



CITY OF LONG BEACH

H-2

DEPARTMENT OF ECONOMIC DEVELOPMENT

333 West Ocean Boulevard, 3rd Floor • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570-6380

October 24, 2017

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, 2017 through September 30, 2018; and, authorize the City Manager, or designee, 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 Visitor Bureau (CVB) promotes and markets the City of Long Beach (City) as a tourism destination using funds generated through the assessment of hotel properties located in the Long Beach Tourism Business Improvement Area (LBTBIA). 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.

The Annual Report describes 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 method of levying the assessment, and no significant change to the proposed activities.

At its September 19, 2017 meeting, the City Council approved Resolution No. RES-17-0098, granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set October 24, 2017 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.

HONORABLE MAYOR AND CITY COUNCIL

October 24, 2017

Page 2

The Fiscal Year 2018 Annual Report, transmitting the recommendations of the LBTBIA Advisory Board, proposes the following assessment:

Formula of Assessment

The LBTBIA assessment shall be levied on all hotel businesses, existing and future, with greater than 30 rooms, within the area based upon 3 percent of the gross short term room rental revenue. The assessment will be collected monthly, based on 3 percent of the gross short-term room rental revenues for the previous month. 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 October 4, 2017 and by Budget Analysis Officer Julissa José-Murray on September 13, 2017.

TIMING CONSIDERATIONS

City Council action is requested on October 24, 2017, to allow purchase order and contract modifications to be completed so that FY 18 assessment transfers may be made as required by the Agreement of Funding with the CVB.

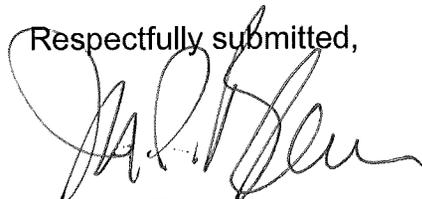
FISCAL IMPACT

It is estimated that the LBTBIA will generate \$5,376,200 in FY 18 through the proposed continuation of the assessment. Short-term room rental-assessment funds are collected from hotels and passed directly through to the CVB for implementation of tourism programs. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

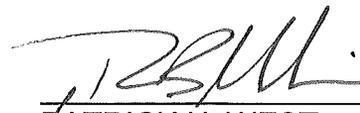
Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

JK:er
LBTBIA FY 18 PH 10 24 17 ccl

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, 2017 through September 30, 2018 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 24, 2017 at 5:00 p.m., the City Council conducted a public hearing relating to that Report in accordance with Resolution No. RES-17-0098, adopted September 19, 2017, 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 24, 2017 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
Lana 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-17-0098,
3 adopted September 19, 2017, as originally filed, and declares that this resolution shall
4 constitute the levy of the Assessment referred to in the Report for October 1, 2017
5 through September 30, 2018 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 _____, 2017,
10 by the following vote:

11
12 Ayes: Councilmembers: _____
13 _____
14 _____
15 _____
16 Noes: Councilmembers: _____
17 _____
18 Absent: Councilmembers: _____
19 _____
20 _____
21 _____
22 City Clerk

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EXHIBIT "A"

LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA ANNUAL REPORT

October 1, 2017—September 30, 2018

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 7.4% increase from January to June 2017.
- The CVB Sales staff participated in 23 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 3 major Client Familiarizations Trips to increase Long Beach exposure to new and existing customers.
- The CVB placed 58 advertisements in the 8 top meeting trade publications with a print circulation of 314,000 professional meeting planners and over 1.5 million total media impressions.
- The CVB placed 54 digital advertisements with 8 major trade publications. Total minimum impressions of 159,000 (based on open rates)
- The CVB also partnered with the Aquarium and the Queen Mary on a two page spread in three of the most popular consumer publications in the region. The ads ran in the California Visitors Guide, Sunset Magazine, Westways Magazine and Highroads Magazine. Advertising was also done in the Gazette Newspaper. Total combined circulation was 5,700,000 with over 20 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 51.2 million social media reach.
- The CVB also continued it's meeting planner focused social media efforts that continue to be expanded with digital advertising support on Twitter, Facebook & LinkedIn. To date our meetings and convention center channels have grown greatly at a growth percentage of 101.74%.
- Social media combines with PR efforts have resulted in securing 153 placements: 186,321,030 in circulation/impressions, which garnered an advertising equivalency of \$1,011,203.

