

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



ITEM: 19.1
(ID # 17248)

MEETING DATE:

Tuesday, November 02, 2021

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Public Hearing and Resolution No. 2021-150 Forming the Temecula Wine Country Tourism Marketing District and Levying an Assessment for Fiscal Years 21/22 - 26/27. District 3. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Hold the public hearing and at the conclusion of the public hearing, should a majority protest not exist, approve the proposed annual assessment levy for Fiscal Years 21/22 – 26/27;
2. Adopt Resolution No. 2021-150 Forming the Temecula Wine Country Tourism Marketing District (TWCTMD) and Levying an Assessment for Fiscal Years 21/22 – 26/27.

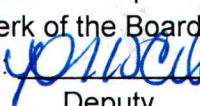
ACTION:


Suzanne Holland, Director of Office of Economic Development 10/8/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried,
IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Abstained: Jeffries
Date: November 2, 2021
xc: OED

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 21/22 – 26/27	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In November 2015, Visit Temecula Valley requested that the County of Riverside (County) form the Temecula Wine Country Tourism Marketing District. The Temecula Wine Country Tourism Marketing District (TWCTMD) is a benefit assessment district that helps fund marketing and sales promotion efforts for Temecula Wine Country lodging businesses. The TWCTMD has been in place since 2016 and is scheduled to sunset on October 31, 2021 unless renewed. The proposed district renewal includes all lodging businesses located within the boundaries of the Temecula Valley region.

Lodging businesses decided to pursue renewal of the district in order to continue a revenue source devoted to marketing Temecula Wine Country as a tourist, meeting, and event destination. This approach has been used successfully by Riverside County as well as in other destination areas throughout the state to improve tourism and drive additional room nights to assessed lodging businesses. If renewed, the District would generate approximately \$780,000 on an annual basis for promotion of travel and tourism specific to Temecula Wine Country.

TOURISM MARKETING DISTRICTS

Tourism Marketing 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 tourism. Lodging business owners within the district fund the district, and those funds are used to provide services that are desired by and benefit the lodging businesses within the district.

District Benefits:

- Funds cannot be diverted for other government programs
- They are customized to fit the needs of each destination
- They allow for a wide range of services; including: Marketing of the Destination, Tourism Promotion Activities and Sales Lead Generation
- They are designed, created, and governed by those who will pay the assessment
- They provide a stable funding source for tourism promotion

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In California, Tourism Marketing Districts (TMD) are primarily formed pursuant to the Property and Business Improvement District Law of 1994 (94 Law). This law allows for the creation of special benefit assessment districts to raise funds within a specific geographic area. The key difference between TMD's and other special benefit assessment districts is that the funds raised are returned to the private non-profit corporation governing the district.

Resolution No. 2021-150 renews and forms the Temecula Wine Country Tourism Marketing District, adopts, and approves the Temecula Wine Country Tourism Marketing District Management District Plan 2021-2026, as originally filed with the Clerk of the Board. This plan identifies the proposed boundary, service plan, budget, and proposed means of governance of the Tourism Marketing District. The District will include all lodging businesses, existing and in the future, available for public occupancy located in the Temecula Valley region of the County of Riverside.

The renewed TWCTMD will have a five (5) year term, beginning November 1, 2021, or as soon as possible thereafter, through October 31, 2026. The assessment will be implemented beginning November 2, 2021, or as soon as possible thereafter. Once per year beginning on the anniversary of the TWCTMD renewal, there is a thirty (30) day period in which business owners paying fifty percent (50%) or more of the assessment may protest and begin proceedings to terminate the TWCTMD.

The annual assessment rate for the Tourism Marketing District is 2% of gross short-term rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days or stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

The County Treasurer-Tax Collector's office will begin collecting the Tourism Marketing District assessment effective November 2, 2021. The collection process is done on a quarterly basis.

Impact on Residents and Businesses

Tourism provides employment and contributes to the local tax base of Temecula Valley.

ATTACHMENTS :

- Resolution No. 2021-150
- Temecula Wine Country Tourism Marketing District Management District Plan 2021-2026

FORM APPROVED COUNTY COUNSEL
BY: D.C. 2. 10/20/21
DATE: 10/20/21
DARREN C. ZIEGLER

Board of Supervisors

County of Riverside

RESOLUTION NO. 2021 - 150

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
RIVERSIDE DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND
RENEWING THE TEMECULA WINE COUNTRY TOURISM MARKETING DISTRICT
("TWCTMD")**

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et. seq.) authorizes the County to renew business improvement districts upon petition by a weighted majority of the business owners located within the boundaries of the district; 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 TWCTMD have petitioned the Board of Supervisors to renew the TWCTMD; and

WHEREAS, the renewed TWCTMD includes lodging businesses in the Temecula Valley region of the County of Riverside; and

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

WHEREAS, the assessed lodging businesses within the TWCTMD will receive a specific benefit from the activities and improvements set forth in the Plan; and

WHEREAS, on September 14, 2021, at 9:30 AM at Board Chambers located at 4080 Lemon Street, 1st Floor, Riverside, CA 92501, the Board of Supervisors adopted a Resolution of Intention, Resolution No. 2021-149; and

WHEREAS, the public meeting and public hearing to consider the renewal of the TWCTMD have been properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on October 5, 2021 at 9:30 AM at Board Chambers located at 4080 Lemon Street, 1st Floor, Riverside, CA 92501, the Board of Supervisors held a public meeting regarding the renewal of

1 the TWCTMD, and the Board of Supervisors heard and received objections and protests, if any, to the
2 renewal of the TWCTMD and the levy of the proposed assessment; and

3 **WHEREAS**, on November 2, 2021 at 9:30 AM at Board Chambers located at 4080 Lemon Street,
4 1st Floor, Riverside, CA 92501, the Board of Supervisors held a public hearing regarding the renewal of
5 the TWCTMD, and the Board of Supervisors heard and received all objections and protests, if any, to the
6 renewal of the TWCTMD and the levy of the proposed assessment; and

7 **WHEREAS**, the Clerk of the Board has determined that there was no majority protest. A majority
8 protest is defined as written protests received from owners of businesses in the renewed TWCTMD which
9 would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted
10 based on the assessment proposed to be levied on each lodging business; and

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

16 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS THAT:**

- 17 1. The recitals set forth herein are adopted by the Board of Supervisors as findings and they
18 are true and correct.
- 19 2. The TWCTMD is hereby renewed for a five (5) year term, beginning November 2, 2021,
20 or as soon as possible thereafter, and end five (5) years from its start date.
- 21 3. The Plan dated August 20, 2021 is hereby adopted and approved.
- 22 4. The activities to be provided to benefit businesses in the TWCTMD will be funded by the
23 levy of the assessment. The revenue from the assessment levy shall not be used: to provide
24 activities that directly benefit businesses outside the TWCTMD; to provide activities or
25 improvements outside the TWCTMD; or for any purpose other than the purposes specified
26 in this Resolution, the Resolution of Intention, and the Plan. Notwithstanding the
27 foregoing, improvements and activities that must be provided outside the TWCTMD

1 boundaries to create a specific benefit to the assessed businesses may be provided, but
2 shall be limited to marketing or signage pointing to the TWCTMD.

3 5. The Board of Supervisors finds as follows:

4 a) The activities funded by the assessment will provide a specific benefit to assessed
5 businesses within the TWCTMD that is not provided to those not paying the
6 assessment.

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

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

15 d) Assessments imposed pursuant to the TWCTMD are levied solely upon the
16 assessed business, and the business owner is solely responsible for payment of the
17 assessment when due. If the owner chooses to collect any portion of the assessment
18 from a transient, that portion shall be specifically called out and identified for the
19 transient in any and all communications from the business owner as the
20 "TWCTMD Assessment" as specified in the Plan.

21 6. The assessments levied for the TWCTMD shall be applied towards sales and marketing
22 programs to market Temecula Valley lodging businesses as tourist, meeting and event
23 destinations, and other improvements and activities as set forth in the Plan.

24 7. Assessments levied on lodging businesses pursuant to this resolution shall be levied on the
25 basis of benefit. Because the services provided are intended to increase room rentals, an
26 assessment based on room rentals is the best measure of benefit.

- 1 8. The assessments for the entire TWCTMD will total approximately \$780,000 in year one
2 (1).
- 3 9. Bonds shall not be issued to fund the TWCTMD.
- 4 10. The TWCTMD shall include all lodging businesses located within the boundaries of the
5 Temecula Valley region of the County of Riverside, as shown on the boundary map that is
6 attached hereto and incorporated herein by reference.
- 7 11. The assessments shall be used for the purposes set forth above and any funds remaining at
8 the end of any year may be used in subsequent years in which the TWCTMD assessment is
9 levied as long as they are used consistent with the requirements set forth herein.
- 10 12. The assessments to fund the activities and improvements for the TWCTMD will be
11 collected by the County on a quarterly basis, and in accordance with Streets and Highways
12 Code §36631.
- 13 13. The Board of Supervisors, through adoption of this Resolution and the Plan, has the right
14 pursuant to Streets and Highways Code §36651 to identify the body that shall implement
15 the proposed program, which shall be the Owners' Association of the TWCTMD as
16 defined in Streets and Highways Code §36612. The Board of Supervisors has determined
17 that Visit Temecula Valley shall be the TWCTMD Owners' Association.
- 18 14. Visit Temecula Valley, pursuant to Streets and Highways Code §36650, shall cause to be
19 prepared a report for each fiscal year, except the first year for which assessments are to be
20 levied and collected to pay the costs of the improvement and activities described in the
21 report. The first report shall be due after the first year of operation of the TWCTMD.
- 22 15. The TWCTMD established pursuant to this resolution, and the businesses located therein,
23 will be subject to any amendments to the Property and Business Improvement District Law
24 of 1994 (California Streets and Highways Code §36600 et. seq.).
- 25 16. The Clerk of the Board, or his or her designee, is directed to take all necessary actions to
26 complete the establishment of the TWCTMD and to levy the assessments.

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