

H-23

October 5, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing, and adopt a Resolution continuing the Belmont Shore Parking and Business Improvement Area assessment levy for the period of October 1, 2021 through September 30, 2022; and, authorize the City Manager, or designee, to extend the agreement with the Belmont Shore Business Association for a one-year term. (District 3)

DISCUSSION

The Belmont Shore Parking and Business Improvement Area (BSPBIA) was established by the City Council in 1983, allowing for the levy of an annual business license assessment to be paid by businesses located in the BSPBIA. The City of Long Beach (City) contracts with the Belmont Shore Business Association (BSBA) to manage the BSPBIA and the BSBA Board of Directors serves as the Advisory Board to the City Council on matters related to the BSPBIA. The BSBA promotes and markets the commercial area along Second Street using funds generated through the BSPBIA 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 2, 2021, the BSPBIA Advisory Board voted to recommend to the City Council approval of the 2021-2022 BSPBIA 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 BSPBIA boundaries or the method of levying the assessment.

To continue the assessment levy, State law requires that a public hearing be held on the proposed program and assessment. At its September 14, 2021 meeting, the City Council approved Resolution No. RES-21-0108 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and setting October 5, 2021 as the date of the public hearing. A hearing notice, including a copy of the Resolution, was published in the local media.

State law requires that the City Council hear and consider all protests against the assessment, program, boundaries of the area, and/or any benefit zone as proposed in the Annual Report. State law further provides that protests may be made orally or in writing. If written protests are received from area business owners representing 50 percent or more of the proposed assessments, the City Council must not levy the assessment. If protests in such quantity are directed against a specific portion of the program, the City Council must eliminate that portion.

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

Method of Assessment

The estimated 2021-2022 fiscal year revenue from business assessments is \$120,000. Assessments are calculated by category of business and incorporate a base rate plus a per employee rate. Businesses categories and rates are as follows:

| CATEGORIES | BASE RATE | EMPLOYEE RATE |
|---|------------------|----------------------|
| Financial Institution | \$1,646.22 | \$16.50 |
| Service Real Estate Office | \$638.70 | \$22.00 |
| Retail – Restaurant w/alcohol and RTE | \$640.19 | \$9.63 |
| Retail – Other | \$548.73 | \$8.25 |
| Consulting | \$425.80 | \$22.00 |
| Construction Contractor | \$425.80 | \$22.00 |
| Insurance Agent Professional | \$425.80 | \$22.00 |
| Professional | \$425.80 | \$22.00 |
| Service – Other | \$319.35 | \$16.50 |
| Misc. Rec/Ent, Vending, Manufacturing, Unique and Wholesale | \$319.35 | \$16.50 |
| 39% Reduced Rate for Service-related Independent Contractors | \$194.80 | \$16.50 |
| Nonprofits | \$0.00 | \$0.00 |

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 BSPBIA Advisory Board has decided not to request a July 2022 CPI adjustment.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 8, 2021 and Budget Management Officer Rhutu Amin Gharib on September 13, 2021.

TIMING CONSIDERATIONS

City Council action is requested on October 5, 2021, so that Fiscal Year 2022 (FY 22) assessment transfers may be made as required by the Agreement for Funding with the BSBA.

FISCAL IMPACT

It is estimated that the BSPBIA will generate \$120,000 in FY 22 through the proposed continuation of the assessment. Assessment funds are collected by the City on behalf of the BSBA through additional fees attached to BSPBIA business licenses and passed directly through to the BSBA 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

APPROVED:



THOMAS B. MODICA
CITY MANAGER

JK:ER

ATTACHMENT – RESOLUTION

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH CONFIRMING, FOLLOWING HEARING, THE ANNUAL REPORT OF THE BELMONT SHORE BUSINESS ASSOCIATION, CONTINUING THE LEVY OF ANNUAL ASSESSMENT AS SET FORTH IN SAID REPORT AND SETTING FORTH OTHER RELATED MATTERS

WHEREAS, pursuant to Section 36533 of the California Streets and Highways Code, the Belmont Shore Business Association has caused a Report to be prepared for Fiscal Year 2021-2022 relating to the Belmont Shore Parking and Business Improvement Area which is located along the commercial corridor of Second Street generally between Livingston Drive and Bayshore Avenue within the City of Long Beach; and

WHEREAS, said Report contains, among other things, all matters required to be included by the above-cited Section 36533; and

WHEREAS, on October 5, 2021 at 5:00 p.m., the City Council conducted a public hearing relating to that Report in accordance with its Resolution of Intention No. RES-21-0108, adopted September 14, 2021, at which public hearing all interested persons were afforded a full opportunity to appear and be heard on all matters relating to the Report as well as past years' proceedings and assessments; and

