



CITY OF LONG BEACH

R-18

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

September 11, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution approving the Annual Assessment Report for October 1, 2007 to September 30, 2008, for the Long Beach Tourism Business Improvement Area, declaring its intention to levy the annual assessment and setting the date of hearing for October 9, 2007; and, approve an appropriations increase of \$800,000 in the FY 07 Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). (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 three 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 23, 2007, 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.

The recommended Resolution of Intention grants approval of the Assessment Report, declares the intention of the City Council to levy the assessment for proposed activities, and sets the date of the public hearing for October 9, 2007.

The estimated revenue for Fiscal Year 2008 (FY 08) is \$3,850,000. A budget appropriation for this amount will be included in the next quarterly FY 08 Proposed Budget adjustment in the Parking and Business Area Improvement Fund (SR 132).

For Fiscal Year 2007 (FY 07), an appropriation increase of \$800,000 in the Parking and Business Improvement Area Fund (SR 132) is requested. This adjustment is due to increased short-term room rental revenue within the LBTBIA and to a Fiscal Year 2006 payment of \$268,789 being deducted from the FY 07 budget allocation. This budget adjustment will allow the City to transfer LBTBIA assessment revenue received in FY 07 to the LBCVB for the balance of FY 07 as required by contract. The increase in revenue generated by the LBTBIA reflects the success of the various initiatives undertaken by the LBCVB to promote and market Long Beach. It is anticipated that the benefits of the LBTBIA will continue to increase and benefit the City.

This letter was reviewed by Assistant City Attorney Heather Mahood on August 16, 2007, Budget and Performance Management Bureau Manager David Wodynski on August 28, 2007 and the City Treasurer's Office on August 21, 2007.

TIMING CONSIDERATIONS

City Council action is requested on September 11, 2007 to set the date for the public hearing for October 9, 2007. The new contract year begins on October 1, 2007.

FISCAL IMPACT

It is expected that the LBTBIA will generate \$3,850,000 in Fiscal Year 2008 (FY 08) through the proposed continuation of the assessment. Annual assessment revenue of \$3,850,000 will be included in the next quarterly FY 08 Proposed Budget adjustment in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). FY 08 assessment revenue will fully offset the proposed allocation in SR 132. The Fiscal Year (FY 07) recommended contract amount should be amended to reflect the assessment revenue. The requested increase will be offset by matching revenue.

HONORABLE MAYOR AND CITY COUNCIL
September 11, 2007
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

PHW/RMS:tb

Attachments: Attachment A - Long Beach Tourism Business Improvement Area Annual Report
Resolution of Intention Approving Annual Report and Levy

APPROVED:



ANTHONY W. BATTS
CITY MANAGER

ATTACHMENT A

LONG BEACH TOURISM BUSINESS IMPROVEMENT AREA ANNUAL REPORT

October 1, 2006—September 30, 2007

EXECUTIVE SUMMARY

- Revenue from the Long Beach Tourism Business Improvement Area (LBTBIA) allowed the Long Beach Area Convention & Visitors Bureau (CVB) to further penetrate market areas previously unavailable due to tight funding. An advertising and promotion campaign aimed at the leisure travel market entered its second year with new marketing collateral and eye-catching ads promoting Long Beach as a premiere vacation destination. Many of our ads were moved by the magazine into back cover and other prime locations thanks to their dramatic visual appeal.
- LBTBIA funds allowed the continuation and expansion of our meeting trades marketing and advertising programs.
- LBTBIA funds were utilized in the ongoing campaign to brand Long Beach as a major tourism and convention destination. This included dramatic new photography and video footage of the city, which is being used in vibrantly enticing ads, collateral materials and an exciting new marketing video portraying the wide variety of things to see and do in Long Beach.
- During the time the LBTBIA has been in place, Long Beach has seen a statistically relevant increase (+10 %) in name awareness by professional meeting planners and consumers.
- Higher awareness translates into economic benefit for Long Beach. The CVB's current fiscal year has seen the following growth over last year:
 - ✓ **2.31% increase in hotel occupancy**
 - ✓ **8.9% increase in average room rate**
 - ✓ **11.3% increase in revenue per available room**

A major reason for these increases can be attributed to a change in perceptions of Long Beach by consumers and professional meeting planners. These shifts in perception are a direct result of the sales and marketing campaigns that the LBTBIA helps to fund.

- In this fiscal year the CVB won an array of major meeting industry awards:
 - ✓ **Gold Service Award (12th win)—M & C Magazine**
 - ✓ **Hall of Fame (for 12 consecutive Gold Service awards)—M & C Magazine**
 - ✓ **Pinnacle Award (4th year)—Successful Meetings Magazine**
 - ✓ **Planners' Choice Award (4th year)—Meeting News Magazine**
 - ✓ **Award of Excellence (1st win)—Corporate & Incentive Travel Magazine**
 - ✓ **World Class Award (1st win)—Insurance & Financial Meetings Management Magazine**

ADVERTISING OVERVIEW:

Meeting Trade Advertising

(Readers are primarily professional meeting planners)

In the Meeting Trade Market the CVB was able to expand its advertising and promotional efforts to include a wider range of publications and to increase ad frequency to improve reader awareness of Long Beach.

Trade Publication Synopsis:

- 15 Top Trade Publications
- 90 Advertisements
- Total Minimum Impressions: 3,104,681

Trade Publications for 2006/2007:

Meetings & Conventions Magazine
Circulation: 74,000

Meeting West
Circulation: 26,000

Successful Meetings Magazine
Circulation: 72,050

Association Meetings
Circulation: 20,107

Meeting News
Circulation: 60,100

Corporate Meetings & Incentives
Circulation: 32,000

USAE Newspaper
Circulation: 2,000

Medical Meetings
Circulation: 12,000

Long Beach Business Journal
Circulation: 35,000

Religious Conference Manager
Circulation: 4,500

PCMA Convene Magazine
Circulation: 35,000

Financial Ins. & Meetings
Circulation: 9,000

HSMAI
Circulation: Tradeshow

Black Meetings & Tourism
Circulation: 35,000

Corporate Incentive Travel
Circulation: 40,000

Consumer Advertising

(Readers are primarily pleasure and business travelers)

The addition of LBTBIA revenue allowed the CVB for the first time in nearly a decade to stage a modest consumer advertising campaign aimed at the leisure travel market. The CVB primarily targeted its traditional “drive markets,” those cities within comfortable driving distance of Long Beach: Central California, Arizona and Nevada. In addition, the CVB targeted major cities with direct air service to Long Beach Airport, i.e., San Francisco, Washington, D.C.

Consumer Publication Synopsis:

- **13 Major Newspapers and Travel Magazines**
- **81 Advertisements**
- **Total Minimum Impressions: 36,248,709**

Consumer Publications for 2006/2007

Sunset Magazine
Circulation: 1.5 million

Phoenix Magazine
Circulation: 65,095

San Francisco Magazine
Circulation: 115,000

Arizona Republic Newspaper
Circulation: 556,000

Gentry Magazine
Circulation: 63,738

Seattle Magazine
Circulation: 51,800

VIA Magazine
Circulation: 2.8 million

Westways Magazine
Circulation: 3.6 million

Washington Post Magazine
Circulation: 1million

Las Vegas Review Journal
Circulation: 202,000

California Visitors Guide
Circulation: 500,00

Hemispheres
Circulation: 401,137

Entrepreneur
Circulation: 611,141

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 2006/2007 fiscal year, the CVB sales team participated in the following events aimed at professional meeting planners:

- **43 Trade Shows**
-
- **3 Sales Missions (CVB joined by Center & Hotel sales staff)**

