



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

H-1

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

October 9, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the hearing, and adopt the attached Resolution approving the Long Beach Tourism Business Improvement Area program and assessment for the period of October 1, 2007 through September 30, 2008, and authorize the City Manager to execute an agreement with the Long Beach Area Convention and Visitors Bureau for a one-year term. (Districts 1, 2, 4 and 5)

DISCUSSION

The Long Beach Area Convention and Visitors Bureau (LBCVB) promotes and markets the City of Long Beach as a tourism destination using funds generated through self-assessment of hotel properties located in the Long Beach Tourism Business Improvement Area (LBTBIA). This self-assessment was established June 21, 2005. It established an assessment rate of three percent of the gross short-term room rental revenue for hotels within the LBTBIA boundary that have 31 rooms or more. This assessment is separate from all other LBCVB funding sources such as transient occupancy tax revenue sharing. Assessment revenue is received by the City and transferred to the LBCVB monthly.

State law governing Parking and Business Improvement Areas require the submission of an annual assessment report by the Advisory Commission designated for this Assessment District. On August 23, 2007, the LBCVB Board voted to recommend to the City Council approval of the LBTBIA Assessment Report (Attachment A). The Assessment Report describes boundaries, proposed activities and budgetary information, as well as the method and basis for continuation of the assessment. The report proposes no change in the basis and method of levying the assessment and no significant change in proposed activities.

HONORABLE MAYOR AND CITY COUNCIL

October 9, 2007

Page 2

State law further 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 Assessment Report.

The law provides that protests may be made orally or in writing. Protests regarding the regularity or sufficiency of the proceedings shall be 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.

A resolution is attached approving the Annual Report and Budget for October 1, 2007 to September 30, 2008. Should the Assessment Report be approved, the City Council is requested to authorize the execution of an agreement with the LBACVB for the use of assessment funds for marketing and promotional purposes.

The estimated revenue for Fiscal Year 2008 (FY 08) is \$3,850,000. A budget appropriation for this amount is included in the FY 08 adopted Budget in the Parking and Business Area Improvement Fund (SR 132).

This letter was reviewed by Assistant City Attorney Heather Mahood on September 19, 2007, Budget and Performance Management Bureau Manager David Wodynski on September 28, 2007 and the City Treasurer's Office on September 21, 2007.

TIMING CONSIDERATIONS

City Council action is requested on October 9, 2007 to authorize renewal of necessary documents for the new contract year, which began on October 1, 2007.

FISCAL IMPACT

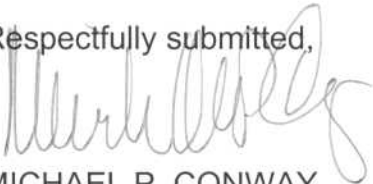
It is expected that the LBTBIA will generate \$3,850,000 in Fiscal Year 2008 (FY 08) through the proposed continuation of the assessment. Sufficient funds are included in the FY 08 adopted Budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). FY 08 assessment revenue will fully offset the allocation in SR 132.

HONORABLE MAYOR AND CITY COUNCIL
October 9, 2007
Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
ACTING DIRECTOR OF COMMUNITY DEVELOPMENT

PHW/RMS:tb

Attachments: A) Long Beach Tourism Business Improvement Area Annual Report
Resolution of Intention Approving Annual Report and Levy

APPROVED:



PATRICK H. WEST
CITY MANAGER

**LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA
ANNUAL REPORT**

October 1, 2006—September 30, 2007

EXECUTIVE SUMMARY

- Revenue from the Long Beach Tourism Business Improvement Area (LBTBIA) allowed the Long Beach Area Convention & Visitors Bureau (CVB) to further penetrate market areas previously unavailable due to tight funding. An advertising and promotion campaign aimed at the leisure travel market entered its second year with new marketing collateral and eye-catching ads promoting Long Beach as a premiere vacation destination. Many of our ads were moved by the magazine into back cover and other prime locations thanks to their dramatic visual appeal.
- LBTBIA funds allowed the continuation and expansion of our meeting trades marketing and advertising programs.
- LBTBIA funds were utilized in the ongoing campaign to brand Long Beach as a major tourism and convention destination. This included dramatic new photography and video footage of the city, which is being used in vibrantly enticing ads, collateral materials and an exciting new marketing video portraying the wide variety of things to see and do in Long Beach.
- During the time the LBTBIA has been in place, Long Beach has seen a statistically relevant increase (+10 %) in name awareness by professional meeting planners and consumers.
- Higher awareness translates into economic benefit for Long Beach. The CVB's current fiscal year has seen the following growth over last year:
 - ✓ **2.31% increase in hotel occupancy**
 - ✓ **8.9% increase in average room rate**
 - ✓ **11.3% increase in revenue per available room**

A major reason for these increases can be attributed to a change in perceptions of Long Beach by consumers and professional meeting planners. These shifts in perception are a direct result of the sales and marketing campaigns that the LBTBIA helps to fund.

- In this fiscal year the CVB won an array of major meeting industry awards:
 - ✓ **Gold Service Award (12th win)—M & C Magazine**
 - ✓ **Hall of Fame (for 12 consecutive Gold Service awards)—M & C Magazine**
 - ✓ **Pinnacle Award (4th year)—Successful Meetings Magazine**
 - ✓ **Planners' Choice Award (4th year)—Meeting News Magazine**
 - ✓ **Award of Excellence (1st win)—Corporate & Incentive Travel Magazine**
 - ✓ **World Class Award (1st win)—Insurance & Financial Meetings Management Magazine**

ADVERTISING OVERVIEW:

Meeting Trade Advertising

(Readers are primarily professional meeting planners)

In the Meeting Trade Market the CVB was able to expand its advertising and promotional efforts to include a wider range of publications and to increase ad frequency to improve reader awareness of Long Beach.

Trade Publication Synopsis:

- **15 Top Trade Publications**
- **90 Advertisements**
- **Total Minimum Impressions: 3,104,681**

Trade Publications for 2006/2007:

Meetings & Conventions Magazine
Circulation: 74,000

Meeting West
Circulation: 26,000

Successful Meetings Magazine
Circulation: 72,050

Association Meetings
Circulation: 20,107

Meeting News
Circulation: 60,100

Corporate Meetings & Incentives
Circulation: 32,000

USAE Newspaper
Circulation: 2,000

Medical Meetings
Circulation: 12,000

Long Beach Business Journal
Circulation: 35,000

Religious Conference Manager
Circulation: 4,500

PCMA Convene Magazine
Circulation: 35,000

Financial Ins. & Meetings
Circulation: 9,000

HSMAI
Circulation: Tradeshow

Black Meetings & Tourism
Circulation: 35,000

Corporate Incentive Travel
Circulation: 40,000

Consumer Advertising

(Readers are primarily pleasure and business travelers)

The addition of LBTBIA revenue allowed the CVB for the first time in nearly a decade to stage a modest consumer advertising campaign aimed at the leisure travel market. The CVB primarily targeted its traditional “drive markets,” those cities within comfortable driving distance of Long Beach: Central California, Arizona and Nevada. In addition, the CVB targeted major cities with direct air service to Long Beach Airport, i.e., San Francisco, Washington, D.C.

Consumer Publication Synopsis:

- **13 Major Newspapers and Travel Magazines**
- **81 Advertisements**
- **Total Minimum Impressions: 36,248,709**

Consumer Publications for 2006/2007

Sunset Magazine
Circulation: 1.5 million

Phoenix Magazine
Circulation: 65,095

San Francisco Magazine
Circulation: 115,000

Arizona Republic Newspaper
Circulation: 556,000

Gentry Magazine
Circulation: 63,738

Seattle Magazine
Circulation: 51,800

VIA Magazine
Circulation: 2.8 million

Westways Magazine
Circulation: 3.6 million

Washington Post Magazine
Circulation: 1million

Las Vegas Review Journal
Circulation: 202,000

California Visitors Guide
Circulation: 500,00

Hemispheres
Circulation: 401,137

Entrepreneur
Circulation: 611,141

SALES OVERVIEW:

LBTBIA funding has also assisted the CVB's Sales Department in their efforts to bring quality meeting and convention groups to Long Beach. During the 2006/2007 fiscal year, the CVB sales team participated in the following events aimed at professional meeting planners:

- **43 Trade Shows**
-
- **3 Sales Missions (CVB joined by Center & Hotel sales staff)**
- **48 Sales Trips**
- **4 Long Beach Familiarization Trips**
- **6 Local Client Events**
- **62 Site Inspections**

As a result of the CVB's sales and marketing activities, the CVB has generated over 1,041,899 potential room nights for future years and booked over 200,000 definite room nights to date this fiscal year and sales are on track for our fiscal year goal of 235,000 room nights.



56% increase in room night sales over the past five years

2006/2007 NATIONAL AWARDS WON BY LONG BEACH CVB

- **2006 Planners Choice Award—Meeting News Magazine**
More than 60,000 meeting planners chose their top convention bureaus through “unaided recall.” Only 25 bureaus nationwide receive this honor. This was Long Beach’s fourth consecutive award.
- **2007 Pinnacle Award—Successful Meetings Magazine**
A mark of excellence in the meetings trade, the Pinnacle is awarded for overall quality of conference sales and service, destination, hotels, meeting facilities and customer service. This was Long Beach’s fourth consecutive award.
- **2007 Gold Service Award & Induction into M & C Hall of Fame—Meetings & Conventions Magazine**
Presented to Convention Bureaus offering customer service above and beyond normal expectations. As this was Long Beach’s 12th consecutive win, the Long Beach Area Convention & Visitors Bureau will be inducted into M & C’s prestigious Hall of Fame.
- **2006 Award of Excellence—Corporate & Incentive Travel Magazine**
Selection made by meeting planners using unaided recall to identify bureaus that provide the best service to the corporate and incentive market. This was Long Beach’s first time to win this award in its 22-year history.
- **2007 World Class Award—Insurance & Financial Meetings Management**
Bestowed upon bureaus that offer the highest level of service to the Insurance and Financial Meetings industry.

FISCAL YEAR 2007/2008 BUDGET

For 2007/2008, the Long Beach Area Convention & Visitors Bureau Sales and Marketing staff will continue the successful programs implemented during the 2006/2007 fiscal year, exploring sales, marketing and advertising opportunities in both the meetings and conventions marketplace and in consumer publications aimed at pleasure travelers.

Long Beach Area Convention & Visitors Bureau

Budget 2006/2008

PBIA

	2006/2007	2007/2008	Variance
	Budget	Budget	
Revenue			
City Funds	0		0
Memberships	0		0
Special Events	0		0
Registration Assistance	0		0
Housing Assistance/Passkey	0		0
PBIA	3,500,000	3,850,000	350,000
Interest Income	0		0
Annual Mtg	0		0
Concierge Desk	0		0
Rent & Office Services	0		0
Total Revenues	3,500,000	3,850,000	350,000
Expenses			
Personnel	1,787,440	1,872,807	85,367
Fam Tours	0	0	0
Trade Shows	35,000	88,250	53,250
Media/Advertising	1,013,060	1,277,443	264,383
Special Projects	75,000	50,000	-25,000
Gifts	0	0	0
Bid Presentations	25,000	15,000	-10,000
Travel & Entertainment Out of Town	130,000	154,000	24,000
Travel & Entertainment In Town	134,500	137,500	3,000
Support Marketing	300,000	255,000	-45,000
Registration Assistance		0	0
Administrative Expenses		0	0
Allocated Reserve			0
Total Expenses	3,500,000	3,850,000	350,000
Net Profit	0	0	0

8/6/2007

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH CONFIRMING, FOLLOWING HEARING, THE ANNUAL REPORT OF THE LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA, CONTINUING THE LEVY OF ANNUAL ASSESSMENT AS SET FORTH IN SAID REPORT AND SETTING FORTH OTHER RELATED MATTERS

WHEREAS, pursuant to Section 36533 of the California Streets and Highways Code, the Long Beach Tourism Business Improvement Area Advisory Board has caused a Report to be prepared for October 1, 2007 through September 30, 2008 relating to the Long Beach Tourism Business Improvement Area ("LBTBIA"); and

WHEREAS, said Report contains, among other things, all matters required to be included by the above cited Section 36533; and,

WHEREAS, on October 9, 2007 at 5:00 p.m., the City Council conducted a public hearing relating to that Report in accordance with its Resolution of Intention No. _____, adopted September 11, 2007, at which public hearing all interested persons were afforded a full opportunity to appear and be heard on all matters relating to the Report; and,

