

**Santa Clara Tourism Improvement District
Advisory Board Special Meeting – AGENDA**

December 10, 2020, 8:00 a.m.

COVID-19 NOTICE

Consistent with the California Governor’s Executive Order No. N-29-20 and the Santa Clara County Health Officer’s March 16, 2020 Shelter in Place Order, the Santa Clara Tourism Improvement District (TID) Advisory Board Special Meeting will not be physically open to the public and the TID Advisory Board members will be teleconferencing from remote locations.

The public can participate remotely via Zoom: <https://santaclaraca.zoom.us/j/95475103623>. Meeting ID: 954 7510 3623 or by phone: 1 (669) 900-6833.

Call to Order

Roll Call

Public Comments

Public comment for items not on the Agenda.

Consent Calendar

Matters listed in the Consent Calendar section will be considered routine by the Advisory Board and will be enacted by one motion. If discussion is requested, that item will be removed from the section entitled Consent Calendar and will be considered separately.

1. Action on the Minutes of the November 12, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

Consent Items Pulled for Discussion

General Business – Items for Discussion

2. Introduction of Matt Stewart, new Silicon Valley/Santa Clara Chief Executive Officer (CEO).
3. Silicon Valley/Santa Clara DMO, Inc. Updates.
4. Action on TID Subsidy Payment to XRX, Inc. (Stitches) in the amount of \$10,590.00 for February 18-23, 2020 Event at the Convention Center.
5. Discussion and Action on Cost Share Strategy for Consultant Services for the Silicon Valley/Santa Clara DMO, Inc.
6. City Update on the TID Conversion Schedule and Discussion on the Management District Plan.
7. Discussion on FY 2021/22 and FY 2022/23 Convention Center Operating Budget Planning and Goal Setting.
8. Hotel Market Update and Discussion on Future TID Hotel Room Block Strategies.

9. Update on the Implementation of Clean and Safe Certification through the American Hotel & Lodging Association (AHLA).
10. Santa Clara Convention Center Updates, and Review of Convention Center Calendar of Events.

General Updates

Adjournment

The next regular scheduled meeting is on January 21, 2020 at 8:00 a.m.

Please see COVID-19 NOTICE

Brown Act:

Government Code 54950 et seq (the Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. Action may not be taken on items not posted on the agenda. Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Peter Hart, GM at peter.hart@hilton.com prior to the meeting.

Notice to Public:

You are welcomed and encouraged to participate in this meeting. Public comment is taken (3 minutes maximum per person) on items listed on the agenda will be heard at the meeting as noted on the agenda. Public comment on items not listed on the agenda will be heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of agenda items is listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The agenda provides a general description and staff recommendation; however, the Board of Directors may take action other than what is recommended.

ATTACHMENTS

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**Santa Clara Tourism Improvement District
Advisory Board Special Meeting – AGENDA**

November 12, 2020, 8:00 a.m.

Call to Order

Chair Hodges called the meeting to order at 8:04 a.m.

Roll Call

Present: 8 Jordan Austin, General Manager, Element Santa Clara
Joe Eustice, General Manager, Hilton Santa Clara
Peter Hart, General Manager, Embassy Suites
Eron Hodges, General Manager, Hyatt Regency Santa Clara
Calette Nielsen, General Manager, Marriott Santa Clara
Jean-Phillippe Rollet, General Manager, The Plaza Suites
Mark Salquist, General Manager, Avatar Hotel
Jon Siebring, General Manager, Biltmore Hotel

Absent: 3 Justin Hart, General Manager, AC Hotel Santa Clara
Alan Mass, General Manager, Hyatt House
Virginia Scimeca, General Manager, TownePlace Suites by Marriott

A quorum was met.

In Attendance

Ruth Mizobe Shikada, Assistant City Manager, City of Santa Clara
Nancy Thome, Assistant to the City Manager, City of Santa Clara
Dan Fenton, Executive Vice President, JLL
Bethanie DeRose, Senior Vice President, JLL
Kelly Carr, General Manager, Spectra Venue Management

Public Comments

There were no public comments.

Consent Calendar

Matters listed in the Consent Calendar section will be considered routine by the Advisory Board and will be enacted by one motion. If discussion is requested, that item will be removed from the section entitled Consent Calendar and will be considered separately.

1. Action on the Minutes of the September 10, 2020 and October 8, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

A motion was made by Joe Eustice, seconded by Jon Siebring, to approve the Consent Calendar. Motion passed unanimously (8-0).

Consent Items Pulled for Discussion

None.

General Business – Items for Discussion

2. City Updates to the City Worker Retention Ordinance and Emergency Ordinance on Worker Recall Protections for Building Service, Food Service and Hotel Service Workers (Assistant City Manager Shikada).

Assistant City Manager Shikada provided the TID Advisory Board with a brief overview of recent Council actions related to the City Worker Retention Ordinance and Emergency Ordinance on Worker Recall Protections.

This week the Council passed an emergency ordinance which provides worker recall protections, effectively immediately.

- applicable to all hotels with more 50 rooms or more;
- applies to any building services contract of more than 25 people (i.e. landscaping);
- in effect for the duration of the local health emergency. Once the emergency is complete, the ordinance dissolves and will no longer apply;
- applies to contracts more than \$25,000 with term of three months or more;
- covers full or part-time hourly of staff working 8 hours/week for at least six months prior to March 16;
- does not include managers, supervisors, or confidential employees;
- must make return to work offers to those laid off first in order of priority; based on seniority/longer length of service and the worker would have five days to accept or decline the offer;
- any CBA prevails over the ordinance

The current Worker Retention Ordinance in place does not include hotels and only applies to venues and large businesses. Council is looking to expand this ordinance to include hotels and the City has scheduled outreach meetings to provide hotels the opportunity to give input. (See Post Meeting Material for copy of the presentation).

3. Discussion on TID Hotel Room Block Strategies.

Dan Fenton continues to work with partners on a new prospecting plan and encourages ongoing dialogue among partners on how to approach future years.

4. Action on the Santa Clara Convention Center Booking Strategy.

A motion was made by Callette Nielsen, seconded by Peter Hart, to approve the Santa Clara Convention Center Booking Strategy. Motion passed unanimously (8-0).

5. Update on the Development the Tourism Improvement District's Subsidy Guidelines.

The TID Subsidy Guidelines are still currently being developed. More descriptive detail has been added to the narrative and will be provided to the Advisory Board at a future meeting. The Advisory Board supports the overall direction of the guidelines as discussed at a previous meeting. It was proposed that the DMO or Convention Center would submit requests for clients and the TID, DMO or designated subcommittee would provide approvals. It was noted that there should be a not-to-exceed amount and a quick turn-around time for decisions (24-48 hours) to be made. The core requirements could include the number of room nights, a review

of potential fiscal and economic impacts.

A motion was made by Mark Salquist, seconded by Jordan Austin, to approve and process with the current direction of the Tourism Improvement District Subsidy Guidelines. Motion passed unanimously (8-0).

6. Update on the Development of Cleaning and Safety Best Practices Guidelines for Tourism Improvement District Hotels.

Calette Nielson provided the updated. Callette has been looking at respective websites. Looking at other center websites, many locations have directed visitors back to the city or county information and added links to hotel websites that outlined the hotel's cleaning and safety standards. Callette proposed two options: 1) to mirror what is being done and utilize/provide links to the hotel mother websites, or 2) for the TID to have consistency with each other and utilize the certification checklist provided by the American Hotel Lodging Association (AHLA). Callette will send out the link to the AHLA information. The goal will be for all the TID hotels to complete AHLA certification by the next TID meeting.

7. Discussion and Action on Tourism Improvement District Advisory Board Meeting Schedule for 2021 Calendar Year.

Jordan Austin announced that she will be moving back to southern California in two weeks and a new general manager will be attending the meetings. Members agreed to keep morning meetings as they work best for everyone's schedule.

A motion was made by Joe Eustice, seconded by Jon Siebring, to approve the Tourism Improvement District Advisory Board Meeting Schedule for the 2021 Calendar Year and for meetings to take place at 8:00 a.m. every third Thursday of the month. Motion passed unanimously (8-0).

Jordan Austin left the meeting at 9:00 a.m.

8. Silicon Valley/Santa Clara DMO, Inc. Updates

Dan Fenton reported that Simpleview has been re-engaged and training has begun. Additionally, the DMO has launched regular sales meetings designed to focus on the prospecting process. The DMO may have a sales report to share with the Board at the next meeting.

Nancy Thome reported that the City and the DMO have formally executed the agreement for destination marketing services. Next steps will include an introduction of the new CEO, Matt Stewart, to Council and to update Council about the TID conversion process in late January with the goal to transition to a percent conversion July 1, 2021.

9. Santa Clara Convention Center Updates.

Kelly Carr reported on the progress of the current CIP projects at the Convention Center. There continues to be restrictions on indoor gatherings and large events and staff are planning for the ability to host events again in April 2021.

General Updates

- Eron Hodges mentioned that the TID Advisory Board may want to discuss the function of the TID as an overall corporation and if the TID should continue as such. As a corporation, the TID needs to adhere to current processes as outlined in the bylaws and also look at the relationship/function with the DMO with the conversion to a new district.
- The Chamber extended an offer to the final Executive Director candidate who declined the position. Efforts to obtain “Visit Santa Clara” is still in a holding pattern at this time. Feedback from members indicated they felt value in the name and would like to continue pursuing the matter with the Chamber.
- The City has executed an agreement with Civitas for the TID conversion. Nancy Thome will provide the updated schedule at the next TID meeting.
- Members discussed that there are three new Council members and the hotels should consider setting up a 1:1 meeting with each of them to introduce them to the TID and the conversion process.

Adjournment

The meeting adjourned at 9:27 a.m. The next regular scheduled meeting is on December 10, 2020 at 9:00 a.m.

DRAFT

POST-MEETING MATERIAL - 11/12/2020 TID Advisory Board Special Meeting




**TID Advisory
Board Meeting**

**Emergency Ordinance to Add
Worker Recall Protections for
Building Service, Food Service
and Hotel Service Workers and**

**Ordinance to provide Hotel
Service Workers Retention
Rights**

November 12, 2020

1



**City of
Santa Clara**
The Center of What's Possible

Background

- On November 10, 2020 Council adopted an emergency ordinance adding Worker Recall protections for building service, food service and hotel workers; and
- On October 27, 2020 Council approved (first reading of) an ordinance amending the existing City Worker Retention Ordinance to add hotel workers as an additional class of covered employees

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City of
Santa Clara
The Center of What's Possible

Worker Recall

3

3



City of
Santa Clara
The Center of What's Possible

COVID-19 Right of Recall Ordinance

Applicability

- Any entity in Santa Clara with more than 25 employees in the State of California that enter into contracts for building services and/or food service
- Entertainment/convention venues with a capacity of at least 8,000
- **Any entity that operates a Hotel with fifty (50) or more guest rooms**
- City of Santa Clara contracts and to contracts with the City's related entities such as SOSA, Stadium Authority etc.
- Other governmental entities are exempt

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COVID-19 Right of Recall Ordinance

- “Employer” means a Covered Entity, or the operator of a Hotel, and in addition includes any person operating any **contracted, leased, or sublet premises and services** connected to or operated in conjunction with the Covered Entity, including food preparation facilities, concessions, janitorial services, maintenance services, security services, ushering and ticket taking services, retail stores, restaurants, bars, and structured parking facilities.

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COVID-19 Right of Recall Ordinance

Contracts Subject to Ordinance

- Contracts in excess of \$25,000 with a term three months or longer for regularly scheduled building services and/or food services

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COVID-19 Right of Recall Ordinance

Covered Employees

- **Full or part time employees (8 hours a week or more)** whose regular place of work is in Santa Clara and have a **length of service with the employer of six months or more** and whose most recent separation from active employment by the employer occurred on or after March 16, 2020, as a result of a lack of business, a reduction in work force or other economic, non-disciplinary reason
- Not included are managerial, supervisory, or confidential employees

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COVID-19 Right of Recall Ordinance

Notification and Recall Procedures

- Employers are **required to make the offer** to a laid off worker, in writing, to the last known mailing address, electronic mail, and text message phone number, of any position which is, or becomes available, after the effective date of the Emergency Ordinance for which the laid off worker is qualified

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COVID-19 Right of Recall Ordinance

Notification and Recall Procedures cont.

- Laid off workers must be offered a position in the **order of priority** below - if the laid off worker:
 - (1) held the **same or similar position** at the same site of employment at the time of the Laid Off Worker's most recent separation from active service with the Employer; or
 - (2) can be **qualified for the position with the same training** that would be provided to a new worker hired into that position

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COVID-19 Right of Recall Ordinance

Notification and Recall Procedures cont.

- If **more than one laid off worker is entitled** to preference for a position, the employer shall offer the position to the laid off worker with the **greatest length of service** in (1) and then (2) **with the employer at the employment site**
- A laid off worker who is offered a position shall be given no less than **five (5) business days in which to accept** or decline the offer
- Workers covered by a collective bargaining agreement would continue to be exempt from the provisions of the ordinance.

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Worker Retention

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Ordinance Amending Current Worker Retention Ordinance

Applicability

- Any hotel with fifty (50) or more guest rooms

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Ordinance Amending Current Worker Retention Ordinance

Covered Employees

- Full or part time workers (8 hours a week or more) whose primary place of employment is at a hotel subject to a change in control, (2) who is employed directly by the incumbent hotel employer, or by a person who has contracted with the incumbent hotel employer to provide services at the hotel subject to a change in control, and (3) who has worked for the incumbent hotel Employer for at least 90 days prior to the execution of the transfer document

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Ordinance Amending Current Worker Retention Ordinance

Notification and Retention Procedures

- Within 15 days after the execution of a transfer document, the incumbent hotel employer must provide the name, address, date of hire and employment classification of each hotel worker to the successor hotel employer
- Successor contractor must retain the employees of terminated contractor for a 90-day transition period

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**City of
Santa Clara**
The Center of What's Possible

Outreach Meetings for Worker Retention

Monday, November 16
6:00 pm – 7:00 pm via Zoom

Tuesday, November 17
Noon – 1:00 pm via Zoom

15

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City Council Meeting

Item 4 –
Emergency Ordinance to Add
Worker Recall Protections for
Building Service, Food Service
and Hotel Service Workers and

