

# CITY OF LONG BEACH

# H-4

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 5, 2010

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, 2010 through September 30, 2011; 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 July 15, 2010, 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 assessments, the City Council shall not levy the assessment. If protests in such

HONORABLE MAYOR AND CITY COUNCIL

October 5, 2010

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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, 2010 to September 30, 2011. 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 2011 (FY 10) is \$3,054,000.

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on August 17, 2010, City Treasurer David Nakamoto and Budget Management Officer Victoria Bell on August 18, 2010.

#### TIMING CONSIDERATIONS

City Council action is requested on October 5, 2010 to authorize renewal of necessary documents for the new contract year, which begins on October 1, 2010.

#### FISCAL IMPACT

It is expected that the LBTBIA will generate \$3,054,000 in FY 11 through the proposed continuation of the assessment. Sufficient funds are currently budgeted in the FY 11 Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). As a result of the reorganization efforts that are currently in transition, a formal reconciliation to transfer these funds to the Public Works Department will occur through a future FY11 quarterly budget adjustment. There is no fiscal impact to the General Fund.

#### SUGGESTED ACTION:

Approve recommendation.


Respectfully submitted,

  
MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

MPC:VSG:jf  
10.05.10 Long Beach Tourism Hearing

Attachments: LBT Business Improvement Area Annual Report  
Resolution

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER

# **LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA ANNUAL REPORT**

**October 1, 2010—September 30, 2011**

## **EXECUTIVE SUMMARY**

- The CVB's booking pace for current and future years is on target to meet our 2010 room night sales production goal, with a projected year-end total equal to last year's sales.
- The CVB Sales staff participated in 16 national tradeshows across the U.S.
- The CVB Sales staff led 3 major sales missions that included representatives from Long Beach hotel properties.
- The CVB hosted 3 Client Familiarization Trips into Long Beach.
- In 2009/2010 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). The CVB is on track to repeat that success in 2010/2011.

## **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**
- **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. As of this date, the CVB has 823 Facebook friends and a following of 3,182 on Twitter and the numbers continue to increase.

## 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 2009/2010 fiscal year, the CVB sales team participated in the following events aimed at professional meeting planners:

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

## Sales Missions:

- **Northern California:** This 5-day sales mission by CVB staff also included sales representatives from the Westin, Hyatt, Renaissance, AVIA and Hotel Maya, and included 13 separate sales appointments with major meeting planners. Leads generated from this sales mission total 41,265 potential room nights.
- **Chicago Sales Mission:** On this mission, CVB executives and Long Beach hotel representatives contacted 25 meeting planner clients in 14 individual appointments and a client dinner. Leads generated on this mission represent a potential of 5,306 room nights for Long Beach.

- **Washington DC Sales Mission:** CVB Sales staff led a contingent of Long Beach hotel representatives and contacted 150 meeting planner clients, with leads representing a potential of 14,800 room nights for Long Beach hotels.

**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 2009/2010, we hosted 3 Client FAM Trips: the Red Bull “No Limits” stunt car event, Governor’s Conference for Women and the Grand Prix. Of these, the Grand Prix is our most important client FAM.

- Grand Prix FAM Trip: 27 companies and organizations with a combined potential of 111,298 room nights, \$2.7 million in TOT and \$231 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 2010/2011 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*  
14<sup>th</sup> Consecutive Win
- **PINNACLE AWARD**—*Successful Meetings Magazine*  
6<sup>th</sup> Consecutive Win
- **DISTINCTIVE ACHIEVEMENT AWARD**—*Association Conventions & Facilities Magazine*  
2<sup>nd</sup> Consecutive Win
- **AWARD OF EXCELLENCE**—*Corporate & Incentive Travel Magazine*  
4<sup>th</sup> Consecutive Win
- **WORLD CLASS AWARD**—*Insurance & Financial Management Meetings Magazine*  
3<sup>rd</sup> Consecutive Win

## FISCAL YEAR 2010/2011 BUDGET

For 2010/2011, the Long Beach 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.

**Long Beach Area Convention & Visitors Bureau  
Budget 2010/2011  
LBTBIA**

Revenue	2009/2010 Budget	2009/2010 Forecast	2010/2011 Budget
City Funds	0		0
Memberships	0		0
Visitor Guide	0		0
Special Events	0		0
Registration Assistance	0		0
Housing Assistance/Passkey	0		0
PBIA	3,100,000	2,855,426	3,054,000
PBIA Carryover	0		0
Interest Income	0		0
Annual Mtg	0		0
Concierge Desk/Visitor Centers	0		0
Rent & Office Services	0		0
<b>Total Revenues</b>	<b>3,100,000</b>	<b>2,855,426</b>	<b>3,054,000</b>
<b>Expenses</b>			
Personnel	2,147,512	2,051,681	2,118,773
Fam Tours	0	0	0
Trade Shows	47,350	12,564	47,350
Media/Advertising	433,438	242,229	285,177
Special Projects	75,000	96,878	75,000
Gifts	6,900	6,649	6,900
Bid Presentations	0	0	0
Travel & Entertainment Out of Town	118,500	145,412	118,500
Travel & Entertainment In Town	92,300	120,334	132,300
Support Marketing	179,000	179,679	270,000
Reg Assist/Visitor Centers	0	0	0
Administrative Expenses	0	0	0
Allocated Reserve	0	0	0
<b>Total Expenses</b>	<b>3,100,000</b>	<b>2,855,426</b>	<b>3,054,000</b>

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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RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF LONG BEACH CONFIRMING, FOLLOWING HEARING,  
THE ANNUAL REPORT OF THE LONG BEACH TOURISM  
BUSINESS IMPROVEMENT AREA, CONTINUING THE  
LEVY OF ANNUAL ASSESSMENT AS SET FORTH IN SAID  
REPORT AND SETTING FORTH OTHER RELATED  
MATTERS

WHEREAS, pursuant to Section 36533 of the California Streets and  
Highways Code, the Long Beach Tourism Business Improvement Area Advisory Board  
has caused a Report to be prepared for October 1, 2010 through September 30, 2011  
relating to the Long Beach Tourism Business Improvement Area ("LBTBIA"); and

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

WHEREAS, on October 5, 2010 at 5:00 p.m., the City Council conducted a  
public hearing relating to that Report in accordance with its Resolution of Intention  
No. \_\_\_\_\_, adopted September 7, 2010, at which public hearing all  
interested persons were afforded a full opportunity to appear and be heard on all matters  
relating to the Report; and

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

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

Section 1. A public hearing having been conducted on October 5, 2010  
at 5:00 p.m., and all persons having been afforded an opportunity to appear and be

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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 7, 2010, as originally filed, and declares that this resolution shall  
4 constitute the levy of the Assessment referred to in the Report for October 1, 2010  
5 through September 30, 2011 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 \_\_\_\_\_, 2010, by the  
10 following vote:

11 Ayes: Councilmembers: \_\_\_\_\_

12 \_\_\_\_\_

13 \_\_\_\_\_

14 \_\_\_\_\_

15 Noes: Councilmembers: \_\_\_\_\_

16 \_\_\_\_\_

17 Absent: Councilmembers: \_\_\_\_\_

18 \_\_\_\_\_

19 \_\_\_\_\_

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City Clerk

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