WHEREAS, a majority protest not having been received, it is the City Council's desire to confirm the Report as originally filed and impose and continue the levy of the Annual Assessment as described in the Report;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. A public hearing having been conducted on October 9, 2007 at 5:00 p.m., and all persons having been afforded an opportunity to appear and be

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 heard, the City Council hereby confirms the Report of the Bixby Knolls Parking and
2 Business Improvement Area Advisory Board, previously filed and approved by Resolution
3 No. _____, adopted September 11, 2007, as originally filed, and declares
4 that this resolution shall constitute the levy of the Assessment referred to in the Report for
5 October 1, 2007 through September 30, 2008 as more specifically set forth in Exhibit "1".

6 Section 2. This resolution shall take effect immediately upon its adoption
7 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

8 I hereby certify that the foregoing resolution was adopted by the City
9 Council of the City of Long Beach at its meeting of _____, 2007, by the
10 following vote:

11 Ayes: Councilmembers: _____

12 _____

13 _____

14 _____

15 Noes: Councilmembers: _____

16 _____

17 Absent: Councilmembers: _____

18 _____

19 _____

20 _____

City Clerk

21

22

23

24

25

26

27

28

HAM:fl
7/2/07, rev. 8/9/07
#07-03169

Exhibit 1

**FY 2008 Long Beach Tourism PBIA
Assessment Formula**

Per Section 3 of Ordinance 05-0018 establishing the district:

The boundaries of the LBTBIA shall be the Airport District and the Downtown District located within the City of Long Beach as illustrated on the attached map. The Airport District is bounded by Redondo Avenue, Carson shall be subject to any amendments made hereafter to said law or to other applicable

The boundaries of the LBTBIA shall be the Airport District Street, Bellflower Boulevard , and East Stearns Street. The Downtown District is bounded by Third Street, Alamitos Avenue, Queensway Bay (including the Queen Mary, excluding Queensway Harbor and the Long Beach Marina), and Highway 710.

The proposed LBTBIA will include all hotels, with greater than thirty (30) rooms, within the LBTBIA boundaries which include the Airport District and the Downtown District. The assessment shall be levied on all hotel businesses, existing and future, with greater than thirty (30) rooms, within the area based upon three percent (3%) of the gross short term room rental revenue. The assessment will be collected monthly, based on three percent (3%) of the gross short term room rental revenues for the previous month. New hotel businesses within the boundaries will not be exempt from the levy of assessment pursuant to Section 36531. Pursuant to the Long Beach Municipal Code, assessments pursuant to the LBTBIA shall not be included in gross room rental revenue for purpose of determining the amount of the transient occupancy tax. As used in this Ordinance , the phrase "short term room rental" shall mean occupancies that last less than fifteen (15) consecutive days and shall not include occupancies related to state and federal government business by state and federal government employees, shall not include occupancies paid by LA County Social Service vouchers and shall not include airline crew room occupancies.

