



# CITY OF LONG BEACH

# H-5

DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard 9<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-6383 • Fax (562) 570-6012

October 4, 2011

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, 2011 through September 30, 2012; 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 3 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 requires the submission of an annual assessment report by the Advisory Commission designated for this Assessment District. On July 28, 2011, the LBCVB Board voted to recommend to City Council approval of the LBTBIA Assessment Report (attached). 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.

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

HONORABLE MAYOR AND CITY COUNCIL

October 4, 2011

Page 2

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, 2011 to September 30, 2012. 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 2012 (FY 12) is \$3,108,000.

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on September 12, 2011, and by Budget Management Officer Victoria Bell on September 16, 2011.

TIMING CONSIDERATIONS

City Council action is requested on October 4, 2011 to authorize renewal of necessary documents for the new contract year, which begins on October 1, 2011.

FISCAL IMPACT

It is expected that the LBTBIA will generate \$3,108,000 in FY 12 through the proposed continuation of the assessment. Sufficient funds are included in the FY 12 Budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Public Works (PW). There is no fiscal impact to the General Fund and no local job impact associated with this action.

**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



**MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS**

MPC:VSG:jf  
10.04.11 FY 2012 LBTPBIA Pub Hrng v2

Attachments: LBT Business Improvement Area Annual Report  
Resolution

**APPROVED:**



**PATRICK H. WEST  
CITY MANAGER**

**LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA  
ANNUAL REPORT  
October 1, 2011—September 30, 2012**

**EXECUTIVE SUMMARY**

- On an annualized basis, the CVB's definite room night booking pace for 2012 is on target to match our 2011 calendar year of definite bookings. Also, short-term bookings, booked in the year, for the year, have doubled over last year.
- The CVB Sales staff participated in 23 industry tradeshows across the U.S.
- The CVB Sales staff led 3 major sales missions that included representatives from Long Beach hotel properties and city government.
- The CVB hosted 4 Client Familiarization Trips into Long Beach.
- In 2010/2011 the Long Beach CVB won 6 national awards for customer service from major meeting trade publications (including perpetual membership in the Meetings & Conventions Elite Hall of Fame).

**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 fewer publications and less ad frequency.

**Trade Publication Synopsis:**

- **12 Top Trade Publications**
- **60 Advertisements**
- **2,793,587 Total Minimum Impressions**

## Trade Publications for 2010/2011:

### Meetings & Conventions:

Circulation: 70,000

### Meeting News:

Circulation: 50,100

### Successful Meetings:

Circulation: 72,050

### Corporate & Incentive Travel:

Circulation: 40,000

### Smart Meetings

Circulation: 31,000

### Long Beach Business Journal

Circulation: 35,000

### HSMAI:

Circulation: 7,000

### Long Beach Magazine

Circulation: 20,000

### Convene:

Circulation: 35,000

### Black Meetings & Tourism:

Circulation: 28,000

### Association Meetings:

Circulation 20,107

### Corporate Meetings & Incentives:

Circulation 32,000

## Social Media:

In 2009, the Long Beach CVB started a successful social media program that includes Facebook and Twitter. Currently, the CVB has 1,460 Facebook fans and a following of 4,939 on Twitter and the numbers continue to increase. We have successfully used our social media programs to promote incoming conventions to increase attendance at shows with a consumer component; for example, the Quilts International Show.

## 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 2010/2011 fiscal year, the CVB sales team participated in the following events aimed at professional meeting planners:

- 23 Trade Shows
- 3 Sales Missions (CVB joined by Center & hotel sales staff)
- 4 Long Beach Familiarization Trips

## SALES MISSIONS:

**Chicago Sales Mission**—7 representatives from Long Beach attended, 10 client presentations, 3 customer events, 54,000 potential room nights from meetings

**Washington DC Sales Mission**—23 sales calls, 8 customer events, 300+ clients, 28,000+ potential room nights (12 Requests for Proposals already received)

**Seattle Sales Mission**—8 sales call, 2 customer events, 85 clients

**Client Familiarization Trips:** “FAM Trips” are a primary tool in selling meeting planners on the features and advantages of booking their conventions in our city. In 2010/2011, we hosted 3 Client FAM Trips. Of these, the Grand Prix is our most important client FAM.

