



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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June 21, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record, conclude the public hearing, and declare the Ordinance establishing the Long Beach Tourism Business Improvement Area (LBTBIA), fixing the boundaries thereof, providing for the levy of an additional business license tax and establishing an advisory board, read the first time and laid over to the next regular meeting of the City Council for final reading. (Districts 1, 2, 4, and 5)

DISCUSSION

On May 24, 2005, the City Council adopted a Resolution of Intention (Attachment 1) to form the Long Beach Tourism Business Improvement Area, set the date of June 21, 2005 for a public hearing, designated the Advisory Board, authorized the City Manager to initiate majority protest proceedings and authorized the City Clerk to receive written protests.

Several of the City's hoteliers have requested the City's assistance in establishing a Long Beach Tourism Business Improvement Area (LBTBIA) to assess a levy on their hotels within certain proposed boundaries. The Long Beach Area Convention and Visitors Bureau (CVB) coordinated the request. The Parking and Business Improvement Area Law of 1989, of the California Streets and Highways Code, allows the creation of a Business Improvement Area (BIA) allowing property owners to voluntarily levy an assessment upon themselves to provide for improvements and/or activities.

This letter was reviewed by Chief Assistant City Attorney Heather Mahood and Budget Management Officer David Wodynski on June 13, 2005.

TIMING CONSIDERATIONS

City Council action is requested on June 21, 2005, to adopt the attached Ordinance establishing the Long Beach Tourism Business Improvement District in a timely manner.

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FISCAL IMPACT

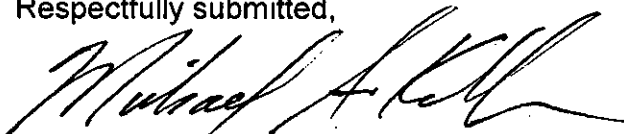
The City would collect the assessment on behalf of the LBTBIA. It is estimated the LBTBIA will generate approximately \$3,000,000 in its first year. The assessments would be subject to City Council annual review and approval of LBTBIA management plans, budgets and reports. The City would forward collected assessments to the CVB, as the designated LBTBIA Advisory Board, based on the LBTBIA budgets approved by City Council. The LBTBIA's receipts and disbursements will be accounted for separately from any other monies and its accounting records are subject to review by the City.

The intent is for the LBTBIA to minimize its administrative impact on the City. The LBTBIA will reimburse the City for initial district formation costs and ongoing City administrative expenses associated with LBTBIA-collected levies to recover the full cost of City support for this activity.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT



CRAIG BECK
ACTING DIRECTOR OF COMMUNITY DEVELOPMENT

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APPROVED:

for 
GERALD R. MILLER
CITY MANAGER

ATTACHMENTS:

- CITY COUNCIL LETTER, MAY 24, 2005 R-21 (WITH ATTACHMENTS)
- ORDINANCE