



## Legislation Text

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**File #:** 19-1152, **Version:** 1

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Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution continuing the Bixby Knolls 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 Bixby Knolls Business Improvement Association for a one-year term. (Districts 7,8)

The Bixby Knolls Parking and Business Improvement Area (BKPBA) was established by the City Council in 1989, allowing for the levy of an annual business license assessment to be paid by businesses located in the BKPBA. The City of Long Beach (City) contracts with the Bixby Knolls Business Improvement Association (BKBA) to manage the BKPBA, and the BKBA Board of Directors serve as the Advisory Board to the City Council on matters related to the BKPBA. The BKBA promotes and markets the BKPBA using funds generated through the BKPBA 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 designated for this Assessment District. On August 29, 2019, the BKPBA Advisory Board voted to recommend to the City Council approval of the 2019-2020 BKPBA 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 BKPBA 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 October 15, 2019 meeting, the City Council approved Resolution No. RES-19-0158 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set November 19, 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 will 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 will eliminate

that portion.

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

### Method of Assessment

The original annual base assessment for businesses is \$264.20, plus 3.81 percent for the July 2019 Consumer Price Index (CPI) adjustment. Nonprofits are assessed a base fee of \$158.52, plus the CPI adjustment. An additional \$20 is added annually to each assessment fee to make up the difference between the sunseting Redevelopment Agency funds and assessment fees. There are no proposed changes to the method and basis of levying the assessment. The table below calculates the total rate using this Method of Assessment inclusive of the base fee, the CPI adjustment that was implemented in July 2019, and the additional \$20 added annually to the assessment.

#### Method of Assessment with Consumer Price Index Adjustment

<b>BUSINESS BASE RATE</b>	<b>TOTAL RATE</b>
\$264.20 + \$10.05 (3.81%) + \$20	\$294.25
<b>NONPROFIT BASE RATE</b>	<b>TOTAL RATE</b>
\$158.52 + \$6.03 (3.81%) + \$20	\$184.55

Each year the City calculates the CPI and applies the CPI to various City fees on July 1 of each year. Parking and Business Improvement Area Advisory Boards may request a CPI adjustment for business license assessments. The BKPBI Advisory Board has decided not to request a July 2020 CPI adjustment.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson and by Budget Management Officer Rhutu Amin Gharib on October 29, 2019.

City Council action is requested on November 19, 2019, so that FY 20 assessment transfers may be made as required by the Agreement for Funding with the BKBIA.

It is estimated that the BKPBI will generate \$255,000 in FY 20 through the proposed continuation of the assessment. Assessment funds are collected by the City on behalf of the BKBIA through additional fees and passed on directly through to the BKBIA 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 B. MODICA  
ACTING CITY MANAGER