- **Grand Prix FAM Trip:** 25 companies and organizations with a combined potential of 65,000 room nights, 45,000 attendees, \$2.3 million in TOT (bed tax directly to city) and \$ 32 million in overall economic impact. As of this date, 4 groups have signed contracts. Over the past two years, the Grand Prix FAM has helped bring seven new events to Long Beach, bringing the city over \$650,000 in TOT (bed tax direct to city). One of those groups is Oracle, with 5,000 room nights, 1,200 attendees and an estimated TOT of \$120,000.

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 2011/2012 room night sales goals.

## NATIONAL AWARDS WON BY LONG BEACH CVB

The Long Beach Convention & Visitors Bureau won 6 major meeting trade industry awards for customer service. 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*
- **PINNACLE AWARD**—*Successful Meetings Magazine*
- **DISTINCTIVE ACHIEVEMENT AWARD**—*Association Conventions & Facilities Magazine*
- **AWARD OF EXCELLENCE**—*Corporate & Incentive Travel Magazine*
- **WORLD CLASS AWARD**—*Insurance & Financial Management Meetings Magazine*

Long Beach Area Convention & Visitors Bureau  
 Budget 2011/2012  
 PBIA

	2011/2012 Budget	2010/2011 June Forecast	2010/2011 Budget
Revenue			
City Funds	0	0	0
PBIA	3,108,000	3,346,005	3,100,000
PBIA Carryover	0	0	0
Total Revenues	3,108,000	3,346,005	3,100,000
Expenses			
Personnel	2,148,188	2,040,508	2,147,512
Fam Tours	0	0	0
Trade Shows	44,000	42,322	47,350
Media/Advertising	168,412	541,659	433,438
Special Projects	75,000	64,390	75,000
Gifts	0	3,146	6,900
Bid Presentations	0	0	0
Travel & Entertainment Out of Town	212,000	213,618	118,500
Travel & Entertainment in Town	120,400	117,887	92,300
Support Marketing	350,000	322,475	179,000
Visitor Centers	0	0	0
Reg Assist/Visitor Centers	0	0	0
Administrative Expenses	0	0	0
Allocated Reserve	0	0	0
Total Expenses	3,108,000	3,346,005	3,100,000
Net Profit	0	0	0

