

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 5/22/2012	(3) CONTACT/PHONE Nikki J. Schmidt (805) 781-5496	
(4) SUBJECT Hearing to consider public testimony regarding the renewal of the San Luis Obispo County Tourism Business Improvement District (CBID) and continued levy of assessments.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Receives public testimony regarding the renewal of the San Luis Obispo County Tourism Business Improvement District (CBID) and continued levy of assessments; 2. Receive and file the Annual Report of the San Luis Obispo County Tourism Business Improvement District.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. 30 minutes) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date May 17, 2011, item C-2	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 5/22/2012

SUBJECT: Hearing to consider public testimony regarding the renewal of the San Luis Obispo County Tourism Business Improvement District (CBID) and continued levy of assessments.

RECOMMENDATION

It is recommended that the Board:

3. Receives public testimony regarding the renewal of the San Luis Obispo County Tourism Business Improvement District (CBID) and continued levy of assessments;
4. Receive and file the Annual Report of the San Luis Obispo County Tourism Business Improvement District.

DISCUSSION

This item continues the process to renew the San Luis Obispo County Tourism Business Improvement District (CBID) by asking the Board to take public testimony regarding the continued levy of assessments. The Resolution of Intention approved by your Board on April 17, 2012 set today as the public meeting to consider all protests. This resolution, along with the notice of proposed assessment, was sent to all owners of lodging businesses within the SLOCTBID area. Additionally, the Board directed the Clerk to publish the notice of public meeting no less than ten (10) days prior to the date of the public meeting.

It should be noted that no ballot was sent to the owners of the lodging businesses within the CBID by the County Clerk-Recorder's Office. The renewal of the CBID is subject to veto by written protest from a "proportional majority" of affected parties within the boundaries of the District. Such a majority would be formed by the number of affected business owners who would pay 50% or more of the proposed assessment. However, the notice of proposed assessment included reference to a protest form that was available on the Clerk's website for use by the lodging owners.

This protest opportunity is available once each year for the life of the assessment in addition to the initial process. Specifically, the Streets and Highway Code reads:

36525. (a) If written protests are received from the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50

percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

To count in the determination of a majority protest against renewing the CBID, a protest must be in writing. Written protests will be accepted until the end of this hearing. As noted above, if there is written protest from owners of lodging businesses within the proposed district that pay 50% or more of the proposed assessment, the assessment shall not be imposed for a period of one year.

If there is not such a majority protest, the levy of assessment will continue on lodging properties within the CBID area. The Parking and Business Improvement Area Law of 1989, Streets and Highways Code Section 36500 et seq., sets out the sequence of events, which is included as Exhibit A, required for the renewal of a BID.

OTHER AGENCY INVOLVEMENT/IMPACT

Administrative Office staff provides support and acts as the liaison between the County and the CBID Advisory Board. The Treasurer-Tax Collector's Office collects the assessment. County Counsel and the Clerk-Recorder's Office also provide support to the CBID. The CBID Advisory Board prepared the annual report.

FINANCIAL CONSIDERATIONS

The BID assessment is a legal government levy that can be audited and enforced in the same fashion as taxes such as the TOT. Since July 1, 2009, the Tax Collector has been collecting a 2% assessment of the rent charged per occupied room per night from lodging businesses (hotels, motels, bed and breakfasts, and vacation rentals) within the CBID. Information pertaining to assessments collected and expenditures for FY 2011-12 and the draft budget for FY 2012-13 can be found attached in the Annual Report. Approximately \$1.3 million in assessments were collected in the 2011 calendar year.

RESULTS

County staff neither advocates nor opposes the renewal of the CBID ordinance. Lodging industry will determine the value of the assessment by their continual support of the CBID. As a facilitator of a requested program, the County has not established performance criteria beyond the legal contractual obligations to expend the funds for identified purposes. The onus is on the designated contractors that are selected by the CBID Advisory to meet the expectations of the lodging business owners paying the assessment. It is assumed that the CBID Advisory Board will develop measures that will track additional numbers of visitors and their financial impact on the industry generated by the marketing programs of a BID.

ATTACHMENTS

1. Sequence of Events - FY 12-13
2. Resolution of Intention #2012-93 Approved 4-17-12

3. Executed Notice of Proposed Assessment
4. 2011 Year End Report
5. CBID boundary map