

RESOLUTION NO. 2015-027

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND ESTABLISHING THE ELK GROVE TOURISM MARKETING DISTRICT

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et. seq.) authorizes the City to establish business improvement districts upon petition by a weighted majority of the lodging business owners located within the boundaries of the district; and

WHEREAS, lodging business owners who will pay more than fifty percent (50%) of the proposed assessment, as weighted according to the amount of the assessment to be paid by the petitioner, within the boundaries of the Elk Grove Tourism Marketing District ("EGTMD") have petitioned the City Council to establish the EGTMD; and

WHEREAS, included with the petitions was a Management District Plan summary that describes the proposed assessment to be levied on lodging businesses within the EGTMD to pay for sales promotion and marketing activities, and other improvements and activities set forth in the Management District Plan; and

WHEREAS, the assessed lodging businesses within the EGTMD will be specifically benefited by the activities and improvements set forth in the Management District Plan; and

WHEREAS, on December 10, 2014 at 6:00 PM at 8400 Laguna Palms Way, Elk Grove, CA 95758, the City Council adopted a Resolution of Intention, Resolution No. 2014-297; and

WHEREAS, the public meeting and public hearing to consider the establishment of the EGTMD have been properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on January 14, 2015 at 6:00 PM at 8400 Laguna Palms Way, Elk Grove, CA 95758, the City Council held a public meeting regarding the establishment of the EGTMD, and the City Council heard and received objections and protests, if any, to the establishment of the EGTMD and the levy of the proposed assessment; and

WHEREAS, on February 11, 2015 at 6:00 PM at 8400 Laguna Palms Way, Elk Grove, CA 95758, the City Council held a public hearing regarding the establishment of the EGTMD, and the City Council heard and received all objections and protests, if any, to the establishment of the EGTMD and the levy of the proposed assessment.

NOW, THEREFORE, BE IT RESOLVED, the City Clerk has determined that there was no majority protest. A majority protest is defined as written protests received from owners of businesses in the proposed district which would pay fifty percent (50%)

or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each lodging business.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Elk Grove that:

- 1) The recitals set forth herein are adopted by the City Council as findings and they are true and correct.
- 2) The Elk Grove Tourism Marketing District is hereby established for a five (5) year term, beginning April 1, 2015 through March 31, 2020. The Management Plan dated January 23, 2015 is hereby adopted.
- 3) The activities to be provided to benefit businesses in the district will be funded by the levy of the assessment. The revenue from the assessment levy shall not be used: to provide activities that directly benefit businesses outside the district; to provide activities or improvements outside the EGTMD; or for any purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Management District Plan.
- 4) The City Council finds as follows:
 - a) The activities funded by the assessment will provide a specific benefit to assessed businesses within the EGTMD that is not provided to those not paying the assessment.
 - b) The assessment is a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
 - c) The assessment is a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
 - d) Assessments imposed pursuant to the EGTMD are levied solely upon the assessed business, and the business owner is solely responsible for payment of the assessment when due. If the owner chooses to collect any portion of the assessment from a transient, that portion shall be specifically called out and identified for the transient in any and all communications from the business owner as the "EGTMD Assessment."
- 5) The assessments levied for the EGTMD shall be applied towards sales, promotions and marketing programs to market Elk Grove lodging businesses as tourist, meeting and event destinations, and other improvements and activities as set forth in the Management District Plan.

6) Assessments levied on lodging businesses pursuant to this resolution shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on room rentals is the best measure of benefit.

7) The annual assessment rate is two percent (2%) of gross short-term (stays for a period of 30 days or less) room rental revenue for lodging businesses in the City of Elk Grove, and one percent (1%) for lodging businesses in the unincorporated portion of Sacramento County. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days, nor on stays by employees of City, County, State and Federal government entities and foreign government diplomats if documentation of an exemption certificate is submitted and payment is made directly to the hotel for rentals or by a government-sponsored corporate charge card, nor on stays pursuant to contracts executed prior to April 1, 2015.

8) The assessments for the entire District will total approximately \$215,000 in year one.

9) Bonds shall not be issued to fund the EGTMD.

10) The EGTMD shall include all lodging business located within the boundaries of the City of Elk Grove and a portion of unincorporated Sacramento County. A boundary map is attached hereto and incorporated herein by reference as Exhibit A.

11) The assessments shall be used for the purposes set forth above and any funds remaining at the end of any year may be used in subsequent years in which the EGTMD assessment is levied as long as they are used consistent with the requirements set forth herein.

12) The assessments to fund the activities and improvements for the EGTMD will be collected by the City on a monthly or quarterly basis, and in accordance with Streets and Highways Code §36631.

13) Visit Elk Grove shall be the Owners Association pursuant to Streets and Highways Code §36614.5.

14) Visit Elk Grove, pursuant to Streets and Highways Code §36650, shall cause to prepare a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report. The first report shall be due after the first year of operation of the district.

15) The EGTMD established pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §36600 et. seq.).

16) The City Clerk, or his or her designee, is directed to take all necessary actions to complete the establishment of the EGTMD and to levy the assessments.

17) This Resolution shall take effect immediately upon its adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Elk Grove on the 11th day of February 2015.

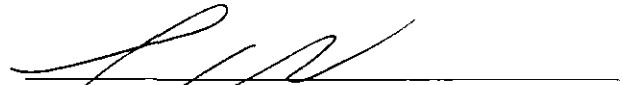


GARY DAVIS, MAYOR of the
CITY OF ELK GROVE

ATTEST:

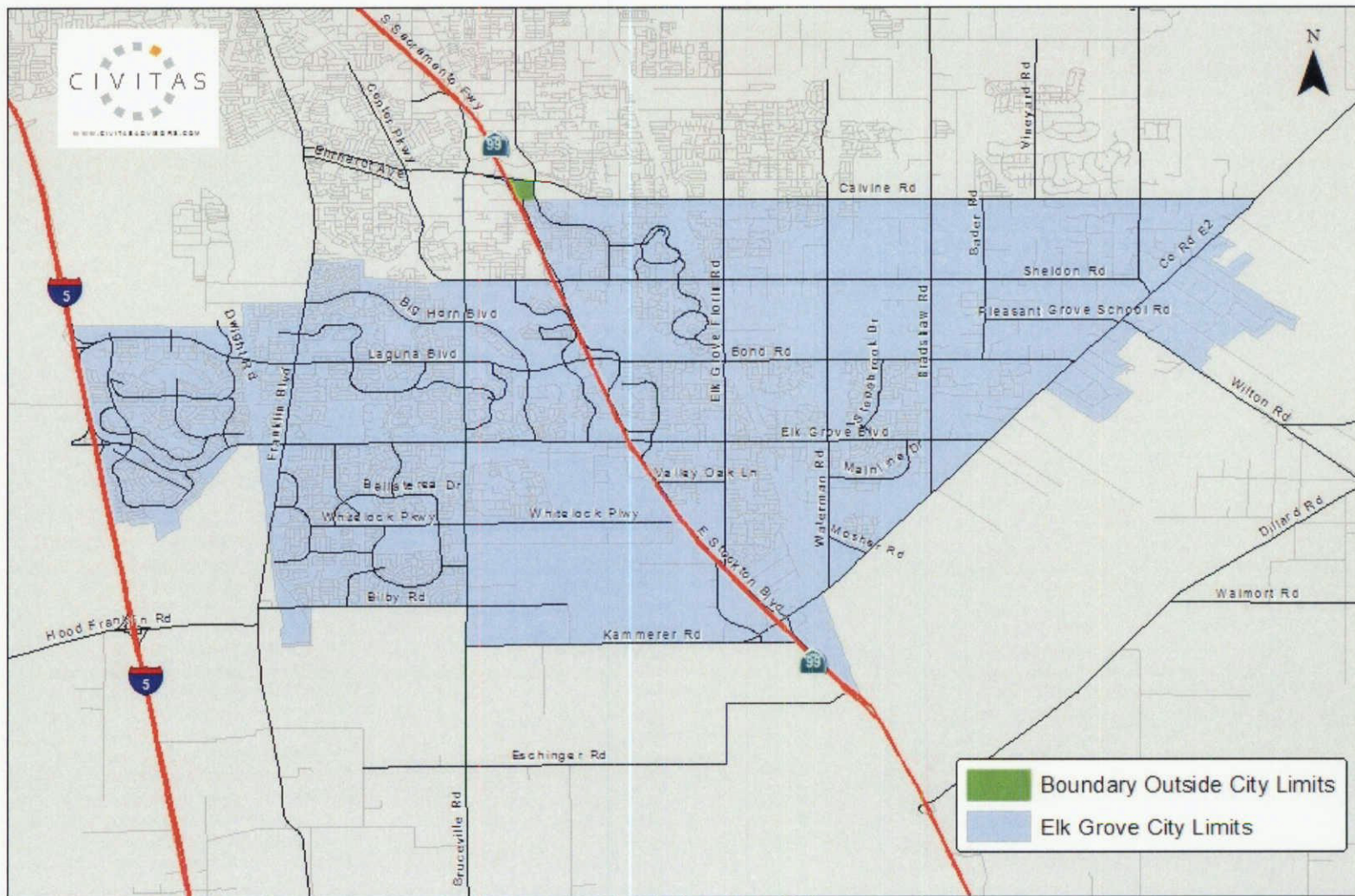
APPROVED AS TO FORM:



JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

Boundary Map



**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2015-027**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

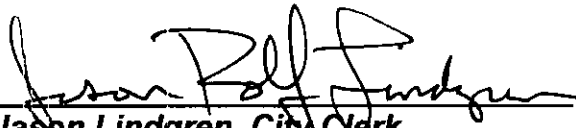
I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on February 11, 2015 by the following vote:

AYES : **COUNCILMEMBERS:** *Davis, Hume, Detrick, Ly, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN : **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



**Jason Lindgren, City Clerk
City of Elk Grove, California**