

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

IN THE MATTER OF DECLARING
RESULTS OF MAJORITY PROTEST
PROCEEDINGS AND FORMING
THE SANTA BARBARA COUNTY
WINE IMPROVEMENT DISTRICT
(SBCWID)

RESOLUTION NO. _____

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq., authorizes the County of Santa Barbara County (County) to establish business improvement districts upon petition by a weighted majority of the business owners located within the boundaries of the district; and

WHEREAS, wine tasting facility 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 SBCWID have petitioned the Board of Supervisors of the County (Board) to establish the SBCWID; and

WHEREAS, the proposed SBCWID includes all wine tasting facilities, existing and in the future, located within the boundaries of the County, which includes the unincorporated areas of the County, and the cities of Carpinteria, Santa Barbara, Goleta, Solvang, Buellton, Santa Maria, and Guadalupe; and

WHEREAS, consent to include wine tasting facilities in their respective jurisdictions has been received from the cities of Carpinteria, Santa Barbara, Goleta, Solvang, Buellton, Santa Maria, and Guadalupe; and

WHEREAS, included with the petitions was a Management District Plan (Plan) summary that describes the proposed assessment to be levied on wine tasting facilities within the SBCWID to pay for promotions & engagement programs, and other improvements and activities set forth in the Plan; and

WHEREAS, the assessed wine tasting facilities within the SBCWID will receive a specific benefit from the activities and improvements set forth in the Plan; and

WHEREAS, on December 17, 2024 at 9:00 AM at the County Administration Building Board Hearing Room located at 105 East Anapamu Street, Fourth Floor, Santa Barbara, CA 93101, the Board adopted a Resolution of Intention, Resolution No. 24-281, titled "In the Matter of Declaring Its Intention to Establish the Santa Barbara County Wine Improvement District (SBCWID) and Fixing the Time and Place of a Public Meeting and a Public Hearing Thereon and Giving Notice Thereof"; and

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

WHEREAS, on January 14, 2025 at 9:00 AM at the Joseph Centeno Betteravia Government Administration Building Board Hearing Room located at 511 East Lakeside Parkway, Santa Maria, CA 93455, the Board held a public meeting regarding the establishment of the SBCWID, and the Board heard and received objections and protests, if any, to the establishment of the SBCWID and the levy of the proposed assessment; and

WHEREAS, on February 11, 2025 at 9:00 AM at the Joseph Centeno Betteravia Government Administration Building Board Hearing Room located at 511 East Lakeside Parkway, Santa Maria, CA 93455, the Board held a public hearing regarding the establishment of the SBCWID, and the Board heard and received all objections and protests, if any, to the establishment of the SBCWID and the levy of the proposed assessment; and

WHEREAS, the Clerk of the Board has determined that there was no majority protest. A majority protest is defined as written protests received from owners of businesses in the proposed SBCWID 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 wine tasting facility; and

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

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

1. The recitals set forth herein are adopted by the Board as findings and they are true and correct.
2. The SBCWID is hereby established for a five (5) year term, beginning April 1, 2025, or as soon as possible thereafter, and ending five (5) years from its start date, unless renewed pursuant to Streets and Highways Code § 36660.
3. The Plan dated January 28, 2025 is hereby adopted and approved.
4. The activities to be provided to benefit businesses in the SBCWID will be funded by the levy of the assessment. The revenue from the levy of assessments within the district shall not be used: to provide activities that directly benefit businesses outside the SBCWID; to provide activities or improvements outside the SBCWID; or for any

purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Plan. Notwithstanding the foregoing, improvements and activities that must be provided outside the SBCWID boundaries to create a specific benefit to the assessed businesses may be provided, but shall be limited to marketing or signage pointing to the SBCWID.

5. The Board finds as follows:

a) The activities funded by the assessment will provide a specific benefit to assessed businesses within the SBCWID 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 SBCWID are levied solely upon the assessed business, and the business owner is solely responsible for payment of the assessment when due. The amount of assessment, if passed on to each customer, shall be disclosed in advance and separately stated from the amount charged and any other applicable taxes, and each customer shall receive a receipt for payment from the business. If the SBCWID assessment is identified separately it shall be disclosed as the "Wine Preserve Assessment."

6. The assessments levied for the SBCWID shall be applied towards promotions and engagement programs to promote assessed wine tasting facilities in the County to increase wine tasting facility sales revenue, and other improvements and activities as set forth in the Plan.

7. Assessments levied on wine tasting facilities pursuant to this resolution shall be levied on the basis of benefit. Because the services provided are intended to increase wine tasting facility sales and revenue therefrom, an assessment based on gross sales revenue is the best measure of benefit.

8. The annual assessment rate is one percent (1%) of gross sales revenue of assessed wine tasting facilities. Based on the benefit received, assessments will not be collected on purchases made outside of the state of California or purchases made pursuant to contracts executed prior to April 1, 2025. Revenue generated from the SBCWID is intended only to provide programs and services for assessed businesses, all of which are located in California. Sales made outside of the state of California are not

subject to assessment due to a lack of benefit. Assessment dollars will not be spent on any programs or activities to benefit individual wine tasting facilities outside of the state of California. Assessment dollars may be spent outside of California to elevate the notoriety of the Santa Barbara County as a premier winery destination with the desired outcome of increased in-person visitation to businesses paying the assessment.

9. The assessments for the entire SBCWID will total approximately \$1,500,000 in year one (1).

10. Bonds shall not be issued to fund the SBCWID.

11. The SBCWID shall include all wine tasting facilities, existing and in the future, located within the boundaries of the County, which includes the unincorporated areas of the County, and the cities of Carpinteria, Santa Barbara, Goleta, Solvang, Buellton, Santa Maria, and Guadalupe. A boundary map is attached hereto and incorporated herein by reference.

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

13. The assessments to fund the activities and improvements for the SBCWID will be collected by a third-party collection agency on a quarterly basis, and in accordance with Streets and Highways Code §36631.

14. The Board, through adoption of this Resolution and the Plan, has the right pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the SBCWID as defined in Streets and Highways Code §36612. The Board has determined that Santa Barbara County Vintners' Association shall be the SBCWID Owners' Association.

15. The Santa Barbara County Vintners' Association, pursuant to Streets and Highways Code §36650, 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 SBCWID.

16. The SBCWID established pursuant to this Resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §36600 et. seq.).

17. The Clerk of the Board, or his or her designee, is directed to take all necessary actions to complete the establishment of the SBCWID and to levy the assessments.

18. This Resolution shall take effect immediately upon its adoption by the Board.

I HEREBY CERTIFY that the foregoing Resolution of Formation was introduced and adopted at a regular meeting of the Board on the 11th day of February by the following vote:


AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:
MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By: _____
Deputy Clerk of the Board

LAURA CAPPS, CHAIR
BOARD OF SUPERVISORS

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

By:  _____
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Deputy County Counsel

Boundary Map

