



**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:** February 10, 2015  
**Placement:** Administrative  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department            Mona Miyasato, County Executive Officer  
Director(s)  
Contact Info:            Terri Nisich, Assistant County Executive Officer (568-3400)  
**SUBJECT:**    **Renewal Consent Resolution for the Santa Ynez Valley Tourism Business  
Improvement District (SYVTBID)**

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

As to form: Select\_Concurrence

**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 Solvang to renew the Santa Ynez Valley Tourism Business Improvement District (SYVTBID); and
2. Determine that the above action does not involve any commitment to any specific project which may result in potentially significant 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:**

This item is on the agenda for the Board of Supervisors to consider granting consent for renewal of the SYVTBID. The SYVTBID is an assessment district that currently generates funding for tourism and marketing through assessments levied on hotels, inns, motels, studio hotels, lodging houses, rooming houses, etc., within the Santa Ynez Valley (reference Map Attachment A). The City of Solvang acts as the lead jurisdiction in the renewal of the SYVTBID. On May 25, 2010, the County Board of Supervisors adopted a Resolution of Consent supporting the City of Solvang's establishment of the SYVTBID that includes part of the unincorporated area of the County. The SYVTBID was initially formed in 2010 for a five-year term ending on June 30, 2015. Given the SYVTBID is reaching the end of its initial term; the Santa Ynez Valley Hotel Association dba Visit the Santa Ynez Valley is requesting to renew the SYVTBID for a period of ten years. The City of Solvang adopted a resolution

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of intent to renew on January 26, 2015. By adopting the resolution provided in this report, the Board will grant permission to the City of Solvang as the lead jurisdiction to formally renew the SYVTBID.

**Background:**

The SYVTBID, as an assessment district, can be renewed pursuant to the Property and Business Improvement District Law of 1994 (1994 Law). The purpose of the SYVTBID is to increase tourism and related services in the Santa Ynez Valley by marketing the location to potential visitors. If renewed, the SYVTBID will continue to place a fixed assessment, per paid occupied room night on hotels, inns, motels, studio hotels, lodging houses, rooming houses, dormitories or similar structures.

The 1994 law allows for the renewal of multi-jurisdictional improvement districts with the consent to the jurisdiction being granted to one “lead” jurisdiction. The City of Solvang has requested consent to continue as the lead jurisdiction in the renewal of the SYVTBID. Adopting the resolution (Attachment C) will provide the City of Solvang the authority to include a portion of the County of Santa Barbara (as noted on the Map in Attachment A.)

As noted, the SYVTBID includes all lodging businesses located within the cities of Buellton and Solvang, and nearby portions of the unincorporated area of Santa Barbara County as shown on the map in Attachment A. It is designed to provide specific benefits directly to those entities participating via increasing room night sales. Marketing and sales promotions and special projects increase overnight tourism and market entities as tourist, meeting and event destinations, thereby increasing room night sales. Presently a total of 125 properties yield 1,591 assessed rooms. The unincorporated County of Santa Barbara has 257 rooms (16.2%), City of Solvang has 749 rooms (47.1%) and the City of Buellton has 585 rooms (36.8%). The total SYVTBID annual budget for the initial renewal year of its ten year operation is anticipated to be approximately \$885,000. This budget is expected to fluctuate as room sales and the assessment rates do. If the assessment increases are adopted according to the Management Plan (Attachment B) in year three (2017) the annual budget is anticipated to be approximately \$1,125,000, in year five (2019) the annual budget is anticipated to be approximately \$1,390,000, and in year eight (2022) the annual budget is anticipated to be approximately \$1,735,000.

The current SYVTBID assessment is \$2.00. The proposed initial annual assessment rate is \$2.50 per paid occupied room per night. The annual assessment rate may increase to \$3.00 per paid occupied room per night in year three (2017), \$3.50 per paid occupied room per night in year five (2019) and \$4.00 per paid occupied room per night in year eight (2022). 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. Historically, after a 2% administrative fee was deducted, funding was distributed to Visit the Santa Ynez Valley as follows:

Fiscal Year	2010/11	2011/12	2012/13	2013/14	2014/15 thru November
Solvang	\$310,885	\$346,555	\$353,201	\$353,124	\$105,997
Buellton	\$198,026	\$212,936	\$204,646	\$216,090	\$66,595
SB County	\$43,286	\$42,855	\$49,388	\$49,313	\$14,682
<b>Total</b>	<b>\$552,197</b>	<b>\$602,346</b>	<b>\$607,235</b>	<b>\$618,527</b>	<b>\$187,274</b>

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Each City and the County will continue to be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties, and interest) from each lodging business located in its jurisdiction. Each City and the County shall take all reasonable efforts to collect the assessments from each lodging business. If renewed, the SYVTBID will have a ten year life, beginning July 1, 2015 through June 30, 2025. Once per year beginning on the anniversary of district renewal there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a Solvang City Council hearing on district termination. Visit the Santa Ynez Valley as the SYVTBID's Owners' Association is charged with managing funds and implementing programs in accordance with the Management Plan provided in Attachment B.

Key accomplishments of the SYVTBID from 2010-2015 are noted on pages 4 & 5 of the Management Plan. These include, but are not limited to, the development and launch of a new website, targeted promotions, targeted social media campaigns, and multiple marketing partnerships & campaigns.

**Performance Measure:**

Key performance measures provided by Visit the Santa Ynez Valley included measures of growth in room sales as well as growth in TOT revenue. For the SYVTBID unincorporated area, room sales have increased from \$5.2 million in FY2009/10 to \$9.0 million in FY2014/15. The TOT collected increased from \$522,000 in FY2009/10 to \$905,000 in FY2013/14. In addition, the unincorporated area percent of total SYVTBID revenue has increased from 13% of the total in FY2009/10 to approximate 18% in FY2013/14.

**Fiscal and Facilities Impacts:**

Budgeted: N/A

**Fiscal Analysis:**

Adopting this resolution will have no immediate fiscal impact. The SYVTBID, if renewed, will work to bring visitors to Santa Barbara County potentially increasing transient occupancy tax and sales tax revenues. The County currently collects the SYVTBID assessments from lodging and businesses and receives a fee equal to 2% of the assessment to offset the collection costs. This will continue if the SYVTBID is renewed.

**Key Contract Risks:** N/A

**Staffing Impacts:**

**Legal Positions:**

**FTEs:**

**Special Instructions:**

The Clerk of the Board will forward a copy of the adopted resolution to the City Clerk of the City of Solvang.

**Attachments:**

- A. Map of the SYVTBID Assessment area
- B. SYVTBID Management Plan 2015-2020
- C. Resolution of the Board of Supervisors

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**Authored by:**

Terri Nisich, Assistant CEO

**cc:**

Harry Hagen, Treasurer Tax-Collector

Ann Rierson, County Counsel