



## Legislation Text

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**File #:** 21-1011, **Version:** 1

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Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution continuing the Zaferia Parking and Business Improvement Area assessment levy for the period of October 1, 2021 through September 30, 2022; and, authorize City Manager, or designee, to extend the agreement with the Zaferia Business Association for a one-year term. (Districts 3,4)

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 ZPBIA Advisory Board 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.

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-21-0109 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set 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 \$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:

- Type 1 Businesses: Retail, recreation and entertainment, unique businesses, and banking institutions, pay annual assessment fees of:
  - o Base Fee: \$300 per year except that secondary licensees in these classes are exempt
  - o Employee Fee: \$15 per employee up to \$300 maximum
- Type 2 Businesses: Service, vending, professional, wholesale, contractor, manufacturing, and miscellaneous mobile, pay annual assessment fees of:
  - o Base Fee: \$200 per year except that secondary licensees in these classes pay a base fee of \$120
  - o Employee Fee: \$15 per employee up to \$300 maximum
- Type 3 Businesses: Non-residential space rental businesses pay an annual assessment fee of:
  - o Base Fee: \$120 per year
  - o Employee Fee: not applicable
- Type 4 Businesses: Nonprofit businesses pay an annual assessment fee of:
  - o Base Fee: \$100 per year
  - o Employee Fee: not applicable
- Type 5 Businesses: Home-based businesses that voluntarily choose to be a member of the organization pay an annual assessment fee of:
  - o Base Fee: \$100 per year
  - o Employee Fee: not applicable

Residential property rental is exempt from the assessment.

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 ZPBIA 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 by Budget Management Officer Rhutu Amin Gharib on September 13, 2021.

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 ZBA.

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.

Approve recommendation.

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JOHN KEISLER  
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA  
CITY MANAGER