

COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-8

For the meeting of: March 28, 2017

Date: March 21, 2017
To: Board of Supervisors
From: Amy S. Nilsen, County Administrative Officer *AN*
Subject: Change Public Meeting Date for Humboldt County Tourism Business Improvement District Renewal

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the revised Resolution contained in Attachment 1 declaring the Board's intention to renew the District for a ten year term and setting a public meeting for May 9, 2017 and the public hearing for May 16, 2017; and
2. Direct the Clerk of the Board to publish the notice of public meeting on May 9, 2017 and public hearing on May 16, 2017 contained in Attachment 2 and to mail out majority protest notices in conformity with Streets and Highways Code Section 36623 and Government Code Section 54954.6.

SOURCE OF FUNDING:

General Fund

DISCUSSION:

Prepared by Karen Meynell, Economic Development Specialist

CAO Approval *E. S. Nilsen*

REVIEW:

Auditor _____ County Counsel *BA* Human Resources _____ Other _____

TYPE OF ITEM:

☒ Consent
☐ Departmental
☐ Public Hearing
☐ Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. L-1, I-3

Meeting of: 5-22-12, 3-21-17

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *wilson* Seconded by Supervisor *Fennell*

Ayes *Sandberg, Fennell, Wilson, Bohn*
Nays _____
Abstain _____
Absent *Bass*

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: *March 28, 2017*

By: *Kathy Hayes*

Kathy Hayes, Clerk of the Board

On March 21, 2017 your Board was presented with the process for Humboldt County Tourism Business Improvement District renewal. The process requires a public meeting to receive public comment and testimony, followed by a public hearing for final approval of district renewal. The original date in the recommendation and resolution needed to be changed in order to ensure enough time was allotted for the each city to adopt the Resolution of Consent and for the resolution to become effective.

The proposed resolution sets the new date for the public meeting as May 9, 2017 followed by the public hearing for final approval of the district on May 16, 2017. These dates will comply with the notice requirements for the public hearing and give the cities time to provide the consent that will be a prerequisite to renew the district.

FINANCIAL IMPACT:

The proposed Board action has no direct effect on the County's budget. The county (and cities) will be paid a fee of one percent (1%) of the amount collected, within their respective jurisdictions, to cover the costs of administration. The major financial impact of district renewal will be on affected businesses and ultimately, lodging guests who would bear the cost of the assessments.

Approval of staff's recommendations supports the Board's Strategic Framework to facilitate the establishment of local revenue sources to address local needs.

OTHER AGENCY INVOLVEMENT:

City of Arcata, City of Eureka, City of Ferndale, City of Fortuna, City of Rio Dell, City of Trinidad and Humboldt Lodging Alliance

ALTERNATIVES TO STAFF RECOMMENDATIONS:

1. The Board could alter the schedule, for example to provide the Humboldt Lodging Alliance time to gather additional support from lodging businesses in specific areas of the county. Substantial delay in the schedule would mean the District would not be renewed by July 1, 2017 and therefore would collect less than a full year of revenue.
2. The Board could decline that the notice of the public meeting and public hearing be posted and published. This action is not recommended as public input into the district renewal requires a properly noticed public hearing.

ATTACHMENTS:

- Attachment 1: *Amended* Resolution Declaring Intention to Establish the Humboldt County Tourism Business Improvement District and Setting a Public Meeting and Public Hearing
- Attachment 2: Notice of Public Hearing

ATTACHMENT 1

Resolution of Intent

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of March 28, 2017

RESOLUTION NO. 17-28

AMENDED RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT DECLARING ITS INTENTION TO RENEW THE HUMBOLDT COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT AND FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code §36600 *et seq.*, authorizes the county to renew business improvement districts for the purposes of promoting tourism; and

WHEREAS, the Humboldt Lodging Alliance, lodging business owners, and representatives from the County of Humboldt have conferred regarding the Humboldt County Tourism Business Improvement District ("District"); and

WHEREAS, the Humboldt Lodging Alliance has drafted a Management District Plan ("Plan") which sets forth the proposed boundary of the District, a service plan and budget, and a proposed means of governance; and

WHEREAS, lodging business which will pay more than fifty percent (50%) of the assessment have petitioned the county to renew the District.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The recitals set forth herein are true and correct.
2. The Board of Supervisors finds that lodging businesses that will pay more than fifty percent (50%) of the assessment proposed in the Plan have signed and submitted petitions in support of renewing the District. The Board accepts the petitions and adopts this Resolution of Intention to renew the District and to levy an assessment on certain lodging businesses within the District boundaries in accordance with the Property and Business Improvement District Law of 1994.
3. The Board finds that the Plan satisfies all requirements of Streets and Highways Code §36622.
4. The Board declares its intention to renew the District and to levy and collect assessments on lodging businesses within the District boundaries pursuant to the Property and Business Improvement District Law of 1994.
5. The District shall include all lodging businesses located within the boundaries of the County of Humboldt, including the Cities of Arcata, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, as shown in the map attached as Exhibit A.
6. The name of the district shall be Humboldt County Tourism Business Improvement District.
7. The annual assessment rate shall be 2 percent of gross room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days and stays pursuant to contracts executed prior to July 1, 2012.
8. The assessments levied for the District shall be applied toward sales promotion and marketing programs to market assessed lodging businesses in Humboldt County as tourist, meeting, and event destinations, as described in the Plan. Funds remaining at the end of any year may be used in subsequent years in which District assessments are levied as long as they are used consistent with the requirements of this Resolution, the Plan, and the Resolution of Formation.
9. The proposed District will have a 10-year term, beginning July 1, 2017 through June 30, 2027.
10. Bonds shall not be issued.
11. The time and place for the public meeting to hear testimony on establishing the District and levying assessments are set for May 9, 2017, at 9:00 AM, or as soon thereafter as the matter may

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA


Certified copy of portion of proceedings, Meeting of March 28, 2017

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be heard, at the Board Chambers located at 825 5th Street, Eureka, CA 95501.

12. The time and place for the public hearing to establish the District and levy assessments are set for May 16, 2017, at 9:00 AM, or as soon thereafter as the matter may be heard, at the Board Chambers located at 825 5th Street, Eureka, CA 95501. The Clerk of the Board is directed to provide written notice to the lodging businesses subject to assessment of the date and time of the meeting and hearing as required by Streets and Highways Code §36623, no later than April 1, 2017.
13. At the public meeting and hearing the testimony of all interested persons for or against renewing the District may be received. If at the conclusion of the public hearing, there are of record written protests by the owners of the lodging businesses within the proposed District that will pay more than fifty percent (50%) of the estimated total assessment of the entire District, no further proceedings to renew the District shall occur for a period of one year.
14. The complete Plan is on file with the Clerk of the Board and may be reviewed upon request.
15. This resolution shall take effect immediately.

Dated: March 28, 2017



VIRGINIA BASS, Chair
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Wilson, seconded by Supervisor Fennell, and the following vote:

AYES:	Supervisors	Sundberg, Fennell, Bohn, Wilson
NAYS:	Supervisors	--
ABSENT:	Supervisors	Bass
ABSTAIN:	Supervisors	--

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

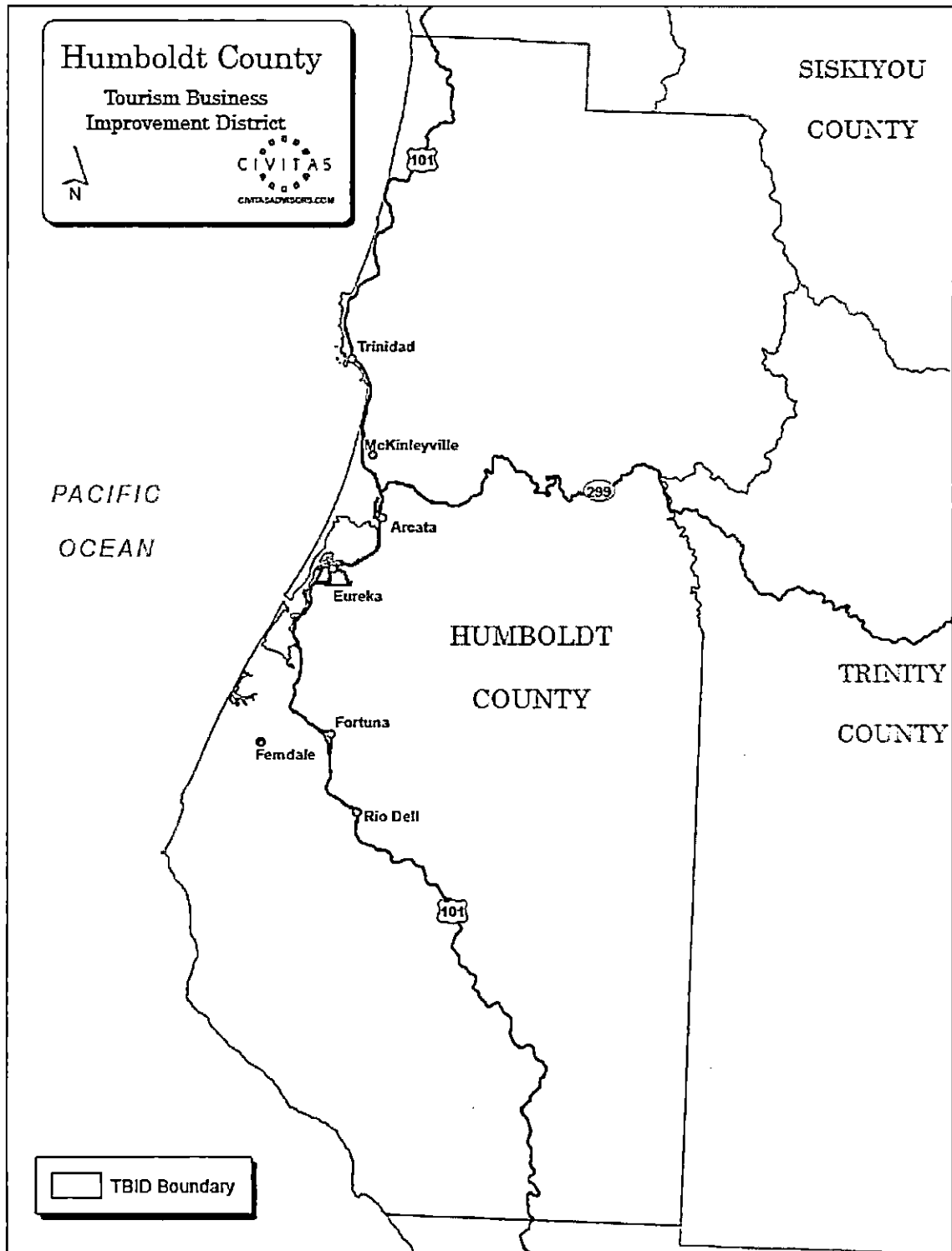
IN WITNESS WHEREOF, I have hereunto set my
hand and affixed the Seal of said Board of
Supervisors.



By ANA HARTWELL
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California

EXHIBIT A

Humboldt County Tourism Business Improvement District Boundary



ATTACHMENT 2

----- Notice

**NOTICE OF PUBLIC MEETING AND PUBLIC HEARING CONCERNING RENEWAL OF THE
HUMBOLDT COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT AND LEVY OF AN
ASSESSMENT ON CERTAIN LODGING BUSINESSES WITHIN THE DISTRICT**

NOTICE IS HEREBY GIVEN that on March 28, 2017, the Board of Supervisors of the County of Humboldt adopted a Resolution of Intention to renew the Humboldt County Tourism Business Improvement District (the "District") and to levy an assessment on certain lodging businesses within the HCTBID as set forth in the attached Resolution of Intention.

NOTICE IS HEREBY FURTHER GIVEN that at 9:00 AM on May 9, 2017, at the County of Humboldt Board Chambers, 825 5th Street, Eureka, CA 95501, a public meeting shall be held pursuant to Government Code section 54954.6 to allow public testimony regarding the renewal of the District and the levy of assessments therein as set forth in the enclosed Resolution of Intention and pursuant to Government Code section 54954.6.

NOTICE IS HEREBY FURTHER GIVEN that at 9:00 AM on May 16, 2017, at the County of Humboldt Board Chambers, 825 5th Street, Eureka, CA 95501, has been set as the time and place for a public hearing at which time the Board proposes to renew the District and to levy the proposed assessment as set forth in the Resolution of Intention.

Boundaries: The renewed District includes all lodging businesses located within the boundaries of the County of Humboldt, including the cities of Arcata, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad.

Purpose: The District is designed to provide specific benefits directly to payors by increasing room night sales and revenue therefrom. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales and revenue therefrom.

Budget: The total District annual budget for the initial year of operation is anticipated to be approximately \$1,136,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the term.

Assessment: The annual assessment rate shall be 2 percent of gross room rental revenue. Based on the benefit received, the assessment shall not be collected on stays of stays of more than thirty (30) consecutive days and stays pursuant to contracts executed prior to July 1, 2012.

Collection: The county and each city will be responsible for collecting the assessment from businesses in their respective jurisdiction on a monthly or quarterly basis (including any delinquencies, penalties and interest). The county and each city shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The renewed District will have a 10-year term, beginning July 1, 2017 through June 30, 2027. Once per year, beginning on July 1, there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a Board of Supervisors hearing on district termination.

Management: The Humboldt Lodging Alliance will continue to serve as the District's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the Board of Supervisors.

Protest: Any owner of a lodging business within the proposed District that will be subject to the assessment may protest the renewal of the District. If written protests are received from the owners of lodging businesses in the proposed District who represent 50 percent (50%) or more of the estimated annual assessments to be levied, the District shall not be renewed and the assessment shall not be imposed.

You may mail a written protest to:

Office of the Clerk of the Board
County of Humboldt
825 5th Street, Room 111
Eureka, CA 95501

You may also appear at the public meeting or hearing and submit a written protest at that time.

Information: Should you desire additional information about the renewed District or assessment contact:

Tony Smithers, Executive Director
Humboldt Lodging Alliance
322 1st Street
Eureka, CA 95501
(707) 444-6635

Dated: 3/28/2017

 Deputy
Clerk of the Board