



CITY OF LONG BEACH

H-1

OFFICE OF THE CITY MANAGER

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PATRICK H. WEST
CITY MANAGER

September 22, 2009

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, 2009 through September 30, 2010, 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 require the submission of an annual assessment report by the Advisory Commission designated for this Assessment District. On August 5, 2009, the LBCVB Board voted to recommend to 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.

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, 2009 to September 30, 2010. 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 2010 (FY 10) is \$3,100,000.

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on August 25, 2009, City Treasurer David Nakamoto on September 4, 2009 and Budget and Performance Bureau Manager David Wodynski on September 4, 2009.

TIMING CONSIDERATIONS

City Council action is requested on September 22, 2009 to authorize renewal of necessary documents for the new contract year, which begins on October 1, 2009.

FISCAL IMPACT

It is expected that the LBTBIA will generate \$3,100,000 in FY 10 through the proposed continuation of the assessment. Sufficient funds are included in the FY 10 Adopted Budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). There is no fiscal impact to the General Fund.

HONORABLE MAYOR AND CITY COUNCIL
September 22, 2009
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
CITY MANAGER

PHW/RMS:tb
9-16-09 LBTBIA Hearing v2.doc

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

Meeting News:

Circulation: 50,100

Successful Meetings:

Circulation: 72,050

Meetings West:

Circulation: 31,000

Corporate Incentive Travel:

Circulation: 40,000

Convvene:

Circulation: 35,000

Black Meetings & Tourism:

Circulation: 28,000

Association Meetings:

Circulation 20,107

Corporate Meetings & Incentives:

Circulation 32,000

Religious Conference Manager:

Circulation 4,500

Long Beach Business Journal:

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
PBIA

	2009/2010 Budget	2008/2009 Budget	2008/2009 Forecast
Revenue			
City Funds			
Memberships			
Visitor Guide			
Special Events			
Registration Assistance			
Housing Assistance/Passkey			
PBIA	3,100,000	3,650,000	2,969,438
PBIA 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

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, 2009 through September 30, 2010
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 September 22, 2009 at 5:00 p.m., the City Council
18 conducted a public hearing relating to that Report in accordance with its Resolution of
19 Intention No. _____, adopted September 1, 2009, 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 September 22,
28 2009 at 5:00 p.m., and all persons having been afforded an opportunity to appear and be

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 1, 2009, as originally filed, and declares that this resolution shall
4 constitute the levy of the Assessment referred to in the Report for October 1, 2009
5 through September 30, 2010 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 _____, 2009, by the
10 following vote:

11 Ayes: Councilmembers: _____

12 _____

13 _____

14 _____

15 Noes: Councilmembers: _____

16 _____

17 Absent: Councilmembers: _____

18 _____

19 _____

20 _____

City Clerk

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

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Exhibit A

FY 2010 Long Beach Tourism PBI 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.

