

C-10

November 1, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution approving the Annual Report for October 1, 2022, to September 30, 2023, for the Zaferia Parking and Business Improvement Area, declaring its intention to levy the annual business assessment, and setting the date of hearing for November 15, 2022. (Districts 2, 3, 4)

DISCUSSION

The Zaferia Parking and Business Improvement Area (ZPBIA), formerly known as the East Anaheim Street Parking and Business Improvement Area, was established by the City Council in 2010, allowing for the levy of an annual business license assessment to be paid by businesses located in the ZPBIA. The City of Long Beach (City) contracts with the Zaferia Business Association (ZBA) to manage the ZPBIA and the ZBA Board of Directors serves as the Advisory Board to the City Council on matters related to the ZPBIA. The ZBA promotes and markets the commercial area along East Anaheim Street using funds generated through the ZPBIA business license assessment.

State law governing Parking and Business Improvement Areas requires that an annual report be submitted to the City Council by the Advisory Board designated for this Assessment District. On August 4, 2022, the ZBA Board of Directors voted to recommend to the City Council approval of the 2022-2023 ZPBIA Annual Report (Annual Report) (Exhibit A to the Resolution).

The Annual Report describes boundaries, proposed activities, and budgetary information, as well as the method and basis for continuation of the assessment. The Annual Report proposes no change to the ZPBIA boundaries or the method of levying the assessment and no significant change to proposed activities.

The Annual Report, transmitting the recommendations of the ZBA, proposes the following assessment rates.

Method of Assessment

The estimated Fiscal Year 2023 revenue from business assessments is \$127,800. Assessments are calculated by category of business and incorporate a base rate plus a per employee rate. Businesses categories and rates are as follows:

- Type 1 Businesses: Retail, recreation, and entertainment, unique businesses, and banking institutions, must pay annual assessment fees of:
 - Base fee: \$300 per year except that secondary licensees in these classes are exempt;
 - Employee Fee: \$15 per employee up to \$300 maximum.
- Type 2 Businesses: Service, vending, professional, wholesale, contractor, manufacturing and miscellaneous mobile, must pay annual assessment fees of:
 - Base Fee: \$200 per year except that secondary licensees in these classes must pay a base fee of \$120;
 - Employee Fee: \$15 per employee up to \$300 maximum.
- Type 3 Businesses: Non-residential space rental businesses must pay an annual assessment fee of:
 - Base Fee: \$120 per year;
 - Employee Fee: not applicable.
- Type 4 Businesses: Nonprofit businesses must pay an annual assessment fee of:
 - Base Fee: \$100 per year;
 - Employee Fee: not applicable.
- Type 5 Businesses: Home-based businesses that voluntarily choose to be a member of the organization must pay an annual assessment fee of:
 - Base Fee: \$100 per year;
 - Employee Fee: not applicable.

Residential property rentals are exempt from the assessment.

Each year, the City calculates the Consumer Price Index (CPI), an adjustment for consumer goods and services, and applies the CPI to various City fees on July 1st of each year. Parking and Business Improvement Area Advisory Boards may request a CPI adjustment for business license assessments. The ZBA is not requesting a July 2023 CPI adjustment.

The recommended Resolution grants approval of the Annual Report, declares the intention of the City Council to levy the assessment for proposed activities, and sets the date of the public hearing for November 15, 2022.

This matter was reviewed by Deputy City Attorney Marsha Yasuda on October 14, 2022 and by Budget Management Officer Rhutu Amin Gharib on October 7, 2022.

TIMING CONSIDERATIONS

City Council action is requested on November 1, 2022, to set the date of the public hearing for November 15, 2022. The new contract year began on October 1, 2022.

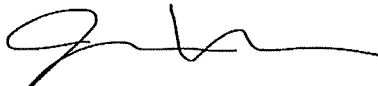
FISCAL IMPACT

It is estimated that the ZPBIA will generate \$127,800 in Fiscal Year 2023 through the proposed continuation of the assessment. Assessment funds are collected by the City on behalf of the ZBA through additional fees attached to ZPBIA business licenses and passed directly through to the ZBA for implementation of annual programs. This recommendation has no 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,



JOHNNY VALLEJO
ACTING DIRECTOR
ECONOMIC DEVELOPMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING AN ANNUAL REPORT
FOR OCTOBER 1, 2022 TO SEPTEMBER 30, 2023 FOR
THE ZAFERIA PARKING AND BUSINESS IMPROVEMENT
AREA; 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 Zaferia Business Association has caused a Report to be prepared
for October 1, 2022 to September 30, 2023, relating to the Zaferia Parking and Business
Improvement Area ("ZPBIA"); and

WHEREAS, said Report contains, among other things, with respect to
October 1, 2022 to September 30, 2023, 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 assessments for the ZPBIA for
October 1, 2022 to September 30, 2023. Said assessments are proposed to be levied on
such classifications and at such rates as are set forth in Exhibit "A" attached hereto and
incorporated herein. These assessments are not proposed to be levied on residential
property owners;

B. Provide that each business shall pay the assessment annually, at the
same time the business license is due. This is the same collection procedure which
occurred in the previous fiscal year; and

WHEREAS, to this end, the proposed activities and improvements
undertaken by the Area include those generally specified in the establishing Ordinance

1 ORD-10-0012, as adopted by the City Council on May 4, 2010; and

2 WHEREAS, a copy of the Report is on file with the City Clerk and includes
3 a full description of the activities and improvements to be provided from October 1, 2022
4 to September 30, 2023, the boundaries of the area, and the proposed assessments to be
5 levied on the businesses that fiscal year and all other information required by law; and

6 WHEREAS, it is the desire of this City Council to fix a time and place for a
7 public hearing to be held regarding the Report, the levy and the proposed program for
8 October 1, 2022 to September 30, 2023;

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

11 Section 1. That certain Report entitled "2022-2023 Annual Report Zaferia
12 Parking and Business Improvement Area" for the period October 1, 2022 to September
13 30, 2023, as filed with the City Clerk is hereby approved.

14 Section 2. On November 15, 2022, at 5:00 p.m., in the Civic Chamber,
15 411 West Ocean Boulevard, Long Beach, California 90802, the City Council of the City of
16 Long Beach will conduct a public hearing on the levy of proposed assessments for
17 October 1, 2022 to September 30, 2023 for the ZPBIA. All concerned persons are invited
18 to attend and be heard, and oral or written protests may be made, in accordance with the
19 following procedures:

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

24 B. Every written protest shall be filed with the City Clerk at or before the
25 time fixed for the public hearing. The City Council may waive any irregularity in the form
26 or content of any written protest and at the public hearing may correct minor defects in the
27 proceedings. A written protest may be withdrawn in writing at any time before the
28 conclusion of the public hearing.

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

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

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

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2022, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk

EXHIBIT "A"

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2022-2023 Annual Report Zaferia Parking and Business Improvement Area

SUBMITTED BY ZAFERIA BUSINESS ASSOCIATION
AUGUST 1, 2022

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DISTRICT OVERVIEW

District Background

Conceived by a coalition of business owners located along Anaheim Street, the Zaferia Parking and Business Improvement Area (formerly known as the East Anaheim Street Parking and Business Improvement Area) (the "District") is a benefit assessment district whose goal is to provide a more attractive and vibrant business environment in the Zaferia business area, including a sidewalk cleanliness program, marketing and promotions of our members and the general Zaferia area, and support of local programs.

The organization overseeing the management of the District is the Zaferia Business Association (ZBA), an IRS 501 C-6, tax-exempt organization.

The mission of the Zaferia Business Association is to promote, enhance, and represent the business members of the Zaferia district.

Zaferia Parking and Business Improvement Area Boundary

The District is bounded by Junipero Avenue to the west, Pacific Coast Highway to the east, 11th Street to the south, and 14th Street to the north. Historically, this area is known as Zaferia.



Proposed Changes

The ZBA Board of Directors proposes no changes to the district boundary for 2022-2023.

District Advisory Board

OFFICERS		TERMS
President Madison Mooney	Executive Director – Long Beach Playhouse Theatres	2021 - 2023
Vice President Zain Ramjan	Owner – Sani-Tec Janitorial Supplies and Coastline Car Wash	2021 - 2023
Secretary Dean Lockwood	Director of Development & Community Outreach - Su Casa – Ending Domestic Violence	2022 - 2024
Treasurer Lisa Lowe	President and Creative Director – Ore' Originals	2022 - 2024

DIRECTORS

Dylan Davis	Owner – Port City Tavern	2022 - 2024
Neil Hirsch	Owner – On The Mark Digital Advertising	2021 - 2023
Jennifer Little	Owner – The Park Hotel	2022 - 2024

District Personnel

Executive Director

Kristine Hammond

Part-time, Independent Contractor

director@zaferia.org

(562) 305-7102

Member Outreach Coordinator

Tracy Ames

Part-time, Independent Contractor

outreach@zaferia.org

(562) 668-6762

METHOD OF ASSESSMENT

Assessments are calculated as follows:

- **Type 1 Businesses:** Retail, recreation and entertainment, unique businesses, and banking institutions, shall pay annual assessment fees of:
 - Base fee: \$300 per year except that secondary licensees in these classes are exempt;
 - Employee Fee: \$15 per employee up to \$300 maximum.
- **Type 2 Businesses:** Service, vending, professional, wholesale, contractor, manufacturing and miscellaneous mobile, shall pay annual assessment fees of:
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- **Type 5 Businesses:** Home-based businesses that voluntarily choose to be a member of the organization shall pay an annual assessment fee of:
 - Base Fee: \$100 per year;
 - Employee Fee: not applicable.

Residential property rental is exempt from the assessment.

Proposed Changes

The ZBA Board of Directors proposes no changes to the method and basis of levying the assessment.

Consumer Price Index Adjustment

The ZBA Board of Directors is not requesting a Consumer Price Index adjustment at this time.

BUDGET

Projected Budget

The ZBA Board of Directors is conservatively anticipating a 10% decrease in assessment revenue from the last pre-COVID term of FY 2019–2020 due to the continuing negative economic effects of the 2020 Stay-at-Home Order relating to COVID-19. The following expenses are anticipated:

ZBA		
Budget Overview: ZBA FY 2022-2023		
October 2022 - September 2023		
Income		
Member Assessments		127,800.00
Total Income	\$	127,800.00
Gross Profit	\$	127,800.00
Expenses		
Administrative Expense		
Accounting		3,060.00
Annual Mailing		2,055.00
Cell Phone		780.00
Dues & Memberships		4.00
Franchise Tax Board		10.00
Hardware Purchases		1,500.00
Insurance		2,100.00
Management Fee		38,919.00
Member Appreciation		250.00
Member Outreach Coordinator		12,000.00
Office Supplies		430.00
Postage		60.00
Professional Services		500.00
Rent		1,336.00
Software Fees		1,700.00

Total Administrative Expense	\$	64,704.00
Program Expense		
Events		8,596.00
Food & Drinks		
BOD Meetings		500.00
Member Meetings		1,000.00
Member Socials		1,500.00
Total Food & Drinks	\$	3,000.00
Marketing		
Advertising Merchandise		0
Social Media Marketing		0
Total Marketing	\$	0
Member Support		300.00
Pole Banners & Maintenance		8,300.00
Sponsorship		1,000.00
Streetscape and Cleanliness		40,259.00
Water		876.00
Total Streetscape and Cleanliness	\$	41,135.00
Website		765.00
Total Program Expense	\$	63,096.00
Total Expenses	\$	127,800.00
Net Operating Income	\$	0
Net Income	\$	0

Surplus or Deficit Carryover

The ZBA is on track with our budget this current 2021-2022 fiscal year. The 2021 fiscal year ended with a \$15,919 surplus. This surplus was due to the limitation of most in-person events that continued in FY 2021-2022 due to COVID-19 restrictions that were originally factored into the 2020-2021 budget. Currently, the ZBA is seeing a slight decrease in member assessment revenue to date compared to the previous year. The ZBA will utilize the surplus carryover of 2021 to offset any decrease in revenue in the coming fiscal year.

Contributions from Other Sources

The ZBA is scheduled to receive American Recovery Act Grant funding in accordance with our Scope of Work submitted and approved in April/May of 2022. The 2022-2023 Marketing expenses are incorporated into the work covered by these grant funds.

ZAFERIA BUSINESS ASSOCIATION PROGRAM

2022 – 2023 Program

Cleanliness

The ZBA will continue to manage our cleanliness program. Weeds, trash, gum, and stickers continue to be an ongoing issue in the district. Compounded with an increase in the homeless population in our area, the ZBA is making attempts to keep ahead of this issue by working closely with our cleaning contractor, our members, and the City. The ZBA's Member Outreach Coordinator assists with reporting and follow-up in this area.

Support of Area Events

The ZBA Board of Directors intends to financially support area events for the 2022-2023 fiscal year, as reflected in the proposed budget. In prior years, the ZBA supported with funding and promotion the Happy Sundays multi-venue, free and open to the public music event on the last Sunday of August, and in 2022 we supported three Happy Sundays lead-up events. The ZBA intends to continue supporting this program in 2023.

The ZBA has also previously supported with funding and promotion of the Open Art Studio Tour in October, and will continue to do so in 2023. This event includes several artists' studios on the city-wide tour. It is free and open to the public. The ZBA has also previously supported with funding and promotion the annual Orizaba Park Halloween Party for area children, providing games and candy in a safe environment. It is free and open to the public. The ZBA Board of Directors will continue to review all requests for support on an individual basis.

It is our hope that the City of Long Beach Special Events & Filming Department will move forward with another "Beach Streets" weekend event on the E. Anaheim St. corridor sometime during the 2022-2023 fiscal year. The ZBA will support this event in whatever manner we can.

Member & Area Marketing & Promotion

The ZBA will continue with our robust social media program and will continue to provide a district website, www.zaferia.org, which includes a directory of members and provides the opportunity for members to share promotions, events, and be highlighted.

In December of 2021, the ZBA hosted a Holiday Market on the private property of ZBA members located on Coronado Avenue. Over 40 vendors had tables selling items, such as art, jewelry, clothing, and other gift-types of goods. The vendors participated free of charge. The ZBA funded a local band for entertainment, a face painter and holiday photo area. Local nonprofit organizations also participated. The ZBA intends to hold a Holiday Market in December 2022.

During the second half of this fiscal year the ZBA brought back our community mixers. We intend to hold mixers every other month at a member business location. The ZBA provides funding to cover the cost of food and drinks, and advertises the event.

Member Representation & Communication

The ZBA will continue to support and participate in the Council of Business Associations (COBA) and relay information about City programs and topics of interest to ZBA members by way of email communications and the Member Resources page on our website. The ZBA's Member Outreach Coordinator assists with reporting and follow-up in this area.

We intend to revive the Urban Design Committee to stay involved with the Pedestrian Safety Grant median work by the City's Public Works Department, slated to start sometime this coming fiscal year.

We hope to improve upon communications with area neighborhood associations.

We are planning to create new printed materials for new Zaferia District members that communicate where to go for city resources and how to inform our administration of upcoming events and promotions.

Member Support

The ZBA will provide support to members on an as-needed basis with assistance on City fees within the limitations of the proposed budget.