

RESOLUTION NO. __- __ C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

**DECLARING ITS INTENTION TO RENEW THE MONTEREY COUNTY TOURISM
IMPROVEMENT DISTRICT (MCTID), DECLARING ITS INTENTION TO LEVY AN
ASSESSMENT ON LODGING BUSINESSES WITHIN SUCH DISTRICT, AND FIXING
THE TIME AND PLACE OF A PUBLIC MEETING AND A PUBLIC HEARING THEREON
AND GIVING NOTICE THEREOF**

WHEREAS, the City of Monterey initially created the MCTID in 2006 under the Parking and Business Improvement Area Law of 1989 by Ordinance No. 3376;

WHEREAS, the MCTID was converted in 2019 under Property and Business Improvement District Law of 1994 by Resolution No. 18-147 for a five (5) year term, which ends on December 31, 2023;

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

WHEREAS, Monterey County Destination Marketing Organization, Inc. d.b.a. Monterey County Convention and Visitors Bureau (MCCVB), lodging business owners, and representatives from the City of Monterey have met to consider the renewal of the MCTID; and

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

WHEREAS, the renewed MCTID includes all lodging businesses, existing and in the future, located within the boundaries of the unincorporated areas of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad; and

WHEREAS, consent to include lodging businesses in their respective jurisdictions will be requested from the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad; and

WHEREAS, lodging businesses who will pay more than fifty percent (50%) of the assessment under the MCTID have petitioned the City Council to renew the MCTID.

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 (CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities

excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY THAT:

1. The recitals set forth herein are true and correct.
2. The City Council 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 the renewal of the MCTID. The City Council accepts the petitions and adopts this Resolution of Intention to renew the MCTID and to levy an assessment on certain lodging businesses within the MCTID boundaries in accordance with the Property and Business Improvement District Law of 1994.
3. The City Council finds that the Plan satisfies all requirements of Streets and Highways Code § 36622.
4. The City Council declares its intention to renew the MCTID and to levy and collect assessments on lodging businesses within the MCTID boundaries pursuant to the Property and Business Improvement District Law of 1994.
5. The MCTID shall include all lodging businesses located within the boundaries of the unincorporated areas of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad. The MCTID is divided into two (2) benefit zones, as shown in the map attached as Exhibit A.
6. The name of the district shall be Monterey County Tourism Improvement District (MCTID).
7. The annual lodging business assessment rate shall be a fixed amount per occupied room per night. The assessment is based on the business hotel type as defined in the Plan. The initial annual assessment rate for Zone 1 is \$7.00 per paid occupied room per night for luxury lodging businesses, \$4.50 per paid occupied room night for non-luxury full service lodging businesses, and \$1.50 per paid occupied room night for limited service lodging businesses. The initial annual assessment rate for Zone 2 is \$7.50 per paid occupied room per night for luxury lodging businesses, \$5.00 per paid occupied room night for non-luxury full service lodging businesses, and \$2.00 per paid occupied room night for limited service lodging businesses. Based on the provision of additional services and additional benefit to the lodging businesses, the assessment rate shall automatically increase biennially beginning in FY 2025-26 for both Zone 1 and Zone 2, unless the MCCVB Board's TID Committee votes not to implement the automatic increase based upon circumstances that they deem significant. If the MCCVB Board's TID Committee elects to cancel the automatic increase for that year, the MCCVB Board's TID Committee may implement a cumulative increase at the next regularly scheduled rate increase. Because services shall remain constant for the Salinas Visitor Services program (brochures, maps, and information regarding local events for visitors), the additional rate of \$0.50 per annum in Zone 2 shall remain static over the life of the district. The biennial assessment

increase in both Zone 1 and Zone 2 (notwithstanding the static \$0.50 rate in Zone 2), shall be \$0.90 per paid occupied room per night for luxury lodging businesses, \$0.60 per paid occupied room per night for non-luxury full service lodging businesses, and \$0.20 per paid occupied room per night for limited service lodging businesses.

Based on the benefit received, assessments shall not be collected on: stays of more than thirty (30) consecutive days; stays at vacation time-share facilities; stays at vacation rentals; stays at RV parks; stays by any Federal or State of California officer or employee when on official business; and stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty.

8. The assessments levied for the MCTID shall be applied toward sales and marketing programs to market assessed lodging businesses in the district 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 MCTID assessments are levied as long as they are used consistent with the requirements of this resolution and the Plan.

9. The renewed MCTID will have a ten (10) year term, beginning July 1, 2023, and end ten (10) years from its start date, unless renewed pursuant to Streets and Highways Code § 36660.

10. Bonds shall not be issued.

11. The time and place for the public meeting to hear testimony on renewing the MCTID and levying assessments is set for January 17, 2023, at 4:00 p.m., or as soon thereafter as the matter may be heard, at the Council Chambers located at Few Memorial Hall of Records, City Hall, 580 Pacific Street, Monterey, CA 93940.

12. The time and place for the public hearing to renew the MCTID and the levy of assessments is set for February 21, 2023, at 4:00 p.m., or as soon thereafter as the matter may be heard, at the Council Chambers located at Few Memorial Hall of Records, City Hall, 580 Pacific Street, Monterey, CA 93940. The City Clerk is directed to provide written notice to the lodging businesses subject to assessment of the date and time of the meeting and hearing, and to provide that notice as required by Streets and Highways Code § 36623(b), no later than January 7, 2023.

13. At the public meeting and hearing, the testimony of all interested persons for or against the renewal of the MCTID 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 renewed MCTID that will pay more than fifty percent (50%) of the estimated total assessment of the entire MCTID, no further proceedings to renew the MCTID shall occur for a period of one (1) year.

14. The complete Plan is on file with the City Clerk and may be reviewed upon request.

15. This resolution shall take effect immediately upon its adoption by the City Council.

I HEREBY CERTIFY that the foregoing Resolution of Intention was introduced and adopted at a regular meeting of the City Council on this ___ day of _____, 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

COUNCILMEMBERS:
COUNCILMEMBERS:
COUNCILMEMBERS:
COUNCILMEMBERS:

APPROVED:

ATTEST:

Mayor of said City

City Clerk thereof