

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

406



FROM: Economic Development Agency

SUBMITTAL DATE:
April 24, 2014

SUBJECT: Adoption of Resolution 2014-086, Declaring its Intent to Levy and Collect Assessments for Fiscal year 2014-2015 on Assessable Hotels and Motels Located within the Palm Springs Desert Resort Communities Tourism Business Improvement District, District 4/District 4, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution 2014-086, a resolution of the County of Riverside Board of Supervisors declaring its intention to levy and collect assessments for fiscal year 2014-2015 on assessable hotels and motels located within the Palm Springs Desert Resort Communities Tourism Business Improvement District (BID), approving the annual report by the district and advisory board and setting the time and place of the public hearing and giving notice of same; and
2. Approve the fiscal year 2014-2015 advisory committee report from the Hospitality Industry Business Council to support the Tourism BID levy for fiscal year 2014-2015, on file with the Clerk of the Board.

BACKGROUND: (Commences on Page 2)

[Signature]

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A Budget Adjustment: No
For Fiscal Year: 2014/15

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended, and is set for public hearing on Tuesday, June 3, 2014, at 9:30 a.m.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: May 6, 2014
xc: EDA, COB

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

Prev. Agn. Ref.: N/A **District:** 4/4 **Agenda Number:**

3-6

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner
DATE: 4/18/14
Departmental Concurrence

- Positions Added
- Change Order
- A-30
- 4/5 Vote

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

Economic Development Agency

FORM 11: Adoption of Resolution 2014-086, Declaring its Intent to Levy and Collect Assessments for Fiscal Year 2014-2015 on Assessable Hotels and Motels Located within the Palm Springs Desert Resort Communities Tourism Business Improvement District, District 4/District 4, [\$0]

DATE: April 24, 2014

Page 2 of 3

BACKGROUND:

Summary (continued)

In June 2008, the Palm Springs Desert Resort Communities Convention and Visitors Authority (CVA) requested that the County form the Palm Springs Desert Resort Communities Tourism BID in the Coachella Valley.

The Parking and Business Improvement Area Law of 1989, requires that the Tourism BID be approved and implemented on a fiscal year basis. The attached Resolution 2014-086 begins the process of complying with this requirement for fiscal year 2014-2015. There is no requirement to obtain consent again from the participating cities and none have expressed interest in withdrawing their consent.

Resolution 2014-086 includes a complete description of the Tourism BID and sets the date, time and place for the required public hearing. It also directs the Clerk of the Board to publish a copy of the resolution in newspapers within the boundaries of the BID. The boundaries of the Tourism BID include the County unincorporated area of the Coachella Valley and the cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage.

The Tourism 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. It is a public/private partnership where private businesses agree to assess themselves in exchange for the authority to use the funds to benefit their business. Other California counties that have created multi-jurisdictional BIDs include Mendocino County, San Luis Obispo County, and Sonoma County.

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 provides a stable source of marketing dollars that enhances the area's ability to plan and implement marketing and sales programs. It also provides more control to hospitality professionals on the use of funds generated from their businesses. This source of funds allows the Tourism BID member jurisdictions in the Coachella Valley to be more competitive in the tourism market.

The level of assessment being considered for the fiscal year 2014-2015 Tourism BID will remain at 2% of the sale of overnight room stays and will again apply only to hotels and motels with 50 or more sleeping rooms. There are approximately 75 hotels/motels within the proposed Tourism BID boundaries that fall in this category. The total annual revenue projected to be generated in fiscal year 2014-2015 is approximately \$6.59 million. The revenue collected will be used to fund the following activities to promote tourism for the Tourism BID jurisdictions 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; and
4. Activities which benefit businesses located and operating in the area, including but not limited to downtown shopping and promotional programs.

Resolution 2014-086 reflects no changes from the current fiscal year's Tourism BID.

