

**Santa Clara Tourism Improvement District
Advisory Board Special Meeting - MINUTES**
Santa Clara City Hall, CMO Conference Room
1500 Warburton Avenue
Santa Clara, CA 95050

Monday, June 17, 2019, 10:00 a.m.

Call to Order/Introductions

Eron Hodges, Chair, called the special meeting to order at 10:09 AM.

Present: 5 Joe Eustice, General Manager, Hilton Santa Clara
Eron Hodges, General Manager, Hyatt Regency Santa Clara
Calette Nielsen, General Manager, Marriott Santa Clara
Jean-Phillippe Rollet, General Manager, The Plaza Suites
Peter Hart, General Manager, Embassy Suites

Absent: 4 Alan Mass, General Manager, Hyatt House
Mark Salquist, General Manager, Avatar Hotel
Virginia Scimeca, General Manager, TownePlace Suites by Marriott
Jon Siebring, General Manager, Biltmore Hotel

In Attendance

Deanna Santana, City Manager, City of Santa Clara
Ruth Shikada, Assistant City Manager, City of Santa Clara
Nancy Thome, Asst. to the City Manager, City of Santa Clara

Dan Fenton, Executive Vice President, JLL (call-in)
Bethanie DeRose, Vice President, JLL (call-in)

Public Comments

None.

Action Items

1. Review and take action on meeting minutes of the June 10, 2019 Special Meeting.
 - Two revisions on the meeting minutes of the June 10, 2019 Special Meeting:
 - 1) Correction in the spelling of Callette Nielsen's last name; and

- 2) Mark Salquist's attendance was changed to from Absent to Present with late arrival noted.

A motion was made by Jean-Phillippe Rollet, seconded by Joe Eustice, to approve the revised meeting minutes of the June 10, 2019 Special Meeting. Motion was passed (unanimously 5-0).

General Business

2. Civitas (call-in) will provide a general overview of the process and timeline to convert the Santa Clara TID from a 1989 Law district to a 1994 Law district.
 - Nichole Farley provided a general overview of the process and timeline to convert the Santa Clara TID from a 1989 Law district to a 1994 Law district. The process will take approximately six months and primarily involves five steps:
 - 1) Confirmation of district boundaries, assessment rate and governance of the funds;
 - 2) Outreach to hoteliers regarding the conversion process and clarification of services, budget, governance and terms of the TID;
 - 3) Development and preparation of legal documents including a Management District Plan, signed petitions from hoteliers to begin the conversion process; and drafting of a Resolution of Intention and a Resolution of Formation;
 - 4) Review and finalization of legal documents; and
 - 5) Public Hearing process including a City Council hearing on the Resolution of Intention, public noticing to TID hotels in accordance with the 1994 Law; and a Public Hearing (within 45 days) to allow business to submit comments, voice concerns, and protest the assessment.
 - The TID can elect to begin the conversion process immediately for an effective date of January 1, 2020 or wait to implement the new TID July 1, 2020. The difference in timeline affects the dissolution process of the TID (1989 Act). If the TID decides to begin the process immediately, a Public Hearing process would be required to dissolve the TID (1989 Act) 30 days after the establishment of the new TID (1994 Act). If the TID decides to wait and implement the new TID July 1, 2020, the TID (1989 Act) would naturally dissolve effective June 30, 2020 and no further action would be needed.
 - TID's preference was to begin the conversion process as soon as possible with the new TID (1994 Act) effective January 1, 2020.
 - Nancy Thome will work directly with Civitas to update the timeline and to establish City/Civitas agreement.

A motion was made by Joe Eustice, seconded by Callette Nielsen, recommending a contract be established, reviewed and finalized between the City and Civitas for a new TID based on the 1994 Law for the district. Motion was passed (unanimously 5-0).

3. City and TID discussion on exploring the option to change the TID assessment formula.
 - With the varying size of hotels in Santa Clara, the TID is interested in a percentage assessment model. The TID had discussed a rate of 2% of room rate but requested an assessment of the current Transient Occupancy Tax (TOT). JLL will conduct an analysis of following: the revenue potential if the TID assessment changes to a percentage model (2%) rather than the current \$1 per room/night model; review of TID's historical revenue and the impact of the recession on revenue; and a comparison of Santa Clara's assessment rate with the total assessment rates of surrounding cities and throughout the Bay Area.

General Updates

- City Manager Deanna Santa provided the TID with an update on the CVB. At the May 21 Santa Clara City Council meeting, City Council added two seats (Labor and Tech) to the CVB Board of Directors increasing the Board to a nine-voting member board from a seven-voting member Board. Additionally, as it was identified that the City Attorney's role is to advise the City Council, the City will preliminarily identify an attorney to advise the CVB Board of Directors. Interviews with two potential attorneys will take place on June 18. Final recommendations will be brought forward to the new CVB Board of Directors.

Adjournment

The meeting adjourned at 10:48 a.m.