# **FY 2012 Long Beach Tourism PBI Assessment Formula**

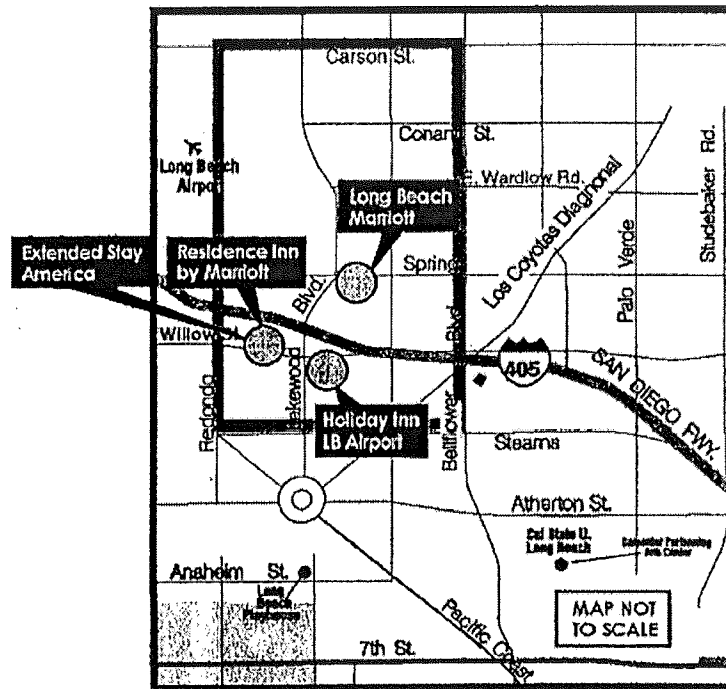
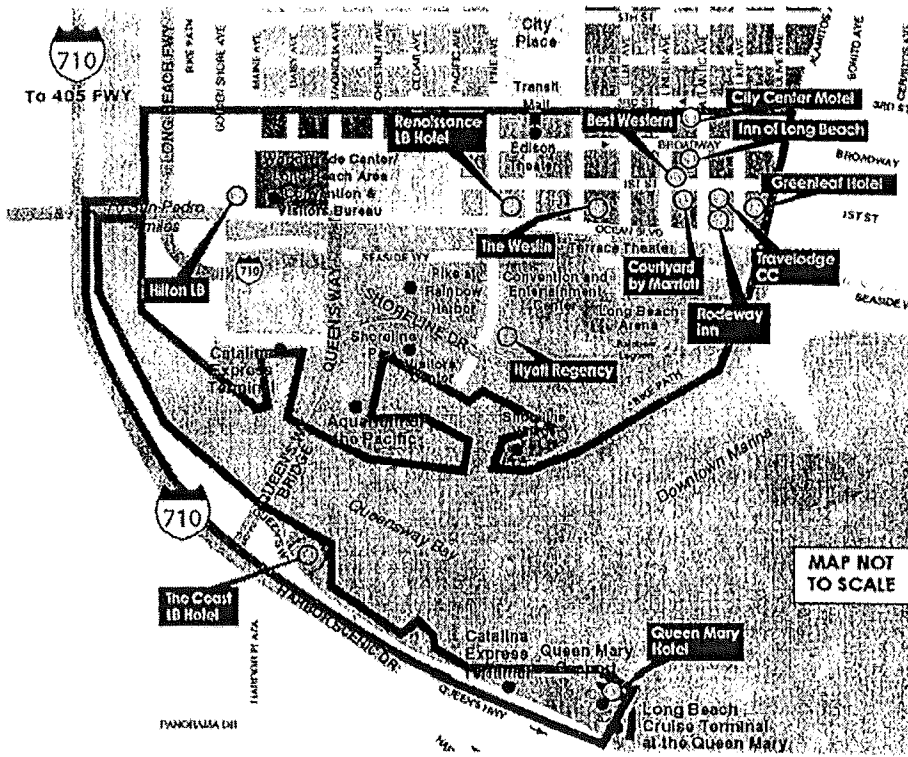
---

---

## **Per Section 3 of Ordinance ORD-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.





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

1 RESOLUTION NO.

2  
3 RESOLUTION OF THE CITY COUNCIL OF THE CITY  
4 OF LONG BEACH CONFIRMING, FOLLOWING HEARING,  
5 THE ANNUAL REPORT OF THE LONG BEACH TOURISM  
6 BUSINESS IMPROVEMENT AREA, CONTINUING THE  
7 LEVY OF ANNUAL ASSESSMENT AS SET FORTH IN SAID  
8 REPORT AND SETTING FORTH OTHER RELATED  
9 MATTERS

10  
11 WHEREAS, pursuant to Section 36533 of the California Streets and  
12 Highways Code, the Long Beach Tourism Business Improvement Area Advisory Board  
13 has caused a Report to be prepared for October 1, 2011 through September 30, 2012  
14 relating to the Long Beach Tourism Business Improvement Area ("LBTBIA"); and

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

17 WHEREAS, on October 4, 2011 at 5:00 p.m., the City Council conducted a  
18 public hearing relating to that Report in accordance with its Resolution of Intention  
19 No. \_\_\_\_\_, adopted September 6, 2011, at which public hearing all  
20 interested persons were afforded a full opportunity to appear and be heard on all matters  
21 relating to the Report; and

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

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

27 Section 1. A public hearing having been conducted on October 4, 2011  
28 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 Long Beach Tourism Business  
2 Improvement Area, previously filed and approved by Resolution No. \_\_\_\_\_,  
3 adopted September 6, 2011, as originally filed, and declares that this resolution shall  
4 constitute the levy of the Assessment referred to in the Report for October 1, 2011  
5 through September 30, 2012 as more specifically set forth in Exhibit "A".

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 \_\_\_\_\_, 2011, 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