(Continued)

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

Economic Development Agency

FORM 11: Adoption of Resolution 2014-086, Declaring its Intent to Levy and Collect Assessments for Fiscal Year 2014-2015 on Assessable Hotels and Motels Located within the Palm Springs Desert Resort Communities Tourism Business Improvement District, District 4/District 4, [\$0]

DATE: April 24, 2014

Page 3 of 3

BACKGROUND:

Summary (continued)

The County Treasurer-Tax Collector's office began collecting the Tourism BID assessment effective July 1, 2010, in accordance with County Ordinance No. 883.2 for fiscal year 2010-2011. The collection process is done on a quarterly basis. If approved, the collection process will remain the same for fiscal year 2014-2015.

It is recommended that the County approve Resolution 2014-086 declaring its intent to continue with the Tourism BID in fiscal year 2014-2015.

Impact on Residents and Businesses

Tourism provides employment and the greatest amount to the local tax base to the Coachella Valley.

2
3 RESOLUTION NO. 2014-086

4 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
5 DECLARING ITS INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2014-
6 2015 ON CERTAIN HOTELS AND MOTELS LOCATED WITHIN THE BOUNDARIES OF THE
7 PALM SPRINGS DESERT RESORT COMMUNITIES TOURISM BUSINESS IMPROVEMENT
8 DISTRICT AND SETTING THE TIME AND PLACE OF A PUBLIC HEARING AND GIVING
9 NOTICE OF SAME

10
11 WHEREAS, the California Legislature in adopting the Parking and Business Improvement Area
12 Law of 1989 (Streets & Highways Code § 36500 et, seq.) (the "Act") authorized cities and counties to levy
13 assessments on businesses in order to promote economic revitalization and tourism, to create jobs, attract
14 new businesses and prevent erosion of business districts; and

15 WHEREAS, the Board of Supervisors of the County of Riverside (the "Board of Supervisors")
16 established a business improvement district, under the Act, commonly known as the Palm Springs Desert
17 Resort Communities Tourism Business Improvement District ("Tourism BID"), the purpose of which is to
18 promote tourism within the desert communities and to fund programs that benefit the hotel and motel
19 businesses within the desert communities; and

20
21 WHEREAS, the benefitted hotel and motel businesses within the Tourism BID boundaries
22 requested the Board of Supervisors to establish the Tourism BID and to levy annual assessments to fund
23 and support certain tourism-related activities; and

24
25 WHEREAS, the territory included within the boundaries of the Tourism BID is coterminous with
26 the operational boundaries of the Palm Springs Desert Resorts Convention and Visitors
27 Authority ("CVA") which includes the geographical area within unincorporated Coachella Valley and the
28 cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Springs, Palm Desert,

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* DATE: 4/8/14
DALE A. GARDNER

1 and Rancho Mirage, which cities have granted the County of Riverside consent to establish the Tourism
2 BID within their jurisdictions; and

3 WHEREAS, the Hospitality Industry and Business Council, Inc. was designated by the Board of
4 Supervisors pursuant to Streets and Highways Code Section 36530 as the advisory board to the Tourism
5 BID ("Advisory Board") which makes recommendations concerning the Tourism BID, its operations, the
6 expenditures of revenues derived from assessments levied by the County of Riverside related to the
7 Tourism BID and which is authorized to incur obligations against funds derived from those assessments in
8 accordance with policy guidelines established by the Board of Supervisors; and

9
10 WHEREAS, the Advisory Board has filed an annual report with the Clerk of the Board; and

11 WHEREAS, the Advisory Board's annual report recommends the levy of an annual assessment for
12 fiscal year 2014-2015 on assessable hotel and motel businesses located within the Tourism BID to pay for
13 recommended tourism-related activities that will benefit the assessable hotel and motel businesses located
14 within the Tourism BID; and

15
16 WHEREAS, the Board of Supervisors approves the annual report and intends to levy an annual
17 assessment for fiscal year 2014-2015 to pay for recommended tourism-related activities within the Tourism
18 BID; and

19 WHEREAS, it is the opinion of the Board of Supervisors that all of the assessable hotel and motel
20 businesses located within the Tourism BID will benefit from the activities of the Tourism BID; and

21
22 WHEREAS, this Resolution of Intention will commence proceedings under the Act to levy the
23 annual assessment for fiscal year 2014-2015 within the Tourism BID;

24 NOW, THEREFORE, the Board of Supervisors of the County of Riverside does hereby resolve,
25 find, determine and order as follows:

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

27 Section 2. Intent to Levy and Collect Assessments within the Tourism BID for fiscal year 2014-
28 2015. Pursuant to and under authority of the Act, except where funds are otherwise available, the Board of

1 Supervisors declares its intent to levy and collect an annual assessment for fiscal year 2014-2015 within the
2 boundaries of the Tourism BID to fund the tourism-related activities recommended in the Advisory Board's
3 annual report on file with the Clerk of the Board. Pursuant to the Act and Ordinance No. 883, an annual
4 assessment is intended to be levied on all hotels and motels that have fifty (50) or more sleeping rooms and
5 are located within the Tourism BID boundaries. It is estimated that approximately \$6,594,270 in revenue
6 will be raised by the intended annual assessment.
7

8 Section 3. Method and Basis of Levy. The method and basis of levying the intended annual
9 assessment remains unchanged from prior fiscal years. There will be no increase in the annual assessment.
10 The method and basis of levying the intended annual assessment follows:

11 a. The assessment for hotels and motels with fifty (50) or more sleeping rooms is two percent
12 (2 %) of the gross rental charges for overnight room stays. Gross Rental Charges shall equal the total
13 dollar amount charged for overnight room rentals to guests (with the exception of government employees
14 and with the exception of long term guests who stay more than twenty-eight consecutive nights at the same
15 Assessable Hotel or Assessable Motel), but shall not include incidental room charges such as room service,
16 video rental, or similar charges. Gross Rental Charges are equal to the total consideration charged for room
17 rental valued in U. S. dollars, whether or not received and whether received in money or other
18 consideration such as goods, labor, property or otherwise.
19

20 b. New hotels and motels that have fifty (50) or more sleeping rooms and are located within
21 the Tourism BID boundaries will not be exempt from the assessment levy pursuant to Section 36531 of the
22 California Streets and Highways Code.
23

24 Section 4. Types of Activities To Be Funded. The proposed type or types of activities to be funded
25 by and through the annual levy of assessments on assessable hotel and motel businesses within the Tourism
26 BID are as follows:

- 27 a. Marketing, advertising, and public relations;
28 b. Brochure development and distribution;

- 1 c. Promotion of public events which benefit businesses in the area and which take place
2 on or in public places within the area;
3 d. Activities which benefit businesses located and operating in the area, including but
4 not limited to downtown shopping and promotional programs.
5

6 No improvements are intended to be funded by the annual assessment.

7 Section 5. Reference to Annual Report. Reference is made to the annual report on file with the
8 Clerk of the Board for a full and detailed description of the activities to be provided for fiscal year 2014-
9 2015, as well as the boundaries of the Tourism BID and the proposed annual assessment to be levied upon
10 businesses within the Tourism BID for fiscal year 2014-2015.

11 Section 6. Approval of Advisory Board's Annual Report. The Board of Supervisors approves the
12 annual report subject to any further modification that may be necessary or desirable based upon future
13 recommendations by staff and the public at the public hearing.
14

15 Section 7. Notice of Time and Place of Public Hearing.

16 NOTICE IS HEREBY GIVEN that the Board of Supervisors of the County of Riverside will hold a
17 Public Hearing on the intended levy of an annual assessment for fiscal year 2014-2015 within the Tourism
18 BID.

19 The time and place of the public hearing on the intended levy of the annual assessment shall be at
20 9:30 a.m., June 3, 2014, or as soon thereafter as this matter may be heard, at the Board of Supervisor's
21 Chambers, located on the first floor of the County Administrative Center, 4080 Lemon Street in Riverside,
22 California 92501. The public hearing may be continued from time to time as necessary.
23

24 At the public hearing set forth above, the Board of Supervisors will hear the testimony of all
25 interested persons for or against the Tourism BID, the furnishing of specific types of improvements or
26 activities within the Tourism BID boundaries, and the intended levy of an annual assessment within the
27 Tourism BID.
28

1 At the public hearing, the Board of Supervisors will also hear and consider all oral and written
2 protests made by any owner of any assessable hotel or assessable motel located within the Tourism BID
3 boundaries against the Tourism BID, against the furnishing of specific types of improvements or activities
4 within the Tourism BID, and against the intended levy of an annual assessment within the Tourism BID.
5 At the conclusion of the public hearing the Board of Supervisors will determine whether or not a majority
6 protest exists under the Act.
7

8 Any person who wishes to be heard regarding the Tourism BID may appear at the public hearing or
9 may send written comments to: Kecia Harper-Ihem, Clerk of the Board, 4080 Lemon Street, Riverside, CA
10 92501. Further information concerning the Tourism BID and intended annual assessment may be obtained
11 from Debi Moore, EDA Development Manager, Riverside County Economic Development Agency, 3499
12 10th Street, Suite 100, Riverside, CA 92501; telephone number (951) 205-3892.
13

14 Pursuant to the Americans with Disabilities Act, if you need special assistance to participate in the
15 public hearing, or if you need further information relating to the subject hearing, please contact the Clerk of
16 the Board's Office at (951) 955-1060. Notification at least 48 hours prior to the meeting will assist the
17 County staff in assuring that reasonable arrangements can be made to provide accessibility.

18 The Clerk of the Board is authorized and directed to publish a copy of this resolution in a
19 newspaper or newspapers of general circulation within the unincorporated area of the Coachella Valley of
20 the County and within each of the cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La
21 Quinta, Palm Desert, Palm Springs, and Rancho Mirage once per week for one week. Said publication
22 shall be a display advertisement of at least one-eighth page and shall be published no later than seven days
23 prior to the date of the public hearing.
24

25 Section 8. Protests. At the public hearing, the Board of Supervisors will consider all protests
26 against the Tourism BID, against the furnishing of specific types of improvements or activities within the
27 Tourism BID, and against the intended levy of an annual assessment within the boundaries of the Tourism
28

1 BID. The form and manner of written protests shall comply with California Streets and Highways Code
2 Sections 36524 and 36525. The following rules shall apply to all protests:

- 3 a. A protest may be made orally or in writing by any interested person. Any protest
4 pertaining to the regularity or sufficiency of the proceedings shall be in writing and
5 shall clearly set forth the irregularity or defect to which the objection is made.
6
- 7 b. Every written protest shall be filed with the Office of the Clerk of the Board, located
8 at County Administrative Center, 4080 Lemon Street, 1st Floor, Riverside,
9 California 92501, at or before the time fixed for the public hearing as set forth
10 above.
- 11 c. The Board of Supervisors may waive any irregularity in the form or content of any
12 written protest, and at the public hearing, may correct minor defects in the protest.
13
- 14 d. A written protest may be withdrawn in writing at any time before the conclusion of
15 the public hearing set forth above.
- 16 e. Each written protest shall contain a description of the business in which the person
17 subscribing the protest is interested, sufficient to identify the business, and if a
18 person subscribing is not shown on the official records of the County of Riverside as
19 the owner of the business, the protest shall contain or be accompanied by written
20 evidence that the person subscribing is the owner of the business. A written protest
21 that does not comply with this paragraph shall not be counted in determining a
22 majority protest.
23
- 24 f. If written protests are received from the owners of businesses in the Tourism BID
25 which will pay fifty percent (50 %) or more of the assessments intended to be levied
26 and protests are not withdrawn so as to reduce the protests to less than the fifty
27 percent (50 %), no further proceedings on the proposal to levy the intended annual
28 assessment within the Tourism BID boundaries shall be taken by the Board of

1 Supervisors for a period of one year from the date of the filing of a majority protest.
2 However, if the majority protest is only against the furnishing of a specified type or
3 types of improvements or activities within the Tourism BID, those types of
4 improvements or activities shall be eliminated and the intended annual assessment
5 shall be levied.
6

7 Section 9. Effective Date. This resolution shall take effect immediately upon its adoption.

8 PASSED AND ADOPTED this 6th day of May, 2014.
9

10 ROLL CALL:

11 Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
12 Nays: None
13 Absent: None

14 The foregoing is certified to be a true copy of a resolution duly
15 adopted by said Board of Supervisors on the date therein set forth.

16 KECIA HARPER-IHEM, Clerk of said Board

17 By  _____

18 Deputy
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