



Legislation Text

File #: 20-1036, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution continuing the Belmont Shore Parking and Business Improvement Area assessment levy for the period of October 1, 2020 through September 30, 2021; and, authorize City Manager, or designee, to extend the agreement with the Belmont Shore Business Association for a one-year term. (District 3)

The Belmont Shore Parking and Business Improvement Area (BSPBIA) was established by the City Council in 1983, allowing for the levy of an annual business license assessment to be paid by businesses located in the BSPBIA. The City of Long Beach (City) contracts with the Belmont Shore Business Association (BSBA) to manage the BSPBIA and the BSBA Board of Directors serves as the Advisory Board to the City Council on matters related to the BSPBIA. The BSBA promotes and markets the commercial area along Second Street using funds generated through the BSPBIA 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 21, 2020, the BSPBIA Advisory Board voted to recommend to the City Council approval of the 2020-2021 BSPBIA 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 2020-2021 BSPBIA Annual Report proposes no change to the BSPBIA boundaries or the method of levying the assessment. Due to the COVID-19 pandemic, the BSPBIA Advisory Board has tentatively canceled all special events until May 2021. Special events are normally a significant portion of the BSBA's annual program. If special events are cancelled for the May through September 2021 period, the BSBA budget may be reduced by corporate-sponsored non-district funds.

To continue the assessment levy, State law requires that a public hearing be held on the proposed program and assessment. At its October 6, 2020 meeting, the City Council approved Resolution No. RES-20-0127 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and setting October 20, 2020 as the date of the public hearing. A hearing notice, including a copy of the Resolution, was published in the local media.

State law requires that the City Council 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 must not levy the assessment. If protests in such quantity are directed against a specific portion of the program, the City Council must eliminate that portion.

The 2020-2021 BSPBIA Annual Report, transmitting the recommendations of the Advisory Board, proposes the following assessment rates:

Method of Assessment

The estimated 2020-2021 fiscal year revenue from business assessments is \$120,000. Assessments are calculated by category of business and incorporate a base rate plus a per employee rate. Businesses categories and rates are as follows:

<u>CATEGORIES</u> <u>RATE</u>	<u>BASE RATE</u>	<u>EMPLOYEE</u>
Financial Institution	\$1,646.22	\$16.50
Service Real Estate Office	\$638.70	\$22.00
Retail - Restaurant w/alcohol & RTE	\$640.19	\$9.63
Retail - Other	\$548.73	\$8.25
Consulting	\$425.80	\$22.00
Construction Contractor	\$425.80	\$22.00
Insurance Agent Professional	\$425.80	\$22.00
Professional	\$425.80	\$22.00
Service - Other	\$319.35	\$16.50
Misc. Rec/Ent, Vending, Manufacturing, Unique & Wholesale	\$319.35	\$16.50
39% Reduced Rate for Service-related Independent Contractors	\$194.80	\$16.50
Non-profits	0.00	0.00

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 BSPBIA Advisory Board has decided not to request a July 2021 CPI adjustment.

This matter was reviewed by Deputy City Attorney Amy R. Webber and Budget Management Officer Rhutu Amin Gharib on October 1, 2020.

City Council action is requested on October 20, 2020, so that Fiscal Year 2021 (FY21) assessment transfers may be made as required by the Agreement for Funding with the BSBA.

It is estimated that the BSPBIA will generate \$120,000 in FY 21 through the proposed continuation of the assessment. Assessment funds are collected by the City on behalf of the BSBA through additional fees attached to BSPBIA business licenses and passed directly through to the BSBA 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
CITY MANAGER