



CITY OF LONG BEACH

R-17

OFFICE OF THE CITY MANAGER

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PATRICK H. WEST
CITY MANAGER

September 1, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution approving the Annual Assessment Report for October 1, 2009 to September 30, 2010, for the Long Beach Tourism Business Improvement Area, declaring its intention to levy the annual assessment and setting the date of hearing for September 22, 2009. (Districts 1, 2, 4 and 5)

DISCUSSION

The Long Beach Area Convention and Visitor Bureau (LBCVB) promotes and markets the City of Long Beach as a tourism destination using funds generated through the assessment of hotel properties located in the Long Beach Tourism Business Improvement Area (LBTBIA). 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.

At its August 5, 2009 meeting, the LBCVB Board voted to adopt the attached Fiscal Year 2010 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.

The recommended Resolution of Intention grants approval of the Assessment Report, declares the intention of the City Council to levy the assessment for proposed activities, and sets the date of the public hearing for September 22, 2009.

This letter was reviewed by Assistant City Attorney Heather Mahood on August 11, 2009 and by Budget and Performance Management Bureau Manager David Wodynski on August 19, 2009.

TIMING CONSIDERATIONS

City Council action is requested on September 1, 2009 to set the date for the public hearing for September 22, 2009. The new contract year begins on October 1, 2009.

FISCAL IMPACT

It is estimated that the LBTBIA will generate \$3,100,000 in Fiscal Year 2010 (FY 10) through the proposed continuation of the assessment. Short-term room rental-assessment funds are collected from hotels and passed directly through to the LBCVB for implementation of tourism programs. Annual assessment revenue of \$3,100,000 is included in the FY 10 Proposed Budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). FY 10 assessment revenue will fully offset the proposed allocation in SR 132. There is no impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


PATRICK H. WEST
CITY MANAGER

RMS:tb

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

LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA ANNUAL REPORT

October 1, 2009—September 30, 2010

EXECUTIVE SUMMARY

- Although REVPAR (an industry standard formula combining revenue and occupancy) is down, Long Beach continues to fare better than surrounding areas and well above the national average. While Long Beach experienced a -14.1% decrease during the first five months of 2009, the overall average for Los Angeles was -22.4%, -22.7% in Orange County and -24.3% in San Diego.
- The CVB's booking pace for current and future years is on target to meet our 2009 room night sales production goal, with a projected year-end total equal to last year's sales.
- In 2007/2008 the Long Beach CVB won 10 national awards for customer service and Web design from major meeting trade publications (including perpetual membership in the Meetings & Conventions Elite Hall of Fame), the most industry awards for the Bureau in its 25 year history. The CVB is on track to repeat that success in 2008/2009.

ADVERTISING OVERVIEW:

Meeting Trade Advertising

(Readers are primarily professional meeting planners)

In the Meetings Trade Market the CVB was able to continue its advertising and promotional efforts to include a wide range of publications to improve reader awareness of Long Beach, although with five fewer publications and less ad frequency.

Trade Publication Synopsis:

- **12 Top Trade Publications**
- **55 Advertisements**
- **2,450,500 Total Minimum Impressions**

Trade Publications for 2008/2009:

Meeting & Conventions:
Circulation: 70,000

Black Meetings & Tourism:
Circulation: 28,000

Meeting News:
Circulation: 50,100

Association Meetings:
Circulation 20,107

Successful Meetings:
Circulation: 72,050

Corporate Meetings & Incentives:
Circulation 32,000

Meetings West:
Circulation: 31,000

Religious Conference Manager:
Circulation 4,500

Corporate Incentive Travel:
Circulation: 40,000

Long Beach Business Journal:
Circulation: 35,000

Convene:
Circulation: 35,000

HSMAI:
Circulation: 7,000

Consumer Advertising

(Readers are primarily pleasure and business travelers)

The reduction in LBTBIA revenue curtailed the majority of our consumer publication advertising. In 2007/2008 we advertised in 9 major newspapers and travel magazines for a total of 19,741,316 minimum media impressions. In 2008/2009 we advertised only in the California State Visitor Guide (circulation: 500,000).

