

January 17, 2023

R-17

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the Downtown Long Beach Parking and Business Improvement Area Annual Report continuing the annual business license assessment for the period of October 1, 2022, through September 30, 2023; and, authorize the City Manager, or designee, to extend the agreement with the Downtown Long Beach Alliance for a one-year term. (Districts 1, 2)

DISCUSSION

The Downtown Long Beach Alliance (DLBA) has three established sources of revenue that pass through the City of Long Beach (City) to the organization. These include business license assessments, property owner assessments, and downtown parking meter revenue sharing. This recommended action relates to the business license assessment funds that are used to promote and market Downtown Long Beach on behalf of businesses located in the Downtown Long Beach Parking and Business Improvement Area (DLBPBIA). The City Council approves the property owner assessment separately.

The DLBPBIA was established by the City Council in 1973, allowing for the levy of an annual business license assessment to be paid by businesses located in the DLBPBIA. The City contracts with the DLBA to manage the DLBPBIA and the DLBA Board of Directors serves as the Advisory Board to the City Council on matters related to the DLBPBIA. The DLBA promotes and markets the DLBPBIA using funds generated through the DLBPBIA business license assessment.

The City's agreement with the DLBA for DLBPBIA funding requires that an annual report be submitted to the City Council by the DLBA. On August 17, 2022, the DLBPBIA Board of Directors voted to recommend to the City Council approval of the 2022-2023 DLBPBIA Annual Report (Annual Report).

The Annual Report describes boundaries, proposed activities, and budgetary information, as well as the method and basis for the continuation of the assessment (Attachments A and B). The Annual Report proposes no change to the DLBPBIA boundaries or the method of levying the assessment and no significant change to proposed activities.

The Annual Report, transmitting the recommendations of the DLBA, proposes the following assessment rates:

Method of Assessment

Each year the City calculates the Consumer Price Index (CPI), an adjustment for consumer goods and services, and applies the CPI to various City fees on July 1st of each year. Parking and Business Improvement Area Advisory Boards may request a CPI adjustment for business license assessments. The DLBPBIA Advisory Board is requesting a 3.8 percent CPI increase from FY 2021-2022.

DLBPBIA assessments are collected through business licenses from businesses within the DLBPBIA. The annual assessment in FY 2021-2022 was approximately \$476.07 per business and \$8.00 per employee, and for service-based independent contractors was \$326.96 per business and \$5.53 per employee.

With the proposed 3.8 percent CPI increase assessment for FY 2022-2023, the assessment will be approximately \$494.16 per business and \$8.30 per employee and for service-based independent contractors will be \$339.38 per business and \$5.74 per employee.

This matter was reviewed by Deputy City Attorney Marsha Yasuda on December 21, 2022 and by Budget Management Officer Nader Kaamouch on December 29, 2022.

TIMING CONSIDERATIONS

City Council action is requested on January 17, 2023, so that Fiscal Year 23 (FY 23) assessment payments may be made as required by the Agreement for Funding with the DLBA. The new contract year began on October 1, 2022.

FISCAL IMPACT

It is estimated that the DLBPBIA assessment will generate \$716,627 in FY 23 through the proposed continuation of the assessment, including the 3.8 percent CPI adjustment. Revenues assessed in FY 22 totaled \$657,474. Assessment funds are collected by the City on behalf of the DLBA through additional fees and passed directly through to the DLBA for implementation of annual programs. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION

Approve recommendation.

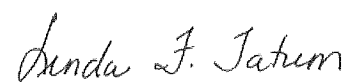
Respectfully submitted,



BO MARTINEZ
DIRECTOR OF ECONOMIC DEVELOPMENT

ATTACHMENTS: A - DLBPBIA 2022-2023 ANNUAL REPORT
B - DLBA 2022-2023 BUDGET

APPROVED:



THOMAS B. MODICA
CITY MANAGER



**DOWNTOWN
LONG BEACH
ALLIANCE**

2022-2023 Annual Report Downtown Long Beach Downtown Parking & Business Improvement Area