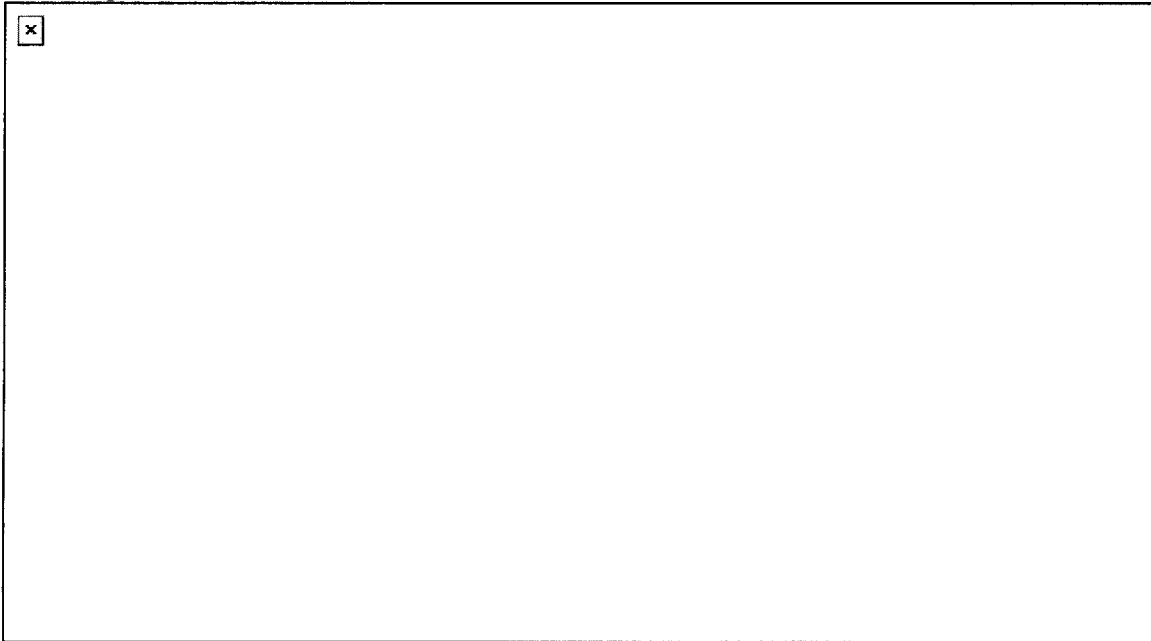
- **48 Sales Trips**

- **4 Long Beach Familiarization Trips**

- **6 Local Client Events**

- **62 Site Inspections**

As a result of the CVB's sales and marketing activities, the CVB has generated over 1,041,899 potential room nights for future years and booked over 200,000 definite room nights to date this fiscal year and sales are on track for our fiscal year goal of 235,000 room nights.



56% increase in room night sales over the past five years

2006/2007 NATIONAL AWARDS WON BY LONG BEACH CVB

- **2006 Planners Choice Award—Meeting News Magazine**
More than 60,000 meeting planners chose their top convention bureaus through “unaided recall.” Only 25 bureaus nationwide receive this honor. This was Long Beach’s fourth consecutive award.
- **2007 Pinnacle Award—Successful Meetings Magazine**
A mark of excellence in the meetings trade, the Pinnacle is awarded for overall quality of conference sales and service, destination, hotels, meeting facilities and customer service. This was Long Beach’s fourth consecutive award.
- **2007 Gold Service Award & Induction into M & C Hall of Fame—Meetings & Conventions Magazine**
Presented to Convention Bureaus offering customer service above and beyond normal expectations. As this was Long Beach’s 12th consecutive win, the Long Beach Area Convention & Visitors Bureau will be inducted into M & C’s prestigious Hall of Fame.
- **2006 Award of Excellence—Corporate & Incentive Travel Magazine**
Selection made by meeting planners using unaided recall to identify bureaus that provide the best service to the corporate and incentive market. This was Long Beach’s first time to win this award in its 22-year history.
- **2007 World Class Award—Insurance & Financial Meetings Management**
Bestowed upon bureaus that offer the highest level of service to the Insurance and Financial Meetings industry.

FISCAL YEAR 2007/2008 BUDGET

For 2007/2008, the Long Beach Area Convention & Visitors Bureau Sales and Marketing staff will continue the successful programs implemented during the 2006/2007 fiscal year, exploring sales, marketing and advertising opportunities in both the meetings and conventions marketplace and in consumer publications aimed at pleasure travelers.

Long Beach Area Convention & Visitors Bureau
Budget 2006/2008
PBIA

	2006/2007	2007/2008	Variance
Revenue	Budget	Budget	
City Funds	0		0
Memberships	0		0
Special Events	0		0
Registration Assistance	0		0
Housing Assistance/Passkey	0		0
PBIA	3,500,000	3,850,000	350,000
Interest Income	0		0
Annual Mtg	0		0
Concierge Desk	0		0
Rent & Office Services	0		0
Total Revenues	3,500,000	3,850,000	350,000
Expenses			
Personnel	1,787,440	1,872,807	85,367
Fam Tours	0	0	0
Trade Shows	35,000	88,250	53,250
Media/Advertising	1,013,060	1,277,443	264,383
Special Projects	75,000	50,000	-25,000
Gifts	0	0	0
Bid Presentations	25,000	15,000	-10,000
Travel & Entertainment Out of Town	130,000	154,000	24,000
Travel & Entertainment In Town	134,500	137,500	3,000
Support Marketing	300,000	255,000	-45,000
Registration Assistance		0	0
Administrative Expenses		0	0
Allocated Reserve			0
Total Expenses	3,500,000	3,850,000	350,000
Net Profit	0	0	0

