



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: CEO
Department No.: 012
For Agenda Of: 9/2/2014
Placement: Administrative
Estimated Tme:
Continued Item: NA
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Mona Miyasato, County Executive Officer, 568-3400
Director(s):
Contact Info: Dennis Bozanich, Assistant to the CEO, 568-3400

SUBJECT: **Renewal Consent Resolution for the Santa Barbara South Coast Tourism Business Improvement District (SBSCTBID)**

County Counsel Concurrence

As to form: Yes

Other Concurrence: NA

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

1. Adopt a resolution granting consent from the County of Santa Barbara to the City of Santa Barbara to renew the Santa Barbara South Coast Tourism Business Improvement District (SBSCTBID) and consenting to the unincorporated area of the Santa Barbara County South Coast to be included in the SBSCTBID, and
2. Determine that the above action does not involve any commitment to any specific project which may result in potentially significant physical impact on the environment, and therefore it is not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

The Santa Barbara South Coast Tourism Business Improvement District (SBSCTBID) is a benefit assessment district that currently generates funding for tourism marketing programs in the South Coast through assessments levied on hotels, inns, motels, studio hotels, lodging houses, rooming houses, dormitories, public or private clubs or similar structures in the South Coast. Lodging business owners have been working with Visit Santa Barbara, (the South Coast's convention and visitor's bureau) to

renew the SBSCTBID, which requires the consent of the jurisdictions included in the District. The SBSCTBID includes incorporated and unincorporated areas bounded by Camino Cielo and Juncal Road on the north, Santa Barbara/Ventura county line on the east, Santa Barbara Channel on the south and Refugio Road on the west. By adopting this Resolution, the Board will grant permission to the City of Santa Barbara as the lead jurisdiction to renew the SBSCTBID. This renewal would occur approximately one year early, as the five-year term of the current SBCTBID is set to expire on January 1, 2016. According to the draft Management District Plan, the City would increase the assessments and expand the SBCTBID to include vacation rentals.

Background: The SBSCTBID is a benefit assessment district, which will be renewed pursuant to the Property and Business Improvement District Law of 1994 (1994 Law). The purpose of the SBSCTBID is to increase tourism in Santa Barbara South Coast, by marketing it to potential visitors. The SBSCTBID will continue to provide funding for county marketing efforts, working to attract visitors to lodging establishments throughout Santa Barbara South Coast. If renewed, the SBSCTBID will place a fixed assessment amount per paid occupied room per night, based on the average daily rate, as shown in the table below. The assessment shall be levied on hotels, inns, motels, studio hotels, lodging houses, rooming houses, dormitories, public or private clubs or similar structures. In this renewal the assessment rate is also being modified to reflect benefits provided to vacation rentals and high-end hotels.

Average Daily Room Rate	Current Assessment per Night	Post-renewal Assessment per Night – Starting in 2015	Post-renewal Assessment per Night – Starting in 2017	Post-renewal Assessment per Night – Starting in 2019
<\$100	\$0.50	\$0.75	\$0.85	\$0.95
\$100-\$149	\$1.00	\$1.50	\$1.65	\$1.85
\$150-\$199	\$1.50	\$2.25	\$2.50	\$2.75
\$200-\$249	\$2.00	\$3.00	\$3.30	\$3.65
\$250-\$299	\$2.00	\$3.50	\$3.85	\$4.25
≥\$300	\$2.00	\$4.00	\$4.40	\$4.85
Vacation Rentals	-	\$2.00	\$2.20	\$2.40

The 1994 Law allows for the renewal of multi-jurisdictional improvement districts, with consent of the included jurisdictions being granted to one “lead” jurisdiction. The City of Santa Barbara has requested consent to continue to act as the lead jurisdiction in renewing the SBSCTBID. Adopting this resolution will give the City of Santa Barbara authority to include a portion of the County of Santa Barbara (as previously described in the District boundaries) in the renewed SBSCTBID.

To renew the SBSCTBID, the City of Santa Barbara will follow the renewal proceedings specified in the 1994 Law, including accepting petitions, adopting a resolution declaring their intention to renew the district, holding a public meeting and public hearing to allow for comments, and adopting a resolution renewing the district.

A total of eighty-nine hotel properties, including five from the unincorporated area, currently pay assessments, and now, a couple of hundred vacation rentals will potentially be responsible for paying the assessments. In Fiscal Year 2013-14, \$235,834 in assessments was collected from the properties from

the unincorporated part of the County and a total of \$1,888,753 in assessments was collected within the SBSCTBID.

Performance Measure: NA

Fiscal and Facilities Impacts:

Budgeted: NA

Fiscal Analysis: Narrative:

Adopting this resolution will have no immediate fiscal impact. The SBSCTBID, if renewed, will work to bring visitors to the County, potentially increasing transient occupancy and sales tax revenues. The County currently collects the SBSCTBID assessment from lodging businesses and receives a fee equal to 1% of the assessment collected. This will continue if the SBSCTBID is renewed.

The County Clerk will be directed to forward a copy of the adopted resolution to the Clerk of the City of Santa Barbara. With eventual SBSCTBID renewal, the County Tax Collector will be responsible for collecting and disbursing the assessment funds.

The renewed SBSCTBID will have an overall positive impact on the County of Santa Barbara.

Key Contract Risks (if applicable): NA

Staffing Impacts:

Legal Positions: 0

FTEs: 0

Special Instructions:

Clerk of the Board is directed to forward a copy of the adopted resolution to the Clerk of the City of Santa Barbara.

Attachments:

Resolution of the Board of Supervisors of the County of Santa Barbara Granting Consent to the City of Santa Barbara To Renew The County of Santa Barbara South Coast Tourism Business Improvement District (SBSCTBID)

Draft SBSCTBID Management District Plan

Authored by: Dennis Bozanich, Assistant to the County Executive Officer, 805-568-3400

cc: