R-29

City of Long Beach
Working Together to Serve

Memorandum
Councilmember Al Austin
Eighth District

Date: May 7, 2019

To: Mayor and Members of the City Council

From: Councilmember Al Austin, Eighth District
Vice Mayor Dee Andrews, Sixth District
Councilmember Roberto Uranga, Seventh District
Councilmember Rex Richardson, Ninth District

Subject: Review of Feasibility of Vacant Commercial Property Fee

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RECOMMENDATION:

Request the City Manager to work with relevant departments and the Economic Development Commission to review the feasibility of the City of Long Beach implementing a vacant commercial property fee to address long-time vacant commercial properties, and report back to the City Council within 120 days on findings and recommendations.

BACKGROUND:

Long Beach's retail economy is strong, as sales tax revenues continue to exceed projections, and overall commercial vacancy rates remain low. However, there are some commercial corridors where certain retail properties have remained vacant for years, resulting in blighted conditions and depressed neighborhood economic activity.

Some cities, such as Washington, D.C., New York, Boston, Oakland and San Francisco, have implemented or are considering adopting vacant property taxes to address chronically vacant storefronts.

A commercial property vacancy fee would provide an additional tool for Long Beach to provide a financial disincentive for property owners to let their properties sit vacant for long periods of time. Most vacancy fee policies allow exemptions for properties that are undergoing renovations or are going through the entitlement process with the City.

We request the City Manager to work with relevant departments and the Economic Development Commission to review the feasibility of implementing a vacant commercial property fee policy in Long Beach and report back to the City Council with findings and recommendations.

This matter was reviewed by Budget Manager Grace H. Yoon on April 26, 2019.

FISCAL IMPACT:

This recommendation requests the City Manager to work with relevant departments and the Economic Development Commission to review the feasibility of implementing a vacant commercial property fee and to report back to City Council with findings and recommendations. Preparing this report is anticipated to require a moderate to significant level of staff hours beyond the normal budgeted scope of duties and is expected to have a moderate to significant impact on existing City Council priorities due to limited staffing capacity. Any additional fiscal impact identified will be included in the requested report.