

Santa Ynez Valley Tourism Business Improvement District

Board of Supervisors
May 4, 2010



SYVTBID

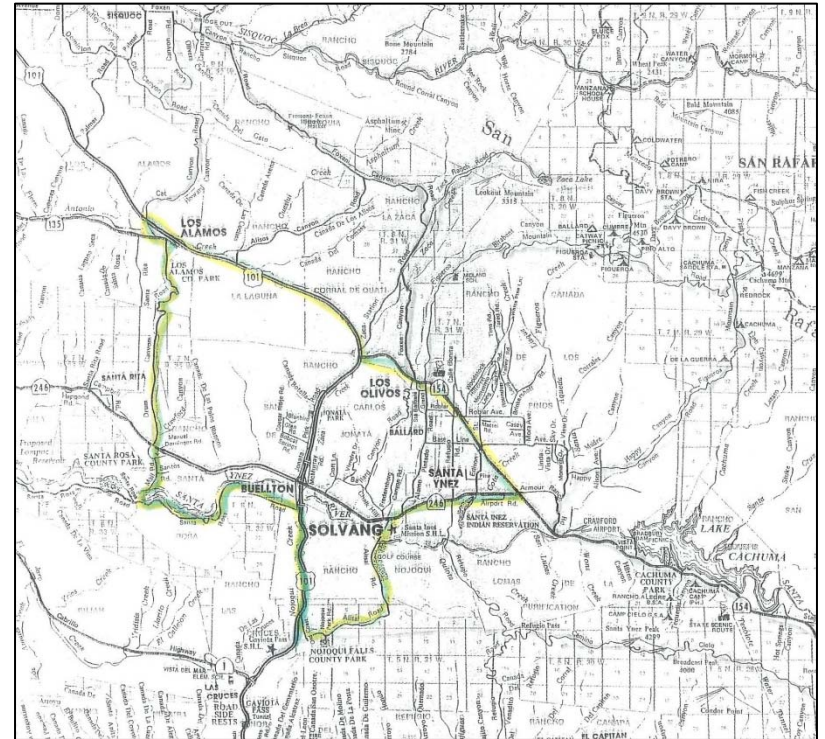
What is a “TBID?”

- Tourism Business Improvement District (TBID)
- Provides a new revenue source to augment existing marketing, sales and promotional efforts encouraging tourism in the Santa Ynez Valley
- Over 45 jurisdictions in CA have formed a TBID in last 5 years



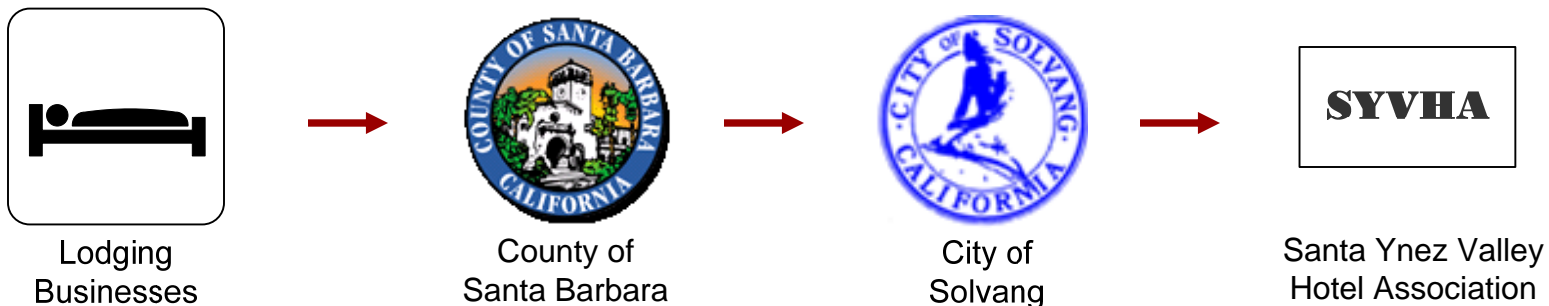
Scope of Proposed SYVTBID

- Includes all existing and future hotels, motels and inns within boundary
 - 34 lodging businesses
 - 9 within unincorporated area (153 rooms)
- \$2 levied per occupied room-night
- 5 year program, beginning August 1, 2010



SYVTBID Process

- Each jurisdiction is responsible for collecting assessments from lodging businesses and remitting TBID revenue to the City of Solvang .
 - County will retain 1% to offset administrative costs
- The City of Solvang transfers TBID funds to the SYVHA
 - SYVHA retains 13.3% to cover costs of administration
- The SYVHA Board will provide regular programming and budget updates to the City of Solvang



SYVTBID Formation

- Formation requires submittal of petitions from more than 50% of lodging business owners
 - 71% of unincorporated lodging businesses favor creating the TBID
- To be included, the County must adopt a Resolution of Consent prior to Solvang's TBID hearing on May 11, 2010

RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

RESOLUTION NO. _____

RESOLUTION GRANTING CONSENT TO THE CITY OF SOLVANG TO
FORM THE SANTA YNEZ VALLEY TOURISM BUSINESS IMPROVEMENT
DISTRICT (SYVTBID)

WHEREAS, the Santa Ynez Valley Hotel Association desires to form the Santa Ynez Valley Tourism Business Improvement District (SYVTBID) within the City of Solvang, the City of Buellton and portions of the unincorporated adjacent area of the County of Santa Barbara to promote tourism and the lodging businesses in Santa Ynez Valley. Attached as Exhibit A is the final SYVTBID Management District Plan dated, March 16, 2010. Proceedings to form the SYVTBID are held pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code Sections 36600 et seq.; and

WHEREAS, the SYVTBID Management Plan proposes that the City of Solvang be designated as the lead city for holding formation public hearings and certain specified annual maintenance responsibilities; and

WHEREAS, Streets and Highways Code section 36620.5 provides, in pertinent part, that "...[a] city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county"; and

WHEREAS, the City Council of the City of Solvang has requested consent of the Santa Barbara County Board of Supervisors to form the SYVTBID in the County of Santa Barbara; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Santa Barbara, that:

Section 1: The above recitals are true and correct.

Section 2: The Board of Supervisors consents to the City of Solvang forming the SYVTBID, which District shall include the unincorporated adjacent area of the County of Santa Barbara as outlined in the district map.

Section 3: The Clerk of the Board of Supervisors is hereby directed to transmit a certified copy of this Resolution to the Clerk of the City of Solvang City Council.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Santa Barbara held on this 4th day of May, 2010, by the following vote:

AYES:

NOES:

ABSTAIN:



Expected Outcomes

- Revenues are projected to be \$600,000 annually
 - \$3 million by 2015
 - \$65,000/year produced in unincorporated area
- Increased investment in tourism sector is expected to have a positive impact on the regional economy
 - Increased room-night occupancy
 - Increased sales tax revenue
 - Increased Transient Occupancy Tax (TOT) revenue



Potential Areas of Concern

As currently proposed in the SYVTBID Management Plan:

- The 1% administrative offset provides \$650/yr to process assessments
- The extent of powers granted to SYVHA is unclear
- Voting distribution is weighted toward cities
- Quality of life for area residents and businesses may be impacted
- Outstanding legal concerns related to “compelled assessments” are not adequately addressed
- No contract defining the relationship between the SYVHA and participating jurisdictions has been provided



Recommended Actions

- Receive a report on the potential formation of the Santa Ynez Valley Tourism Business Improvement District.
- Consider the adoption of a Resolution of Consent of the County of Santa Barbara supporting the City of Solvang's establishment of the Santa Ynez Valley Tourism Business Improvement District that would include part of the unincorporated area of the County.
- If the Board adopts the Resolution of Consent, approve a Notice of Exemption pursuant to County's California Environmental Quality Act Guidelines, citing CEQA Guidelines Sections 15060(c)(3) and 15378(b)(4).

