



Legislation Text

File #: 21-1164, **Version:** 1

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, 2021 through September 30, 2022; 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 serves 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 BKBA Advisory Board. On August 26, 2021, the BKBA Advisory Board voted to recommend to the City Council approval of the 2021-2022 BKPBA Annual Report (Annual Report) (Exhibit A to the Resolution), which describes boundaries, proposed activities, budgetary information, and the method and basis for continuation of the assessment. The Annual Report proposes no change to the BKPBA boundaries. The Annual Report proposes a \$20 increase in the base rate for businesses and nonprofit organizations.

To continue the assessment levy, State law requires that a public hearing be held on the proposed program and assessment. At its October 5, 2021 meeting, the City Council approved Resolution No. RES-21-0115 granting approval of the Annual Report, declaring its intention to levy the assessment, and setting November 9, 2021 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 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 will 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 BKBA Advisory Board,

proposes the following assessment rates:

Method of Assessment

The annual base assessment for businesses is \$314.25 and is \$204.55 for nonprofits. These assessments represent a \$20 increase compared to last year's BKBPIA rate.

Business Base Rate	Total Rate	Nonprofit Base Rate	Total Rate
\$294.25 + \$20	\$314.25	\$184.55 + \$20	\$204.55

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

On August 24, 2021, as part of the Adopted Fiscal Year 22 (FY 22) Budget, the City Council approved \$200,000 in one-time funding for the BKBIA to offset the loss of Redevelopment Agency (RDA) funding that expired earlier this year. The one-time funding, will be spent on studies, outreach, and implementation of new revenue sources for the BKBIA that can replace or enhance past RDA funding. These funds are acknowledged in the Annual Report but not included in BKBIA's budget due to the timing conflict of the BKBIA approved Annual Report and the City's Adopted FY 22 Budget. These funds are intended to provide a bridge in FY 22 to new funding sources and cover administrative costs.

This matter was reviewed by Deputy City Attorney Amy R. Webber on October 15, 2021 and by Budget Operations and Development Officer Rhutu Amin Gharib on October 19, 2021.

City Council action is requested on November 9, 2021, so that FY 22 assessment transfers may be made as required by the Agreement for Funding with the BKBIA.

It is estimated that the BKBPIA will generate \$204,000 in FY 22 through the proposed continuation of the assessment. Assessment funds are collected by the City on behalf of the BKBPIA through additional fees and passed 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
CITY MANAGER