



Legislation Text

File #: 23-0037, **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, 2022, through September 30, 2023; 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 businesses 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. On August 17, 2022, the DLBPBIA Board of Directors voted to recommend to the City Council approval of the 2022-2023 DLBPBIA Annual Report (Annual Report).

The Annual Report describes boundaries, proposed activities, and budgetary information, as well as the method and basis for the 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

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 DLBPBIA Advisory Board is requesting a 3.8 percent CPI increase from FY 2021-2022.

DLBPBIA assessments are collected through business licenses from businesses within the DLBPBIA. The annual assessment in FY 2021-2022 was approximately \$476.07 per business and \$8.00 per employee, and for service-based independent contractors was \$326.96 per business and \$5.53 per employee.

With the proposed 3.8 percent CPI increase assessment for FY 2022-2023, the assessment will be approximately \$494.16 per business and \$8.30 per employee and for service-based independent contractors will be \$339.38 per business and \$5.74 per employee.

This matter was reviewed by Deputy City Attorney Marsha Yasuda on December 21, 2022 and by Budget Management Officer Nader Kaamouch on December 29, 2022.

City Council action is requested on January 17, 2023, so that Fiscal Year 23 (FY 23) assessment payments may be made as required by the Agreement for Funding with the DLBA. The new contract year began on October 1, 2022.

It is estimated that the DLBPBIA assessment will generate \$716,627 in FY 23 through the proposed continuation of the assessment, including the 3.8 percent CPI adjustment. Revenues assessed in FY 22 totaled \$657,474. 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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BO MARTINEZ
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER