

## **H-24**

October 5, 2021

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, 2021 through September 30, 2022; 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 10, 2021, the ZPBIA Advisory Board voted to recommend to the City Council approval of the 2021-2022 ZPBIA Annual Report (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 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 14, 2021 meeting, the City Council approved Resolution No. RES-21-0109 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set October 5, 2021 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 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 must not levy the assessment. If protests in such quantity are directed against a specific portion of the program, the City Council must eliminate that portion.

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

### **Method of Assessment**

The estimated 2021-2022 fiscal year revenue from business assessments is \$127,800. 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.

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October 5, 2021

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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 2022 CPI adjustment.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 8, 2021 and by Budget Management Officer Rhutu Amin Gharib on September 13, 2021.

#### TIMING CONSIDERATIONS

City Council action is requested on October 5, 2021, so that Fiscal Year 2022 (FY 22) 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 \$127,800 in FY 22 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:



THOMAS B. MODICA  
CITY MANAGER

JK:ER

ATTACHMENT – RESOLUTION

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, 202 through September 30, 2022 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 5, 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-21-0109, adopted September 14, 2021, 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 5, 2021,  
at 5:00 p.m., and all persons having been afforded an opportunity to appear and be

1 heard, the City Council hereby confirms the Report of the Zaferia Business Association,  
2 previously filed and approved by Resolution No. RES-21-0109, adopted September 14,  
3 2021, and declares that this resolution shall constitute the levy of the Assessment,  
4 without change to the assessment methodology, for the period October 1, 2021 through  
5 September 30, 2022 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 \_\_\_\_\_, 2021,  
10 by the following vote:

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12 Ayes: Councilmembers:

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16 Noes: Councilmembers:

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18 Absent: Councilmembers:

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20 Recusal(s): Councilmembers

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EXHIBIT "A"



# **2021-2022 Annual Report Zaferia Parking and Business Improvement Area**

SUBMITTED BY ZAFERIA BUSINESS ASSOCIATION  
JUNE 23, 2021

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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, 11<sup>th</sup> Street to the south, and 14<sup>th</sup> 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 2021-2022.

## District Advisory Board

OFFICERS		TERMS
<b>President</b> Madison Mooney	Executive Director – Long Beach Playhouse Theatres	2021 – 2023
<b>Vice President</b> Zain Ramjan	Owner – Sani-Tec Janitorial Supplies and Coastline Car Wash	2021 – 2023
<b>Secretary</b> Dean Lockwood	Director of Development & Community Outreach - Su Casa – Ending Domestic Violence	2020 – 2022
<b>Treasurer</b> Lisa Lowe	President and Creative Director – Ore' Originals	2020 – 2022

## DIRECTORS

Alan Gomez	Owner – Commodity	2021 – 2023
Tokotah Ashcraft	Director of Community Engagement and Programs – Compound	2020 – 2022
Jennifer Little	Owner – The Park Hotel	2020 - 2022

## District Personnel

**Director**  
Kristine Hammond  
*Part-time, Independent Contractor*

[director@zaferia.org](mailto:director@zaferia.org)  
(562) 305-7102

**Member Outreach Coordinator**  
Tracy Ames  
*Part-time, Independent Contractor*

[outreach@zaferia.org](mailto:outreach@zaferia.org)  
(562) 668-6762

## METHOD OF ASSESSMENT

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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 2021-2022 contract year.

## BUDGET

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### Projected Budget

The ZBA Board of Directors is conservatively anticipating a 10% decrease in assessment revenue from the last pre-COVID term of FY 2019–2020 due to the continuing negative economic effects of the 2020 Stay-at-Home Order relating to COVID-19.

ZBA		
Budget Overview: ZBA FY 2021-2022		
October 2021 - September 2022		
<b>Income</b>		
Member Assessments		127,800.00
<b>Total Income</b>	\$	127,800.00
<b>Gross Profit</b>	\$	127,800.00
<b>Expenses</b>		
<b>Administrative Expense</b>		
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		37,065.00
Member Appreciation		250.00
Member Outreach Coordinator		12,000.00

Office Supplies		430.00
Postage		225.00
Professional Services		500.00
Rent & Parking		
Rent		1,308.00
Total Rent & Parking	\$	1,308.00
Software Fees		1,368.00
<b>Total Administrative Expense</b>	\$	60,850.00
<b>Program Expense</b>		
Events		20,000.00
Food & Drinks		
BOD Meetings		300.00
Member Meetings		1,200.00
Member Socials		1,500.00
Total Food & Drinks	\$	3,000.00
Marketing		
Advertising Merchandise		2,000.00
Social Media Marketing		11,100.00
Total Marketing	\$	13,100.00
Member Support		6,468.00
Pole Banners & Maintenance		8,300.00
Sponsorship		1,000.00
Streetscape and Cleanliness		37,806.00
Water		876.00
Total Streetscape and Cleanliness	\$	38,682.00
Website		1,400.00
<b>Total Program Expense</b>	\$	91,950.00
<b>Total Expenses</b>	\$	152,800.00
<b>Net Operating Income</b>	-\$	25,000.00
<b>Net Income</b>	-\$	25,000.00

### Surplus or Deficit Carryover

The ZBA had approximately \$25,000 in surplus carryover for the fiscal year ending September 30, 2020. This surplus was due to the prohibition of in-person events due to COVID-19 restrictions that were originally factored into the 2019-2020 budget. This surplus carryover is factored into the 2021-2022 fiscal year budget as reflected in the negative net income.

Of additional note: The ZBA Board of Directors had conservatively anticipated a 20% decrease in assessment revenue for fiscal year 2020-2021 due to the continuing negative economic effects of the 2020 Stay-at-Home Order relating to COVID-19. However, to date we are tracking at an average 10% decrease in assessment revenue.

## **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**

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### **2021 – 2022 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. The ZBA's new Member Outreach Coordinator will assist with reporting and follow-up in this area.

#### **Support of Area Events**

The ZBA Board of Directors intends to financially support area events for the 2021-2022 fiscal year, as reflected in the proposed budget. In prior years, the ZBA supported with funding and promotion the Happy Sundays multi-venue free music, open to the public event on the last Sunday of August. It is our goal to develop this program into a monthly, single-venue program that will culminate into the larger, one-day event in August 2022.

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.

It is our hope that the City of Long Beach Special Events & Filming Department will move forward with another "Beach Streets" weekend event on the E. Anaheim St. corridor sometime during the 2021-2022 fiscal year. The ZBA will support this event in whatever manner we can.

#### **Member & Area Marketing & Promotion**

The ZBA will continue with our robust social media program and will continue to provide a district website, [www.zaferia.org](http://www.zaferia.org), which includes a directory of members and provides the opportunity for members to share promotions, events, and be highlighted.

#### **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. The ZBA's new Member Outreach Coordinator will assist with reporting and follow-up in this area.

#### **Member Support**

The ZBA will provide support to members on an as-needed basis with assistance on City fees within the limitations of the proposed budget.