



Legislation Text

File #: 19-0940, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt Resolution continuing the East Anaheim Street Parking and Business Improvement Area assessment levy for the period of October 1, 2019 through September 30, 2020; and, authorize City Manager, or designee, to extend the agreement with the Zaferia Business Association for a one-year term.
(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 EASPBIA 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.

To continue the assessment levy, state law requires that a public hearing be held on the proposed program and assessment. At its September 10, 2019 meeting, the City Council approved Resolution No. RES-19-0136 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set October 1, 2019 as the date of the public hearing. A hearing notice, including a copy of the Resolution, was published in the local media.

State law 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 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 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.

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.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 3, 2019 and by Budget Management Officer Rhutu Amin Gharib on September 12, 2019.

City Council action is requested on October 1, 2019, so that Fiscal Year 2020 (FY 20) assessment transfers may be made as required by the Agreement for Funding with the ZBA.

It is estimated that in FY 20 the EASPBIA will generate \$142,255 through the proposed continuation of the assessment. Assessments 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:

THOMAS MODICA
ACTING CITY MANAGER