

REPORT TO CITY COUNCIL

DATE: JUNE 10, 2015

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER *GR*

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER *NH*

SUBJECT: CONSIDER APPROVAL OF RESOLUTION NO. 15-1788; DECLARING THE INTENTION TO MODIFY THE MANAGEMENT DISTRICT PLAN OF THE CONEJO VALLEY TOURISM IMPROVEMENT DISTRICT

At the May 13, 2015, meeting of the City Council, Resolution No. 15-1781 was approved, which established hearing dates to consider a modification to the Conejo Valley Tourism Improvement District (CVTID). Since that time, the dates of the public hearings required an adjustment, and, thus, the City Council is being asked to consider approving the new dates that are reflected in Resolution No. 15-1788.

The CVTID is a benefit assessment district created in 2013 to fund marketing and promotion efforts for Conejo Valley lodging businesses. The District includes all lodging businesses located within the boundaries of the cities of Agoura Hills and Thousand Oaks, with Agoura Hills serving as the implementing agency.

Tourism Improvement Districts utilize the efficiencies of private sector operation in the market-based promotion of tourism. These special assessment districts allow lodging and tourism-related business owners to organize their efforts to increase travelers. Tourism-related businesses within the District provide for the entire amount of funds collected, and those funds are used to provide services that the businesses desire and that promote and add benefit to the lodging businesses within the District.

The hoteliers decided to pursue formation of the District in order to create a revenue source devoted to marketing the Conejo Valley as a tourist, meeting, and event destination. After several successful years of operation, the CVTID Board has realized the need to increase their outreach efforts as they expand their target audience, now and into the future. The hoteliers now desire to build upon this success by modifying the assessment rate. In California, Tourism Business Improvement Districts are formed pursuant to the Property and Business Improvement District Law of 1994 (94 Law). This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. The key difference between TBIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.

The Management District Plan (Attachment 2) includes the boundary of the district, a service plan, budget, and a means of governance. The District includes all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the cities of Agoura Hills and Thousand Oaks. The changes to the Management District Plan do not affect the expiration date of the District, which will still remain through July 31, 2018, with the opportunity to extend the life of the District. The City of Agoura Hills has served as the lead implementation agency and will remain responsible for the collection of the assessment on behalf of the District. As previously mentioned, The City is paid a fee of one percent of the assessment collected to cover the costs of collection and administration. The Greater Conejo Valley Chamber of Commerce (Chamber) serves as the District Owners' Association and manages the day-to-day operations of the District.

The 94 Law allows for the District Owners' Association to modify the Management District Plan, and thus, the City Council is now being requested to begin the proceedings to modify the Plan that proposes to increase the assessment rate from \$1.00 per paid occupied-room per night to two percent of gross short-term (stays less than 31 days) room rental revenue. The Chamber has indicated that the funds received through the increase will be dedicated for the marketing of the lodging businesses. The hoteliers within the District have asked for this change and are supportive of the use of funds, as they see a need to expand their marketing efforts to remain competitive in the Tourism-based market. If approved, the modified assessment would be effective starting January 1, 2016.

The current fiscal year revenues of the District are estimated to be \$500,000. With the proposed increase, it is anticipated that the revenue for the following fiscal year would be approximately \$750,000 and could increase to approximately \$1,000,000 in the future, based on an anticipated growth in the overnight stays at the lodging businesses. Based on the current budget, it is anticipated that approximately 75% of these revenues would be utilized for sales and marketing programs, and the remainder would be applied to administrative costs and a contingency renewal fund for the District.

The process for a modification to the District's Management Plan requires that a Resolution of Intent to hold a public hearing be adopted, based on the submission of a request by the Owner's Association, followed by a written notice being provided to the owners of all businesses currently paying the assessment in the District. This provides a 45-day period in which owners may protest the modification. In addition, the City Council, as the initiating agency of the District, would need to hold a public hearing, which is anticipated to take place on July 8, 2015, to provide any public testimony on the proposed changes to the Management District Plan. A final public hearing would then be scheduled to take place in August 12, 2015, to consider adopting a resolution of modification. If there are more than 50% of the assessment district that protest the change to the Management District Plan, then no change can occur, and no further proceedings would be allowed to take place to consider the modification for one year

from the date of finding of a majority protest by the City Council. It should be noted that the hoteliers within the district have unanimously approved this proposed modification that is being considered and is being brought forth at their request. The City's Economic Development staff has been involved with the CVTID Board activities and has no opposition to this request.

The City Attorney's Office has been consulted on this proposed modification and has confirmed the procedural process for making the proposed modification.

RECOMMENDATION

It is recommended the City Council adopt Resolution No. 15-1788, declaring the intention to modify the Management District Plan of the Conejo Valley Tourism Improvement District, and setting the public hearing dates for consideration of the modifications to the assessment fee.

- Attachments:
- 1) Resolution No. 15-1788
 - 2) CVTID Management District Plan

RESOLUTION NO. 15-1788

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, DECLARING THE INTENTION TO MODIFY THE MANAGEMENT DISTRICT PLAN OF THE CONEJO VALLEY TOURISM IMPROVEMENT DISTRICT

THE CITY COUNCIL OF THE CITY OF AGOURA HILLS HEREBY FINDS, RESOLVES, AND ORDERS AS FOLLOWS:

WHEREAS, on July 10, 2013, the City Council of the City of Agoura Hills ("City Council") adopted Resolution Number 13-1714, adopting the Management District Plan and establishing the Conejo Valley Tourism Improvement District ("CVTID"); and

WHEREAS, the Property and Business Improvement District Law of 1994, Streets and Highways Code §36600 et seq., allows the City to modify the Management District Plan ("MDP") at the request of the owners' association; and

WHEREAS, the CVTID owners' association, the Greater Conejo Valley Chamber of Commerce ("the Chamber") has requested modification of the MDP.

WHEREAS, on May 13, 2015, the City Council adopted Resolution No. 15-1781, declaring its intention to modify the MDP and setting a public meeting for June 17, 2015, and setting a public hearing for July 8, 2015, to consider such modification; and

NOW, THEREFORE, it is resolved by the City Council that:

Section 1. The recitals set forth herein are true and correct.

Section 2. The City Council declares its intention to modify the CVTID MDP.

Section 3. The proposed modification of the CVTID MDP will modify the assessment rate from \$1.00 per paid-occupied-room per night to two percent (2%) of gross short-term (stays less than 31 days) room rental revenue.

Section 4. The time and place for a public meeting on the modification of the CVTID MDP are set for 6:00 PM, or as soon thereafter as the matter may be heard on July 8, 2015, at 30001 Ladyface Court, Agoura Hills, CA 91301.

Section 5. The time and place for a public hearing on modification of the CVTID MDP are set for 6:00 PM, or as soon thereafter as the matter may be heard on August 12, 2015, at 30001 Ladyface Court, Agoura Hills, CA 91301.

Section 6. At the public hearing, a protest may be made orally or in writing by any interested person. Every written protest shall be filed with the City Clerk, at

or before the time fixed for the public hearing. Written protests may be mailed to the City Clerk, City of Agoura Hills, 30001 Ladyface Court, Agoura Hills, California 91301. The City Council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn, in writing, any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested, in sufficient detail to identify the business, and, if a person subscribing is not shown on the official records of the City as the owner of the business, the protest shall contain, or be accompanied by written evidence that the person subscribing is the owner of the business, or the authorized representative. A written protest that does not comply with these requirements shall not be counted in determining the majority protest. If written protests are received from the owners, or authorized representatives, of businesses in the CVTID that will pay 50 percent, or more, of the assessments proposed to be modified and protests are not withdrawn, so as to reduce the protests to less than 50 percent, no further proceedings to modify the proposed assessment against such businesses, as contained in this Resolution, shall be taken for a period of one year from the date of the finding of a majority protest by the City Council.

Section 7. The City Clerk is instructed to provide mailed joint notice of the public meeting and public hearing in accordance with Streets and Highways Code Section 36623.

Section 8. Resolution No. 15-1781 is hereby rescinded.

Section 9. This resolution shall take effect immediately upon its adoption by the City Council.

PASSED, APPROVED, and ADOPTED this 10th day of June, 2015, by the following vote to wit:

AYES:	()
NOES:	()
ABSENT:	()
ABSTAIN:	()

Illece Buckley Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk