



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive
Office
Department No.: 012
For Agenda Of: November 5, 2019
Placement: Administrative
Estimated Time: NA
Continued Item: No
If Yes, date from: NA
Vote Required: Majority

TO: Board of Supervisors

FROM: Department: Mona Miyasato, County Executive Office
Director(s)
Contact Info: Dennis Bozanich, Deputy County Executive Officer

SUBJECT: Adoption of a Resolution Granting Consent to the City of Santa Barbara to Renew the Santa Barbara South Coast Tourism Business Improvement District (SBSCTBID) and Include Portions of Unincorporated Southern Santa Barbara County in the SBSCTBID

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: NA

Recommended Actions:

That the Board of Supervisors:

- A. Adopt the Resolution Granting Consent to the City of Santa Barbara to Renew the SBSCTBID and include portions of unincorporated southern Santa Barbara County in the SBSCTBID; and
- B. Determine that this action does not constitute a project under the California Environmental Quality Act (CEQA) based on CEQA Guideline 15378(b)(4) since the action is a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

The recommended action, adoption of the resolution consenting to the inclusion of portions of unincorporated southern Santa Barbara County in the renewed SBSCTBID, will enable the City of Santa Barbara and Visit Santa Barbara (VSB) to move forward with the SBSCTBID renewal process. Upon successful renewal, the SBSCTBID will be governed by the City of Santa Barbara and Visit Santa Barbara.

Background:

The SBSCTBID is a benefit assessment district proposed to continue a revenue source to help fund advertising and public relations, sales, local destination marketing, and related administration and policy development programs for Santa Barbara South Coast lodging businesses. This approach has been used successfully in other destination areas throughout the state to improve tourism and drive additional room nights to assessed lodging businesses.

Lodging business owners decided to pursue renewal of the SBSCTBID in order to continue a revenue source devoted to marketing Santa Barbara South Coast as a tourist, meeting and event destination. If renewed, the SBSCTBID would generate approximately \$5,700,000 on an annual basis for promotion of travel and tourism specific to the Santa Barbara South Coast.

The renewed SBSCTBID intends to continue including the cities of Santa Barbara and Goleta, and portions of unincorporated southern Santa Barbara County. Only lodging businesses within the SBSCTBID boundary will be subject to the SBSCTBID assessment. The Santa Barbara Board of Supervisors must give consent to the Santa Barbara City Council for portions of unincorporated southern Santa Barbara County to be included in the SBSCTBID.

TOURISM BUSINESS IMPROVEMENT DISTRICTS

Tourism Business Improvement Districts (TBIDs) utilize the efficiencies of private sector operation in the market-based promotion of tourism. These special assessment districts allow lodging business owners to organize their efforts to increase tourism. Lodging business owners within the TBID fund the TBID, and those funds are used to provide services that are desired by and benefit the lodging businesses within the TBID.

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

SBSCTBID PARAMETERS

The renewed SBSCTBID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the cities of Santa Barbara and Goleta, and portions of unincorporated southern Santa Barbara County.

The renewed SBSCTBID will have a nine year and eleven month term, beginning February 1, 2020 through December 31, 2029. The assessment will be implemented beginning February 1, 2020. Once per year beginning on the anniversary of SBSCTBID 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 SBSCTBID. Pending successful renewal of the SBSCTBID, the term of the current SBSCTBID will be modified to end on January 31, 2020.

Visit Santa Barbara will have the responsibility of managing SBSCTBID programs as provided in the Management District Plan. The City of Goleta and County of Santa Barbara shall be paid a fee equal to one percent (1%) of the amount of assessment collected in their respective jurisdictions to cover their costs of collection and administration, if they collect the District assessments.

A map that defines the renewed boundary of the SBSCTBID is attached to the Resolution.

Performance Measure:

NA

Contract Renewals and Performance Outcomes:

Fiscal and Facilities Impacts:

Budgeted: Yes

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ -

Narrative:

None immediately. The County of Santa Barbara will receive a fee of one percent (1%) of the amount collected to cover its costs of administration if the County collects the assessments. Because the SBSCTBID programs are intended to increase visitation to the County of Santa Barbara, there may be an increase in transient occupancy tax and sales tax collections through a net increase in tourist visits.

Key Contract Risks:

NA

Staffing Impacts: NA

Legal Positions:

FTEs:

Special Instructions:

Return copy of signed resolution to Dennis Bozanich, Deputy County Executive Officer.

Attachments:

- A- RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, GRANTING CONSENT TO THE CITY OF SANTA BARBARA TO RENEW THE SANTA BARBARA SOUTH COAST TOURISM BUSINESS IMPROVEMENT DISTRICT (SBSCTBID)
- B- DRAFT MANAGEMENT DISTRICT PLAN
- C- CITY OF SANTA BARBARA RESOLUTIONS NO. 19-082 & 19-071

Authored by: Dennis Bozanich, Deputy County Executive Officer