



Legislation Text

File #: 20-1237, **Version:** 1

Recommendation to approve the Downtown Long Beach Parking and Business Improvement Area Annual Report continuing the annual business license assessment for the period of October 1, 2020 through September 30, 2021; and, authorize City Manager, or designee, to extend the agreement with the Downtown Long Beach Alliance for a one-year term. (Districts 1,2)

The Downtown Long Beach Alliance (DLBA) has three established sources of revenue that pass through the City of Long Beach (City) to the organization. These include business license assessments, property owner assessments, and downtown parking meter revenue sharing. This recommended action relates to the business license assessment funds that are used to promote and market Downtown Long Beach on behalf of business located in the Downtown Long Beach Parking and Business Improvement Area (DLBPBIA). The City Council approves the property owner assessment separately.

The DLBPBIA was established by the City Council in 1973, allowing for the levy of an annual business license assessment to be paid by businesses located in the DLBPBIA. The City contracts with the DLBA to manage the DLBPBIA and the DLBA Board of Directors serves as the Advisory Board to the City Council on matters related to the DLBPBIA. The DLBA promotes and markets the DLBPBIA using funds generated through the DLBPBIA business license assessment.

The City's agreement with the DLBA for DLBPBIA funding requires that an annual report be submitted to the City Council by the DLBA. The DLBPBIA 2020-2021 Annual Report (Annual Report) describes boundaries, proposed activities, and budgetary information, as well as the method and basis for continuation of the assessment (Attachments A and B). The Annual Report proposes no change to the DLBPBIA boundaries or the method of levying the assessment and no significant change to proposed activities.

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

Method of Assessment

DLBPBIA assessments are collected through business licenses from businesses within the DLBPBIA. The annual assessment is approximately \$476.07 per business and \$8.00 per employee, and \$326.96 per business and \$5.53 per employee for service-based independent contractors. The assessments were raised by 3 percent in July 2020 per the allowed Consumer Price Index (CPI) adjustment.

This matter was reviewed by Deputy City Attorney Amy R. Webber on November 19, 2020 and by Budget Management Officer Rhutu Amin Gharib on November 23, 2020.

City Council action is requested on December 15, 2020, so that Fiscal Year 21 (FY 21) assessment payments may be made as required by the Agreement for Funding with the DLBA. The new contract year began on October 1, 2020.

It is estimated that the DLBPBIA assessment will generate \$690,392 in FY 21 through the proposed continuation of the assessment, including the 3 percent CPI adjustment. Assessment funds are collected by the City on behalf of the DLBA through additional fees and passed directly through to the DLBA 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.

Approve recommendation.

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JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER