

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

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 3/10/2015	(3) CONTACT/PHONE Nikki J. Schmidt 805/781-5496	
(4) SUBJECT Hearing to consider public testimony regarding the establishment of the San Luis Obispo County Tourism Marketing District (TMD) within the County of San Luis Obispo and levy of assessments. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board receive public testimony regarding the establishment of the San Luis Obispo County Tourism Marketing District (TMD) and levy of assessments.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT { } Consent { } Presentation {x} Hearing (Time Est. <u>30 minutes</u>) { } Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances {x} N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required {x} N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A Date: <u>February 10, 2015</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 3/10/2015

SUBJECT: Hearing to consider public testimony regarding the establishment of the San Luis Obispo County Tourism Marketing District (TMD) within the County of San Luis Obispo and levy of assessments. All Districts.

RECOMMENDATION

It is recommended that the Board receive public testimony regarding the establishment of the San Luis Obispo County Tourism Marketing District (TMD) and levy of assessments.

DISCUSSION

This item continues the process to establish the San Luis Obispo County Tourism Marketing District (TMD) by asking the Board to take public testimony regarding the intention to form a district and levy assessments in the consenting jurisdictions. The purpose of today's public meeting is to receive oral and written protests by the owners of lodging businesses with the proposed district. 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. The applicants may reapply to form the proposed TMD after a period of one year.

The resolution of intention approved by your Board on February 10, 2015 instructed the Clerk to provide notice of the public meeting and future public hearing. A notice of proposed assessment was sent to all owners of lodging businesses within the proposed district setting today, March 10, 2015 as the public meeting to consider all written and oral protest. All written protest is required to be received by the Clerk at or before the start of the April 7, 2015 public hearing on the resolution establishing the TMD.

If there is not such a majority protest, the formation process will continue at the public hearing with the consideration of the resolution forming the TMD. The Parking and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 et seq., sets out the sequence of events required for a formation of the TMD.

At the February 10 meeting, the Board amended the Management District Plan by adding the following:

The Board of Directors shall be selected as follows:

- *One lodging business representative from each of the cities shall be appointed by the respective jurisdiction's city council or tourism organization, as each city determines*
- *One lodging business representative shall be appointed by the County Board of Supervisors*
- *One additional representative at-large shall be appointed by the County Board of Supervisors*
- *Nominations shall be sought from the assessed lodging businesses for the remaining six seats. Nominations will be verified by the nominating committee, and a slate provided to the Board of Directors. The slate will take into consideration the requirement for various business types.*

The Board of Directors shall serve for staggered three-year terms. The initial Board shall serve for terms of one, two or three years. At the initial meeting, each director shall draw lots to determine their term. Approximately one-third of the initial board shall serve for one-year term, one-third for a two-year term, and one-third for a three-year term.

OTHER AGENCY INVOLVEMENT/IMPACT

Staff from the Administrative Office, the Auditor Treasurer Tax Collector, Clerk-Recorder's Office and County Counsel continues to participate in this process.

FINANCIAL CONSIDERATIONS

The proposed 1% assessment would be levied on the paid rent charged per occupied room per night, with consecutive stays of 30 days or more excluded. Revenue raised by this assessment is projected to be \$2.8 million per year for the initial five (5) year term that it will be collected. In addition, the County and cities may charge an administrative fee – up to 2% of the amount collected – to cover any costs associated with administering the TMD in their respective jurisdictions.

RESULTS

The County will not be establishing any performance criteria beyond the legal contractual obligation to expend the funds for identified purposes. The onus would be on the contracted owners' association to meet the expectations included in the Plan as well as those of the lodging business owners collecting the assessment. It is expected the owners' association Board of Directors will develop measures that will track the success of the management district plan programs.

ATTACHMENTS

1. Vicinity Map
2. Executed Notice of Proposed Assessment - approved February 10, 2015
3. Executed Resolution of Intention - approved February 10, 2015
4. Sequence of Events
5. Management District Plan - amended February 10, 2015