Introduction of an Ordinance to
provide Hotel Service Workers
Retention Rights (RTC# 20-1050)

October 27, 2020



16

XRX, Inc.
PO Box 965
Sioux Falls SD, SD 57101 US
6053382450
accounting@rxr-inc.com

TID Meeting
Dec. 10, 2020
Agenda Item #4

INVOICE

BILL TO

City of Santa Clara
1500 Warburton Ave
Santa Clara CA 95050

INVOICE # 3247
DATE 11/19/2020
DUE DATE 12/19/2020
TERMS Net 30

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	Hyatt Santa Clara Rooms	1,307	6.00	7,842.00
	Hilton Santa Clara Rooms	342	6.00	2,052.00
	Biltmore Rooms	81	6.00	486.00
	Avatar Rooms	35	6.00	210.00

BALANCE DUE **\$10,590.00**

PICK-UP REPORT



Santa Clara Convention
 5001 Great America Parkway
 Santa Clara, CA 95054
 Fax: (408) 244-9202

Date: 2/26/2020
 From: Megan Caviglia, Event Manager-- (669)249-6664, megan.caviglia@spectraxy.com

Organization Name: XRX Inc.
 Meeting Name: Stitches West

Event Type: Convention
 Market Segment:
 Scope Type:
 Definite Date: 11/16/2017

Contact: Benjamin Levisay
 Address: XRX Inc.
 2704 W 3rd St.
 Sioux Falls, SD 57104
 Phone: 605-338-2450
 Email: ceo@xrx-inc.com
 Website:

Title: CEO

Fax:

Meeting Dates: 2/18-23/2020
 Attendees: 3000
 Blocked Rooms: 2,141
 Blocked Peak: 595
 Pickup Rooms: 1,765
 Pickup Peak: 525

Hotel Name	Tues, 2/18/2020	Wed, 2/19/2020	Thur, 2/20/2020	Fri, 2/21/2020	Sat, 2/22/2020	Sun, 2/23/2020	Totals	Rate
Hyatt Regency Santa Clara	B: 29 P: 33	B: 127 P: 159	B: 295 P: 333	B: 324 P: 385	B: 299 P: 310	B: 83 P: 87	B: 1,157 P: 1,307	
Hilton Santa Clara	B:2 P:0	B: 119 P: 49	B: 152 P: 107	B: 161 P:109	B: 140 P:74	B: 10 P:3	B: 584 P: 342	\$204.00
Biltmore	B: 5 P: 1	B: 30 P: 15	B: 45 P: 20	B: 55 P: 19	B: 50 P: 18	B: 15 P: 8	B: 200 P: 81	\$206
Avatar	B:5 P:0	B:28 P:2	B:54 P:11	B:55 P:12	B:48 P:7	B:10 P:3	B:200 P:35	\$123.57
Totals	B: 41 P:34	B: 304 P:225	B: 546 P:471	B: 595 P:525	B: 537 P:409	B: 118 P:101	B: 2,141 P:1,765	

Hotel	Blocked	Picked up	% Picked up
Hyatt Regency Santa Clara	1,157	1,307	113%
Hilton Santa Clara	584	342	58%
Biltmore	200	81	40%
Avatar	200	35	17.5%
Grand Totals	2,141	1,765	82%

32. **AMERICANS WITH DISABILITIES ACT:** Center warrants that it is in compliance with the Americans With Disabilities Act (Public Law 101-336). This warranty is based upon a Self-Assessment conducted by the City's ADA Task Force and the Center's staff. Compliance includes preparation of a Transition Plan containing identified deficiencies and plans to correct those deficiencies subject to funding by the City of Santa Clara. The Transition Plan is available for inspection in the Center's administrative offices during regular business hours. The Center accepts responsibility for compliance with the Act with respect to its policies, practices, procedures and eligibility criteria; the provision of auxiliary aids and services other than in those areas designated for the exclusive use of the Licensee; architectural, communication and transportation barriers other than those created by or within the control of Licensee, its agents, representatives or contractors and, the provision of wheelchair seating spaces in assembly areas.

Licensee shall be responsible for compliance with the Act with respect to its policies, practices, procedures and eligibility criteria; the provision of auxiliary aids and services in areas designated for the exclusive use of or within the control of Licensee, including audio visual; and, architectural, communications and transportation barriers created by or within the control of Licensee, its agents, representatives or contractors.

33. **ADDENDA:** Additional provisions, if any, are listed below and made a part hereof.

Upon confirmation that a minimum of 1,500 Santa Clara hotel room nights have been utilized by your organization and the rental of Exhibit Halls A-D, you will be refunded \$25,000.00 the value of Meeting Rooms 201-212 valued at (\$ 13,200.00), Grand Ballroom GH (valued at \$6,320.00), and Great America Meeting Rooms 1-3 (valued at \$5,480.00) following the event.

*Upon confirmation that between 1,000 -1,499 Santa Clara hotel room nights have been utilized by your organization and the rental of Exhibit Halls A-D, you will be refunded \$13,200.00 (the value of Meeting Rooms 201-212) following the event.

✓ The License Fee for the Great America Ballroom JK (valued at \$7,840.00) will be refunded following the event, if the amount spent at the Santa Clara Convention Center for food and beverages therein equals or exceeds \$42,800.00 (excluding service charges and taxes). The License Fee will be reduced by one-half, if the amount spent is between 50% and 100% of the above amount.

*****SUBSIDY**

Option 1

The Santa Clara Convention and Visitors Bureau will offer a \$2.00 subsidy per actualized room night in the Santa Clara designated hotels. In order to qualify for this subsidy, Licensee must meet the following requirements:

- 1) Contract with a minimum of two (2) Santa Clara hotel properties for 300 rooms on peak night.
- 2) Have a minimum of 300 actualized Santa Clara hotel rooms on peak night upon completion of the event.
- 3) \$2.00 per room night subsidy for any registered conference attendee that is confirmed to have stayed at the following Santa Clara hotels during the conference dates: Avatar, Biltmore Hotel and Suites, Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara and The Plaza Suites.

Option 2

The Santa Clara Convention and Visitors Bureau will offer a \$4.00 subsidy per actualized room night in the Santa Clara designated hotels. In order to qualify for this subsidy, Licensee must meet the following requirements:

- 1) Contract with a minimum of two (2) Santa Clara hotel properties for 400 rooms on peak night.
- 2) Have a minimum of 400 actualized Santa Clara hotel rooms on peak night upon completion of the event.
- 3) \$4.00 per room night subsidy for any registered conference attendee that is confirmed to have stayed at the following Santa Clara hotels during the conference dates: Avatar, Biltmore Hotel and Suites, Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara and The Plaza Suites.

Option 3

The Santa Clara Convention and Visitors Bureau will offer a \$6.00 subsidy per actualized room night in the Santa Clara designated hotels. In order to qualify for this subsidy, Licensee must meet the following requirements:

- 1) Contract with a minimum of three (3) Santa Clara hotel properties for 500 rooms on peak night.
- 2) Have a minimum of 500 actualized Santa Clara hotel rooms on peak night upon completion of the event.
- 3) \$6.00 per room night subsidy for any registered conference attendee that is confirmed to have stayed at the following Santa Clara hotels during the conference dates: Avatar, Biltmore Hotel and Suites, Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara and The Plaza Suites.