8/6/2007

OFFICE OF THE CITY ATTORNEY
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Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING AN ANNUAL REPORT
FOR OCTOBER 1, 2007 TO SEPTEMBER 30, 2008 FOR
THE LONG BEACH TOURISM BUSINESS IMPROVEMENT
AREA ("LBTBIA") AND DECLARING ITS INTENTION TO
LEVY THE ANNUAL ASSESSMENT FOR THAT FISCAL
YEAR

WHEREAS, pursuant to Section 36533 of the California Streets and
Highways Code, the Board of Directors of the Long Beach Area Convention and Visitors
Bureau has caused a Report to be prepared for October 1, 2007 to September 30, 2008
relating to the Long Beach Tourism Business Improvement Area ("LBTBIA") which is
located generally in the Airport District and the Downtown District, which is specifically
described in the Report; and,

WHEREAS, said Report contains, among other things, with respect to
October 1, 2007 to September 30, 2008 all matters required to be included by the above
cited Section 36533; and,

WHEREAS, having approved such Report, the City Council hereby
declares its intention to:

A. Confirm levy of and direct collecting within the Area, assessments for
the LBTBIA for October 1, 2007 to September 30, 2008. Said assessments are proposed
to be levied on such classifications and at such rates as are set forth in Exhibit "1"
attached hereto and incorporated herein;

B. Provide that each business shall pay the assessment monthly, at the
same time the transient occupancy tax is due; and

WHEREAS, to this end, the proposed activities and improvements

1 undertaken by the Area include those generally specified in the establishing Ordinance
2 No. ORD-05-0018, as adopted by the City Council on July 5, 2005; and

3 WHEREAS, a copy of the Report is on file with the City Clerk and includes
4 a full description of the activities and improvements to be provided from October 1, 2007
5 to September 30, 2008, the boundaries of the area, and the proposed assessments to be
6 levied on the businesses that fiscal year and all other information required by law; and

7 WHEREAS, it is the desire of this City Council to fix a time and place for a
8 public hearing to be held in the City Council Chamber of the City of Long Beach on
9 October 9, 2007 at 5:00 p.m., regarding the Report, the levy and the proposed program
10 for October 1, 2007 to September 30, 2008;

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

13 Section 1. That certain Report entitled "Assessment Report for
14 October 1, 2007 to September 30, 2008, Long Beach Tourism Business Improvement
15 Area" as filed with the City Clerk is hereby approved.

16 Section 2. On October 9,, 2007 at 5:00 p.m., in City Council Chamber,
17 City Hall, 333 West Ocean Boulevard, Long Beach, California 90802, the City Council of
18 the City of Long Beach will conduct a public hearing on the levy of proposed
19 assessments for October 1, 2007 to September 30, 2008 for the LBTBIA. All concerned
20 persons are invited to attend and be heard, and oral or written protests may be made, in
21 accordance with the following procedures:

22 A. At the public hearing, the City Council shall hear and consider
23 all protests. A protest may be made orally or in writing by any interested
24 person. Any protest pertaining to the regularity or sufficiency of the
25 proceedings shall be in writing and shall clearly set forth the irregularity or
26 defect to which the objection is made.

27 B. Every written protest shall be filed with the City Clerk at or
28 before the time fixed for the public hearing. The City Council may waive

1 any irregularity in the form or content of any written protest and at the public
2 hearing may correct minor defects in the proceedings. A written protest
3 may be withdrawn in writing at any time before the conclusion of the public
4 hearing.

5 C. Each written protest shall contain a description of the
6 business in which the person subscribing the protest is interested sufficient
7 to identify the business and, if a person subscribing is not shown on the
8 official records of the City as the owner of the business, the protest shall
9 contain or be accompanied by written evidence that the person subscribing
10 is the owner of the business. A written protest which does not comply with
11 this section shall not be counted in determining a majority protest.

12 D. Testimony is also invited relating to any perceived
13 irregularities in or protests to previous years' proceedings/assessments.

14 Section 3. The City Clerk shall give notice of the public hearing called for
15 in Section 2 by causing this Resolution of Intention to be published once in a newspaper
16 of general circulation in the City not less than seven days before the public hearing.

17 Section 4. This resolution shall take effect immediately upon its adoption
18 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

19
20 I hereby certify that the foregoing resolution was adopted by the City
21 Council of the City of Long Beach at its meeting of _____, 2007, by the

22 ////
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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 following vote:

2 Ayes: Councilmembers:

3 _____
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6 Noes: Councilmembers:

7 _____

8 Absent: Councilmembers:

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12 City Clerk

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HAM:fl
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Exhibit 1

FY 2008 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.

