

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: EXECUTIVE OFFICE

SUBMITTAL DATE:
July 1, 2008

SUBJECT: Adoption of Resolution 2008-330, Requesting consent of Cities in the Coachella Valley to form a Multi-jurisdictional Tourism Business Improvement District.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution 2008-330 requesting consent of the Cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage, to create the Palm Springs Desert Resort Communities Tourism Business Improvement District.
2. Appoint the Hospitality Industry and Business Council (HIBC) of the Palm Spring Desert Resort Communities Convention and Visitors Authority (CVA), a joint powers authority, as the advisory board to the Board of Supervisors to recommend the provisions of the resolution of intention prior to the formation of the Palm Springs Desert Resort Communities Tourism Business Improvement District.
3. Direct the Clerk of the Board to transmit a certified copy of Resolution 2008-330 to the City Clerk for each of the Cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage.

Dan Martinez
Deputy County Executive Officer

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner DATE: 6/24/08
DALE A. GARDNER

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2008/09

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: [Signature]
County Executive Office Signature

Policy
 Policy
 Consent
 Consent

Dep't Recomm.:
 Per Exec. Ofc.:

Form 11

SUBJECT: Adoption of Resolution 2008-330, Requesting consent of Cities in the Coachella Valley to form a Multi-jurisdictional Tourism Business Improvement District.

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BACKGROUND:

On June 23, 2008, the County of Riverside received a letter (Attachment A) from the Palm Springs Desert Resort Communities Convention and Visitors Authority (CVA) requesting that the County begin the process of forming a Palm Springs Desert Resort Communities Tourism Business Improvement District (Tourism BID) in the Coachella Valley.

The CVA is a Joint Powers Authority that was established to promote the hospitality industry in the member communities which includes the unincorporated area of the Coachella Valley, Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage. It serves as a coordinating agency for sales, marketing and promotional efforts aimed at potential tourism, corporate, incentive and convention group markets.

A BID is a type of assessment district that is publicly sanctioned but privately directed. The assessment is not considered a tax under Proposition 218 because businesses are being assessed, not property. BIDs are essentially public/private partnerships where private businesses agree to assess themselves in exchange for the authority to use the funds to benefit their business. Cities and counties form these districts that collect the assessments while turning over the revenue to an association or advisory group to spend according to plan. BIDs have been used successfully in other areas by both cities and counties to support tourism and marketing efforts. Examples of multi-jurisdictional BIDs created by other California counties include those formed by Mendocino County, San Luis Obispo County, and Sonoma County.

The CVA completed a thorough review and approved the multi-jurisdictional Tourism BID concept with the input of their Joint Powers Authority Executive Committee (JPA), Technical Advisory Committee (TAC), and Hospitality Industry and Business Council (HIBC). The CVA also consulted with representatives from hotels of fifty rooms/units or more who also provided input and endorsed the recommendation to form a multi-jurisdictional Tourism BID in the Coachella Valley.

Tourism is the Coachella Valley's number one industry. Tourism provides the most jobs and contributes the greatest amount to the local tax base for that area. The Tourism BID would provide a stable source of marketing dollars that would enhance the area's ability to plan and implement marketing and sales programs. It would also provide more control to hospitality professionals on the use of funds generated from their businesses. This new source of funds would add to the marketing and sales activities and would allow for the Coachella Valley to be more competitive in the tourism market.

The level of assessment being considered for the proposed Tourism BID is two percent (2%) of the sale of overnight room stays and would apply only to hotels and motels with fifty (50) or more sleeping rooms. There are approximately 80 hotels/motels in the Coachella Valley that fall in this category. The total annual revenue projected to be generated in the first full year is approximately \$7.6 million. The revenue collected would be used to fund the following activities to promote Tourism in the Coachella Valley:

1. Marketing, advertising, and public relations;
2. Brochure development and distribution;
3. Promotion of Public events which benefit businesses in the area and which take place on or in public places within the area;
4. Activities which benefit businesses located and operating in the area, including but not limited to downtown shopping and promotional programs.

Form 11

SUBJECT: Adoption of Resolution 2008-330, Requesting consent of Cities in the Coachella Valley to form a Multi-jurisdictional Tourism Business Improvement District.

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BACKGROUND (Continued):

The current funding responsibility shouldered by local governments to pay for regional tourism marketing programs would decrease due to the formation of a Tourism BID. CVA Joint Powers Authority member jurisdictions currently pay for most of the CVA marketing efforts with a portion of their Transient Occupancy Tax (TOT) revenue. If approved, funding from the Cities and County to the CVA would decrease by seventy five percent (75%) from \$4.96 million to \$1.24 million beginning the second year of implementing the Tourism BID. The savings in funding could be used by the Cities/County to promote their individual marketing efforts.

Funding from local governments would remain the same during the first year but would change in the second year as indicated on the chart below:

Cities/County Contributions		
	Current	With Tourism BID (25%)
Palm Springs	1,185,622	296,406
Palm Desert	973,324	243,331
Indian Wells	937,056	234,264
Rancho Mirage	869,930	217,483
La Quinta	660,352	165,088
Cathedral City	123,000	30,750
Indio	91,020	22,755
Desert Hot Springs	77,511	19,378
Riverside County	48,824	12,206
TOTAL	\$4,966,639	\$1,241,661

The first step in forming the Tourism BID will be for the County to approve Resolution 2008-330. This resolution formally requests consent from each of the participating cities for the County to form the Tourism BID in the Coachella Valley.

Resolution 2008-330 also designates the HIBC as the advisory committee to the Board of Supervisors for the formation of the proposed Tourism BID. The HIBC is comprised of hospitality professionals from the Coachella Valley, including hotel general managers, restaurateurs, and attraction managers. There are 17 HIBC board members at any given time, including a Chair, Vice Chair, and Secretary. Its current purpose is to review and guide CVA policies, marketing initiatives, and other matters relating to the success of the CVA from the hospitality industry's perspective.

The second step will be for each city to consider the request from the County. If approved, each city will adopt its own resolution granting permission for the County to include the city's jurisdiction in the Tourism BID. The County will not proceed to the next step unless all the cities identified in Resolution 2008-330 grant the necessary consent.

The third step will be for the county to adopt a resolution declaring its intent to establish the Tourism BID and scheduling a public hearing. Notice of the intent to establish the Tourism BID and of the public hearing will be published and will be mailed to each impacted business. The proposed creation of the Tourism BID will fail if written protests are received from impacted business owners in the proposed area which will pay fifty percent (50%) or more of the assessments.

Form 11

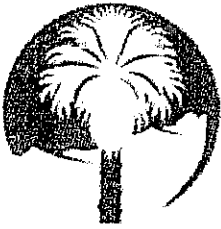
SUBJECT: Adoption of Resolution 2008-330, Requesting consent of Cities in the Coachella Valley to form a Multi-jurisdictional Tourism Business Improvement District.

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BACKGROUND (Continued):

The fourth and final step will be for the county to adopt the ordinance that establishes the Tourism BID and allows for the assessments to be levied. The target effective date of the Tourism BID ordinance is January 1, 2009.

Due to the recognized potential benefits and interest shown in forming a BID in the Coachella Valley, it is recommended that the County begin the process of forming a multi-jurisdictional Tourism BID by approving the attached Resolution 2008-330.



Palm Springs Desert Resorts
CONVENTION AND VISITORS AUTHORITY

June 23, 2008

Hon. Roy S. Wilson
Supervisor, 4th District
County of Riverside
73-710 Fred Waring Dr., Suite 222
Palm Desert, CA 92260

Dear Supervisor Wilson:

I am writing this letter to request that the County of Riverside initiate the action and process of formation for a multi-jurisdictional Business Improvement District (BID) by approving the request Resolution (draft attached) that will be submitted to the cities of Palm Springs, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Desert Hot Springs, and Cathedral City.

The Palm Springs Desert Resort Communities Convention and Visitors Authority (CVA) has completed review and approval of the BID with the input of their Joint Powers Authority Executive Committee (JPA), Technical Advisory Committee (TAC), and Hospitality Industry and Business Council (HIBC). This process has led to the recommendation that the BID be formed as presented in this attached Resolution. The hotels in our Valley of fifty rooms/units or more expressed interest, provided input, and have endorsed formation of this multi-jurisdictional BID.

I respectfully request that the Hospitality Industry and Business Council (HIBC) be designated as the advisory committee to the County of Riverside Board of Supervisors for the multi-jurisdictional BID.

Thank you for your courtesy and consideration.

A handwritten signature in black ink, appearing to read 'Robert A. Bernheimer', written over a horizontal line.

Robert A. Bernheimer
Chair, JPA Executive Committee

cc: Dan Martinez, Deputy County Executive Officer
Lee Morcus, Chair, HIBC
Jeff Beckelman, President and CEO, CVA

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3 RESOLUTION NO. 2008-330

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5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE,
6 CALIFORNIA, REQUESTING CONSENT OF THE CITIES OF CATHEDRAL CITY, DESERT
7 HOT SPRINGS, INDIAN WELLS, INDIO, LA QUINTA, PALM DESERT, PALM SPRINGS,
8 AND RANCHO MIRAGE, TO CREATE THE PALM SPRINGS DESERT RESORT
9 COMMUNITIES TOURISM BUSINESS IMPROVEMENT DISTRICT AND APPOINTING AN
10 ADVISORY BOARD TO RECOMMEND PROVISIONS OF A RESOLUTION OF INTENTION
11 TO CREATE A BUSINESS IMPROVEMENT DISTRICT

12 THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE DOES HEREBY
13 RESOLVE AS FOLLOWS:

14 WHEREAS, the California Legislature in adopting the Parking and Business Improvement Area
15 Law of 1989 (Streets & Highways Code § 36500 et, seq.) authorized cities and counties to levy assessments
16 on businesses in order to promote economic revitalization and tourism, to create jobs, attract new
17 businesses and prevent erosion of business districts; and

18 WHEREAS, the Board of Supervisors of the County of Riverside desires to begin the process to
19 form a business improvement district ("BID") to be commonly known as the Palm Springs Desert Resort
20 Communities Tourism Business Improvement District ("Tourism BID"), the purpose of which is to
21 promote tourism within the desert communities and to fund programs that benefit the hotel and motel
22 businesses within desert communities; and

23 WHEREAS, certain lodging businesses within the proposed Tourism BID have requested that the
24 Board of Supervisors establish such a business improvement area; and

25 WHEREAS, the territory proposed to be included in the Tourism BID lies within the boundaries
26 and jurisdiction of the Cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm
27 Desert, Palm Springs, and Rancho Mirage; and
28

1 WHEREAS, it is the opinion of the Board of Supervisors that the hotel and motel businesses located
2 within the proposed Tourism BID will benefit from the activities of a business improvement district and the
3 purpose sought to be accomplished by the work can best be accomplished by a single comprehensive
4 scheme of work; and

5 WHEREAS, consenting cities will participate in the proposed Tourism BID by authorizing the
6 County of Riverside to collect the assessment applied to certain hotels and motels within their local
7 jurisdictions;

8 NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Riverside
9 as follows:

10 Section 1. Recitals are True and Correct. The recitals set forth herein are true and correct.

11 Section 2. Consent of Cities requested to Create Multi-Jurisdictional BID. Consent of the Cities,
12 through their City Council, is hereby requested to create the Palm Springs Desert Resort Communities
13 Tourism Business Improvement District, and to grant to the Board of Supervisors of the County of
14 Riverside jurisdiction in connection with creation and operation of the proposed Tourism BID, with input
15 from the lodging businesses and participating cities.

16 Section 3. Appointment of Advisory Board Prior to Adoption of Resolution of Intention. The
17 County appoints the Hospitality Industry and Business Council (HIBC) of the Palm Springs Desert Resort
18 Communities Convention and Visitors Authority (CVA), a joint powers authority, as the advisory board
19 pursuant to Section 36530 of the California Streets and Highways Code to recommend the provisions of the
20 resolution of intention prior to the adoption of the resolution of intention to create the Tourism BID. The
21 HIBC, which includes 17 experts from the local hospitality community, interprets the policies of the CVA
22 and advises on CVA marketing programs.

23 Section 4. Transmission of Resolution to Cities. The Clerk of the Board is hereby directed to
24 transmit a certified copy of this Resolution to the City Clerk for each of the Cities of Cathedral City, Desert
25 Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage.

1 BE IT FURTHER RESOLVED THAT the Board of Supervisors of the County of Riverside,
2 California, does hereby adopt this Resolution as set forth herein.

3 PASSED AND ADOPTED this _____ day of _____, 2008.
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5 ATTEST:
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8 _____
9 Nancy Romero, Clerk of the Board

Roy Wilson, Chairman
Board of Supervisors of the County of Riverside

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21 FORM APPROVED COUNTY COUNSEL

BY: Dale A. Gardner
DALE A. GARDNER

6/24/08
DATE

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1 STATE OF CALIFORNIA)
2 CITY OF RIVERSIDE) ss
3 COUNTY OF RIVERSIDE)
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5 I, Nancy Romero, Clerk of the Board of Supervisors of the County of Riverside, hereby certify that
6 the above and foregoing Resolution No. ____ was duly and regularly passed and adopted by the said Board
7 of Supervisors at a regular meeting thereof held on the ____ day of _____, 2008, by the following roll call
8 vote:

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10 AYES: _____

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12 NOES: _____

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14 ABSENT: _____
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16 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the County of
17 Riverside this _____ day of _____, 2008.

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