The Santa Clara Convention and Visitors Bureau will offer an **additional \$2.00 subsidy** per actualized room night in the Santa Clara designated hotels for transportation. This amount can only be used towards transportation costs between the designated Santa Clara hotels: Avatar, Biltmore Hotel and Suites, Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara and The Plaza Suites. In order to qualify for this subsidy, Licensee must meet the following requirements:

- 1) Contract with a minimum of three (3) Santa Clara hotel properties for 500 rooms on peak night.
- 2) Have a minimum of 500 actualized Santa Clara hotel rooms on peak night upon completion of the event.

Parking Notice: The Center cannot guarantee parking availability in the adjacent City owned parking garages due to major events that may potentially be held in the Santa Clara Stadium. All reasonable efforts will be made to locate alternative parking for the use of the Licensee. Parking fees will apply based upon the rates charges at the time of the program.

Oversized vehicles, trucks, and trailer parking is not available. These parking arrangements can be made in advance with your Convention Services Manager (current fees at the time will apply). Should the on-site lot fill-up, all reasonable efforts will be made to locate alternative parking for the use of the Licensee and its guests. Parking fees will apply based upon rates charged at the time of the program.

**Santa Clara Tourism Business Improvement District
Conversion Timeline**
December 1, 2020

Action	Date	Responsible Party
Initiate project	December 1, 2020	Civitas, City
Edit Management District Plan (MDP)	Early December 2020	Civitas
Submit draft MDP and Petition to City; ongoing review	Mid-December 2020	Civitas, City
Outreach and consensus building	January – February 2021	City, Civitas
City Council meeting + presentation	January 26, 2021	City, Civitas
<i>City Council meeting + presentation (TBD)</i>	<i>February 23, 2021</i>	<i>City, Civitas</i>
Final MDP and Petition approved by City	Late February 2021	City
Petition Drive	March 2021	City
Submit Petitions totaling over 50% of assessment to City	March 2021	City
City Council – Resolution of Intention <ul style="list-style-type: none"> Action on a Resolution of Intention to Establish the Santa Clara Tourism Improvement District (SCTID) under the Property and Improvement District Law of 1994` (<i>Can be on Consent Calendar</i>) 	April 6, 2021	City
Mail <ul style="list-style-type: none"> Notice of Public Meeting/Hearing - <i>Should be mailed 1 day after ROI is adopted. Must be mailed 45 days before public hearing. Clerk certification of mailing is required.</i> 	April 7, 2021	Civitas, City
City Council – Public Meeting <ul style="list-style-type: none"> Public Meeting on the Formation of the SCTID– No action required - <i>Must be held at least 10 days after Notice of Public Meeting/Hearing is mailed and at least 7 days before Public Hearing is held.</i> 	April 20, 2021	City
City Council – Public Hearing <ul style="list-style-type: none"> Public Hearing & Adopt Resolution of Formation establishing the SCTID under the '94 law - <i>Must be held at least 45 days after Notice is mailed.</i> 	May 25, 2021	City
Old '89 district ceases to exist	June 30, 2021	
District begins collecting new assessment	July 1, 2021	Lodging

**Proposed Timeline – subject to change*

	Option 1	Option 2	Option 3	Option 4	Option 5
Base TOT	9.50%	9.50%	9.50%	9.50%	9.50%
Base TOT Increase	2.00%	2.00%	2.00%	2.00%	2.00%
CFD Assessment	2.00%	2.00%	2.00%	2.00%	2.00%
	13.50%	13.50%	13.50%	13.50%	13.50%
<i>Proposed TID Assessment</i>	2.00%	1.75%	1.50%	1.25%	1.00%
	15.50%	15.25%	15.00%	14.75%	14.50%

	Previous	Option 1	Option 2	Option 3	Option 4	Option 5
TID Assessment Method	\$1/N	2.00%	1.75%	1.50%	1.25%	1.00%
TID Revenue (Pre-CoVID)	\$ 800,000	\$ 3,750,000	\$ 3,281,250	\$ 2,812,500	\$ 2,343,750	\$ 1,875,000
TID Revenue	\$ 800,000	\$ 1,630,000	\$ 1,426,250	\$ 1,222,500	\$ 1,018,750	\$ 815,000
General Fund	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total DMO Funding	\$ 2,300,000	\$ 1,630,000	\$ 1,426,250	\$ 1,222,500	\$ 1,018,750	\$ 815,000

DMO PROGRAM & SERVICES BUDGET		2.00%	1.75%	1.50%	1.25%	1.00%
Convention Sales, Incentives & Svc.	40%	\$ 652,000	\$ 570,500	\$ 489,000	\$ 407,500	\$ 326,000
Marketing & Communications	20%	\$ 326,000	\$ 285,250	\$ 244,500	\$ 203,750	\$ 163,000
Administration	35%	\$ 570,500	\$ 499,188	\$ 427,875	\$ 356,563	\$ 285,250
Contingency / Reserve	3%	\$ 48,900	\$ 42,788	\$ 36,675	\$ 30,563	\$ 24,450
City Collection Fee	2%	\$ 32,600	\$ 28,525	\$ 24,450	\$ 20,375	\$ 16,300
TOTAL	100%	\$ 1,630,000	\$ 1,426,250	\$ 1,222,500	\$ 1,018,750	\$ 815,000

20201-20256



SANTA CLARA TOURISM IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

*Prepared pursuant to the Property and Business Improvement District Law of
1994, Streets and Highways Code section 36600 et seq.*

February
18 December 1 2020

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I. OVERVIEW

The Santa Clara Tourism Improvement District (SCTID) is an assessment district proposed to provide specific benefits to payors, by funding convention sales, incentives, and services and marketing and communication programs for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

Location: The proposed SCTID includes all lodging businesses with ten (10) rooms or more located within the boundaries of a portion of the City of Santa Clara, as shown on the map in Section III.

Services: The SCTID is designed to provide specific benefits directly to payors by increasing room night sales. Convention sales, incentives, and services and marketing and communication programs will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total SCTID annual budget for the initial year of its five (5) year operation is anticipated to be approximately ~~\$2,812,500~~\$1,222,500.

Cost: The annual assessment rate is one and one-half of one percent (1.5%) of gross short-term room rental revenue. After the initial year of the SCTID's five (5) year term the assessment rate may be increased in any year by the Owners' Association's Board to a maximum of two percent (2%) of gross short-term room rental revenue as described in Section V. Based on the benefit received, assessments will not be collected on stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. Additionally, assessments will not be collected on stays by any Federal or State of California officer or employee on official business who shall provide one of the following; a warrant or check drawn on the Treasury of the United States; a copy of the official travel orders indicating the issuing governmental agency and the employee's full name; or, a copy of a letter on the official letterhead of an exempt governmental agency requesting exemption and listing the employee's name and stating that the stay is for official government business. The dates of occupancy must also be included. These requirements must be demonstrated by the guest at the time of registration. Failure to satisfy these requirements will result in no assessment exemption. Copies of the documentation for each exemption claimed must be submitted to the Director of Finance with each remittance of assessments.

