



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 17, 2020
Placement: Administrative
Estimated Time: NA
Continued Item: No
If Yes, date from: NA
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Mona Miyasato, County Executive Officer
Contact Info: Nancy Anderson, Assistant County Executive Officer

SUBJECT: Adoption of a Resolution Granting Consent to the City of Solvang to Renew the Santa Ynez Valley Tourism Business Improvement District (SYVTBID) that includes portions of the unincorporated areas of Santa Barbara County in the SYVTBID

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 Solvang to Renew the SYVTBID that includes portions of unincorporated Santa Barbara County in the SYVTBID; 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 requests the adoption of the resolution consenting to the inclusion of portions of the unincorporated areas of Santa Barbara County, in the renewed SYVTBID. The City of Solvang created the SYVTBID in 2010 for a five-year initial term and subsequently renewed the SYVTBID in March of 2015. This action will enable the City of Solvang and Santa Ynez Valley Hotel Association dba Visit the Santa Ynez Valley to move forward with another renewal for a six-year term (2021-2027).

BACKGROUND:

The SYVTBID is a benefit assessment district proposed to continue a revenue source to help fund marketing and sales promotion efforts and special projects for Santa Ynez Valley 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. The renewed SYVTBID includes all lodging businesses in the cities of Buellton and Solvang, and nearby portions of the unincorporated area of Santa Barbara County.

Lodging business owners decided to pursue renewal of the SYVTBID in order to continue a revenue source devoted to marketing Santa Ynez Valley as a tourist, meeting and event destination. If renewed, the SYVTBID would generate approximately \$900,000 on an annual basis for promotion of travel and tourism specific to Santa Ynez Valley. Only lodging businesses within the SYVTBID boundary will be subject to the SYVTBID assessment. The Santa Barbara Board of Supervisors must give consent to the Solvang City Council for portions of the unincorporated areas of Santa Barbara County to be included in the SYVTBID.

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.

TBID 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: destination marketing, tourism promotion, 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

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 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.

SYVTBID PARAMETERS

The SYVTBID will include all lodging businesses located within the boundaries of the cities of Solvang and Buellton (cities), and portions of the unincorporated areas of Santa Barbara County (County). The annual assessment rate is three dollars (\$3.00) per paid occupied room per night. The annual assessment rate may increase to \$3.50 per paid occupied room per night in year four (2024). Based on the benefit

received, assessments will not be collected on: stays of more than thirty (30) consecutive days; nor on stays by government employees on government business, provided the government employee provides valid photo identification proving employment.

The renewed SYVTBID will have a six (6) year term, beginning July 1, 2021 through June 30, 2027. The assessment will be implemented beginning July 1, 2021. Once per year beginning on the anniversary of SYVTBID 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 SYVTBID.

The cities and the County will be responsible for collecting the assessment on a monthly basis from each lodging business located in the SYVTBID boundaries. The cities and the County shall forward the assessments to Santa Ynez Valley Hotel Association dba Visit the Santa Ynez Valley, which will have the responsibility of managing SYVTBID programs as provided in this Management District Plan. The cities and the County shall be paid a fee equal to two percent (2%) of the amount of assessment collected to cover its costs of collection and administration.

A map that defines the renewed boundary of the SYVTBID is attached as Attachment A.

Fiscal and Facilities Impacts:

None immediately. The County of Santa Barbara will receive a fee of two percent (2%) of the amount collected to cover its costs of administration if the County collects the assessments. Because the SYVTBID programs are intended to increase visitation to the portions of the unincorporated areas of Santa Barbara County, there may be an increase in transient occupancy tax and sales tax collections.

Special Instructions:

Return copy of signed resolution to Nancy Anderson, Assistant 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 SOLVANG TO RENEW THE SANTA YNEZ VALLEY TOURISM BUSINESS IMPROVEMENT DISTRICT (SYVTBID) THAT INCLUDES PORTIONS OF THE UNINCORPORATED AREAS OF SANTA BARBARA COUNTY
- B- DRAFT MANAGEMENT DISTRICT PLAN
- C- CITY OF SOLVANG RESOLUTION DATED NOVEMBER 9, 2020

Authored by: Nancy Anderson, Assistant County Executive Officer