

IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

____ day _____, 2020

PRESENT:

ABSENT:

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SAN LUIS OBISPO DECLARING RESULTS OF
MAJORITY PROTEST PROCEEDINGS, ESTABLISHING THE
SAN LUIS OBISPO COUNTY TOURISM MARKETING DISTRICT,
AND LEVYING ASSESSMENT ON LODGING BUSINESSES
WITHIN SUCH DISTRICT BEGINNING FISCAL YEAR 2020-21**

The following resolution is now offered and read:

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highway Code §36600 et seq.) authorizes cities and counties to establish property and business improvement districts upon petition by a weighted majority of the lodging business owners located with the boundaries of the district who are subject to assessment; and

WHEREAS, lodging businesses who will pay more than fifty percent (50%) of the proposed assessment, as weighted according to the amount of the assessment to be paid by the petitioner, within the boundaries of the San Luis Obispo County Tourism Marketing District (TMD) have petitioned the Board of Supervisors (Board) to renew the TMD; and

WHEREAS, the cities of Arroyo Grande, Atascadero, El Paso de Robles, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo have adopted resolutions consenting to the formation of TMD within their jurisdictions as required by Streets and Highways Code §36620.5; and

WHEREAS, included with the petitions was a Management District Plan summary that describes the proposed assessment to be levied on lodging businesses with the TMD to pay for tourism promotion and marketing activities and other improvements and activities set forth in the Management District Plan; and

WHEREAS, the assessed lodging businesses within the TMD will be benefited by the activities and improvements set forth in the Management District Plan; and

WHEREAS, on November 19, 2019 at 9:00 a.m. at the Board of Supervisors Chambers located in the Government Center at 1055 Monterey Street, San Luis Obispo CA 93408, the Board of Supervisors adopted a Resolution Declaring its Intention to Establish San Luis Obispo County Tourism Marketing District and Levy an Assessment on Lodging Businesses (Resolution No. 2019-310); and

WHEREAS, the public meeting and public hearing to consider the establishment of the TMD have been properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on December 10, 2019 at 9:00 a.m. at the Board of Supervisors Chambers located in the Government Center at 1055 Monterey Street, San Luis Obispo CA 93408, the Board of Supervisors held a public meeting regarding the establishment of the TMD, and the Board heard and received objections and protests, if any, to the establishment of the TMD and the levy of the proposed assessment; and

WHEREAS, on January 14, 2020 in the Board of Supervisors Chambers located in the Government Center at 1055 Monterey Street, San Luis Obispo CA 93408, the Board of Supervisors held a public hearing regarding the establishment of the TMD, and the Board heard and received all objections and protests, if any, to the establishment of the TMD and levy of the proposed assessment; and

WHEREAS, at the conclusion of the public hearing, the Clerk of the Board determined that there was no majority protest. A majority protest is defined as written protests received from owners of lodging businesses in the proposed district which would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted based on the amount of assessment proposed to be levied on each lodging business.

NOW THEREFORE, the Board of Supervisors of the County of San Luis Obispo does hereby resolve, determine and find as follows:

Section 1. The recitals set forth herein are true and correct and adopted by the Board.

Section 2. The San Luis Obispo County Tourism Marketing District is hereby established for a ten (10) year term beginning July 1, 2020 through June 30, 2030.

Section 3. The assessments levied for the TMD shall be applied towards advertising, sales, promotion, marketing, administration and research programs to market the County of San Luis Obispo as a tourist, meeting and event destination, and other improvements and activities set forth in the Management District Plan. The revenue from the levy of the assessments on lodging businesses within the TMD may not be used to provide for any purpose other than those specified herein, in the Management District

Plan, and in the Resolution of Intention. The activities and benefits conferred on the lodging businesses in the TMD will be funded by the levy of the assessments.

Section 4. Assessments levied on lodging businesses pursuant to this Resolution shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on room rentals is the best measure of benefit.

Section 5. The activities funded by the assessment will provide a specific benefit to assessed businesses within the TMD that is not provided to those not paying the assessment.

Section 6. The assessment is a charge imposed for a specific benefit conferred or privilege grant directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

Section 7. The assessment is a charge imposed for a specific government service product provided directly to the payor that is not provided to those not charges, and which does not exceed the reasonable costs to the local government of providing the service or product.

Section 8. The assessment is the obligation of the lodging business. The amount of assessment, if passed on to each transient, shall be separately stated from the amount of rent charges and any other applicable taxes other than the transient occupancy tax and the tourism assessments, and each transient shall receive a receipt for payment from the lodging business. The assessment shall be shown on the guests' folio as "Tourism Marketing District Assessment". The assessment may be indicated on the folio in the same line as transient occupancy taxes, provided that the assessment is specifically named on that line as "Tourism Marketing District Assessment".

Section 9. The assessments for the TMD are projected to be \$6,000,000 in year one.

Section 10. An assessment is hereby levied, commencing July 1, 2020, on all current and future lodging businesses that are subject to transient occupancy tax within the TMD, in the amount of one and one-half percent (1.5%) of the paid rent charged by the operator per occupied room per night for all short-term (less than 30 consecutive days) transient occupancies. The assessment shall be collected by the collecting jurisdiction in monthly installments or such other installments as determined by the collecting jurisdiction. Assessments pursuant to the TMD shall not be included in gross room rental revenue for purpose of determining the amount of the transient occupancy tax.

Section 11. Bonds will not be issued to fund the TMD.

Section 12. The boundaries of the TMD shall be the boundaries of the County of San Luis Obispo, as depicted in Exhibit A attached thereto, and incorporated herein by reference.

Section 13. The assessments shall be used for the purposes set forth above and any funds remaining at the end of any year may be used in subsequent years in which the TMD assessments are levied as long as they are used consistent with the requirements set forth herein and the Management District Plan. If the TMD expires after its initial term and is not renewed any remaining funds, including contingency funds, will be either spent consistent with the Management District Plan or returned to the assessed lodging businesses in shares proportional to the assessment paid by such businesses.

Section 14. The assessments to fund the activities and improvements for the TMD will be collected at the same time and in the same manner as are the transient occupancy taxes the assessed lodging businesses are subject to, and in accordance with Streets and Highways Code §36631. An administrative fee of up to two percent (2) may be retained by the collecting jurisdiction. In the event a lodging business does not pay the assessment owing, the assessment shall be a debt owing to the TMD and the lodging business shall be liable for the debt and subject to the penalties and interest charges pursuant to Streets and Highways Code §36631.

Section 15. The Management District Plan designates Visit San Luis Obispo County, a nonprofit corporation ("VSLOC"), as the Owner's Association for the TMD, as defined in Streets and Highways Code §36612. VSLOC shall be responsible for managing TMD funds and implementing programs and activities in accordance with the Management District Plan and Streets and Highways Code §36651. The County of San Luis Obispo shall contract with VSLOC to provide services pursuant to §36651.

Section 16. VSLOC, pursuant to Streets and Highways Code §36650 shall cause to be prepared and submitted to the Board a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report. The report shall be due sixty (60) days after the close of the 2020-21 fiscal year (June 30, 2021) and each subsequent fiscal year thereafter.

Section 17. The TMD established pursuant to this Resolution shall be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code § 36000 et. seq.).

Section 18. This Resolution shall take effect January 14, 2020.

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing resolution is hereby adopted.

COUNTY OF SAN LUIS OBISPO

BY: _____
Chairperson, Board of Supervisors

ATTEST

WADE HORTON
Ex-Officio Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT

RITA L. NEAL
County Counsel

By: 
Assistant County Counsel

Dated: January 3, 2020

Exhibit A

Areas Served in San Luis Obispo County

