



Legislation Text

File #: 19-0890, **Version:** 1

Recommendation to adopt resolution approving the Annual Report for October 1, 2019 to September 30, 2020, for the East Anaheim Street Parking and Business Improvement Area, declaring its intention to levy the annual business assessment, and setting the date of hearing for October 1, 2019. (Districts 3,4)

The East Anaheim Street Parking and Business Improvement Area (EASPBIA) 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 EASPBIA. The City of Long Beach (City) contracts with the Zaferia Business Association (ZBA) to manage the EASPBIA and the ZBA Board of Directors serve as the Advisory Board to the City Council on matters related to the EASPBIA. The ZBA promotes and markets the commercial area along East Anaheim Street using funds generated through the EASPBIA 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 for the EASPBIA. On June 11, 2019, the Advisory Board voted to recommend to the City Council approval of the 2019-2020 EASPBIA 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 EASPBIA boundaries or the method of levying the assessment and no significant change to proposed activities.

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

Method of Assessment

The estimated 2019-2020 fiscal year revenue from business assessments is \$142,255. 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:
 - o Base fee: \$300 per year except that secondary licensees in these classes are exempt;

- o 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:
 - o Base Fee: \$200 per year except that secondary licensees in these classes shall pay a base fee of \$120;
 - o Employee Fee: \$15 per employee up to \$300 maximum.
- Type 3 Businesses: Non-residential space rental businesses pay an annual assessment fee of:
 - o Base Fee: \$120 per year;
 - o Employee Fee: not applicable.
- Type 4 Businesses: Non-profit businesses pay an annual assessment fee of:
 - o Base Fee: \$100 per year;
 - o 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:
 - o Base Fee: \$100 per year;
 - o Employee Fee: not applicable.

Residential property rental is exempt from the assessment.

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 1st of each year. Parking and Business Improvement Area Advisory Boards may request a CPI adjustment for business license assessments. The EASPBIA Advisory Board has decided not to request a July 2020 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 October 1, 2019.

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 20, 2019 and by Budget Management Officer Rhutu Amin Gharib on August 22, 2019.

City Council action is requested on September 10, 2019, to set the date of the public hearing for October 1, 2019. The new contract year begins on October 1, 2019.

It is estimated that the EASPBIA will generate \$142,255 in FY 20 through the proposed

continuation of the assessment. Assessment funds are collected by the City on behalf of the ZBA through additional fees attached to EASPBIA 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.

Approve recommendation.

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JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER