



## Legislation Text

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**File #:** 18-0901, **Version:** 1

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Recommendation to approve the Downtown Long Beach Parking and Business Improvement Area (DLBPBIA) Annual Report continuing the DLBPBIA assessment for the period of October 1, 2018 through September 30, 2019; and, authorize City Manager, or designee, to extend the agreement with the Downtown Long Beach Alliance for a one-year term. (Districts 1,2)

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 operator assessments, property owner assessments, and downtown parking meter revenue sharing. This recommended action relates to business operator assessment funds that are used to promote and market downtown Long Beach on behalf of businesses located in the Downtown Long Beach Parking and Business Improvement Area (DLBPBIA). The City Council approves the property owner assessment separately.

The proposed agreement with DLBA requires the City to transmit all DLBPBIA assessment funds collected from downtown businesses to the DLBA. The 2018-2019 Budget Narrative describes proposed activities and budgetary information, as well as the method and basis for continuation of the assessment. The Budget Narrative proposes no change in the boundaries, basis and method of levying the assessment, and no significant change in proposed activities. A copy of the Budget Narrative describing proposed activities and allocations is attached.

The Fiscal Year 2019 Budget Narrative, transmitting the recommendations of the DLBA Advisory Board, proposes the following assessment rates:

### **ASSESSMENT FORMULA**

The self-assessment fees are collected through business licenses from downtown Long Beach businesses located within the DLBPBIA. The current annual assessment for FY 19 is approximately \$444.98 per business and \$7.48 per employee, and for Service-Based Independent Contractors \$305.60 per business and \$5.17 per employee.

The DLBA Board voted on April 18, 2018 to raise assessment rates 2.79 percent per the allowed CPI adjustment. The City enters into agreements with business and/or property owner associations (associations), which utilize assessment revenues to provide services and improvements in Business Improvement District (BID) areas, that set forth the parameters and requirements of the relationship between the associations and the City. These agreements include requirements such as annual reporting requirements, deadlines,

and payment schedules. These agreements perpetuate annually based on the City Council's approvals of annual reports. Per the City Auditor's recommendation in the BID Oversight Audit, the City will re-execute the agreement with the DLBA to reflect current procedures and other changes deemed necessary. The agreement will be periodically revisited as processes and requirements change to ensure it stays current and relevant.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 17, 2018 and by Budget Analysis Officer Julissa José-Murray on September 19, 2018.

The DLBA contract year begins on October 1, 2018. City Council action is requested on October 9, 2018, to allow FY 19 assessment transfers to be made in accordance with the City's contract with DLBA.

It is estimated that the DLBPBIA will generate \$645,244 in FY 19 through the proposed continuation of the assessment. Assessment funds are collected through additional fees attached to DLBPBIA business licenses. All revenues are passed directly through to the DLBPBIA for implementation of annual programs. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN KEISLER  
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER