



Legislation Text

File #: 21-0997, **Version:** 1

Recommendation to adopt resolution approving the Annual Report for October 1, 2021 to September 30, 2022, for the Long Beach Tourism Business Improvement Area, declaring its intention to levy the annual assessment, and setting the date of hearing for Tuesday, November 9, 2021. (Districts 1,2,4,5)

The Long Beach Tourism Business Improvement Area (LBTBIA) was established by the City Council in 2005, allowing for the levy of an annual assessment to be paid by hotels with greater than 30 rooms in the LBTBIA. The City of Long Beach (City) contracts with the Long Beach Area Convention and Visitors Bureau (CVB) to manage the LBTBIA and the CVB Board of Directors serves as the Advisory Board to the City Council on matters related to the LBTBIA. The CVB promotes and markets Long Beach as a tourism destination using funds generated through the LBTBIA 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 19, 2021, the LBTBIA Advisory Board voted to recommend to the City Council approval of the 2021-2022 LBTBIA 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 LBTBIA boundaries or the method of levying the assessment.

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

Method of Assessment

The LBTBIA assessment will be levied on all hotel businesses, existing and future, with greater than 30 rooms, within the LBTBIA based upon 3 percent of the gross short-term room rental revenue. The assessment will be collected monthly, based on 3 percent of the gross short-term room rental revenues for the previous month.

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 LBTBIA Advisory Board 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 November 9, 2021.

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

City Council action is requested on October 5, 2021, to set the date of the public hearing for November 9, 2021. The new contract year began on October 1, 2021.

It is estimated that the LBTBIA will generate \$4,390,000 in FY 22 through the proposed continuation of the assessment, a significant increase from the prior year due to the reopening of the Long Beach Convention Center and increase in travel. Assessment funds are collected by the City on behalf of the CVB through additional fees and passed directly through to the CVB 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