

H-33

October 6, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing, and adopt a Resolution continuing the Zaferia Parking and Business Improvement Area assessment levy for the period of October 1, 2020 through September 30, 2021; and, authorize the City Manager, or designee, to extend the agreement with the Zaferia Business Association for a one-year term. (Districts 3, 4)

DISCUSSION

The Zaferia Parking and Business Improvement Area (ZPBIA), formerly known as the East Anaheim Street Parking and Business Improvement Area, was established by the City Council in 2010, allowing for the levy of an annual business license assessment to be paid by businesses located in the ZPBIA. The City of Long Beach (City) contracts with the Zaferia Business Association (ZBA) to manage the ZPBIA and the ZBA Board of Directors serves as the Advisory Board to the City Council on matters related to the ZPBIA. The ZBA promotes and markets the commercial area along East Anaheim Street using funds generated through the ZPBIA business license assessment.

State law governing Parking and Business Improvement Areas requires that an Annual Report be submitted to the City Council by the Advisory Board designated for this Assessment District. On June 18, 2020, the ZPBIA Advisory Board voted to recommend to the City Council approval of the 2020-2021 ZPBIA Annual Report (Exhibit A to the Resolution).

The Annual Report describes boundaries, proposed activities, and budgetary information, as well as the method and basis for continuation of the assessment. The 2020-2021 ZPBIA Annual Report proposes no change to the ZPBIA boundaries or the method of levying the assessment and no significant change to proposed activities.

To continue the assessment levy, State law requires that a public hearing be held on the proposed program and assessment. At its September 15, 2020 meeting, the City Council approved Resolution No. RES-20-0117 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set October 6, 2020 as the date of the public hearing. A hearing notice, including a copy of the Resolution, was published in the local media.

State law requires 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. If written protests are received from area business owners representing 50 percent or more of the proposed assessments, the City Council will not levy the assessment. If protests in such quantity are directed against a specific portion of the program, the City Council will eliminate that portion.

The 2020-2021 ZPBIA Annual Report, transmitting the recommendations of the Advisory Board, proposes the following assessment rates:

Method of Assessment

The estimated 2020-2021 fiscal year revenue from business assessments is \$113,804. Assessments are calculated by category of business and incorporate a base rate plus a per employee rate. Businesses categories and rates are as follows:

- Type 1 Businesses: Retail, recreation and entertainment, unique businesses, and banking institutions, pay annual assessment fees of:
 - Base Fee: \$300 per year except that secondary licensees in these classes are exempt
 - Employee Fee: \$15 per employee up to \$300 maximum
- Type 2 Businesses: Service, vending, professional, wholesale, contractor, manufacturing, and miscellaneous mobile, pay annual assessment fees of:
 - Base Fee: \$200 per year except that secondary licensees in these classes pay a base fee of \$120
 - Employee Fee: \$15 per employee up to \$300 maximum
- Type 3 Businesses: Non-residential space rental businesses pay an annual assessment fee of:
 - Base Fee: \$120 per year
 - Employee Fee: not applicable
- Type 4 Businesses: Nonprofit businesses pay an annual assessment fee of:
 - Base Fee: \$100 per year
 - Employee Fee: not applicable
- Type 5 Businesses: Home-based businesses that voluntarily choose to be a member of the organization pay an annual assessment fee of:
 - Base Fee: \$100 per year
 - Employee Fee: not applicable

Residential property rental is exempt from the assessment.

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 ZPBIA Advisory Board has decided not to request a July 2021 CPI adjustment.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 14, 2020 and by Budget Management Officer Rhutu Amin Gharib on September 16, 2020.

TIMING CONSIDERATIONS

City Council action is requested on October 6, 2020, so that Fiscal Year 2021 (FY 21) assessment transfers may be made as required by the Agreement for Funding with the ZBA.