SUBMITTED BY DOWNTOWN LONG BEACH ALLIANCE TO THE
CITY OF LONG BEACH

October 24, 2022

Table of Contents

DISTRICT OVERVIEW.....	3
DLBPBIA District Background	3
DLBPBIA Boundaries	3
District Map.....	4
Advisory Board.....	5
METHOD OF ASSESSMENT	6
DLBPBIA Assessment.....	6
Proposed Changes	6
BUDGET	7
DLBPBIA District Budget	7
DOWNTOWN LONG BEACH PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT.....	7
2022/2023 Activities and Programs	7
Placemaking Programs (PBID/DLBPBIA Funded).....	7
Economic Activities (PBID/DLBPBIA Funded)	7
The DLBA's Marketing Department serves as the voice for all the wide-ranging programs and activities taking place within Downtown. The department is responsible for increasing the awareness of and enhancing the image of Downtown, which is achieved through year-round advertising, public relations, and promotional campaigns. This program is supported by contributions from both BIDs (DLBPBIA and PBID)	7
Special Events (PBID and DLBPBIA Funded)	10
Advocacy, Administration, & Reserves (PBID and DLBPBIA Funded).....	12

DISTRICT OVERVIEW

DLBPBIA District Background

The City Council appointed the Downtown Long Beach Alliance (formerly the Downtown Long Beach Associates, hereafter referred to as the “DLBA”) to make recommendations to the City Council on the expenditure of revenues derived from the levy of assessments, the classification of properties, and the method and basis of levying the assessments.

Established in 1973, the **Downtown Long Beach Business & Parking Improvement Area** (the “DLBPBIA”) is assessed on business owners. DLBA is governed by its bylaws and its Management Plan, which was developed in 2012 as part of DLBA’s renewal with the City of Long Beach. The DLBPBIA budget and policies are recommended to the City Council by the DLBA Board, composed of property and business owners located within the DLBPBIA.

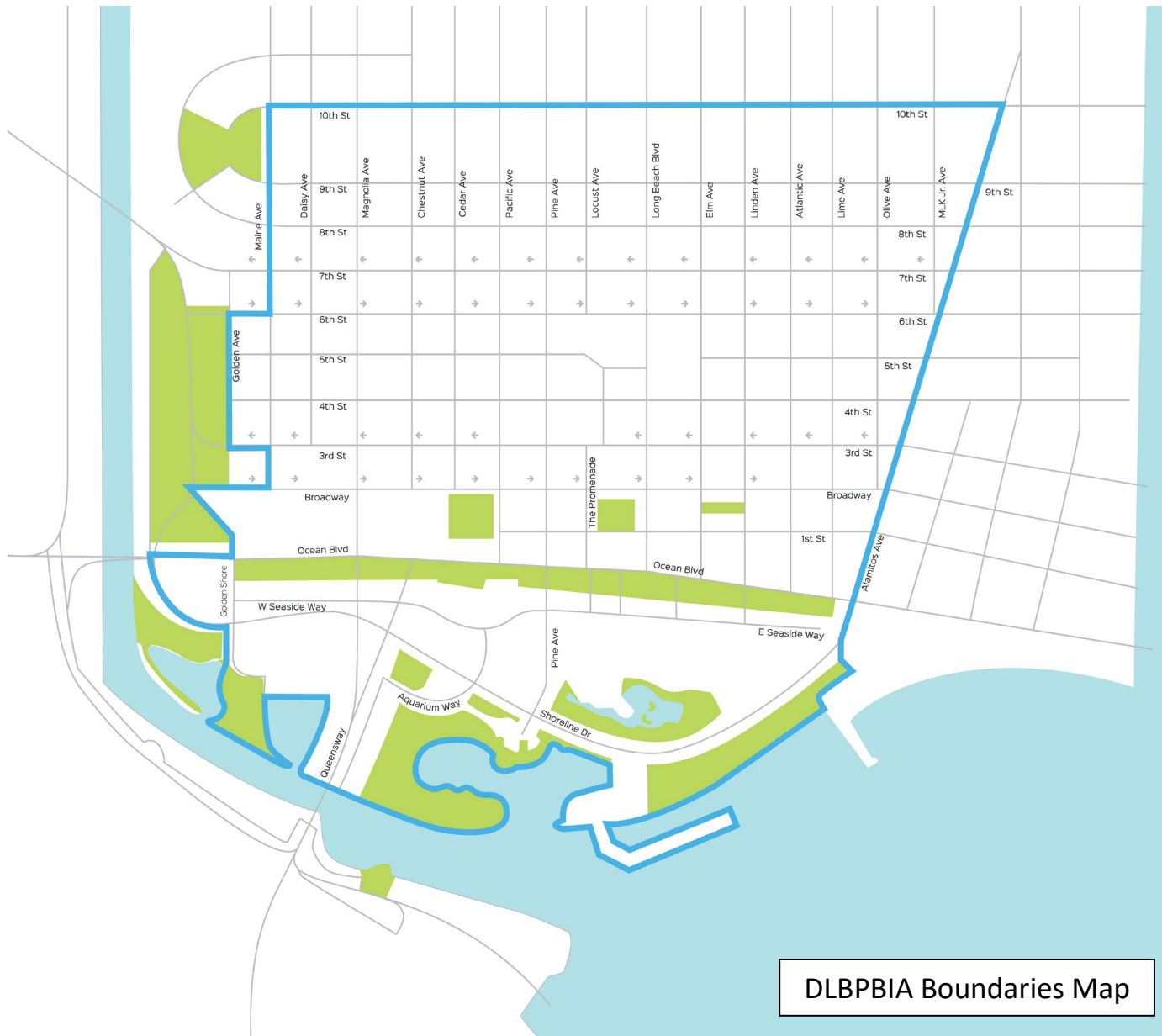
The DLBA manages two Business Improvement Districts (BIDs), the Downtown Long Beach Property Business Improvement Area and the Downtown Long Beach Property and Business Improvement District. The boundaries, budgets, Advisory Board, and operations overlap between the two BIDs. This Annual Report focuses on the DLBPBIA.

