

C-7

September 14, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution approving the Annual Report for October 1, 2021 to September 30, 2022, for the Zaferia Parking and Business Improvement Area, declaring its intention to levy the annual business assessment, and setting the date of hearing for October 5, 2021. (Districts 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 June 10, 2021, the ZBA Board of Directors voted to recommend to the City Council approval of the 2021-2022 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 2021-2022 fiscal year 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:

HONORABLE MAYOR AND CITY COUNCIL

September 14, 2021

Page 2

- 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 rental is 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 has decided not to request a July 2022 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 October 5, 2021.

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 11, 2021 and by Budget Management Officer Rhutu Amin Gharib on August 23, 2021.

TIMING CONSIDERATIONS

City Council action is requested on September 14, 2021, to set the date of the public hearing for October 5, 2021. The new contract year begins on October 1, 2021.

FISCAL IMPACT

It is estimated that the ZPBIA will generate \$127,800 in FY 22 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,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

JK:ER

ATTACHMENT – RESOLUTION

APPROVED:



THOMAS B. MODICA
CITY MANAGER

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING AN ANNUAL REPORT
5 FOR OCTOBER 1, 2021 TO SEPTEMBER 30, 2022 FOR
6 THE ZAFERIA PARKING AND BUSINESS IMPROVEMENT
7 AREA AND DECLARING ITS INTENTION TO LEVY THE
8 ANNUAL ASSESSMENT FOR THAT FISCAL YEAR
9

10 WHEREAS, pursuant to Section 36533 of the California Streets and
11 Highways Code, the Zaferia Business Association has caused a Report to be prepared
12 for October 1, 2021 to September 30, 2022 relating to the Zaferia Parking and Business
13 Improvement Area ("ZPBIA"); and

14 WHEREAS, said Report contains, among other things, with respect to
15 October 1, 2021 to September 30, 2022 all matters required to be included by the above
16 cited Section 36533; and

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

19 A. Modify assessments and confirm levy of and direct collecting
20 assessments for the ZPBIA for October 1, 2021 to September 30, 2022. Said
21 assessments are proposed to be levied on such classifications and at such rates as are
22 set forth in Exhibit "A" attached hereto and incorporated herein. These assessments are
23 not proposed to be levied on owners of commercial or residential property;

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

27 WHEREAS, to this end, the proposed activities and improvements
28 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, 2021
4 to September 30, 2022, 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, 2021 to September 30, 2022;

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

11 Section 1. That certain Report entitled "2021-2022 Annual Report Zaferia
12 Parking and Business Improvement Area" for the period October 1, 2021 to September
13 30, 2022, as filed with the City Clerk is hereby approved.

14 Section 2. On October 5, 2021 at 5:00 p.m., in the Civic Chamber, 411
15 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, 2021 to September 30, 2022 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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 _____, 2021, by the following vote:

Ayes:	Councilmembers:	_____

Noes:	Councilmembers:	_____

Absent:	Councilmembers:	_____

Recusal(s):	Councilmembers:	_____

City Clerk

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

EXHIBIT "A"

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28



**2021-2022 Annual Report
Zaferia Parking and Business
Improvement Area**

SUBMITTED BY ZAFERIA BUSINESS ASSOCIATION
JUNE 23, 2021

Table of Contents

- DISTRICT OVERVIEW 2
 - District Background 2
 - Zaferia Parking and Business Improvement Area Boundary 2
 - Proposed Changes 2
 - District Advisory Board 2
 - District Personnel 3
- METHOD OF ASSESSMENT 3
 - Proposed Changes 4
 - Consumer Price Index Adjustment 4
- BUDGET 4
 - Projected Budget 4
 - Surplus or Deficit Carryover 5
 - Contributions from Other Sources 6
- ZAFERIA BUSINESS ASSOCIATION PROGRAM 6
 - 2021 – 2022 Program 6
 - Cleanliness 6
 - Support of Area Events 6
 - Member & Area Marketing & Promotion 6
 - Member Representation & Communication 6
 - Member Support 6

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 2021-2022.