FISCAL IMPACT

It is estimated that the ZPBIA will generate \$113,804 in FY 21 through the proposed continuation of the assessment. Assessment funds are collected by the City on behalf of the ZBA through additional fees attached to ZPBIA business licenses and passed directly through to the ZBA 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,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

JK:ER

ATTACHMENT – RESOLUTION



THOMAS B. MODICA
CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH CONFIRMING, FOLLOWING
HEARING, THE ANNUAL REPORT OF THE ZAFERIA
BUSINESS ASSOCIATION, 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 Zaferia Business Association has caused a Report to be prepared
for October 1, 2020 through September 30, 2021 relating to the Zaferia Parking and
Business Improvement Area ("ZPBIA"); and

WHEREAS, said Report contains, among other things, all matters required
to be included by the above cited Section 36533; and

WHEREAS, on October 6, 2020 at 5:00 p.m., the City Council conducted a
public hearing relating to that Report in accordance with its Resolution of Intention No.
RES-20-0117, adopted September 15, 2020, 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 without change to the basis and method of levying the
assessment;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as
follows:

Section 1. A public hearing having been conducted on October 6, 2020,
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
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802

1 heard, the City Council hereby confirms the Report of the Zaferia Business Association,
2 previously filed and approved by Resolution No. RES-20-0117, adopted September 15,
3 2020, and declares that this resolution shall constitute the levy of the Assessment,
4 without change to the assessment methodology, for the period October 1, 2020 through
5 September 30, 2021 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 _____, 2020,
10 by the following vote:

11
12 Ayes: Councilmembers:

16 Noes: Councilmembers:

18 Absent: Councilmembers:

20 Recusal(s): Councilmembers

23 _____
24 City Clerk

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Lana Beach, CA 90802

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EXHIBIT "A"



2020-2021 Annual Report Zaferia Parking and Business Improvement Area

SUBMITTED BY ZAFERIA BUSINESS ASSOCIATION
JUNE 30, 2020

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DISTRICT OVERVIEW

District Background

Conceived by a coalition of business owners located along Anaheim Street, the Zaferia Parking and Business Improvement Area (formerly known as the East Anaheim Street Parking and Business Improvement Area) (the "District") is a benefit assessment district whose goal is to provide a more attractive and vibrant business environment in the Zaferia business area, including a sidewalk cleanliness program, marketing and promotions of our members and the general Zaferia area, and support of local programs.

The organization overseeing the management of the District is the Zaferia Business Association (ZBA), an IRS 501 C-6, tax-exempt organization.

The mission of the Zaferia Business Association is to promote, enhance, and represent the business members of the Zaferia district.

Zaferia Parking and Business Improvement Area Boundary

The District is bounded by Junipero Avenue to the west, Pacific Coast Highway to the east, 11th Street to the south, and 14th Street to the north. Historically, this area is known as Zaferia.



Proposed Changes

The ZBA Board of Directors proposes no changes to the district boundary for 2020-2021.

District Advisory Board

OFFICERS		TERMS
President Madison Mooney	Executive Director – Long Beach Playhouse Theatres	2019 – 2021
Vice President Zain Ramjan	Owner – Sani-Tec Janitorial Supplies and Coastline Car Wash	2019 – 2021
Secretary Jonathan Han	Vice President, Branch Manager – Farmers & Merchants Bank	2020 – 2022
Treasurer Scott Bristol	Controller – Brascia Builders	2020 – 2022
DIRECTORS		
Cameron Crockett	Principal Architect - Ultra-Unit Architectural Studio	2020 – 2022

Alan Gomez	Owner – Commodity	2019 - 2021
Dean Lockwood	Director of Development & Community Outreach - Su Casa – Ending Domestic Violence	2020-2022

District Personnel

Director
 Kristine Hammond
Part-Time, Independent Contractor

director@zaferia.org
 (562) 305-7102

METHOD OF ASSESSMENT

Assessments are calculated as follows:

- **Type 1 Businesses:** Retail, recreation and entertainment, unique businesses, and banking institutions, shall pay annual assessment fees of:
 - Base fee: \$300 per year except that secondary licensees in these classes are exempt;
 - Employee Fee: \$15 per employee up to \$300 maximum.
- **Type 2 Businesses:** Service, vending, professional, wholesale, contractor, manufacturing and miscellaneous mobile, shall pay annual assessment fees of:
 - Base Fee: \$200 per year except that secondary licensees in these classes shall pay a base fee of \$120;
 - Employee Fee: \$15 per employee up to \$300 maximum.
- **Type 3 Businesses:** Non-residential space rental businesses shall pay an annual assessment fee of:
 - Base Fee: \$120 per year;
 - Employee Fee: not applicable.
- **Type 4 Businesses:** Non-profit businesses shall pay an annual assessment fee of:
 - Base Fee: \$100 per year;
 - Employee Fee: not applicable.
- **Type 5 Businesses:** Home-based businesses that voluntarily choose to be a member of the organization shall pay an annual assessment fee of:
 - Base Fee: \$100 per year;
 - Employee Fee: not applicable.