DLBPBIA Boundaries

The DLBPBIA boundary includes the PBID area and extends to the following borders:

- Shoreline Drive to the south, including the Pine Avenue Circle and Shoreline Drive
- Golden Shore to the west
- Alamitos Avenue to the east
- 10th Street to the north

A map of DLBPBIA boundaries is provided on the following page



PBID & DLBPBIA Advisory Board

The governance and oversight of the two Downtown business improvement districts are held under a singular Advisory Board. However, five board members represent various marketing neighborhoods established under the DLBPBIA

DLBPBIA REPRESENTATIVES

Laurie	Gray
Monica	Garrett
Rhonda	Love
Alan	Burks
Debra	Fixen

PBID REPRESENTATIVES

Sean	Rawson
Graham	Gill
Michael	Vitug
Amy	Chambers
Eric	Lopez
Shang	Young
Sam	Pierzina
Sheva	Hosseinzadeh
Mike	Gold
Cheryl	Roberts

AT LARGE REPRESENTATIVES

John	Tully
Jimmy	Spicer
Denise	Carter
<i>Loara</i>	<i>Cadavona</i>
Ashley	Chiddick
Isidro	Panuco

NON-VOTING

Councilmember Zendejas	Zendejas
Councilmember Allen	Allen
Jeremy	Harris
Griselda	Suarez
Cameron	Andrews
Jane	Gould
Scott	Apel
Diane	Arnold
Don	Darnauer

METHOD OF ASSESSMENT

DLBPBIA Assessment

The DLBPBIA self-assessment fees are collected through business licenses from Downtown Long Beach businesses within Downtown Long Beach (DTLB). The annual assessment is approximately \$494.16 per business and \$8.30 per employee and for service based independent contractors \$339.38 per business and \$5.74 per employee. There is a 3.8% increase from FY 2021/22.

Proposed Changes

The DLBA Executive Committee and Board of Directors annually review the City of Long Beach's CPI percentage change to its business license fees and determine any adjustments to the DLBPBIA assessments as part of the business license. The DLBPBIA rate adjustment has no cap or restrictions, and its adjustments are applied annually on July 1. Per Long Beach Municipal Code (LBMC) 3.80.451, the City of Long Beach business license fees under Title 3 of the Long Beach Municipal Code will be adjusted pending City's decision.

Based on the City of Long Beach action, the DLBA Board of Directors approved Downtown Parking and Business Improvement Area (DLBPBIA) adjustment of 3.8%, consistent with annual adjustments on business licenses made by City of Long Beach effective July 1, 2022. There are no proposed changes to boundaries or assessment methodology of the DLBPBIA.

BUDGET

DLBPBIA District Budget

The DLBPBIA budget for Fiscal Year 2022/23 has been submitted to the City Council and is, by reference, made part of this report. In accordance with the DLBPBIA, budgeted costs are \$714,751.

DOWNTOWN LONG BEACH PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT

2022/2023 Activities and Programs

Placemaking Programs (PBID/DLBPBIA Funded)

Downtown Long Beach's public realm, which consists of our streets, sidewalks, parks and plazas, is our front porch and sets the tone for the experience of visitors, investors, and tourists. The Placemaking Department, under the advisement of the Placemaking Committee, is responsible for developing and supporting beautification and capital improvement projects that enhance the visual appearance of Downtown. While Downtown has been, and will continue to be, an enjoyable place, the DLBA seeks to elevate this experience through placemaking, which draws on the social and cultural history and diversity of the community in order to create unique and memorable public spaces. Working with our stakeholders, the DLBA actively engages in placemaking projects both large and small, from wayfinding decals to pop-up social spaces.

Capital Improvements consist of permanent physical enhancements to streets, sidewalks, parks, and plazas with the purpose of creating an attractive, functional and safe environment for pedestrians, bicyclists and motorists. Projects of this type include design, installation, and maintenance of new pedestrian wayfinding signs, dog waste and pedestrian litter receptacles, and other streetscape improvements, often in partnership with the City of Long Beach or private entities.

Beautification projects consist of ongoing efforts to beautify and enhance the appearance of the streetscape for the purpose of increasing the visibility of Downtown as a premier destination for business, shopping, dining, and attractions. Projects of this type include:

Holiday Decorations placed along Pine Avenue, The Promenade, Broadway, 1st Street and Linden Avenue.

Street pole Banners located along Long Beach Blvd., Broadway, 3rd St., 4th St., 7th St., and Alamitos Ave welcome visitors to Downtown and promote its unique offerings through the Shop & Dine DTLB and One Downtown branding campaigns.

Economic Activities (PBID/DLBPBIA Funded)

Activities aimed at working with property owners to improve Downtown's overall image, increased sales and building occupancies are part of the PBID Management Plan and DLBPBIA-funded activities. These services are intended to provide special benefits to each individually assessed parcel and assessed businesses.

Marketing, Communications, and Special Events Programming (PBID and DLBPBIA Funded)

The DLBA's Marketing Department serves as the voice for all the wide-ranging programs and activities taking place within Downtown. The department is responsible for increasing the awareness

of and enhancing the image of Downtown, which is achieved through year-round advertising, public relations, and promotional campaigns. This program is supported by contributions from both BIDs (DLBPBIA and PBID).

Marketing and special events enhance the image of Downtown Long Beach and help to attract and provide an enjoyable experience for visitors and locals, which in turn provides collective benefit to businesses and property owners.

DLBA's marketing and special events teams are dedicated to:

- Increasing awareness of and promoting of Downtown Long Beach, through a variety of communications channels including social media, the DLBA website, and strategic advertising campaigns;
- Promoting businesses, activities, and events happening in Downtown; and
- Keeping stakeholders informed of DLBA's services and other policies and important matters affecting the District.

Marketing and special event activities will aim to improve the overall image of Downtown with the goal of attracting consumers and visitors, and attracting and retaining businesses, jobs and investment. Initiatives must be designed to provide collective benefits to each individual assessed parcel and the overall business community. Programs will be selected from a variety of options that may include the following:

- Advertising, including branding and cooperative campaigns and increased placement and frequency in print media.
- Increased distribution and enhanced quality of publications, including downtown maps, directories and activity guides.
- Improved and increased special event and festival production.
- Public relations efforts to promote a positive image and overall experience.

Advertising and promotional campaigns are essential to communicating all DTLB has to offer, as well as services and programs overseen by DLBA. Budgeted funds for advertising and promotions support a variety of projects and campaigns, including paid advertising and the creation of materials and collateral such as videos, signal wraps, and other crucial assets. Methods of paid advertising include:

- Digital advertising (social media promoted posts and placed digital publication advertisements),
- Print advertising (local and regional publications)
- Outdoor advertising (banners, signal wraps, posters, etc.).
- Organic (unpaid) promotional campaigns primarily occur through DLBA's social media channels, and include video series, gift card giveaways, and other creative campaigns designed to highlight DTLB.
- DTLB Advertising Campaign: A marketing campaign designed to promote Downtown Long Beach through the COVID-19 recovery phase, and to highlight DLBA efforts to aid in that recovery.
- Initiative-Specific Campaigns: Advertising/promotional campaigns for DLBA events, programs, and initiatives.
- Collaborative Community Campaigns: Collaboration with DTLB community-based

organizations on promotional campaigns to boost visibility of Downtown and strengthen community relations.

- Gift Card Giveaway: Support and promote Downtown businesses by purchasing their gift cards to give away in contests hosted on DLBA's Instagram account. This campaign boosts community relations by creating an ongoing opportunity to actively engage the Instagram audience.
- Promotional posts: Paid/promoted social media posts are a cost-effective method to boost visibility of DLBA marketing campaigns.

Stakeholder Outreach and Communications: The marketing department is responsible for ensuring strategic and ongoing communications with Downtown stakeholders served by DLBA, including residents, visitors, businesses, property owners, community groups, and DLBA Board and Committee Members.

Ongoing informational updates and resources are provided to DTLB stakeholders through audience-specific e-newsletters, mailers, social media accounts, and direct e-mail and phone communications. In addition to stakeholder outreach, public relations efforts focus on maintaining strong and consistent communications with the media, community organizations, elected officials, and government staff. In addition to personal outreach to these individuals, emphasis is placed on press releases, media alerts, and email updates. Outreach projects include:

- Community Relations and Reconciliation: Facilitate and engage in community conversations regarding social injustice, racism, economic inclusivity.
- Unfiltered: A signature public art program, the annual photography contest challenges novice and professional photographers alike to capture images portraying Downtown Long Beach, culminating in a public exhibition.
- DLBA Newsletters: Continuation of the monthly Downtown Scene Newsletter, weekly Business Resource Newsletter, and internal Weekly Round-up for Board and Committee members.
- Dashboards: Dashboards will include department goals and metrics related to DLBA's new strategic plan.
- Metrics: Continue to leverage various tracking technology to gauge the reach of DLBA's marketing and communications, as well as public perception of DTLB and DLBA.

Social Media: The DLBA actively posts across multiple social media channels to promote Downtown Long Beach and DLBA initiatives. Social media enables DLBA to directly engage with Downtown businesses and residents alike. Although social media channels serve multiple audiences with diverse interests, DLBA maintains a consistent voice by strategically scheduling content and carefully tailoring its messages. DLBA has approximately 17.4K followers on Twitter, 32.7K followers on Instagram, and 53.3 followers on Facebook.

Annual Report: The DLBA Annual Report serves to highlight the accomplishments and measurable results from each of the departments within the organization. The report contains brief descriptions of the DLBA programs initiated within the past fiscal year, features resulting data and statistics when applicable, and also provides financial summaries. The annual report is presented both in print and

digital versions.

Special Events (PBID and DLBPBIA Funded)

Events offer an exciting means of attracting and generating increased foot traffic to the central business district. Through creating and supporting opportunities for people to experience the urban energy and appeal of the Downtown area, the DLBA can demonstrate its initiative and commitment to enhancing the environment. The goal of the Special Events Department, under the advisement and leadership of the Special Events and Sponsorships Committee, is to manage and centralize all aspects involved with the DLBA's special events programs, including planning and execution in addition to sponsoring and providing technical assistance to outside organizations and individuals that produce events in DTLB.

