



Special Advertising & Promotion Fund

August 20, 2019

Background

- Special Advertising and Promotions Fund (SAP) – Established in 1962 as a Special Revenue Fund to account for the special revenue Transient Occupancy Tax (TOT)
- The Municipal Code states the fund is to be used for “advertising, promotional and public relations projects calling attention to the City, its natural advantages, resources, enterprises, attractions, climate, and facilities” (LBMC 3.64.100)

Revenue Sources

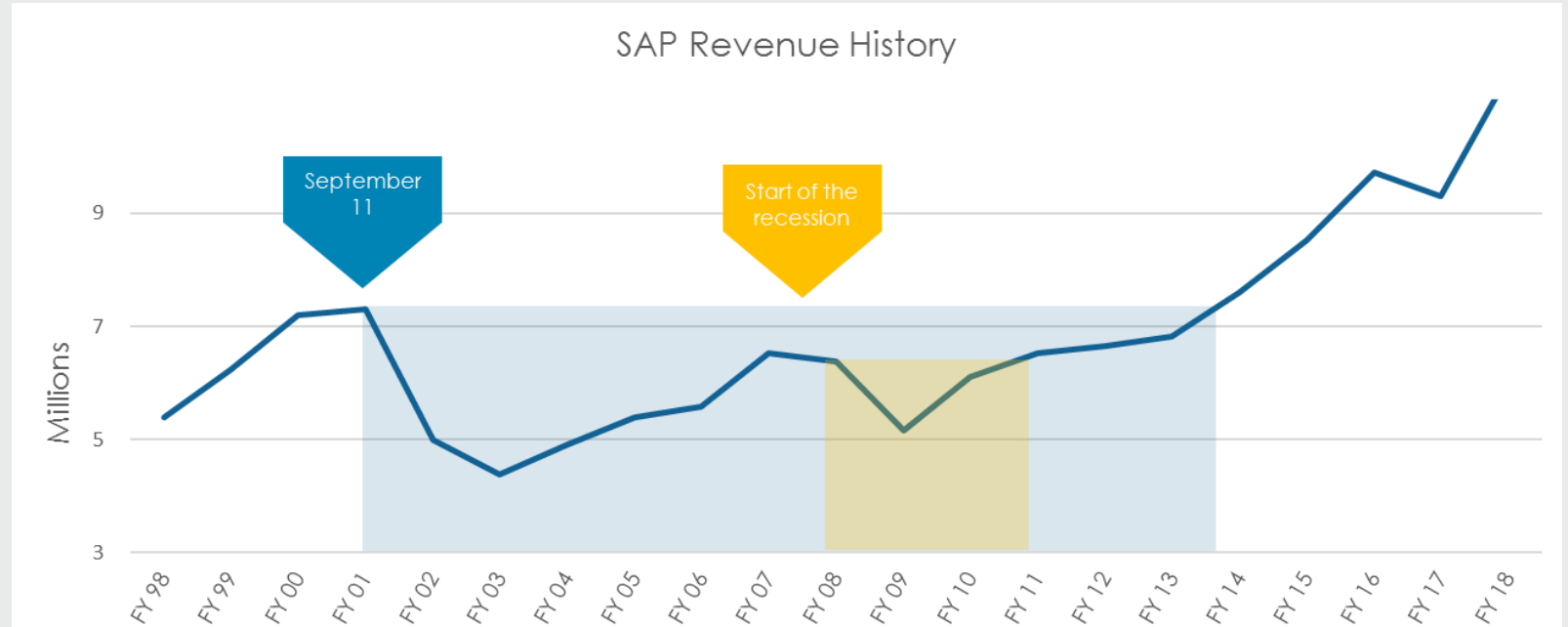


- Transient occupancy tax
- Studio filming permits
- Special events licenses, permits and fees
- Municipal band donations



Revenue Volatility

- Revenues are directly tied to economic activities and trends
- May experience sudden downturns
 - 32% decline (FY 02)
 - 19% decline (FY 09)
- Slow growth recovery
- Future recession risks
 - \$2.3 million at risk



Budgetary Funds Available

- Budgetary Funds Available depends upon incoming revenues and expenditures including one-times
- In recent years, there has been a draw down of funds available with one-time uses

	FY 16	FY 17	FY 18	FY 19 ETC	Proposed FY 20
Revenue Actuals	9,722,403	9,307,857	11,449,136	11,634,277	11,822,139
Expense Actuals	(9,113,196)	(8,904,450)	(11,554,993)	(13,239,850)	(12,522,340)
Revised Budgetary Funds Available*	5,525,468	5,928,875	5,623,018	4,017,445	3,317,244

*excludes reserves

Structural (Ongoing) Uses

- Long Beach Convention and Visitors Bureau
- Office of Special Events & Filming operations, event support services and materials
- Long Beach Museum of Art
- Insurance on the City's art collection
- Arts Council
- Public Affairs & Communications operations including social media monitoring
- Municipal Band and community concerts
- LBTV



Examples of One-Time Uses

- Advertising and Media Consulting Services
- Percent for the Arts nexus study
- Pow! Wow!
- Museum of Latin American Art (MOLAA)
- Wayfinding signage
- Civic Center Public Safety Memorial
- Historic sign on Pine Avenue
- 2028 Olympic Qualifying Games Support
- Beach Streets
- Event security staffing
- Citywide communication plan
- Long Beach Museum of Art Appraisal



Proposed FY 20 Enhancements

Structural

- Engagement Coordinator
- National Public Affairs Consultant (Shared cost with CVB and Port of Long Beach)
- Recreation Connection advertising guide
- Communications support in City Manager, Police, Health and Technology
- Increased support for CVB

One-Time

- Pow! Wow!
- Wayfinding signage
- Matching support for Arts Council
- Artistic, cultural and educational video programming with a focus on new Civic Center



Future Challenges

- LA 2028 Olympics
- Additional funding requests from CVB and arts organizations
- Increased demand for communications and marketing of City programs
- Volatile, risk of economic downturn
- TOT sharing agreements may impact the rate of growth



Opportunities to Grow

- Exploration of a limited advertising district in Downtown to bolster SAP net revenue
- Additional hotels may bring increased TOT opportunities





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