Residential property rental is exempt from the assessment.

Proposed Changes

The ZBA Board of Directors proposes no changes to the method and basis of levying the assessment.

Consumer Price Index Adjustment

The ZBA Board of Directors is not requesting a Consumer Price Index adjustment for the 2020-2021 contract year.

BUDGET

Projected Budget

The ZBA Board of Directors is conservatively anticipating a 20% decrease in assessment revenue from the previous year due to the negative economic effects of the 2020 Stay-at-Home Order relating to COVID-19.

ZBA	
Budget Overview: ZBA FY 2020-2021 Budget - FY21 P&L	
October 2020 - September 2021	
	Total
Income	
Member Assessments	113,804.00
Total Income	\$ 113,804.00
Gross Profit	\$ 113,804.00
Expenses	
Administrative Expense	
Accounting	3,060.00
Annual Mailing	1,250.00
Cell Phone	780.00
Dues & Memberships	4.00
Franchise Tax Board	10.00
Hardware Purchases	500.00
Insurance	2,100.00
Management Fee	37,100.00
Member Appreciation	250.00
Office Supplies	430.00
Postage	112.00
Professional Services	500.00
Rent & Parking	
Rent	1,272.00
Total Rent & Parking	\$ 1,272.00
Software Fees	2,250.00
Total Administrative Expense	\$ 49,618.00

Program Expense		
Food & Drinks		
BOD Meetings		650.00
Member Meetings		1,600.00
Member Socials		1,500.00
Total Food & Drinks	\$	3,750.00
Marketing		
Advertising Merchandise		1,000.00
Social Media Marketing		11,100.00
Total Marketing	\$	12,100.00
Pole Banners & Maintenance		8,000.00
Sponsorship		1,000.00
Streetscape and Cleanliness		37,516.00
Water		420.00
Total Streetscape and Cleanliness	\$	37,936.00
Website		1,400.00
Total Program Expense	\$	64,186.00
Total Expenses	\$	113,804.00
Net Operating Income	\$	0.00
Net Income	\$	0.00

Surplus or Deficit Carryover

The ZBA has set aside \$45,000 of surplus funds from prior years for area improvements relating to the Pedestrian Safety Grant Work by the City of Long Beach that is currently pending.

Contributions from Other Sources

The ZBA is not anticipating any monetary contributions from any other sources for the coming fiscal year.

ZAFERIA BUSINESS ASSOCIATION PROGRAM

2020 – 2021 Program

Cleanliness

The ZBA will continue to manage our cleanliness program. Weeds, trash, gum, and stickers continue to be an ongoing issue in the district. Compounded with an increase in the homeless population in our area, the ZBA is making attempts to keep ahead of this issue by working closely with our cleaning contractor, our members, and the City.

Support of Area Events

Due to the anticipated assessment revenue decrease from the prior year, the ZBA Board of Directors has not budgeted funds for area events for the 2020-2021 fiscal year. However, should

the anticipated decrease not come to fruition, the ZBA Board of Directors intends to utilize any additional net revenue toward supporting area events.

In prior years, the ZBA supported with funding and promotion the Happy Sundays event on the last Sunday of August. This event includes multiple venues with multiple musical and comedy acts that is free and open to the public.

The ZBA has also previously supported with funding and promotion of the Open Art Studio Tour in October. This event includes several artists' studios on the city-wide tour. It is free and open to the public.

The ZBA has also previously supported with funding and promotion the annual Orizaba Park Halloween Party for area children, providing games and candy in a safe environment. It is free and open to the public.

The ZBA Board of Directors will continue to review all requests for support on an individual basis.

Member & Area Marketing & Promotion

The ZBA will continue with our robust social media program with our monthly contract with Creative Marketing Services (CMS). CMS creates posts for the ZBA Facebook, Instagram, Twitter, and Pinterest pages that highlight ZBA members, our events, the events that we support, and the general Zaferia area. The ZBA budget incorporates boosting of some of the posts.

The ZBA will continue to provide a district website, www.zaferia.org, which includes a directory of members and provides the opportunity for members to share promotions, events, and be highlighted.

The ZBA will additionally support members by providing advertising on Google Search for a variety of business categories.

Member Representation & Communication

The ZBA will continue to support and participate in the Council of Business Associations (COBA) and relay information about City programs and topics of interest to ZBA members by way of email communications and the Member Resources page on our website.