- **New Year's Eve:** Over the past 13 years, the DLBA has produced various versions of this iconic event on Pine and at the Waterfront. This year's event aims to encourage much-needed patronage of Downtown restaurants and entertainment venues through a DLBA hosted event in Rainbow Marina providing a destination experience and marketing opportunity.
- **Celebrate Downtown:** This signature event honors downtown partners, as well as highlights the DLBA's accomplishments and programs for the year. The event changes locations to highlight improvements throughout Downtown Long Beach and has included the new Lincoln Park, The Promenade, Pine Avenue, and The Pike Outlets in recent years.
- **Taste of Downtown Series:** The DLBA will produce a series of three Taste of Downtown events, inviting visitors and residents to enjoy sample-sized portions of signature dishes from restaurants in the Waterfront, East Village Arts District and Pine Avenue neighborhoods while listening to live music. The addition of craft activities and makers mart retail, and exciting new Downtown restaurants has led to an increase in attendance and revenue.
- **DTLB Unfiltered Photo Contest:** Annual event to showcase local talent and to memorialize in photos the ever-changing physical environment of DTLB. In partnership with the Arts Council, DLBA will sponsor and coordinate the contest that will include various categories and genres. Following the selection of winners, the photos will be digitally displayed at various DLBA events before being put on display in the DLBA offices for the year.
- **Summer Nights:** DLBA partners with LB Walls and KCRW to host one of its Summer Nights events in Downtown, showcasing art, music and food from local restaurants and bars. The event provides a significant marketing opportunity for Downtown to a diverse regional audience.
- **Shop Small Saturdays (Winter and Summer):** Downtown Long Beach's Shop Small Saturday occurs during the holiday and summer seasons through a variety of activities: entertainment, crafts and themed food & drinks. Attendees can pick up a gift guide map and catch free trolleys, which stop at various locations in Downtown to shop and dine at all of the great businesses. Businesses coordinate to provide various specials and product drops during these two retail-focused events.

- **Community Sponsorships:** DLBA will partner with community groups and event organizers to sponsor cultural, arts, and entertainment-based special events that benefit Downtown neighborhoods, properties and businesses. Examples of events sponsored by DLBA are Día de Los Muertos and Juneteenth.

Economic Development Programs (PBID and DLBPBIA Funded)

Business Recruitment Retention, Development & Expansion

One of the ED Department's core responsibilities is providing ongoing and targeted assistance to potential businesses including attraction, recruitment, and assistance for existing businesses. Business retention support includes consulting with existing businesses to recommend strategies for improving or enhancing business health and operations, as well as coordinating with local agencies and entities to assist with permitting and site selection as needed.

- **Strategic Business Recruitment:** ED staff will meet with prospective businesses and engage in recruitment efforts that involve business visits and downtown site selection/relocation tours. Furthermore, ED staff will work with property owners and brokers to develop an overarching business recruitment strategy to help fill vacancies caused by the COVID-19 pandemic.
- **ED Advertising:** Potential ED advertising campaigns will continue to utilize the most effective and popular real estate trade journals and other vehicles for driving ED messaging. Expanding beyond traditional advertising, ED staff will use alternative forms of communication including but not limited to social media, pay-per-click advertising, and public relations to deliver messages.
- **Grand Opening Assistance:** ED will support new businesses by providing grand opening assistance including offering advice, marketing support, and new business banners.
- **Entrepreneurship & Business Education:** This series of seminars will focus on entrepreneurship, innovation, and education to recruit new businesses, support business retention, and ultimately create jobs in Downtown by examining business trends via presentations and discussions led by successful small business owners, panelists, and academic educators.
- **Entrepreneur & Small Business Grant:** The DLBA's Small Business & Job Creation Grant is designed to assist new businesses and support the expansion of existing businesses by providing grant funds in an effort to defray costs associated with starting or expanding a business, therefore creating jobs in Downtown Long Beach.

Community Engagement & Business Outreach

ED will increase the visibility of the DLBA and DTLB through sponsorships of and participation in numerous local, regional, and national events, as well as activities targeting the local commercial real estate and business communities.

Business Navigator

Included in the economic development budget is a new position for a Downtown Business Navigator. This position is envisioned as a near term opportunity to support Downtown's economic recovery through direct and tailored support to existing businesses and encouragement of new entrepreneurs.

This position will be hands on and proactively seek to build relationships with diverse Downtown businesses and entrepreneurs who are new to the Downtown Long Beach market. This position will also work closely with the City of Long Beach Economic Development Department and will help businesses (with a focus on storefront and office tenants) to navigate City processes and keep them informed of new financial and technical assistance resources.

Special Projects and Publications

Reports and Studies: The DLBA will continue to produce its quality reports that focus on the Downtown commercial market, workforce, demographics, mobility, and livability. This will include DLBA's annual Economic Profile and quarterly Snapshot Reports. Moreover, utilizing pedestrian count and bikeshare data, the DLBA will also produce a Pedestrian Mobility Report. Lastly, this will include the production of reports and studies by independent third parties.

Recruitment Collateral: Recruitment collateral such as tenancy maps, leasing brochures, and district and industry profiles will be produced on an ongoing basis to ensure an up-to-date suite of materials and information.

New Business Kit: Information will be hosted on ED's website pages providing real time access for new and prospective businesses with user-friendly information related to business licensing, permitting, and additional resources and incentives.


Advocacy, Administration, & Reserves (PBID and DLBPBIA Funded)

Advocacy and administrative costs have been included within the PBID and DLBPBIA budget.

Examples of advocacy and administrative costs include:

- Accounting and annual financial reports,
- Program support costs including supplies, equipment and rent,
- A delinquency reserve estimated at 3% of assessments,
- A general benefit reserve estimated at 0.89% of the budget, to be paid with non-assessment revenue. The general benefit reserve is established to address that the PBID may provide de minimus general benefit (i.e. general benefit to the public and/or surrounding community), requiring 0.89% of the budget to be financed by non-assessment revenue, and
- Other administration costs associated with the overhead and administrative support of programs.

To reduce administrative costs, increase leveraging of funds, and to avoid duplication of enhanced services, the PBID will continue to be managed by the DLBA to deliver day-to-day services. DLBA will leverage PBID assessments with additional revenues, including business license BID fees, sponsorship revenue, contracts, grants and earned income.

 DOWNTOWN LONG BEACH ALLIANCE	FY 2022-23 BUDGET APPROVED 08.02.2022
DESCRIPTION	Downtown Parking Improvement Area (DPIA)
REVENUES	
DLBPBIA Assessment	\$ 716,627
TOTAL REVENUE	\$ 716,627
EXPENSES	
ADMINISTRATION	
Rent: Office Space	\$ 99,000
Computers	\$ 27,902
Office Equip Lease	\$ 10,720
Office Supplies	\$ 8,045
General Insurance	\$ 36,200
Professional Services	\$ 58,200
Utilities	\$ 3,760
Admin Projects	\$ 7,500
Employee Recruitment	\$ 3,400
Credit Card Merchant Fees and Interest	\$ 83
Dues & Subscriptions	\$ 4,950
Board & Committee Meetings	\$ 4,800
Holiday Party/Gifts	\$ 7,000
PBID General Benefit	\$ 14,213
Administrative Personnel	\$ 147,786
TOTAL ADMINISTRATION	\$ 433,559
ADVOCACY	
Travel/Education/Civic Events	\$ 33,419
Research & Data Analytics	\$ 16,493
PBID General Benefit	\$ 5,527
Advocacy Personnel	\$ 75,262
TOTAL ADVOCACY	\$ 130,701
ECONOMIC DEVELOPMENT	
Economic Profile & Snapshot Reports	\$ 16,000
Conference Attendance	\$ 5,000
Memberships	\$ 1,221
PBID General Benefit	\$ 26,151
TOTAL ECONOMIC DEVELOPMENT	\$ 48,372
SPECIAL EVENTS	
Taste of Downtown	\$ 4,000
New Year's Eve	\$ 140
General Expenses	\$ 428
PBID General Benefit 1%	\$ 9,864
Special Events Personnel	\$ 19,607
TOTAL SPECIAL EVENTS	\$ 34,039
MARKETING	
Advertising/Promotions	\$ 3,215
Public Relations	\$ 5,000
PBID General Benefit	\$ 9,864
Marketing Personnel	\$ 50,000
TOTAL MARKETING	\$ 68,079
TOTAL EXPENSE	\$ 714,750