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 2008/2009 fiscal year, the CVB sales team participated in the following events aimed at professional meeting planners:

- **33 Trade Shows**
- **2 Sales Missions (CVB joined by Center & Hotel sales staff)**
- **4 Long Beach Familiarization Trips**
- **42 (YTD) Meeting Planner Site Inspections in Long Beach**

LBTBIA funds helped Long Beach to maintain market share during this past year of severe economic downturn and increased competition in the convention & meetings trade industry. The CVB Sales Department is on track to achieve their 2008/2009 sales goal of 235,000 room nights.

NATIONAL AWARDS WON BY LONG BEACH CVB

The Long Beach Area Convention & Visitors Bureau won 10 major meeting trade industry awards for customer service and web design, the most wins in the 25 year history of the Bureau. The service awards are voted on by planners through “un-aided” recall and are a reflection of the extra effort Long Beach puts into providing the highest level of customer service.

- **ELITE HALL OF FAME**—*Meetings & Conventions Magazine*
- **GOLD SERVICE AWARD**—*Meetings & Conventions Magazine*
13th Consecutive Win
- **PINNACLE AWARD**—*Successful Meetings Magazine*
5th Consecutive Win
- **Planners' Choice Award**—*Meeting News Magazine*
5th Consecutive Win
- **DISTINCTIVE ACHIEVEMENT AWARD**—*Association Conventions & Facilities Magazine*
1st Win
- **AWARD OF EXCELLENCE**—*Corporate & Incentive Travel Magazine*
3rd Consecutive Win
- **WORLD CLASS AWARD**—*Insurance & Financial Management Meetings Magazine*
2nd Consecutive Win
- **INNER CIRCLE AWARD**—*Association Meetings Magazine*
1st Win

VisitLongBeach.com also garnered two prestigious “ADDY®” awards for its design company (Simpleview) and flash animation contributor (Louder Design), awarded by Tucson Advertising Federation:

- “Best in Show ADDY®”
- “Gold “ADDY®”—Consumer Web site, Flash Animation

FISCAL YEAR 2009/2010 BUDGET

For 2009/2010, the Long Beach Area Convention & Visitors Bureau Sales and Marketing staff will continue our proven successful programs—exploring sales, marketing and advertising opportunities in the meetings and conventions marketplace. We will look for creative ways to stretch our sales and marketing budget to provide the greatest possible economic impact for the City of Long Beach, its residents and business community.

Long Beach Area Convention & Visitors Bureau
 Budget 2009/2010
 PBI

	2009/2010 Budget	2008/2009 Budget	2008/2009 Forecast
Revenue			
City Funds			
Memberships			
Visitor Guide			
Special Events			
Registration Assistance			
Housing Assistance/Passkey			
PBI	3,100,000	3,650,000	2,969,438
PBI Carryover			
Interest Income			
Annual Mtg			
Rent & Office Services			
Total Revenues	3,100,000	3,650,000	2,969,438
Expenses			
Personnel	2,147,512	2,087,641	2,093,695
Fam Tours	0	0	0
Trade Shows	47,350	58,250	43,978
Media/Advertising	433,438	812,609	402,692
Special Projects	75,000	100,000	61,067
Gifts	6,900	0	6,765
Bid Presentations	0	0	0
Travel & Entertainment Out of Town	118,500	154,000	126,252
Travel & Entertainment In Town	92,300	137,500	97,047
Support Marketing	179,000	300,000	137,942
Reg Assist/Visitor Centers	0	0	0
Administrative Expenses	0	0	0
Allocated Reserve			
Total Expenses	3,100,000	3,650,000	2,969,438
Net Profit	0	0	0

1 RESOLUTION NO.

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3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING AN ANNUAL REPORT
5 FOR OCTOBER 1, 2009 TO SEPTEMBER 30, 2010 FOR
6 THE LONG BEACH TOURISM BUSINESS IMPROVEMENT
7 AREA ("LBTBIA") AND DECLARING ITS INTENTION TO
8 LEVY THE ANNUAL ASSESSMENT FOR THAT FISCAL
9 YEAR

