



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

H-2

September 12, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, approve the annual report, conclude the hearing, authorize the City Manager to execute an agreement with the Belmont Shore Business Association for a one-year term, and declare the Ordinance approving the Belmont Shore Parking and Business Improvement Area program continuing the assessment for the period of October 1, 2006 through September 30, 2007 with an increased assessment rate read the first time and laid over to the next regular meeting for final reading. (District 3)

DISCUSSION

The Belmont Shore Business Association (BSBA) uses business license assessment funds to promote and market the commercial area along Second Street on behalf of businesses located in the Belmont Shore Parking and Business Improvement Area (BSPBIA). The BSBA 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 Assessment Report describing proposed activities and allocations is provided (Attachment A). These items were reviewed by the City Council at its meeting of August 22, 2006.

The Assessment Report describes boundaries, proposed activities and budgetary information, as well as the method and basis for continuation of the assessment. The report proposes changes to the assessment structure, for the first time in 14 years, for businesses located within the district. The change in assessment rate results in an increase in Fiscal Year 2007 revenue from an estimated \$89,000 to an estimated \$153,000. As shown in the Assessment Report, the additional revenue will be allocated primarily to regional marketing of the district.

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 Assessment Report, transmitting the recommendations of the BSPBIA Advisory Commission, proposes the following:

- Increasing the assessment rate shown in the attached resolution and annual report summarized as follows:

<u>Categories</u>	<u>Base Rate</u>	<u>Employee Rate</u>
Financial Institution & Insurance	\$1,646.22	\$16.50
Service Real Estate Office	\$638.70	\$22.00
Retail – Rest w/alcohol & RTE	\$640.19	\$9.63
Retail – Other	\$548.73	\$8.25
Consulting	\$425.80	\$22.00
Construction Contractor	\$425.80	\$22.00
Professional	\$425.80	\$22.00
Service – Other	\$319.35	\$16.50
Misc. Rec/Ent, Vending, Manufacturing, Unique & Wholesale	\$319.35	\$16.50
39% Reduced Rate for Service-related Independent Contractors	\$194.80	\$16.50

- Make no significant changes in promotional events program.
- Increase regional marketing activities and expenditures.
- Make no changes in the existing boundaries.

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 copy of RES 06-0092 was mailed to all businesses in the district on August 30, 2006. A hearing notice and copy of the resolution was also published in local media as required. The attached ordinance amends ordinance C-5963.

Should the Assessment Report be approved, the City Council is requested to authorize the execution of an agreement with the BSBA for the use of assessment funds for promotional purposes.

This letter was reviewed by Assistant City Attorney Heather Mahood on August 16, 2006, Budget Management Officer David Wodynski on August 30, 2006, and the City Treasurer's Office on August 24, 2006.

TIMING CONSIDERATIONS

The BSBA contract year begins October 1, 2006. City Council action is requested on September 12, 2006, to allow sufficient time to complete necessary documents before the beginning of the contract year.

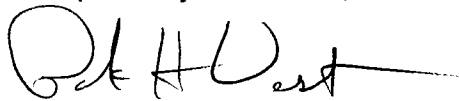
FISCAL IMPACT

The recommended contract amount for Fiscal Year 2007 (FY 07) is \$153,000. Sufficient funds will be appropriated in the FY 07 Budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

PHW:RS:tb

Attachments: Attachment A - Belmont Shore Business Association Annual Report
Ordinance modifying the assessments to be levied within the Belmont Shore Business Improvement Area

Belmont Pub Hrng 9-12-06 Cncl Ltr v 02.doc

APPROVED:



GERALD R. MILLER
CITY MANAGER