



REPORT TO CITY COUNCIL

DATE: MAY 24, 2017

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER 

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER 

SUBJECT: CONDUCT A PUBLIC HEARING AND REQUEST TO APPROVE RESOLUTION NO. 17-1843, DECLARING THE RESULTS OF MAJORITY PROTEST PROCEEDINGS AND RENEWING THE CONEJO VALLEY TOURISM IMPROVEMENT DISTRICT (CVTID)

Through the cooperative efforts between the cities of Agoura Hills and Thousand Oaks, along with the Greater Conejo Chamber of Commerce, the Conejo Valley Tourism Improvement District (CVTID) was formed in 2013. The CVTID began with a five-(5) year term, beginning August 1, 2013 through July 31, 2018. Hoteliers now wish to renew the District for an additional ten (10) years.

At the regularly scheduled City Council meeting of April 26, 2017 the City Council discussed the renewal of the Conejo Valley Tourism Improvement District (CVTID) and offered the lodging members of the district the opportunity to protest these proceedings for renewal to halt. There were no protests received from the district members. Thus, Resolution No. 17-1843, is being presented to the City Council for consideration.

Consistent with the Streets and Highways Code, Section 36623, a public hearing is required prior to adopting the final resolution of renewal that verifies that the initiating agency conducted a majority protest proceeding process, and that the affected lodging partners had the opportunity to provide input prior to the renewal of the CVTID.

The District is a benefit assessment district proposed to continue funding marketing and sales promotion efforts for Agoura Hills and Thousand Oaks (Conejo Valley) lodging businesses. This approach has been used successfully in other destination areas throughout the State to improve tourism and drive additional room night stays. The proposed District includes all lodging businesses located within the boundaries of the Cities of Agoura Hills and Thousand Oaks.

Hoteliers decided to pursue renewal of the District at this point in time in order to maintain a revenue source devoted to marketing Conejo Valley as a tourist, meeting, and event destination. In addition, it also allows the CVTID Board to establish long-term goals and objectives now, rather than waiting for the original end date in 2018. If renewed, the

District is expected to generate approximately \$1,200,000 on an annual basis, for promotion of travel and tourism specific to Conejo Valley.

The renewed District will have a ten - (10) year life. The assessment will be implemented beginning September 1, 2017 through August 31, 2027. Once per year, beginning on the anniversary of district renewal, there is a 30-day period in which business owners paying more than fifty percent (50%) of the assessment may protest and begin proceedings to terminate the district.

The Cities have assumed the responsibility for collecting the assessment on a monthly or quarterly basis, from each lodging business located in the District boundaries, within their respective jurisdictions. The Cities forward the assessments to Conejo Valley Tourism Improvement District, Inc., which will have the responsibility of managing District programs as provided in the Management District Plan. The Cities retain a fee equal to one percent (1%) of the amount of assessment collected to cover their costs of collection and administration.

As requested by the CVTID Owner's Association and under a separate item, a resolution of intent to modify the Management District Plan of the CVTID is being presented to the City Council, which will require separate noticing and public hearing process to allow the affected lodging businesses to provide feedback on any modifications to the District's Plan.

RECOMMENDATION

Staff respectfully recommends the City Council open the public hearing, receive any input and close the public hearing and adopt Resolution No. 17-1843; declaring the results of majority protest proceedings and renewing the Conejo Valley Tourism Improvement District.

Attachment

(1) Resolution No. 17-1843

RESOLUTION NO. 17-1843

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, DECLARING ITS RESULTS OF MAJORITY PROTEST PROCEEDINGS AND RENEWING THE CONEJO VALLEY TOURISM IMPROVEMENT DISTRICT (CVTID)

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq., authorizes the City to renew business improvement districts for the purposes of promoting tourism; and

WHEREAS, on March 22, 2017, at 6:00 PM at 30001 Ladyface Court, Agoura Hills, CA 91301, the City Council adopted a Resolution of Intention, Resolution No. 17-1840; and

WHEREAS, the public meeting and public hearing to consider renewal of the Conejo Valley Tourism Improvement District ("CVTID") have been properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on April 26, 2017, at 6:00 PM at 30001 Ladyface Court, Agoura Hills, CA 91301, the City Council held a public meeting regarding renewal of the CVTID, and the City Council heard and received objections and protests, if any, to renewal of the CVTID and the levy of the proposed assessment; and

WHEREAS, on May 24, 2017, at 6:00 PM at 30001 Ladyface Court, Agoura Hills, CA 91301, the City Council held a public hearing regarding renewal of the CVTID, and the City Council heard and received all objections and protests, if any, to renewal of the CVTID 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 district which would pay fifty percent (50%) or more of the assessments; and

WHEREAS, the City bears the burden of proving, by a preponderance of the evidence, that an assessment imposed for a specific benefit or specific government service is not a tax, that the amount is no more than necessary to cover the costs to the City in providing the specific benefit or specific government service, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the specific benefits or specific government services received by the payor.

NOW, THEREFORE, the City Council of the City of Agoura Hills does hereby resolve as follows:

Section 1. The recitals set forth herein are adopted by the City Council as findings and are true and correct.

Section 2. The Conejo Valley Tourism Improvement District is hereby renewed for a ten-year (10) term, beginning September 1, 2017, through August 31, 2027.

Section 3. The Plan, dated April 20, 2017, is hereby adopted and approved.

Section 4. The activities and improvements to be provided to benefit businesses in the CVTID will be funded by the levy of the assessment. The revenue from the assessment levy shall not be used: to provide activities or improvements that directly benefit businesses outside the CVTID, or for any purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Plan.

Section 5. The City Council finds as follows:

a) The activities and improvements funded by the assessment will provide a specific benefit to assessed businesses within the CVTID that is not provided to those not paying the assessment.

b) The assessment is a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the City of conferring the benefit or granting the privilege.

c) The assessment is a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the City of providing the service or product.

d) Assessments imposed pursuant to the CVTID are levied solely upon the assessed business, and the business owner is solely responsible for payment of the assessment when due. If the owner chooses to collect any portion of the assessment from a customer, that portion shall be disclosed in advance and specifically identified for the customer in any and all communications from the business owner as the "CVTID Assessment."

Section 6. The assessments levied for the CVTID shall be applied towards sales, promotions and marketing programs to market Agoura Hills and Thousand Oaks lodging businesses as tourist, meeting and event destinations as set forth in the Plan.

Section 7. 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 and revenue therefrom, an assessment based on room rentals and revenue is the best measure of benefit.

Section 8. The total CVTID annual budget for the initial year of operation is anticipated to be approximately \$1,200,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the term.

Section 9. Bonds shall not be issued.

Section 10. The CVTID shall include all lodging business located within the boundaries of the Cities of Agoura Hills and Thousand Oaks. A boundary map is attached hereto and incorporated herein by reference.

Section 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 CVTID assessment is levied, as long as they are used consistent with this Resolution, the Plan, and the Resolution of Intention.

Section 12. The assessments will be collected by each City on a monthly or quarterly basis, and in accordance with Streets and Highways Code §36631.

Section 13. The City Council, through adoption of this Resolution and the Plan, has the right pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the CVTID as defined in Streets and Highways Code §36612. The City Council has determined that the Conejo Valley Tourism Improvement District, Inc. shall continue to be the Owners' Association.

Section 14. The Conejo Valley Tourism Improvement District, Inc., pursuant to Streets and Highways Code § 36650, shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report.

Section 15. The CVTID renewed 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.).

Section 16. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED this 24th day of May 2017, by the following vote, to wit:

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

Denis Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk