



Legislation Text

File #: 14-0820, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the hearing and adopt resolution approving the Long Beach Tourism Business Improvement Area program and assessment for the period of October 1, 2014 through September 30, 2015, and authorize City Manager to execute an agreement with the Long Beach Area Convention and Visitors Bureau for a one-year term. (Districts 1,2,4,5)

The Long Beach Area Convention and Visitors Bureau (LBCVB) promotes and markets the City of Long Beach as a tourism destination, using funds generated through self-assessment of hotel properties located in the Long Beach Tourism Business Improvement Area (LBTBIA). This self-assessment was established June 21, 2005. It established an assessment rate of 3 percent of the gross short-term room rental revenue for hotels within the LBTBIA boundary that have 31 rooms or more. This assessment is separate from all other LBCVB funding sources such as transient occupancy tax revenue sharing. Assessment revenue is received by the City and transferred to the LBCVB monthly.

State law governing Parking and Business Improvement Areas requires the submission of an annual assessment report by the Advisory Commission designated for this Assessment District. On August 21, 2014, the LBCVB Board voted to recommend to City Council approval of the LBTBIA Annual Report (attached). The Annual Report describes boundaries, proposed activities and budgetary information, as well as the method and basis for the continuation of the assessment. The report proposes no change in the basis and method of levying the assessment and no significant change in proposed activities.

At its September 9, 2014 meeting, City Council approved Resolution No. RES-14-0081 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set October 14, 2014 as the date of the public hearing. A hearing notice, including a copy of the resolution, was published in local media within seven days of the hearing date, as required.

State law further provides 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 Assessment Report.

The law provides that protests may be made orally or in writing. Protests regarding the regularity or sufficiency of the proceedings shall be in writing. If written protests are received from area business owners representing 50 percent or more of the proposed assessments, the City Council shall not levy the assessment. If protests, in such quantity, are directed against a specific portion of the program, the City Council shall eliminate that portion.

A Resolution is attached approving the Annual Report and budget for October 1, 2014 to September 30, 2015. Should the Annual Report be approved, the City Council is requested to authorize the execution of an agreement with the LBACVB for the use of assessment funds for marketing and promotional purposes. The estimated revenue for Fiscal Year 2015 (FY 15) is \$4,240,950.

This letter was reviewed by Deputy City Attorney Amy Webber on September 25, 2014, and by Budget Management Officer Victoria Bell on September 26, 2014.

City Council action is requested on October 14, 2014 to authorize renewal of necessary documents for the new contract year, which begins on October 1, 2014.

It is estimated that the LBTBIA will generate \$4,240,950 in FY 15 through the proposed continuation of the assessment. Short-term room rental-assessment funds are collected from hotels and passed directly through to the LBCVB for implementation of tourism programs. Due to an anticipated increase in short-term room rental revenue within the LBTBIA boundaries, assessment revenue is estimated to increase by \$378,000 from FY 14. Of the total estimated pass-through, \$3,863,000 is included in the FY 15 Budget in the Parking and Business Area Improvement Fund (SR 132) in the Public Works Department (PW). If necessary, an appropriation increase for the balance may be requested during FY 15. There is no local job impact associated with this action.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH CONFIRMING, FOLLOWING HEARING, AN ANNUAL REPORT OF THE LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA, CONTINUING THE LEVY OF ANNUAL ASSESSMENT AS SET FORTH IN SAID REPORT AND SETTING FORTH OTHER RELATED MATTERS

MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC AND PROPERTY DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER