



Legislation Text

File #: 23-0105, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution continuing the Belmont Shore Parking and Business Improvement Area assessment levy for the period of October 1, 2022, through September 30, 2023; and, authorize City Manager, or designee, to extend the agreement with the Belmont Shore Business Association for a one-year term. (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. On September 23, 2022, the BSPBIA Advisory Board voted to recommend to the City Council approval of the 2022-2023 BSPBIA Annual Report (Annual Report) (Exhibit A to the Resolution), which describes boundaries, proposed activities, and budgetary information, and 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.

To continue the assessment levy, State law requires that a public hearing be held on the proposed program and assessment. On January 10, 2023, the City Council approved Resolution No. RES-23-0002 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set February 7, 2023 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.

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 cost increases resulting in special events are the main reasons for the proposed assessment increase. The BSBA has notified its membership about its 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, which reflects the 25 percent assessment increase.

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

Proposed Assessment Rates with a 25 Percent Increase

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
Non-profits	\$0.00	\$0.00	\$0.00	\$0.00

This matter was reviewed by Deputy City Attorney Marsha Yasuda on January 13, 2023 and by Budget Operations and Development Officer Rhutu Amin Gharib on January 18, 2023.

City Council action is requested on February 7, 2023, so that Fiscal Year 2023 (FY 23) assessment transfers may be made as required by the Agreement for Funding with the BSBA.

It is estimated that the BSPBIA will generate \$151,646 in FY 23 through the proposed continuation of the assessment, including the 25 percent increase effective January 1, 2023. This is an estimated \$44,367 increase in actual funds received through the FY 22 assessment which totaled \$107,279. 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.

[Enter Body Here]

BO MARTINEZ
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER