

Date: October 9, 2020

To: Thomas B. Modica, City Manager 

From: John Gross, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **Update on Restaurant and Other Businesses Licenses and Fees**

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This memorandum provides a further update to City Council's August 4, 2020 request to provide options for relief to restaurants and other businesses for license taxes and health, fire, and business licensing fees. An initial update was provided on [August 17, 2020](#).

Since the onset of the COVID-19 pandemic, the City has taken a number of substantive steps to aid businesses impacted by the pandemic and the associated Stay at Home Health Orders, including various assistance and grant programs. These steps include emergency loans, technical assistance, unemployment insurance benefit support, and deferral of business license taxes and business-related fees, including health and fire fees, through October 31, 2020.

Staff has been developing custom reports to analyze receipts and is also looking at whether the services paid for by business fees are actually being provided by the City. Staff are also exploring other relief options, which will include recommendations for the restaurant industry, one of the business groups hardest hit by the pandemic. Staff anticipate bringing a report and recommendations for City Council consideration and direction at its November 17, 2020 meeting.

As the situation continues to be difficult for segments of Long Beach businesses, the City is extending the timeframe for deferral of late payment penalties from the current end date of October 31, 2020 to November 30, 2020. The effect of this deferral is that businesses will be able to pay their bills without penalty as late as November 30, 2020. This deferral will also include Health, Fire, and other departments' fees that have been billed during the pandemic period (beginning March 16, 2020). Businesses able to make payments are encouraged to do so (and many have), which helps avoid a later cost for those businesses. However, for those businesses suffering major cash flow issues, the deferral of license taxes and fees will be of help.

We will be soon issuing a press release announcing this further accommodation (no penalties until after November 30, 2020), unless there is any concern expressed by the City Council in the next few days. If there is concern about this course of action, staff will hold off announcing and agendize the matter at the next available meeting.

Update on Request to Suspend Fees for Restaurants and Other Businesses

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Please do not hesitate to contact me at 562-570-6427, if you have any questions or concerns.

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