

**CITY OF LONG BEACH**

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 9, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION

Approve the budget for the Long Beach Tourism Business Improvement Area, and authorize the City Manager to execute a contract with the Long Beach Convention and Visitors Bureau for the period of August 1, 2005 through September 30, 2006, to manage the Long Beach Tourism Business Improvement Area. (Districts 1, 2, 4 and 5)

DISCUSSION

The California Streets and Highways Code (Section 36000) (Law) allows cities to contract with organizations for management of business improvement districts formed under the Law. On May 24, 2005, the City Council adopted a Resolution creating the Long Beach Tourism Business Improvement Area (LBTBIA), as requested by several of the City's hoteliers, and managed by the Long Beach Convention and Visitors Bureau (CVB).

The purpose of the LBTBIA is to promote and market the City of Long Beach as a tourism destination and to fund projects, programs and activities that benefit the hotels within the boundaries of the Area. The LBTBIA will be funded through a 3 percent self-assessment of the hoteliers, which is expected to generate \$3,000,000 in the first year.

The LBTBIA will be required to present an annual report and budget each year. The first year budget is attached pursuant to Section 36533 of the Law. No annual report is required as operations are just now commencing. The initial operating period is August 1, 2005 to September 30, 2006. Budgeted revenue for this initial fourteen-month period is \$3,500,000. Subsequent contracts will coincide with the City's fiscal year.

This letter was reviewed by Assistant City Attorney Heather Mahood and Budget Management Officer David Wodynski on August 1, 2005.

TIMING CONSIDERATIONS

As the initial LBTBIA contract begins August 1, 2005, City Council action is requested on August 9, 2005.

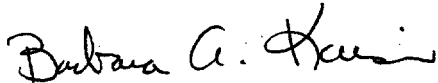
FISCAL IMPACT

There is no fiscal impact to the General Fund. The City will receive funds generated by the self-assessment and distribute those funds to the CVB for administration of the LBTBIA under contract to the City. The City's LBTBIA administrative costs will be reimbursed from district revenue.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



for CRAIG BECK
ACTING DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



GERALD R. MILLER
CITY MANAGER

Attachments:
LBTBIA Budget