

CITY OF HEALDSBURG

RESOLUTION NO. 112-2017

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND RENEWING THE HEALDSBURG TOURISM IMPROVEMENT DISTRICT AND APPROVING THE OWNERS' ASSOCIATION AGREEMENT BETWEEN THE CITY OF HEALDSBURG AND HEALDSBURG CHAMBER OF COMMERCE

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways 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 within the boundaries of the district; and

WHEREAS, on October, 1, 2012, the City Council adopted a resolution establishing the Healdsburg Tourism Improvement District for a term of five year, expiring December 31, 2017; and

WHEREAS, lodging business owners 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 Healdsburg Tourism Improvement District ("HTID") have petitioned the City Council to renew the HTID; and

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

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

WHEREAS, on September 18, 2017 at 6:00 p.m. at 401 Grove Street, Healdsburg, CA 95448, the City Council adopted a Resolution of Intention, Resolution No. 100-2017; and

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

WHEREAS, on November 6, 2017 at 6:00 p.m. at 401 Grove Street, Healdsburg, CA 95448, the City Council held a public meeting regarding the establishment of the HTID, and on November 20, 2017 the City Council held a public hearing, heard and received objections and protests, if any, to the establishment of the HTID and the levy of the proposed assessment; and

WHEREAS, the City Clerk has determined that there was no majority protest. A majority protest is defined as written protests received from owners of 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 assessment proposed to be levied on each lodging business; and

WHEREAS, the 1994 Act permits the City to designate a private nonprofit entity, known as the “owners’ association,” to administer or implement the improvements and activities specified in the management district plan; and

WHEREAS, if the City elects to have the “owners association” implement the management plan it must enter into a contract with the owners association to administer and carry out the programs and activities; and

WHEREAS, the City Council of the City of Healdsburg wishes to designate the Healdsburg Chamber of Commerce as the Owners’ Association to administer and implement the improvements and activities specified in the management district plan; and

WHEREAS, the Owners’ Association shall form a HTID subcommittee, comprised of representatives of assessed lodging businesses plus one City Council appointed city representative, to direct the Chamber in matters pertaining to the expenditure of funds and the implementation of activities and improvements of the management district plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Healdsburg that:

1. The recitals set forth herein are adopted by the City Council as findings and they are true and correct.
2. The Healdsburg Tourism Improvement District is hereby renewed for a five-year term. The Management District Plan dated November 2, 2017, on file with the City Clerk, as revised, is hereby adopted.
3. The assessments levied for the HTID shall be applied towards sales, promotions and marketing programs to market Healdsburg lodging businesses as tourist, meeting and event destinations as set forth in the Management District Plan.
4. The revenue from the levy of the assessments on lodging businesses within the HTID may not be used to provide for activities or improvements outside the HTID or for any purpose other than those specified herein, in the Management District Plan, and in the Resolution of Intention.

5. 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.
6. The amount of assessment, if passed on to each transient, shall be disclosed in advance, separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business.
7. The assessments for the entire District will total approximately \$600,209 in year one of the renewed term.
8. The activities and improvements set forth will be funded by the levy of an assessment on lodging businesses within the HTID as described in the Management District Plan that is on file with the City Clerk.
9. Bonds shall not be issued to fund the HTID.
10. The boundaries of the HTID shall be the boundaries of the City of Healdsburg. Please see the attached map, incorporated herein as Exhibit A.
11. 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 HTID assessment is levied as long as they are used consistent with the requirements set forth herein.
12. The assessments to fund the activities and improvements for the HTID will be collected at the same time and in the same manner as are transient occupancy taxes, and in accordance with Streets and Highways Code §36631.
13. Healdsburg Chamber of Commerce shall be the Owners' Association pursuant to Streets and Highways Code §36614.5.
14. As Owners' Association, the Healdsburg Chamber of Commerce, pursuant to Streets and Highways Code §36650, shall cause to be prepared 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 first report shall be due after the first year of operation of the district.
15. The HTID established pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §36600 et. seq.).
16. The City Clerk, or his or her designee, is directed to take all necessary actions to complete the establishment of the HTID and to levy the assessments.

17. The City Council authorizes the City Manager to execute the Owners' Association agreement, attached as Exhibit C, between the City of Healdsburg and Healdsburg Chamber of Commerce for the implementation of the management district plan, attached as Exhibit B, subject to any non-substantive changes approved by the City Attorney.

18. This Resolution shall take effect immediately upon its adoption by the City Council.

PASSED, APPROVED AND ADOPTED, this 20<sup>th</sup> day of November 2017, by the following vote:

AYES: Councilmembers: (5) Gold, Hagele, Mansell, Naujokas and Mayor McCaffery

NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (0) None

ABSTAINING: Councilmembers: (0) None

SO ORDERED:

ATTEST:

  
Shaun F. McCaffery, Mayor

  
Maria Curiel, City Clerk

I, MARIA CURIEL, City Clerk of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 112-2017 adopted by the City Council of the City of Healdsburg on the 20<sup>th</sup> day of November, 2017.

  
Maria Curiel, City Clerk

