

January 7, 2025

Honorable Mayor and City Council  
City of Long Beach  
California

**RECOMMENDATION:**

Receive supporting documentation into the record, conclude the public hearing, and adopt a Resolution continuing the Zaferia Parking and Business Improvement Area assessment levy for the period of October 1, 2024, through September 30, 2025; and, authorize the City Manager, or designee, to extend the agreement with the Zaferia Business Association for a one-year term. (Districts 2, 3, 4)

**DISCUSSION**

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. The ZBA Board of Directors voted to recommend to the City Council approval of the 2024-2025 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 the continuation of the assessment. The Annual Report proposes no change to the ZPBIA boundaries 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. On December 3, 2024, the City Council approved a Resolution granting approval of the Annual Report, declaring the intention of the City Council to levy the assessment, and set January 7, 2025, 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 Fiscal Year 2025 revenue from business assessments is \$147,537. The Annual Report proposes no changes to the annual assessment from 2023-2024 to 2024-2025. Businesses categories and rates for the contract year 2024-2025 are as follows:

- Type 1 Businesses: Retail, recreation and entertainment, unique businesses, and banking institutions, shall pay annual assessment fees of:
  - Base fee: \$375 per year except that secondary licensees in these classes are exempt;
  - Employee Fee: \$15 per employee up to \$300 maximum.
- Type 2 Businesses: Service, vending, professional, wholesale, contractor, manufacturing and miscellaneous mobile, shall pay annual assessment fees of:
  - Base Fee: \$250 per year except that secondary licensees in these classes shall pay a base fee of \$120;
  - Employee Fee: \$15 per employee up to \$300 maximum.
- Type 3 Businesses: Non-residential space rental businesses shall pay an annual assessment fee of:
  - Base Fee: \$150 per year;
  - Employee Fee: not applicable.
- Type 4 Businesses: Non-profit businesses shall pay an annual assessment fee of:
  - Base Fee: \$100 per year;
  - Employee Fee: not applicable.
- Type 5 Businesses: Home-based businesses that voluntarily choose to be a member of the organization shall pay an annual assessment fee of:
  - Base Fee: \$100 per year;
  - Employee Fee: not applicable.

Residential property rentals are exempt from the assessment.

This matter was reviewed by Deputy City Attorney Marsha Yasuda on October 28, 2024, and by Budget Management Officer Nader Kaamoush on December 12, 2024.

TIMING CONSIDERATIONS

City Council action is requested on January 7, 2025, so that Fiscal Year 2025 assessment transfers may be made as required by the Agreement for Funding with the ZBA.

FISCAL IMPACT

It is estimated that the ZPBIA will generate \$147,537 in Fiscal Year 2025 through the 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.

**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



Bo Martinez  
Director  
Economic Development

APPROVED:



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THOMAS B. MODICA  
CITY MANAGER