



Legislation Text

File #: 21-1163, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution continuing the Long Beach Tourism 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 Long Beach Area Convention and Visitors Bureau for a one-year term.
(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 LBTBIA Advisory Board. 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), which 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.

To continue the assessment levy, State law requires that a public hearing be held on the proposed program and assessment. At its October 5, 2021 meeting, the City Council approved Resolution No. RES-21-0114 granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set November 9, 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 also 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 will not levy the assessment. If protests in such quantity are directed against a specific portion of the program, the City Council will eliminate that portion.

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.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 27, 2021 and by Budget Management Officer Rhutu Amin Gharib on September 28, 2021.

City Council action is requested on November 9, 2021, so the Fiscal Year 2022 (FY 22) assessment transfers may be made as required by the Agreement for Funding with the CVB.

It is estimated that the LBTBIA will generate \$4,390,000 in FY 22 through the proposed continuation of the assessment. 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