



Legislation Details (With Text)

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Title: Recommendation to adopt resolution approving the Annual Report for October 1, 2022, to September 30, 2023, for the Belmont Shore Parking and Business Improvement Area, declaring its intention to levy the annual business assessment, and setting the date of hearing for February 7, 2023. (District 3)

Sponsors: Economic Development

Indexes:

Code sections:

Attachments: 1. 011023-C-4sr&att, 2. RES-23-0002.pdf

Date	Ver.	Action By	Action	Result
1/10/2023	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution approving the Annual Report for October 1, 2022, to September 30, 2023, for the Belmont Shore Parking and Business Improvement Area, declaring its intention to levy the annual business assessment, and setting the date of hearing for February 7, 2023. (District 3)

The Belmont Shore Parking and Business Improvement Area (BSPBIA) was established by the City Council in 1983, allowing for the levy of an annual business license assessment to be paid by businesses located in the BSPBIA. The City of Long Beach (City) contracts with the Belmont Shore Business Association (BSBA) to manage the BSPBIA and the BSBA Board of Directors serves as the Advisory Board to the City Council on matters related to the BSPBIA. The BSBA promotes and markets the commercial area along Second Street using funds generated through the BSPBIA 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 September 23, 2022, the BSBA Board of Directors voted to recommend to the City Council approval of the 2022-2023 BSPBIA 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 the continuation of the assessment. The Annual Report proposes no change to the BSPBIA boundaries or the method of levying the assessment.

Method of Assessment

Assessments are calculated by category of business and incorporate a base rate plus a per employee rate. The BSBA Advisory Board proposes a 25 percent assessment increase effective January 2023. This would be the first assessment increase in 10 years. General inflation and rising event permit fees are the main reasons for the proposed assessment increase. The BSBA has notified its membership about their proposed assessment increase through electronic mail communications, hand delivered notices and public meetings. The estimated 2022-2023 fiscal year revenue from business assessments is \$151,646.22, which reflects the 25 percent assessment increase.

The Annual Report, transmitting the recommendations of the BSBA, proposes the following assessment rates.

Category	FY 22 Base Rate	FY 23 Base Rate	FY 22 Employee Rate	FY 23 Employee Rate
Financial Institution & Insurance	\$1,646.22	\$2,057.77	\$16.50	\$20.62
Service Real Estate Office	\$638.70	\$798.37	\$22.00	\$27.50
Retail - Restaurant w/alcohol & RTE	\$640.19	\$800.23	\$9.63	\$12.03
Retail - Other	\$548.73	\$685.91	\$8.25	\$10.31
Consulting	\$425.80	\$532.25	\$22.00	\$27.50
Construction Contractor	\$425.80	\$532.25	\$22.00	\$27.50
Insurance Agent Professional	\$425.80	\$532.25	\$22.00	\$27.50
Professional	\$425.80	\$532.25	\$22.00	\$27.50
Service - Other	\$319.35	\$399.18	\$16.50	\$20.62
Misc. Rec/Ent, Vending, Manufacturing, Unique & Wholesale	\$319.35	\$399.19	\$16.50	\$20.62
39% Reduced Rate for Service-related Independent Contractors	\$194.80	\$243.50	\$16.50	\$20.62
Nonprofits	\$0.00	\$0.00	\$0.00	\$0.00

Proposed Assessment Rates with 25 percent Increase

The recommended Resolution grants approval of the Annual Report and declares the intention of the City Council to levy the assessment for proposed activities and sets the date of the public hearing for February 7, 2023.

This matter was reviewed by Deputy City Attorney Marsha Yasuda on December 20, 2022 and by Budget Operations and Development Officer Rhutu Amin Gharib on December 15, 2022.

City Council action is requested on January 10, 2023, to set the date of the public hearing for February 7, 2023. The new contract year began on October 1, 2022.

It is estimated that the BSPBIA will generate \$151,646 in Fiscal Year 2023 through the proposed continuation of the assessment, including the 25 percent increase effective January 1, 2023. This is an estimated \$31,646 increase over FY 22's estimated revenue of \$120,000. Assessment funds are collected by the City on behalf of the BSBA through additional fees attached to BSPBIA business licenses and passed directly through to the BSBA 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.

Approve recommendation.

BO MARTINEZ
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER