

November 1, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

C-12

REVISED

RECOMMENDATION:

Adopt a Resolution approving the Annual Report for October 1, 2022 to September 30, 2023, for the Bixby Knolls Parking and Business Improvement Area, declaring its intention to levy the annual assessment, and setting the date of hearing for November 15, 2022. (District 5)

DISCUSSION

The Bixby Knolls Parking and Business Improvement Area (BKPPIA) was established by the City Council in 1989, allowing for the levy of an annual business license assessment to be paid by businesses located in the BKPPIA. The City of Long Beach (City) contracts with the Bixby Knolls Business Improvement Association (BKPIA) to manage the BKPPIA and the BKPIA Board of Directors serves as the Advisory Board to the City Council on matters related to the BKPPIA. The BKPIA promotes and markets the BKPPIA using funds generated through the BKPPIA 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 October 4, 2022, the BKPPIA Advisory Board voted to recommend to the City Council approval of the 2022-2023 BKPPIA Annual Report (Annual Report) (Exhibit A to the Resolution), which 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 BKPPIA boundaries. The Annual Report proposes a \$205.75 increase in the base rate for businesses and a \$55.45 increase for nonprofit organizations.

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

Method of Assessment

The current annual base assessment for businesses is \$314.25 and \$204.55 for nonprofits. The BKPIA Advisory Board proposes an increase to the base assessment fee as there has not been a significant increase in seven years. The fee shall be comparable to other PPIAs and reflect the level of service and value offered by the BKPIA to its membership.

The BKPIA Advisory Board is not requesting a Consumer Price Index (CPI) adjustment for Fiscal Year 2023 (FY 23). After conducting a cost-benefit analysis of the services they offer to their membership and the cost to provide them, they realized a larger increase was necessary to maintain the current level services. Since the BKPIA lost \$200,000 in annual revenue from

the Redevelopment Agency, they have only implemented one significant assessment increase seven years ago. Their analysis included a comparison of several Business Improvement Districts (BID) in Long Beach and arrived at a midpoint assessment amount. In early 2022, BKBIA consulted City staff managing the BID program for guidance and support. The result of this process was a recommendation to increase the current annual base assessment to \$520 for businesses and to \$260 for nonprofits. The BKBIA notified members of the BKPBIA of the proposed increase and held public meetings. BKPBIA membership supports the increase and has not expressed opposition.

FY	Business Base Rate	Total Rate	Nonprofit Base Rate	Total Rate
22	\$314.25	\$314.25	\$204.55	\$204.55
23	Increase \$205.75	\$520.00	Increase \$55.45	\$260.00

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 BKPBIA Advisory Board has decided not to request 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 13, 2022 and by Budget Operations and Development 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 BKPBIA will generate \$319,200 with the increased base rate in FY 23 through the proposed continuation of the assessment. This amount is \$115,200 over FY 22. Assessment funds are collected by the City on behalf of the BKBIA through additional fees and passed directly through to the BKBIA 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

ATTACHMENT: RESOLUTION