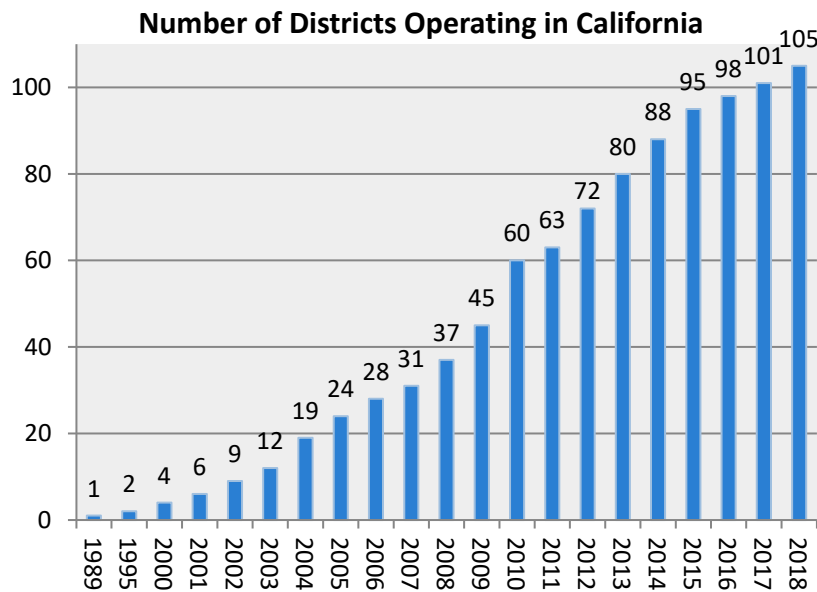
Collection: Each lodging business located in the boundaries of the SCTID shall be responsible for remitting the assessments to the City in accordance with this Management District Plan. The City will be responsible for collecting the assessment on a quarterly basis or at the close of any shorter reporting period as established by the Director of Finance (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the SCTID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The proposed SCTID will have a five (5) year life, beginning July 1, ~~2020~~2021 through June 30, ~~2025~~2026. Once per year, beginning on the anniversary of SCTID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on SCTID termination.

Management: Silicon Valley/Santa Clara DMO, Inc. (DMO) will serve as the SCTID'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 City Council.

II. BACKGROUND

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.



California's TIDs collectively raise over \$275 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Santa Clara lodging businesses invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase room night sales.

Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TIDs:

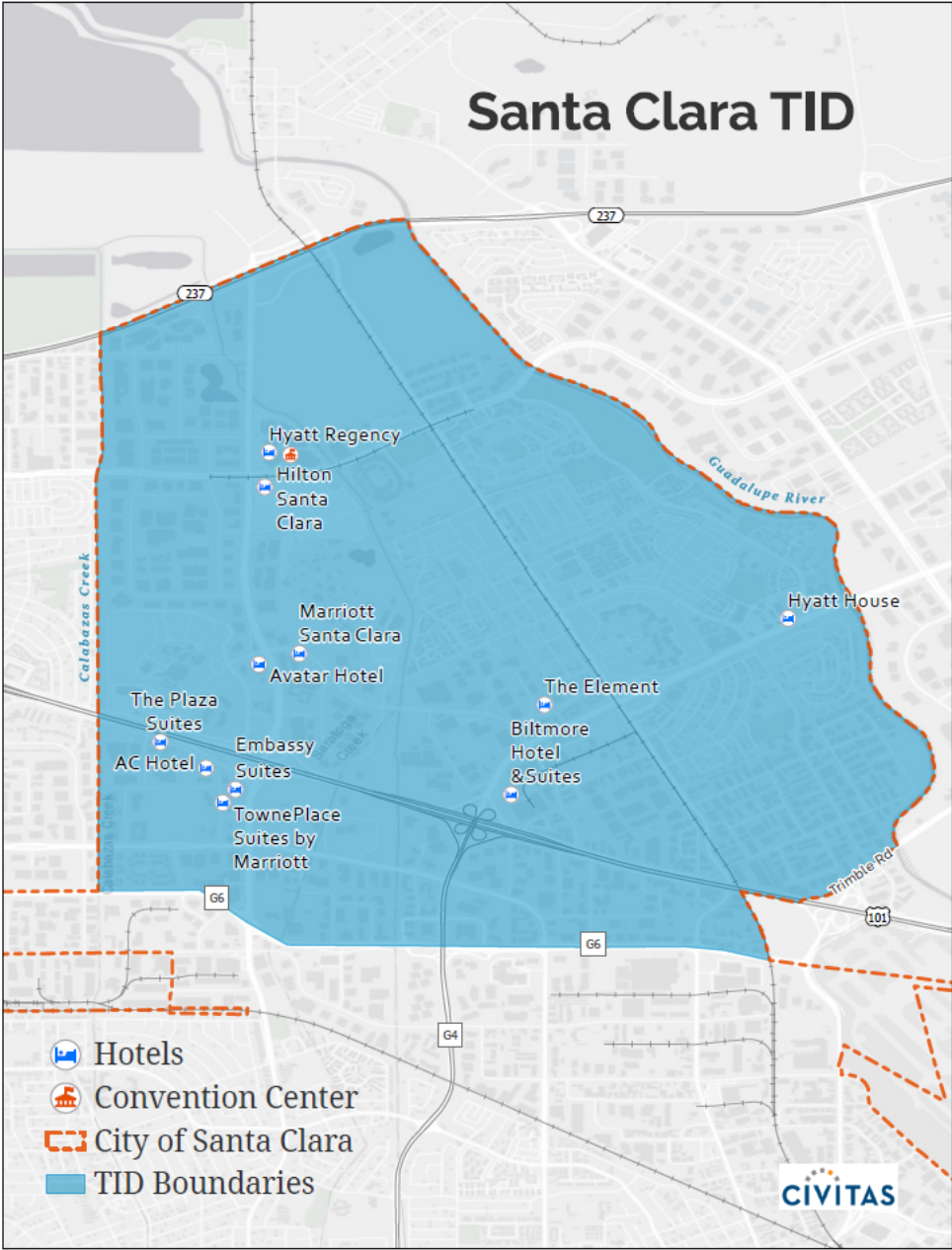
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The SCTID will include all lodging businesses with ten (10) rooms or more, existing and in the future, available for public occupancy within the boundaries of a portion of the city of Santa Clara.

Lodging business means: any structure, or any portion of any structure, that is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes, and includes, but is not limited to, any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home, or house trailer at a fixed location, or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes eleven (11) lodging businesses. A complete listing of lodging businesses within the proposed SCTID can be found in Appendix 2.

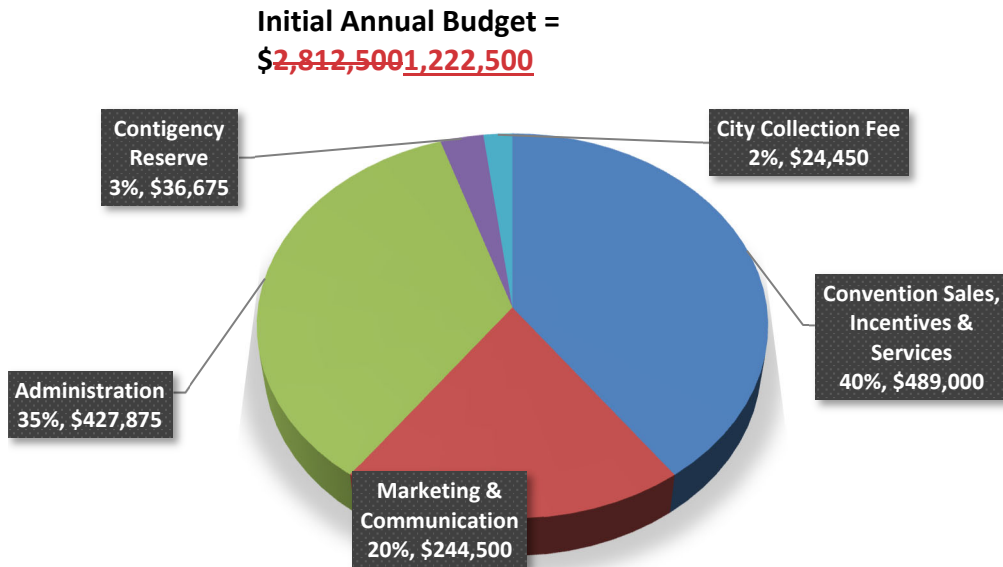


IV. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the SCTID funds are convention sales, incentives, and services and marketing and communication programs available only to assessed businesses within the SCTID.

A service plan budget has been developed to deliver services that benefit the assessed businesses within the SCTID. A detailed annual budget will be developed and approved by the DMO. The table below illustrates the initial annual budget allocations. The total initial budget is ~~\$2~~\$1,222,500,~~812,500~~.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the DMO Board shall have the authority to adjust budget allocations between the categories by no more than twenty percent (20%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the SCTID, any and all assessment funds may be used for the costs of defending the SCTID. In the first year of operation, the costs of creating the SCTID may be repaid by deducting repayment funds proportionally from budget categories.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the marketing and communications budget includes the cost of staff time dedicated to overseeing and implementing the marketing and communications program. Staff time dedicated purely to administrative tasks is allocated to the administration portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing

levels necessary to provide the services below will be determined by the DMO on an as-needed basis.

Convention Sales, Incentives, and Services

The ~~convention~~ Convention sales ~~Sales, incentives~~ Incentives, and ~~services~~ Services program ~~Program~~ will promote sales activity for the booking of Convention Center events and increased room night sales of Convention Center attendees. The budget will be dedicated to sales activities to providing financial incentives to maintain and attract new meetings, conventions, sporting, and other events that have a significant impact on assessed lodging business room demand in the SCTID. The ~~p~~Program may include ~~providing incentives~~ the provision of subsidies to ~~to~~ attract new marquee events and conventions that have not previously ~~could not be pursued due to insufficient funding~~ hosted an event at the Convention Center. Program ~~services may include any maintenance related to the facility or performance of booking Convention Center events~~ activities may include, but is not limited to, the following activities:-

- Engage in sales activity for the effective booking of the Convention Center, for increased room night sales to Convention Center attendees and commensurate revenue for the Convention Center.
- Sell and coordinate the booking and reservation of convention, meeting and/or trade show space, hotel rooms and other off-site venues as necessary in connection with such convention, meeting, trade show or other group leisure events at the Convention Center and Santa Clara hotels in order to facilitate the seamless booking and servicing processes for space, food and beverage, audio/visual, and other group needs.
- Conduct targeted sales calls to potential convention, tradeshow, and conference planners to generate prospects.
- Host exhibits at various targeted conference shows and special events as deemed necessary by Contractor to promote economic development and the visitor industry.
- Conduct familiarization tours and product development tours and activities for agreed upon prospective clients.
- Host prospective meeting planners and other prospective clients in the City to promote business and industry development and the tourism industry.
- Provide an incentive program in conjunction with the Convention Center and TID lodging businesses to generate new group or convention bookings.

Marketing & Communication

The ~~marketing~~ Marketing and ~~C~~ommunication ~~program~~ Program will promote assessed lodging businesses as convention, tourist, meeting, and event destinations. The ~~marketing and communications~~ ~~p~~Program will have a central theme of promoting the destination as a desirable place for overnight meeting and convention attendees visits. The program will have the goal of increasing overnight visitation and room night sales at assessed lodging businesses, and may include, but is not limited to, the following activities:

- Promote and market the Convention Center and Santa Clara, as a premier destination for conventions, meetings and trade shows, including utilization of digital media, online presence and social networks.

- Develop, produce, and distribute promotional convention sales materials specific to the Convention Center, Santa Clara lodging businesses, restaurants, entertainment and other amenities located in the City, and distribute said materials to event planners or coordinators.
- Conduct coordinated advertising, publicity and promotion campaigns emphasizing attractions offered in the City for meetings and conventions groups.
- Participate in appropriate convention and destination marketing association's events and trade shows so that favorable and targeted publicity about the City and the Convention Center is continued and expanded.
- Solicit appropriate convention, tradeshow and meeting organizations to use the Convention Center and other venues throughout the City.
- Support destination planning services to associations, businesses, organizations and groups convening or holding conventions, meetings or events in the City.
- Maintain a master set of bookings and schedules (and other related books and records) for conventions, tradeshow and other events at the Convention Center.
- Create and maintain strategic relationships for the coordination of sales and services with the City and its business partners, including but not limited to the TID lodging businesses, Convention Center operator, and food and beverage service provider among others.
- Engage in such other sales, marketing and promotion activities as Contractor deems appropriate and necessary to increase sales activity for conventions, meetings, trade shows and other events at the Convention Center.
- Maintain and continue to develop an appealing website that is designed to showcase the attributes of Santa Clara and market Santa Clara as a desirable destination.
- ~~Internet marketing efforts targeted directly at potential visitors to increase awareness and optimize internet presence designed to increase room night sales at assessed lodging businesses;~~
- ~~Attendance at trade shows to drive room night sales to assessed lodging businesses;~~
- ~~Marketing and promotions programs designed to increase room night sales at assessed businesses;~~
- ~~Familiarization tours featuring assessed lodging businesses;~~
- ~~Lead generation activities designed to attract tourists to assessed lodging businesses;~~
- ~~Supporting special events designed to increase room night sales at assessed lodging businesses;~~
- ~~Visitor Center and Information phone answering designed to increase room night sales at assessed lodging businesses;~~
- ~~Tourism related investments designed to increase room night sales at assessed lodging businesses;~~
- ~~Production and distribution of tourist related marketing collateral featuring assessed lodging businesses;~~
- ~~Maintaining industry public relations and communications featuring assessed lodging businesses; and~~
- ~~Marketing efforts to promote assessed businesses as desirable leisure, meeting, and event destinations.~~

Administration

The administration Administration provides management, coordination and support to all organizational services and functions. Administration is responsible for the general oversight and

~~fiscal health of the organization and portion of the budget shall be used to support -utilized for administrative staffing costs, office costs, policy development, and other general administrative costs such as insurance, legal, and accounting.~~

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the DMO Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the DMO Board. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the DMO Board. The reserve fund may be used for the costs of renewing the SCTID.