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11 WHEREAS, pursuant to Section 36533 of the California Streets and
12 Highways Code, the Board of Directors of the Long Beach Area Convention and Visitors
13 Bureau has caused a Report to be prepared for October 1, 2009 to September 30, 2010
14 relating to the Long Beach Tourism Business Improvement Area ("LBTBIA") which is
15 located generally in the Airport District and the Downtown District, which is specifically
16 described in the Report; and,

17 WHEREAS, said Report contains, among other things, with respect to
18 October 1, 2009 to September 30, 2010 all matters required to be included by the above
19 cited Section 36533; and,

20 WHEREAS, having approved such Report, the City Council hereby
21 declares its intention to:

22 A. Confirm levy of and direct collecting within the Area, assessments for
23 the LBTBIA for October 1, 2009 to September 30, 2010. Said assessments are proposed
24 to be levied on such classifications and at such rates as are set forth in Exhibit "A"
25 attached hereto and incorporated herein;

26 B. Provide that each business shall pay the assessment monthly, at the
27 same time the transient occupancy tax is due; and

28 WHEREAS, to this end, the proposed activities and improvements

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1 undertaken by the Area include those generally specified in the establishing Ordinance
2 No. ORD-05-0018, as adopted by the City Council on July 5, 2005; and

3 WHEREAS, a copy of the Report is on file with the City Clerk and includes
4 a full description of the activities and improvements to be provided from October 1, 2009
5 to September 30, 2010, the boundaries of the area, and the proposed assessments to be
6 levied on the businesses that fiscal year and all other information required by law; and

7 WHEREAS, it is the desire of this City Council to fix a time and place for a
8 public hearing to be held in the City Council Chamber of the City of Long Beach on
9 September 22, 2009 at 5:00 p.m., regarding the Report, the levy and the proposed
10 program for October 1, 2009 to September 30, 2010;

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

13 Section 1. That certain Report entitled "Assessment Report for
14 October 1, 2009 to September 30, 2010, Long Beach Tourism Business Improvement
15 Area" as filed with the City Clerk is hereby approved.

16 Section 2. On September 22, 2009 at 5:00 p.m., in City Council
17 Chamber, City Hall, 333 West Ocean Boulevard, Long Beach, California 90802, the City
18 Council of the City of Long Beach will conduct a public hearing on the levy of proposed
19 assessments for October 1, 2009 to September 30, 2010 for the LBTBIA. All concerned
20 persons are invited to attend and be heard, and oral or written protests may be made, in
21 accordance with the following procedures:

22 A. At the public hearing, the City Council shall hear and consider
23 all protests. A protest may be made orally or in writing by any interested
24 person. Any protest pertaining to the regularity or sufficiency of the
25 proceedings shall be in writing and shall clearly set forth the irregularity or
26 defect to which the objection is made.

27 B. Every written protest shall be filed with the City Clerk at or
28 before the time fixed for the public hearing. The City Council may waive

1 any irregularity in the form or content of any written protest and at the public
2 hearing may correct minor defects in the proceedings. A written protest
3 may be withdrawn in writing at any time before the conclusion of the public
4 hearing.

5 C. Each written protest shall contain a description of the
6 business in which the person subscribing the protest is interested sufficient
7 to identify the business and, if a person subscribing is not shown on the
8 official records of the City as the owner of the business, the protest shall
9 contain or be accompanied by written evidence that the person subscribing
10 is the owner of the business. A written protest which does not comply with
11 this section shall not be counted in determining a majority protest.

12 D. Testimony is also invited relating to any perceived
13 irregularities in or protests to previous years' proceedings/assessments.

14 Section 3. The City Clerk shall give notice of the public hearing called for
15 in Section 2 by causing this Resolution of Intention to be published once in a newspaper
16 of general circulation in the City not less than seven days before the public hearing.

17 Section 4. This resolution shall take effect immediately upon its adoption
18 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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Exhibit A

FY 2010 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.