WHEREAS, a majority protest not having been received, it is the City Council's desire to confirm the Report as originally filed and continue the levy of the Annual Assessment as described in the Report;

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

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

1 Section 1. A public hearing having been conducted on October 5, 2021
2 at 5:00 p.m., and all persons having been afforded an opportunity to appear and be
3 heard, the City Council hereby confirms the Report of the Belmont Shore Business
4 Association, previously filed and approved by Resolution No. RES-21-0108, adopted
5 September 14, 2021, as originally filed, and declares that this resolution shall constitute
6 the levy of the Assessment referred to in the Report for Fiscal Year 2021-2022, as more
7 specifically set forth in Exhibit "A" attached hereto and incorporated herein.

8 Section 2. This resolution shall take effect immediately upon its adoption
9 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

10 I hereby certify that the foregoing resolution was adopted by the City
11 Council of the City of Long Beach at its meeting of _____, 2021,
12 by the following vote:

13
14 Ayes: Councilmembers: _____

15 _____

16 _____

17 _____

18 Noes: Councilmembers: _____

19 _____

20 Absent: Councilmembers: _____

21 _____

22 Recusal(s): Councilmembers: _____

23 _____

24 _____

25 _____

City Clerk

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
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EXHIBIT "A"

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2021- 2022 Annual Report Belmont Shore Parking and Business Improvement Area

SUBMITTED BY THE BELMONT SHORE BUSINESS ASSOCIATION
TO THE CITY OF LONG BEACH
AUGUST 2ND, 2021

Table of Contents

- DISTRICT OVERVIEW2
 - District Background.....2
 - District Boundary3
 - District Advisory Board4
 - District Personnel4
- METHOD OF ASSESSMENT.....5
 - Proposed Changes5
 - CPI Adjustments.....5
- ESTIMATED BUDGET 2021-2022.....6
 - Surplus or Deficit Carryover8
 - Contributions from Other Sources8
- DISTRICT PROGRAMS9
 - Member Communications9
 - Marketing & Social Media9
 - Community Outreach9
 - Security.....10
 - Special Events.....10

DISTRICT OVERVIEW

District Background

The Belmont Shore Business Association was incorporated on May 21, 1948 as a non-profit Corporation under California State law by the City of Long Beach City Council.

In 1983, the City Council of the City of Long Beach adopted Ordinance C-5963, which established the Belmont Shore Parking and Business Improvement Area, providing for the levy of an additional business license assessment to be paid by businesses in the Belmont Shore commercial corridor.

In 2008, the City Council of the City of Long Beach adopted Ordinance 08-0026 modifying the boundaries of the BSPBIA.

The BSBA is contracted by the City of Long Beach to manage the Parking and Business Improvement District. Assessment revenues are generally spent on activities that market the corridor and its businesses, as well as promote a safe, clean and vibrant environment.

The purpose of the BSBA is to form a common bond among business owners located in and around the Belmont Shore area whose goals are to promote, protect, and maintain prosperity for the Belmont Shore Community.

This association is for its members and the immediate neighborhood, seeking to provide a united front to express opinions, protect tranquility and promote a better understanding among merchants, institutions, professionals, and residents.

District Boundary

There are no proposed changes to the district boundaries.



City of Long Beach Belmont Shore Parking & Business Improvement Area (PBIA)

As of March 2016



District Advisory Board

The Belmont Shore Business Association Board of Directors serves as the Advisory Board to the City Council of the City of Long Beach on matters related to the Belmont Shore Parking and Business Improvement Area.

The BSBA has 14 available positions on its Board of Directors. Five of the elected directors serve as officers of the Association. All (14) of the directors and officers are known as the Board of Directors.

Elections for the 2021-22 Board of Directors are being held during August - September of 2021. An elected board member term of office is two years. Officers are voted in every year by the Board of Directors in September before the new terms begin.

Officers

PRESIDENTKurt Schneider, Maverick Investments
1st VP OF FINANCEDave Shlemmer, Shlemmer Investments
VP OF PROMOTIONS.Aaron Tofani, Rance's Pizza
SECRETARYMatt Peterson, Legends
TREASURERTula Trigonis, Salon Soma

Directors

Frank Colonna, Colonna Realty
Bart DeLio, Thatinsuranceguy.com, Associate Member
Heather Duncan, Blue Windows
Stacy Evans, Domenico's
Ryan Hofman, Saint & Second
Eric Johnson, Legends Sports Bar & Restaurant
Joel McCullough, Mac's on 2nd
Alexis Rabenn, Quinn's Pub
Mike Sheldrake, Sheldrake's Coffee Roasters

District Personnel

Jessie Artigue, Executive Director

METHOD OF ASSESSMENT

| CATEGORIES | BASE RATE | EMPLOYEE RATE |
|---|------------------|----------------------|
| Financial Institution & Insurance | \$1,646.22 | \$16.50 |
| Service Real Estate Office | \$638.70 | \$22.00 |
| Retail - Restaurant w/alcohol & RTE | \$640.19 | \$9.63 |
| Retail - Other | \$548.73 | \$8.25 |
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| Professional | \$425.80 | \$22.00 |
| Service - Other | \$319.35 | \$16.50 |
| Misc. Rec/Ent, Vending, Manufacturing, Unique & Wholesale | \$319.35 | \$16.50 |
| 39% Reduced Rate for Service-related Independent Contractors | \$194.80 | \$16.50 |
| Non-profits | 0.00 | |

Proposed Changes

The Belmont Shore Business Association Board of Directors proposes no changes to the method and basis of levying the assessment.

CPI Adjustments

The Belmont Shore Business Association Board of Directors is not requesting a Consumer Price Index adjustment for the 2020-2021 contract year.

ESTIMATED BUDGET 2021-2022

| <u>INCOME</u> | <u>AMOUNT</u> |
|-----------------------------------|-------------------|
| 4200 Membership Dues | |
| 4210 BIA Fund | 120,000.00 |
| 4220 Associate members | 300.00 |
| 4200 TOTAL | 120,300.00 |
| | |
| 4400 Corporate Sponsorship | |
| 4420 September Event (2022) | 15,000.00 |
| 4485 February Event | 0.00 |
| 4440 Summer Series | 0.00 |
| 4470 Holiday Celebration | 30,000.00 |
| 4495 Chalk Walk | 0.00 |
| 4400 TOTAL | 45,000.00 |
| | |
| 4600 Investment Returns | |
| 4610 Interest on Checking | 25.00 |
| Heartland | 75.00 |
| 4600 TOTAL | 100.00 |
| | |
| 4800 Promotional Events | |
| 4820 September Event | 10,000.00 |
| 4840 Summer Series | |
| 4842 May | 10,000.00 |
| 4844 June | 43,000.00 |
| 4845 July | 43,000.00 |
| 4846 August | 43,000.00 |
| 4870 Holiday Celebration | 42,000.00 |
| 4885 February Event | 8,000.00 |

| | |
|------------------|----------|
| 4895 April Event | 7,000.00 |
|------------------|----------|

| | |
|---------------------|-------------------|
| 4800 TOTAL | 206,000.00 |
| INCOME TOTAL | 371,400.00 |

| <u>EXPENSES</u> | <u>AMOUNT</u> |
|--------------------------------|----------------------|
| 6200 ADMINISTRATION | |
| 6201 Independent Contractors | 70,000.00 |
| 6220 Rent | 25,000.00 |
| 6230 Office | 1,500.00 |
| 6232 Postage | 100.00 |
| 6234 Printing | 5,000.00 |
| 6236 Supplies | 1,500.00 |
| 6238 Equipment | 1,500.00 |
| 6240 Insurance | 6,500.00 |
| 6250 Telephone | 2,600.00 |
| 6260 Accounting | 1,125.00 |
| 6270 Meetings/Mixers | 1,600.00 |
| 6280 Dues & Subscriptions | 500.00 |
| 6200 TOTAL | 116,925.00 |
| 6600 ONGOING PROMOTIONS | |
| 6660 Marketing | 36,675.00 |
| 6852 Entertainment | 0 |
| 6612 Christmas Decoration | 19,800.00 |
| 6630 Welcome Wagon | 1,000.00 |
| 6640 Shore Corp | 3,000.00 |
| 6600 TOTAL | 60,475.00 |

| | | |
|-------------|---------------------------|-------------------|
| 6800 | PROMOTIONAL EVENTS | |
| 6896 | April Event | 5,000.00 |
| 6820 | September Event | 6,000.00 |
| 6840 | Summer Series | |
| 6842 | May | 8,000.00 |
| 6844 | June | 40,000.00 |
| 6845 | July | 40,000.00 |
| 6846 | August | 40,000.00 |
| 6870 | Holiday Celebration | 45,000.00 |
| 6855 | Chalk Walk | 0.00 |
| 6865 | Holiday Shopping | 5,000.00 |
| 6885 | February Event | 5,000.00 |
| | 6800 TOTAL | 194,000.00 |
| | EXPENSE TOTAL | 371,400.00 |

Surplus or Deficit Carryover

The Belmont Shore Business Association does anticipate a surplus at the end of Fiscal Year 2020-2021. This is primarily due to the cancellation of events that were previously budgeted for and the ultimate use of those funds will likely go toward supplementing our bank reserves.

Contributions from Other Sources

The Belmont Shore Business Association has multiple sources of income outside of the Belmont Shore Parking and Business Improvement Area assessment funds.

These sources of income can include promotional events, corporate sponsorship, associate memberships and investment returns. The estimated income for these sources is listed in the estimated 2021-22 revenue section of this report.

DISTRICT PROGRAMS

Member Communications

Most of the BSBA office to BSBA member communication has been done by email, virtual meetings, and phone calls. The Executive Director also walks the district weekly to drop in on business owners, especially targeting those who may be less than likely to reach out on their own.

Our bi-monthly e-blast that goes out to all BSBA Officers and members currently sees an average open rate of 50%, which is well over the expected industry standard. In an effort to increase our ability to connect with our members, the Officers have also been tasked with reaching out to their colleagues directly, whenever possible.

Our BSBA board meetings are now being held in person and the general membership meetings have become a quarterly event. Our board meetings are held on the last Friday of the month (unless otherwise noted) and this schedule has been shared with our members and posted on the belmontshore.org website.

Marketing & Social Media

The BSBA district is marketed as an iconic travel destination and a local hot-spot for Long Beach and beyond. We are currently advertising in multiple print and digital publications including The Grunion Gazette, Travel Host Magazine, LB Post, Press Telegram, and more.

In 2021, the Belmont Shore Business Association had its primary website rebuilt (belmontshore.org) and also purchased an additional domain (visitbelmontshore.org) in an effort to increase traffic and improve organic SEO. The Virtual 2nd St website that was created last summer (virtualon2nd.com) has been deactivated in an effort to encourage in-person patronage, as opposed to online shopping.

We are placing an emphasis on our social media presence for FY21-22 and have developed a robust content marketing strategy that is intended to reach the desired audiences. An outside agency has been contracted to manage the strategic engagement plan and the collaborations with local influencers along with providing a consistent presence at relevant events.

Community Outreach

The BSBA Executive Director attends the following monthly community meetings: Belmont Shore Residents Association (BSRA), Friends of Belmont Shore (FOBS), and other residential meetings organized by the 3rd District Council office.

The Executive Director attends the weekly meetings of Council of Business Associations (COBA) and the monthly Belmont Shore Parking & Business Improvement Area Advisory Commission (BSPBIAAC).

In April, the Executive Director attended a career fair for tourism and hospitality students at Browning High School in Long Beach and also appears at professional speaking opportunities throughout the year.

An additional community highlight has been a new program called *Window Works* that has been developed in partnership with the Arts Council of Long Beach in an effort to feature the work of local artists in the vacant storefronts along Second Street.

The BSBA also collaborates with other non-profits in the area (Special Olympics, Olive Crest, etc.) and we plan to continue developing these partnerships throughout the year.

Security

The BSBA coordinates with the Police Department's East Division and invites them to attend monthly BSBA meetings if there are concerns or necessary updates.

As part of a pilot program budgeted by the Parking Commission and overseen by the BSBA, we have contracted the coverage of CSI Security to patrol the area on bicycles from Thursday - Monday during the hours of 8am-2pm, approximately. They are also available around the clock via their dispatch system (including during non-scheduled hours) and our BSBA businesses are encouraged to call for assistance whenever needed.

Our ongoing communication with Commander Chad Ellis, Lieutenant Ryan Watson and Officer Brendan Murphy have all been crucial parts of keeping the neighborhood safe and the community informed of those efforts.

Special Events

Our ability to host special events in the past year has been hampered by the COVID-19 health and safety protocol. As the restrictions continue to change, we have made a concerted effort to be flexible and creative. Events allow us to gain valuable exposure for the area through press coverage and an increased number of patrons. Many businesses benefit directly from the events and all members are encouraged to participate.

The on-going logistical challenges related to parklets, street closure permits, and health code compliance have given us the opportunity to reimagine our traditionally planned calendar. Our planning process has become more nimble as we aim to be resourceful and hyper-targeted with our efforts and our expectations. Events for the beginning of our Fiscal Year 2021-2022 are as follows: Chalk Walk + Art Contest (October 16th, 2021), Trick or Treat on 2nd Street (October 31st, 2021), Small Business Saturday (November 27, 2021), Annual Holiday Celebration (December 4th, 2021).

Our specific events for 2022 will be developed according to the committee that forms after elections for this year have been completed.