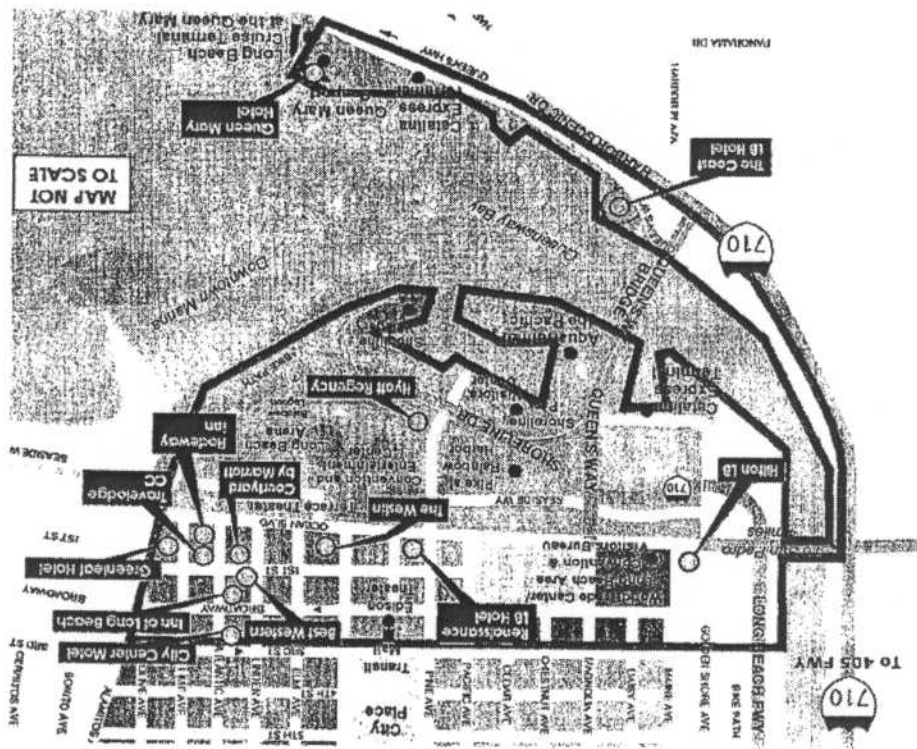
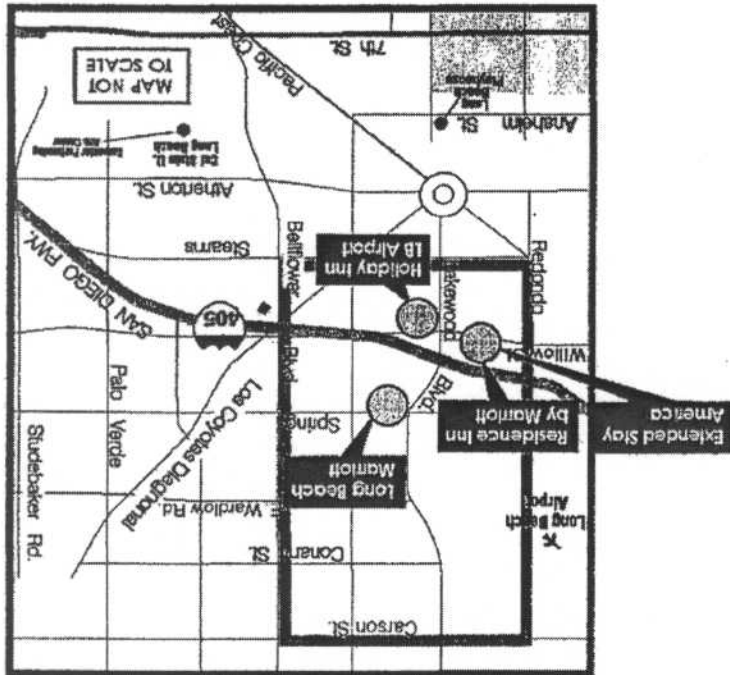


Exhibit 1

**FY 2008 Long Beach Tourism PBIA
Assessment Formula**

Per Section 3 of Ordinance 05-0018 establishing the district:

The boundaries of the LBTBIA shall be the Airport District and the Downtown District located within the City of Long Beach as illustrated on the attached map. The Airport District is bounded by Redondo Avenue, Carson shall be subject to any amendments made hereafter to said law or to other applicable

The boundaries of the LBTBIA shall be the Airport District Street, Bellflower Boulevard , and East Stearns Street. The Downtown District is bounded by Third Street, Alamitos Avenue, Queensway Bay (including the Queen Mary, excluding Queensway Harbor and the Long Beach Marina), and Highway 710.

The proposed LBTBIA will include all hotels, with greater than thirty (30) rooms, within the LBTBIA boundaries which include the Airport District and the Downtown District. The assessment shall be levied on all hotel businesses, existing and future, with greater than thirty (30) rooms, within the area based upon three percent (3%) of the gross short term room rental revenue. The assessment will be collected monthly, based on three percent (3%) of the gross short term room rental revenues for the previous month. New hotel businesses within the boundaries will not be exempt from the levy of assessment pursuant to Section 36531. Pursuant to the Long Beach Municipal Code, assessments pursuant to the LBTBIA shall not be included in gross room rental revenue for purpose of determining the amount of the transient occupancy tax. As used in this Ordinance , the phrase "short term room rental" shall mean occupancies that last less than fifteen (15) consecutive days and shall not include occupancies related to state and federal government business by state and federal government employees, shall not include occupancies paid by LA County Social Service vouchers and shall not include airline crew room occupancies.

