Resolution No. 2014-11-04-1601-01

STOCKTON CITY COUNCIL

RESOLUTION DECLARING THE RESULTS OF THE MAJORITY PROTEST PROCEEDINGS, RENEWING THE STOCKTON TOURISM BUSINESS IMPROVEMENT DISTRICT FOR A TEN-YEAR PERIOD, LEVYING AN ASSESSMENT ON LODGING BUSINESSES WITHIN THE DISTRICT, AND APPROVING A MANAGEMENT DISTRICT PLAN

A Tourism Business Improvement District is a flexible financing tool for creating private-sector, self-governed management districts; and

The City of Stockton has one such district, the Stockton Tourism Business Improvement District (STBID), formed by the City Council in 2010 for a period of five years ending on December 31, 2015; and

The Property and Business Improvement District Law of 1994 (Sts. & Hy. Code, § 36600 et. seq.) authorizes the City to renew business improvement districts upon petition by a weighted majority of the lodging business owners located within the boundaries of the district; and

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 STBID have petitioned the City Council to renew the STBID; and

Included with the petitions was a Management District Plan summary that describes the proposed assessment to be levied on lodging businesses within the STBID to pay for sales promotion and marketing activities, and other improvements and activities set forth in the Management District Plan; and

The assessed lodging businesses within the STBID will be specifically benefited by the activities and improvements set forth in the Management District Plan; and

On September 9, 2014, at 5:30 p.m. at 425 N. El Dorado Street, 2nd Floor, Stockton, CA 95202, the City Council adopted a Resolution of Intention, Resolution No. 2014-09-09-1202, to renew the STBID for a ten-year period commencing on January 1, 2016; and

On September 23, 2014, at 5:30 p.m. at 425 N. El Dorado Street, 2nd Floor, Stockton, CA 95202, the City Council held a public meeting to provide interested parties with the opportunity to provide testimony in support or opposition to the renewal of the STBID and levying of assessment pursuant to the Property and Business Improvement

District Law of 1994 and notices were sent to local lodging businesses informing them of the meeting; and

The public meeting and public hearing to consider the renewal of the STBID were properly noticed in accordance with Streets and Highways Code section 36623; and

On November 4, 2014, at 5:30 p.m. at 425 N. El Dorado Street, 2nd Floor, Stockton, CA 95202, the City Council held a public hearing regarding the renewal of the STBID, and the City Council heard and received all objections and protests, if any, to the renewal of the STBID and the levy of the proposed assessment; and

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 proposed district which would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each lodging business; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

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

2. The STBID is hereby renewed for a ten (10) year term, beginning January 1, 2016 through December 31, 2025.

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

4. The City Council finds as follows:

   a. The activities funded by the assessment will provide a specific benefit to assessed businesses within the STBID 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 local government 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 local government of providing the service or product.

d. Assessments imposed pursuant to the STBID 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 transient, that portion shall be specifically called out and identified for the transient in any and all communications from the business owner as the "STBID Assessment.

5. The assessments levied for the STBID shall be applied towards sales, promotions and marketing programs to market Stockton lodging businesses as tourist, meeting and event destinations, and other improvements and activities as set forth in the Management District Plan.

6. 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, an assessment based on room rentals is the best measure of benefit.

7. The assessments for the entire District will total approximately $990,000 in year one.

8. Bonds shall not be issued to fund the STBID.

9. The STBID shall include all lodging businesses located within the boundaries of the City of Stockton. A boundary map is attached hereto as Exhibit 1 and incorporated herein by this reference.

10. 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 STBID assessment is levied as long as they are used consistent with the requirements set forth herein.

11. The assessments to fund the activities and improvements for the STBID will be collected at the same time and in the same manner as are transient occupancy taxes, and in accordance with Streets and Highways Code section 36631.

12. Stockton Convention & Visitors Bureau (Visit Stockton) shall be the Owners Association for the District pursuant to Streets and Highways Code section 36614.5.

13. Pursuant to Streets and Highways Code section 36650, Visit Stockton 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. The first report shall be due after the first year of operation of the district.

14. The STBID established pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (Sts. & Hy. Code, § 36600 et. seq.).

15. The City Clerk, or his or her designee, is directed to take all necessary actions to complete the establishment of the STBID and to levy the assessments.

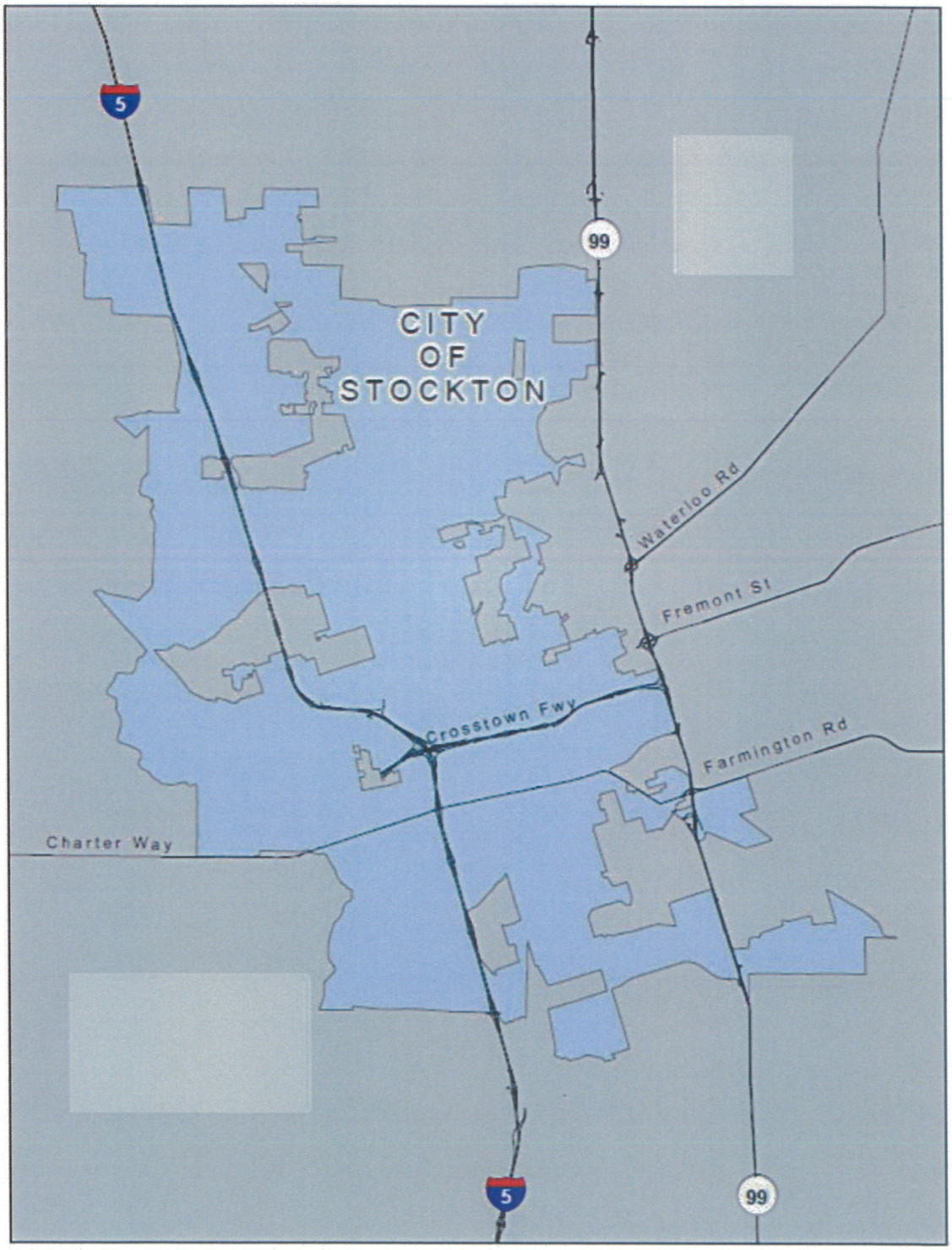
16. This Resolution shall take effect immediately upon its adoption by the City Council.

17. The City Manager is hereby authorized and directed to take all necessary and appropriate action to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED November 4, 2014.

ANTHONY SILVA, Mayor
of the City of Stockton

ATTEST:

BONNIE PAIGE, City Clerk
of the City of Stockton

District Map