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	2020 – 2022
Treasurer Lisa Lowe	President and Creative Director – Ore' Originals	2020 – 2022

DIRECTORS

Alan Gomez	Owner – Commodity	2021 – 2023
Tokotah Ashcraft	Director of Community Engagement and Programs – Compound	2020 – 2022
Jennifer Little	Owner – The Park Hotel	2020 - 2022

District Personnel

Director director@zaferia.org
Kristine Hammond (562) 305-7102
Part-time, Independent Contractor

Member Outreach Coordinator outreach@zaferia.org
Tracy Ames (562) 668-6762
Part-time, Independent Contractor

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:
 - Base Fee: \$200 per year except that secondary licensees in these classes shall pay a base fee of \$120;
 - Employee Fee: \$15 per employee up to \$300 maximum.
- **Type 3 Businesses:** Non-residential space rental businesses shall pay an annual assessment fee of:
 - Base Fee: \$120 per year;
 - Employee Fee: not applicable.
- **Type 4 Businesses:** Non-profit businesses shall 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 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 for the 2021-2022 contract year.

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.

ZBA
Budget Overview: ZBA FY 2021-2022
October 2021 - September 2022

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		1,250.00
Cell Phone		780.00
Dues & Memberships		4.00
Franchise Tax Board		10.00
Hardware Purchases		500.00
Insurance		2,100.00
Management Fee		37,065.00
Member Appreciation		250.00
Member Outreach Coordinator		12,000.00

Office Supplies		430.00
Postage		225.00
Professional Services		500.00
Rent & Parking		
Rent		1,308.00
Total Rent & Parking	\$	1,308.00
Software Fees		1,368.00
Total Administrative Expense	\$	60,850.00
Program Expense		
Events		20,000.00
Food & Drinks		
BOD Meetings		300.00
Member Meetings		1,200.00
Member Socials		1,500.00
Total Food & Drinks	\$	3,000.00
Marketing		
Advertising Merchandise		2,000.00
Social Media Marketing		11,100.00
Total Marketing	\$	13,100.00
Member Support		6,468.00
Pole Banners & Maintenance		8,300.00
Sponsorship		1,000.00
Streetscape and Cleanliness		37,806.00
Water		876.00
Total Streetscape and Cleanliness	\$	38,682.00
Website		1,400.00
Total Program Expense	\$	91,950.00
Total Expenses	\$	152,800.00
Net Operating Income	-\$	25,000.00
Net Income	-\$	25,000.00

Surplus or Deficit Carryover

The ZBA had approximately \$25,000 in surplus carryover for the fiscal year ending September 30, 2020. This surplus was due to the prohibition of in-person events due to COVID-19 restrictions that were originally factored into the 2019-2020 budget. This surplus carryover is factored into the 2021-2022 fiscal year budget as reflected in the negative net income.

Of additional note: The ZBA Board of Directors had conservatively anticipated a 20% decrease in assessment revenue for fiscal year 2020-2021 due to the continuing negative economic effects of the 2020 Stay-at-Home Order relating to COVID-19. However, to date we are tracking at an average 10% decrease in assessment revenue.

Contributions from Other Sources

The ZBA is not anticipating any monetary contributions from any other sources for the coming fiscal year.

ZAFERIA BUSINESS ASSOCIATION PROGRAM

2021 – 2022 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 new Member Outreach Coordinator will assist 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 2021-2022 fiscal year, as reflected in the proposed budget. In prior years, the ZBA supported with funding and promotion the Happy Sundays multi-venue free music, open to the public event on the last Sunday of August. It is our goal to develop this program into a monthly, single-venue program that will culminate into the larger, one-day event in August 2022.

The ZBA has also previously supported with funding and promotion of the Open Art Studio Tour in October. 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 2021-2022 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.

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 new Member Outreach Coordinator will assist with reporting and follow-up in this area.

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.