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 2016/2017 fiscal year, the CVB sales team participated in the following events aimed at professional Meeting Planners & Executive Directors:

- 23 Trade Shows
- 3 Sales Missions (CVB joined by Convention Center & hotel leadership and sales staff)
- 3 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 18 individual sales calls, hosted 7 customer events with over 312 total clients and guests. This sales mission generated 15 new RFPs representing 72,369 room nights, an estimated economic impact of \$19,840,000 and \$2,196,441 TOT revenue. Additionally 28,875 room nights were tracked that the DC Mission assisted in moving closer to a definite booking with \$10,935,250 in EEI and \$836,541 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. The CVB and partners met with nearly 120 clients with a potential of 21,000 room nights, estimated economic impact of \$15 million and estimated TOT of \$600,000.
- **San Francisco Sales Mission:** CVB Sales staff will be conducting a 2-day sales mission in San Francisco September 11-12. While statistics will be available post-event, we are planning both sales calls and hosted client events during this time for key clients in the San Francisco area.

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 2016/2017, we hosted client FAM Trips for the Toyota Grand Prix, and the Asics World Series of Beach Volleyball along with “The Cove” launch event. Of these events, the Grand Prix is our most important client FAM.

- **Grand Prix FAM:** The CVB hosted 85 clients and guests representing a combined potential of 97,000 room nights, \$86 million estimated economic impact, and \$2.4 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 occurred July 15-16 and hosted nearly 40 clients and guests mostly from the local market. The combined potential economic impact for these clients is \$6.5 million and \$283,000 in estimated TOT with estimated room nights of 11,000.
- **“The Cove” Launch Event-** The sales team hosted over 80 clients for “The Cove” launch event. This was a key event as it reinforced our key messaging of offering unique “turnkey” spaces that can be within the budgets of our clients.

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:

- 9 Top Trade Publications
- 314,000 Total Circulation
- 54 Advertisements
- Over 1.5 million Total Minimum Impressions

Trade Publications for 2016/2017:

- 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
- Smart Meetings: Circulation: 44,000

Trade Digital Advertising

- 8 Top Trade Publications
- 159,000 Total Minimum Impressions (based on open rates)
- 54 advertisements

Digital Publications:

- Meeting News Group (Meeting News, Successful Meetings & M&C)
- USAE
- PCMA News Junkie
- PCMA DC Chapter News Letter
- BizBash
- Smart Meetings

Consumer Advertising:

(Readers are primarily pleasure and business travelers)

Consumer Publication Synopsis:

- 5 Top Consumer Publications
- Over 5,700,000 Total Circulation
- 17 Advertisements
- Over 20 million Total Minimum Impressions

Consumer Publications for 2016/2017:

- 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

DIGITAL MARKETING OVERVIEW

Along with continuing with its' "Beach with Benefits" social marketing campaign, bringing together dozens of our Long Beach hospitality partners in a combined social media outreach (including the use of UGC – user generated content- and a blog); the LBCVB uses social media platforms for a "three strike" program to market Long Beach to meetings and conventions attendees. 1. Working the event's meeting planner, CVB team uses the group's website and social media connections to sell Long Beach to potential attendees, helping to boost attendance at the conference. 2. CVB digital team uses social channels while the group is meeting in Long Beach, posting stories from the convention and promoting local sites and attractions. 3. After the meeting, CVB social posts photos and stories from the convention, showing non-attendees what they missed. Outside of meetings travelers, the Visit Long Beach handles are now

- Beach with Benefits
 - Our year-round Beach with Benefits program has also achieved successes in mentions, engagement surrounding travel to Long Beach through various campaigns targeted to the Leisure and Meetings/ Trade visitor.
 - Social Media events and campaigns feature seasonal themes
 - Special contests throughout the year maintain a high level of online social interest in Long Beach
- Latina Bloggers Media Fam
 - 1.3 Billion Total Potential Reach
 - 548 Hashtag Mentions of #ThisisLB #BeachwithBenefits
 - 10.1K Social Media Engagements
- Grand Prix Social Media Campaign
 - 1.2 Billion Total Potential Reach
 - 430 Hashtag Mentions of #TGPLB #ThisisLB #BeachwithBenefits
 - 28K Social Media Engagements
- Grand Prix Sales Fam Social Media Campaign
 - 962K Total Potential Reach
 - 261 Hashtag Mentions of #MeetinLBGP
 - 10.8K Social Media Engagements
- MPINCCACE Sales Fam Social Campaign
 - 373.3K Total Potential Reach
 - 128 Hashtag Mentions of #MeetinLB
 - 140 Social Media Engagements
- Re-purposing User Generated Content (UGC)

- Creating new ways to showcase great content shared by our followers through video and cinematography.
- CVB Blog
 - This is Long Beach, features city events, attractions, nightlife and fun.
 - Last year, the website introduced nearly 540,000 potential travelers to Long Beach. Things to do and places to stay in the community, including local activities, businesses, and events received nearly 1.5 million impressions, and we sent more than 100,000 people from our website to other local businesses and organizations who partner with the CVB.
 - Year to date, the website has introduced more than 177,000 potential travelers to Long Beach. Things to do and places to stay in the community, including local activities, businesses, and events have gotten more than 450,000 impressions, and we've sent more than 30,000 people from our website to other local businesses and organizations who partner with the CVB.

NATIONAL AWARDS WON BY THE LONG BEACH CVB 2016/2017

- **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
(10 consecutive wins)
- **World Class Award**
Insurance & Financial Meetings Magazine
(10 consecutive wins)
- **Platinum Choice Award**
Smart Meetings Magazine
(2 wins—new award started this year)
- **Visit California Poppy Awards**
Visit California
2016 "Top 3 Finalist" Best Digital Campaign - Long Beach Convention & Visitors Bureau
- **BizBash Event Style Awards**
BizBash
2016 Finalist - Best New Venue for Meetings and Events - Terrace Theater Plaza

- **Special Events Gala Awards**
Special Events Magazine
(2017 Finalist - Best Use of Lighting)

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 2017/2018 BUDGET

For 2017/2018, 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.

LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA (LBTBIA) ASSESSMENT FORMULA 2017 – 2018

The Long Beach Tourism assessment shall be levied on all hotel businesses, existing and future, with greater than thirty (30) rooms, within the area based upon three percent (3%) of the gross short term room rental revenue. The assessment will be collected monthly, based on three percent (3%) of the gross short term room rental revenues for the previous month. 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).

8/16/2017

Long Beach Area Convention & Visitors Bureau
Budget 2017/2018
TOTAL

	2017/2018 Budget	16/17 Forecast May	Variance to Prior Year
Revenue			
City Funds	4,708,876	4,608,876	100,000
Memberships	300,000	300,000	0
Airport Marketing	132,000	132,000	0
Digital Adv Boards	65,000	60,875	4,125
PBIA	5,376,200	5,355,893	20,307
Interest Income	0	7	-7
Concierge Desk/Visitor Centers	7,000	7,000	0
Total Revenues	10,588,876	10,464,451	124,425
Expenses			
Personnel	4,719,013	4,661,315	57,698
Fam Tours	245,000	245,000	0
Trade Shows	261,900	260,906	10,994
Trade & Consumer Print Advertising	1,851,579	1,863,569	-11,990
Trade & Consumer Digital Advertising	664,200	664,172	28
Gifts	96,000	96,000	0
Special Projects	255,000	208,259	46,741
Travel & Entertainment Out of Town	531,360	519,941	11,519
Travel & Entertainment in Town	377,600	360,183	17,417
Support Marketing	630,260	571,291	58,969
Visitor Centers	48,000	48,000	0
Administrative Expenses	908,964	875,915	33,049
Allocated Reserve	0	100,000	-100,000
Total Expenses	10,588,876	10,464,451	124,425
Net Change to Assets	0	-	-