City Administration Fee

The City of Santa Clara shall be paid a fee equal to 2% of the amount of assessment collected to cover its costs of collection and administration which may include but are not limited to: staffing costs, legal services, and operational costs for rent, telephone, supplies, postage, and other general office expenses.

B. Annual Budget

The total five (5) year improvement and service plan budget is projected at approximately ~~\$2,812,500~~1,222,500 -annually, or ~~\$8,075,085~~\$18,971,355 through ~~2025-2026~~ if the maximum assessment rate increases are adopted. This budget is expected to fluctuate as room sales change and if the assessment rate is increased. If the maximum annual assessment increases are adopted by the DMO’s Board, the annual budget may increase to an estimated ~~\$1,662,600~~\$3,862,403 in ~~2021~~2022-232. The initial annual assessment rate is one and one-half of one percent (1.5%) of gross short-term room rental revenue. After the initial year, the DMO’s Board may propose to increase the assessment up to a maximum increment of one-half of one percent (0.50%), to a maximum assessment rate of two percent (2%) of gross short-term room rental revenue. If the DMO’s Board votes to increase the assessment, the DMO shall ~~give notice of the~~propose the assessment increase to the City of Santa Clara for Council approval.

The table below demonstrates the maximum with the assumption that the rate will be increased in ~~2021~~2022-232 as it is a required disclosure, it may not be the final course of action. Additionally, a three percent (~~23~~23%) annual increase in the total budget is shown to account for estimated increased room night sales as a result of SCTID efforts. This ~~two~~three percent (~~23~~23%) annual increase is a conservative estimate based on the effects of similarly sized TID budgets. This amount may fluctuate as sales and revenue increase at assessed businesses; but is not expected to change significantly over the term.

Estimated Annual Budget If Maximum Assessment Rates Are Adopted
~~2020~~2021-2025~~2026~~

Year	Convention Sales, Incentives, and Services	Marketing & Communication	Administration	Contingency /Reserve	City Administration Fee	Total
2020-21	\$1,406,250	-\$843,750	-\$421,875	-\$84,375	-\$56,250	-\$2,812,500
2021-22	\$1,931,202	-\$1,158,721	-\$579,361	-\$115,872	-\$77,248	-\$3,862,403

2022-23	\$1,989,138	-\$1,193,483	-\$596,741	-\$119,348	-\$79,566	-\$3,978,276
2023-24	\$2,048,812	-\$1,229,287	-\$614,644	-\$122,929	-\$81,952	-\$4,097,624
2024-25	\$2,110,276	-\$1,266,166	-\$633,083	-\$126,617	-\$84,411	-\$4,220,553
Total	\$9,485,678	-\$5,691,407	-\$2,845,703	-\$569,141	-\$379,427	\$18,971,355
Year	Convention Sales, Incentives, and Services	Marketing & Communication	Administration	Contingency / Reserve	City Administration Fee	Total
2021-22	\$489,000	\$244,500	\$427,875	\$36,675	\$24,450	\$1,222,500
2022-23	\$665,040	\$332,520	\$581,910	\$49,878	\$33,252	\$1,662,600
2023-24	\$678,341	\$339,170	\$593,548	\$50,876	\$33,917	\$1,695,852
2024-25	\$691,908	\$345,954	\$605,419	\$51,893	\$34,595	\$1,729,769
2025-26	\$705,746	\$352,873	\$617,528	\$52,931	\$35,287	\$1,764,364
Total	\$3,230,034	\$1,615,017	\$2,826,280	\$242,253	\$161,502	\$8,075,085

The table below illustrates the annual improvement and service plan budget with the assumption that the rates will not be increased during the district's five (5) year term. Additionally, a ~~three-two~~ percent (23%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of SCTID efforts.

Estimated Annual Budget If Maximum Assessment Rates Are Not Adopted
20202021-20252026

Year	Convention Sales, Incentives, and Services	Marketing & Communication	Administration	Contingency / Reserve	City Administration Fee	Total
2020-21	\$1,406,250	\$843,750	\$421,875	\$84,375	\$56,250	\$2,812,500
2021-22	\$1,448,438	\$869,063	\$434,531	\$86,906	\$57,938	\$2,896,875
2022-23	\$1,491,891	\$895,134	\$447,567	\$89,513	\$59,676	\$2,983,781
2023-24	\$1,536,647	\$921,988	\$460,994	\$92,199	\$61,466	\$3,073,295
2024-25	\$1,582,747	\$949,648	\$474,824	\$94,965	\$63,310	\$3,165,494
Total	\$7,465,972	-\$4,479,583	-\$2,239,792	-\$447,958	-\$298,639	\$14,931,944
Year	Convention Sales, Incentives, and Services	Marketing & Communication	Administration	Contingency / Reserve	City Administration Fee	Total
2021-22	\$489,000	\$244,500	\$427,875	\$36,675	\$24,450	\$1,222,500
2022-23	\$498,780	\$249,390	\$436,433	\$37,409	\$24,939	\$1,246,950
2023-24	\$508,756	\$254,378	\$445,161	\$38,157	\$25,438	\$1,271,889
2024-25	\$518,931	\$259,465	\$454,064	\$38,920	\$25,947	\$1,297,327
2025-26	\$529,309	\$264,655	\$463,146	\$39,698	\$26,465	\$1,323,273
Total	\$2,544,776	\$5,691,407	\$2,845,703	\$569,141	\$379,427	\$6,361,939

C. California Constitutional Compliance

The SCTID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term 'assessments' to levies on real

property.¹ Rather, the SCTID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the SCTID, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “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.”² The services in this Plan are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the SCTID. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the SCTID and are narrowly tailored. SCTID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in SCTID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this SCTID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales programs promoting lodging businesses paying the SCTID assessment. The ~~marketing~~ Marketing and ~~Ssales pPrograms~~ will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the ~~convention~~ Convention salesSales, ~~incentives~~ Incentives, and ~~Sservices and~~ marketing Marketing and ~~communication~~ Communication programs that specifically benefit the assessed lodging businesses, the administration and contingency/reserve services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the SCTID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “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

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

³ Government Code § 53758(a)

reasonable costs to the local government of providing the service or product.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the SCTID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

3. Reasonable Cost

SCTID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the DMO, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from SCTID-funded activities, be featured in advertising campaigns, and benefit from other SCTID-funded services. Non-assessed lodging businesses will not receive these, nor any other, SCTID-funded services and benefits.

The SCTID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-SCTID funds. SCTID funds shall only be spent to benefit the assessed businesses and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is one and one-half of one percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. Additionally, assessments will not be collected on stays by any Federal or State of California officer or employee on official business who shall provide one of the following; a warrant or check drawn on the Treasury of the United States; a copy of the official travel orders indicating the issuing governmental agency and the employee’s full name; or, a copy of a letter on the official letterhead of an exempt governmental agency requesting exemption and listing the employee’s name and stating that the stay is for official government business. The dates of occupancy must also be included. These requirements must be demonstrated by the guest at the time of registration. Failure to satisfy these requirements will result in no assessment exemption. Copies of the documentation for each exemption claimed must be submitted to the Director of Finance with each remittance of assessments.

