

OFFICE OF THE CITY ATTORNEY
Long Beach, California

ORD-16

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March 10, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Recommendation to declare ordinance establishing a small business recruitment, retention and growth pilot program, read the first time and laid over to the next regular meeting of the City Council for final reading. (Citywide)

DISCUSSION:

Pursuant to your request on February 17, 2015, this ordinance has been prepared and is submitted for your consideration.


SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

CHARLES PARKIN, City Attorney

By


AMY R. WEBBER
Deputy City Attorney

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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH ESTABLISHING A SMALL
BUSINESS RECRUITMENT, RETENTION AND GROWTH
PILOT PROGRAM

WHEREAS, the City of Long Beach desires to encourage and support small
business recruitment, retention and growth in the City of Long Beach by providing
incentives for such actions; and

WHEREAS, the City desires to establish a small business incentive pilot
program (the "Program") in the City for this purpose; and

WHEREAS, before the end of the Program, the City Council will consider
the available data and determine whether and how to continue the program;

NOW, THEREFORE, the City Council of the City of Long Beach does
hereby ordain as follows:

Section 1. Small Business Recruitment, Retention and Growth Program.

In order to promote, retain and encourage businesses to remain in
and relocate to the City of Long Beach, the City hereby establishes a
program of incentives to qualified small businesses.

I. Definitions.

A. "Small Business" means a non-home-based business that is
located in the City of Long Beach and has ten (10) or fewer employees as
certified on the original business license application or any updates to the
application. Small Business does not include any business with a
residential rental or commercial/industrial space rental business license.

B. "Manufacturing Business" shall be determined based on the
description provided on the applicant's business license and the associated

1 North American Industry Classification System (“NAICS”) code.

2 II. Incentives.

3 A. Incentive to Relocate to or Expand a Small Business. A Small
4 Business which either relocates from outside of Long Beach or adds an
5 additional location in Long Beach, shall be allowed an incentive amount
6 equal to the amount of first year’s business license tax for the new or
7 expanded location, paid as a credit against the business license tax bill. A
8 transfer of an existing business license shall not qualify for this incentive.

9 B. Incentive to Support Manufacturing. A Manufacturing
10 Business which starts in or relocates to Long Beach shall be allowed an
11 incentive amount equal to the amount of first two (2) years’ business license
12 tax for the new location, paid as a credit against the business license tax bill
13 and applied over two (2) years. A business receiving the incentive to
14 support manufacturing may not also receive the Incentive to Relocate to or
15 Expand a Small Business. A transfer of an existing business license shall
16 not qualify for this incentive.

17 C. Incentive to Create Jobs. A Small Business which adds
18 employees based on the before and after business license headcount shall
19 be allowed an incentive equal to four (4) times the amount of the
20 incremental business tax for each new employee for the current year, paid
21 as a credit against the current year’s business license tax. After the first
22 year, the business license tax will be increased to reflect the new
23 headcount. A charge will be applied, if necessary, to recover a pro rata
24 amount of the incentive if the number of employees is reduced within four
25 (4) years. This Incentive to Create Jobs is available only to established and
26 previously licensed businesses.

27 D. Incentive for Renovation and Construction. A Small Business
28 which submits and pays for a permit for the renovation or construction of

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improvements, and the cost of the renovation or construction as described on the building permit exceeds Two Thousand Dollars (\$2,000), but is less than Four Thousand Dollars (\$4,000), shall be allowed an incentive amount equal to the amount of one (1) year of the current business license tax for the business, or an amount equal to two (2) years of the business license tax if the cost of the renovation or construction is Four Thousand Dollars (\$4,000) or more. The incentive is paid as a credit against the business license tax bill over the next one (1) or two (2) years of tax bills. To be eligible for this incentive, the costs of the renovation or construction and associated permit must be paid by the Small Business and not by its landlord or others, or by grants, unless it is shown that the payments by others or grants still leaves the Small Business with directly paid renovation and construction costs of at least Two Thousand Dollars (\$2,000) or Four Thousand Dollars (\$4,000), respectively.

III. Applications.

Eligibility for incentives shall be based on a signed and attested incentive application submitted to the City. At the City's option, any information on the application may be verified by the City of Long Beach. Any application containing materially inaccurate false information will render the applicant ineligible for the particular incentive, shall subject the business to immediate cancellation of any incentive, and the applicant shall be required to repay any credits received to which the applicant was not entitled.

IV. Duration.

This pilot program shall be in effect beginning on the effective date of this ordinance and shall automatically terminate on September 30, 2016, unless extended by the City Council.

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Section 2. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 2015, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____

(Date)

Mayor