



## Legislation Text

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**File #:** 22-1214, **Version:** 1

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Recommendation to adopt resolution approving the Annual Report for October 1, 2022 to September 30, 2023, for the Long Beach Tourism Business Improvement Area, declaring its intention to levy the annual assessment, and setting the date of hearing for November 1, 2022. (Districts 1,2,4,5)

The Long Beach Tourism Business Improvement Area (LBTBIA) was established by the City Council in 2005, allowing for the levy of an annual assessment to be paid by hotels with greater than 30 rooms in the LBTBIA. The City of Long Beach (City) contracts with the Long Beach Area Convention and Visitors Bureau (CVB) to manage the LBTBIA and the CVB Board of Directors serves as the Advisory Board to the City Council on matters related to the LBTBIA. The CVB promotes and markets Long Beach as a tourism destination using funds generated through the LBTBIA 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 August 4, 2022, the LBTBIA Advisory Board voted to recommend to the City Council approval of the 2022-2023 LBTBIA 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 LBTBIA boundaries or the method of levying the assessment.

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

### **Method of Assessment**

The LBTBIA assessment will be levied on all hotel businesses, existing and future, with greater than 30 rooms, within the LBTBIA based upon 3 percent of the gross short-term room rental revenue. The assessment will be collected monthly, based on 3 percent of the gross short-term room rental revenues for the previous month.

Each year 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 1<sup>st</sup> of each year. Parking and Business Improvement Area Advisory Boards may request a CPI adjustment for business license assessments. The LBTBIA Advisory Board has decided not to request a July 2023 CPI adjustment.

The recommended Resolution grants approval of the Annual Report, declares the intention of the City Council to levy the assessment for proposed activities, and sets the date of the public hearing for November 1, 2022.

This matter was reviewed by Principal Deputy City Attorney Rich Anthony on September 28, 2022 and by Budget Operations and Development Officer Rhutu Amin Gharib on October 3, 2022.

City Council action is requested on October 18, 2022, to set the date of the public hearing for November 1, 2022. The new contract year began on October 1, 2022.

It is estimated that the LBTBIA will generate \$5,552,000 in Fiscal Year 2023 through the proposed continuation of the assessment, a significant increase from the prior year. Revenue projections take into consideration hotel occupancy rates and average daily room rates - which have been steadily increasing since visitors returned to hotels with the easing of COVID-19 related restrictions and impacts. Assessment funds are collected by the City on behalf of the CVB through additional fees and passed directly through to the CVB 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.

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JOHNNY VALLEJO  
ACTING DIRECTOR  
ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA  
CITY MANAGER