



CITY OF LONG BEACH

H-1

DEPARTMENT OF ECONOMIC DEVELOPMENT

333 West Ocean Boulevard 3rd Floor • Long Beach, CA 90802 • (562) 570-6099 FAX (562) 570-6380

April 23, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing, and declare the Ordinance approving the change to the East Anaheim Street Parking and Business Improvement Area methodology of assessment read the first time and laid over to the next regular meeting for final reading. (Districts 3, 4)

DISCUSSION

The City of Long Beach (City) contracts with the Zaferia Business Association (ZBA) to promote and market the commercial area along East Anaheim Street using funds generated through the assessment of businesses located in the East Anaheim Street Parking and Business Improvement Area (EASPBA). The ZBA Board of Directors serves as the Advisory Board to the City Council and makes recommendations regarding the EASPBA boundaries, improvements, maintenance, and activities to be provided, including the method and basis of levying the assessment.

At its April 9, 2019 meeting, the City Council adopted Resolution No. RES-19-0049, granting approval of the Request for New Members Report, declaring the intention of the City Council to add new business classifications to the EASPBA methodology of assessment, and set April 23, 2019 as the date of the public hearing.

State law provides that the City Council shall hear and consider all protests against the assessment, program, boundaries of the area, and/or any benefit zones as proposed in the Request for New Members Report. The Request for New Members Report, transmitting the recommendations of the EASPBA Advisory Board, proposes the following:

- Add the following business classifications to the EASPBA methodology of assessment:
 - Financial institutions (banks)
 - Insurance companies
 - Nonprofits

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- Assessments for the new business classifications are calculated as follows:
 - Type 1 Businesses: Financial institutions shall pay an annual assessment fee of:
 - Base Fee: \$300 per year, except that secondary licensees in these classes are exempt; and,
 - Employee Fee: \$15 per employee up to \$300 maximum.
 - Type 2 Businesses: Insurance companies shall pay an annual assessment fee of:
 - Base Fee: \$200 per year, except that secondary licensees in these classes shall pay a base fee of \$120; and,
 - Employee Fee: \$15 per employee up to \$300 maximum.
 - Type 3 Businesses: Nonprofit organizations shall pay an annual assessment fee of:
 - Base Fee: \$100 per year; and,
 - Employee Fee: not applicable.
- Make no significant changes to the FY 19 EASPBIA Program, as approved by the City Council on October 23, 2018.
- Increase the ZBA marketing budget.
- Make no changes in the existing boundaries.

Streets and Highways Code Section 36523 et seq. governs the notice and protest process for business-based assessments and 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 approve the change to the Ordinance. If protests in such quantity are directed against a specific portion of the program, the City Council shall eliminate that portion.

A copy of RES-19-0049 was mailed to all businesses in the district. A hearing notice and copy of the Resolution was also published in local media as required. The attached Ordinance amends Ordinance ORD-10-0012 by adding new business classifications.

This matter was reviewed by Deputy City Attorney Amy R. Webber on April 3, 2019 and by Budget Management Officer Rhutu Amin Gharib on April 5, 2019.

TIMING CONSIDERATIONS

City Council action is requested on April 23, 2019, to begin programming and testing the requested changes in the City's financial system. Approximately three weeks of lead time is required before the process is finalized.

FISCAL IMPACT

It is estimated that the changes to the EASPBA methodology of assessment will generate \$2,255 in FY 19. Assessment funds are collected through additional fees attached to EASPBA business licenses. All revenues are passed directly through to the ZBA for implementation of annual programs. This recommendation has minimal staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

JPK:JV:er

Attachment: Ordinance

APPROVED:


PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Lana Beach, CA 90802-4664

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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AMENDING ORDINANCE NO.
ORD-10-0012, MODIFYING THE ASSESSMENTS TO BE
LEVIED WITHIN THE EAST ANAHEIM STREET PARKING
AND BUSINESS IMPROVEMENT AREA

The City Council of the City of Long Beach does hereby ordain as follows:

Section 1. A public hearing having been duly called pursuant to
Resolution of Intention No. RES-19-0049, adopted April 9, 2019, Section 4 of Ordinance
No. ORD-10-0012, is amended to read as follows:

“Section 4. That the City Council hereby levies, imposes and orders the
collection of annual benefit assessments to be imposed upon the following additional
classifications of persons occupying business premises in the parking and business
improvement area in addition to those already specified in Section 3 of this Ordinance
upon such business.

A. In amounts as follows:

Categories	Base Rate	Employee Rate
1. Financial Institution	\$300	\$15 per employee
Secondary licensees in this category shall be exempt. Employee fee shall be up to \$300 maximum.		
2. Insurance Companies	\$200	\$15 per employee
Secondary licensees in this category shall be exempt. Employee fee shall be up to \$300 maximum.		
3. Non-profits	\$100	Not applicable

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I hereby certify that the foregoing Ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 2019, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor