circulation: 50,000

**Corporate Incentive Travel:** Circulation: 40,002

**Convene:** Circulation: 35,000

**Black Meetings & Tourism:** Circulation: 28,000

**Association Meetings:** Circulation 20,302  
**Association Convention Facilities:** Circulation 20,000  
**Corporate Meetings & Incentives:** Circulation 32,287  
**Long Beach Business Journal:** Circulation: 35,000  
**USAE:** Circulation: 7,000  
**HSMAI:** Circulation: 7,000  
**BizBash Magazine:** Circulation: 65,000

**Consumer Advertising:**  
(Readers are primarily pleasure and business travelers)

**California Visitors Guide:** Circulation: 500,000

## **DIGITAL MARKETING OVERVIEW**

The CVB coordinated a “first-of-its-kind” social marketing campaign, bringing together dozens of our Long Beach hospitality partners in a combined social media outreach. Titled “Beach With Benefits,” this is the first time all of the major tourism entities in Long Beach have combined their marketing efforts in a collective campaign.

### **Major partners included:**

- LBCVB
- Queen Mary
- Aquarium of the Pacific
- Long Beach Airport
- JetBlue.

Additional partners included our hotels, restaurants, museums and attractions.

Collectively, this marketing partnership had a social media reach of:

- 1 million Facebook users
- 34,550 Twitter followers
- 1.2 million email contacts.

Six major online sweepstakes contests targeted JetBlue’s major cities with direct flights to Long Beach:

- Anchorage
- Seattle/Portland
- San Francisco/Oakland
- Las Vegas
- Salt Lake City
- Austin

A seventh contest was open to anyone, including local residents. Each contest featured 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 that included one-of-a-kind behind the scenes opportunities and fine dining in our top restaurants.

Currently at its midway point, the campaign has been resoundingly successful. Phase 1 results:

- 7,651,894 total media impressions
  - 4,600,000 LBCVB social (Facebook & Twitter)
  - 1,690,894 partner social (Facebook, Twitter & Instagram)
  - 1,361,000 Google impressions
  - 6,535 total sweepstakes entries
  - 3,156 new LBCVB fans/followers

Phase two, which uses weekly contests and social media outreach has resulted in:

- 1058 new LBCVB fans/followers
- 5,200 media interactons
- 3,000 unique visitors

Weekly contest results:

- 54,424 people reached
- 6% engagement
- 715 participants
- 1.5 million social media impressions

**NATIONAL AWARDS WON BY THE LONG BEACH CVB**  
2013/2014

- Pinnacle Award  
Successful Meetings Magazine (10 consecutive wins)
- Gold Service Award & Elite Hall of Fame Member  
M & C Magazine (18<sup>th</sup> consecutive win—inducted Elite Hall of Fame 2007)
- Distinctive Achievement Award  
Association Conventions & Facilities Magazine (7<sup>th</sup> consecutive win)
- Award of Excellence  
Corporate and Incentive Travel Magazine (8<sup>th</sup> consecutive win)
- World Class Award  
Insurance & Financial Meetings Magazine (7<sup>th</sup> consecutive win)
- Ops & Tech Award (Pacific Ballroom at the Long Beach Arena)  
Venues Today Magazine (1<sup>st</sup> win)

## **FISCAL YEAR 2014/2015 BUDGET**

For 2014/2015, 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

## LBTBIA

	2013/2014 Budget	2013/2014 Forecast	2014/2015 Budget
Revenue			
PBIA	3,863,000	4,157,786	4,240,950
<b>Total Revenues</b>	<b>3,863,000</b>	<b>4,157,786</b>	<b>4,240,950</b>
Expenses			
Personnel	2,165,451	2,139,522	2,080,772
Fam Tours	20,000	24,766	25,000
Trade Shows	12,000	9,750	9,750
Media /Advertising	833,000	853,346	778,132
Special Projects	75,000	199,174	512,000
Travel & Entertainment Out of Town	273,549	203,189	260,296
Travel & Entertainment In Town	109,000	96,917	108,000
Support Marketing	375,000	387,000	427,000
Allocated Reserves			40,000
<b>Total Expenses</b>	<b>3,863,000</b>	<b>3,913,664</b>	<b>4,240,950</b>
<b>Net Change to Assets</b>	<b>-</b>	<b>244,122</b>	<b>0</b>