After the initial year, the assessment rate may be increased by the DMO’s Board, subject to City Council approval, to a maximum of two percent (2%) of gross short-term room rental revenue. If the assessment rate is increased, it may subsequently be decreased but shall not be decreased below a minimum of one and one-half of one percent (1.5%) of gross short-term room rental revenue. The assessment may be increased up to a maximum increment of one half of one percent (0.50%) and may be decreased down to a maximum increment of one-half of one percent (0.50%).

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

The term “gross room rental revenue” as used herein means: the consideration received, whether or not actually charged by the lodging business, for the occupancy of space in a lodging business valued in money, whether said gross room rental revenue is received in money, goods, labor, or otherwise, including all receipts, cash, credits, and property and services of any kind or nature. A lodging business may provide complimentary non-assessable rooms for employee use, guest satisfaction or charitable purposes (by a qualified 501(c)(3) charity) and a lodging business shall detail all complimentary non-assessable rooms in its regular reporting. Failure to accurately report complimentary rooms shall result in assessment of the rooms in question. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. If the SCTID assessment is identified separately it shall be disclosed as the “SCTID Assessment.” As an alternative, the disclosure may include the amount of the SCTID assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the “Tourism Assessment.” The assessment is imposed solely upon and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

Bonds or any debt obligation shall not be issued.

E. Penalties and Interest

The SCTID shall reimburse the City of Santa Clara for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent SCTID assessment are sought to be recovered in the same collection action by the City, the SCTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Delinquency Interest:* Any lodging business that fails to remit any assessment imposed within the time required shall pay interest as described in subparagraph 3 below.
2. *Penalty for Willful Noncompliance or Repeated Delinquencies:* If the City determines that the nonpayment of any remittance due is due to willful noncompliance or repeated delinquencies, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the interest as required by subparagraph 3 below.
3. *Calculation of Interest:* In addition to the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of the United States government T-Bills sold at the latest sale prior to the date of the delinquency plus three percent (3%) prorated per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
4. *Penalties and Interest Merged with Assessment:* Except for the purpose of calculation of interest and penalties, every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the assessment herein.

F. Time and Manner for Collecting Assessments

The SCTID assessment will be implemented beginning July 1, ~~2020~~2021 and will continue for five (5) years through June 30, ~~2025~~2026. On or before the last day of the month following the close of

each calendar quarter, or at the close of any shorter reporting period as established by the Director of Finance, each assessed business shall remit to the City all assessments collected through the last day of the previous quarter, including any delinquencies, penalties, and interest, which have not previously been remitted to the City. Each lodging business located in the boundaries of the SCTID shall be responsible for remitting the assessments to the City in accordance with this Management District Plan. The City will be responsible for collecting the assessment on a quarterly basis or at the close of any shorter reporting period as established by the Director of Finance (including any delinquencies, penalties and interest) from each assessed lodging business. The City shall take all reasonable efforts to collect the assessments from each assessed lodging business. The City shall forward the assessments collected to the Owners' Association.

V. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the SCTID as defined in Streets and Highways Code §36612. The City Council has determined that Silicon Valley/Santa Clara DMO, Inc. (DMO), a nonprofit corporation, will serve as the Owners' Association for the SCTID.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the DMO Board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The DMO shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2018 SUPPLEMENT ***
(ALL 2017 LEGISLATION)

STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

- (a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.
- (c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.
- (d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.
- (e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:
 - (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
 - (2) Job creation.
 - (3) Business attraction.
 - (4) Business retention.
 - (5) Economic growth.
 - (6) New investments.
- (f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.
- (g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.
- (h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.
 - (1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.
 - (2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed.

Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. “Activities”

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. “Assessment”

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. “Business”

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. “Property”

“Property” means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law

36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
 - (1) A map showing the boundaries of the district.
 - (2) Information specifying where the complete management district plan can be obtained.
 - (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
 - (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
 - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

- (d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.
- (e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.
- (f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.
- (g) The time and manner of collecting the assessments.
- (h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.
- (i) The proposed time for implementation and completion of the management district plan.
- (j) Any proposed rules and regulations to be applicable to the district.
- (k)
 - (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.
 - (2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.
- (l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.
- (m) In a property-based district, the total amount of general benefits, if any.
- (n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.
- (o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

- (a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
- (b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each

written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

- (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.
- (2) The number, date of adoption, and title of the resolution of intention.
- (3) The time and place where the public hearing was held concerning the establishment of the district.
- (4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.
- (5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.
- (6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.
- (7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by

the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments

36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and

penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared 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 improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

- (1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
- (2) The improvements, maintenance, and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
- (5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- (6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners’ association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners’ association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners’ association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

- (a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
- (b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.
- (c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

- (a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:
 - (1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.
 - (2) During the operation of the district, there shall be a 30-day period each year in which assesseses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.
- (b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

- (a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district

is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.
 (b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

Lodging Business Name	Lodging Business Address	City, State, ZIP
AC Hotel	2970 Lakeside Dr	Santa Clara, CA 95054
Avatar Hotel	4200 Great America Pkwy	Santa Clara, CA 95054
Biltmore Hotel & Suites	2151 Laurelwood Rd	Santa Clara, CA 95054
Embassy Suites	2885 Lakeside Dr	Santa Clara, CA 95054
Hilton Santa Clara	4949 Great America Pkwy	Santa Clara, CA 95054
Hyatt House	3915 Rivermark Plaza	Santa Clara, CA 95054
Hyatt Regency	5101 Great America Pkwy	Santa Clara, CA 95054
Marriott Santa Clara	2700 Mission College Blvd	Santa Clara, CA 95054
The Element	1950 Wyatt Dr	Santa Clara, CA 95054
The Plaza Suites	3100 Lakeside Dr	Santa Clara, CA 95054
TownePlace Suites by Marriott	2877 Lakeside Dr	Santa Clara, CA 95054

Convention Calendar December 2020-December 2022

Event Start Date	Event Name	Peak Hotel Rooms	Total Hotel Rooms	Event Type	Attendance	Notes
01/10/21		0	0	Public Show	1,500	Still working with client to relocate
01/16/21		0	0	Sporting Events	1,200	Still working with client to relocate
02/12/21		0	0	Special Events	1,000	Still working with client to relocate
02/12/21		0	300	Sporting Events	1,000	Still working with client to relocate
02/13/21		0	0	Sporting Events	1,200	Still working with client to relocate
03/06/21		0	2,500	Convention	2,000	Still working with client to relocate
03/06/21		0	0	Meeting	1,300	Still working with client to relocate
03/11/21		0	850	Convention	1,200	Still working with client to relocate
03/16/21		0	200	Trade Show	1,000	Still working with client to relocate
03/20/21		0	0	Special Events	1,600	Still working with client to relocate
03/22/21		0	1,150	Meeting	2,000	Still working with client to relocate
03/27/21		0	0	Special Events	600	Still working with client to relocate
04/08/21		0	1,543	Convention	1,500	
04/12/21		0	0	Meeting	500	
04/13/21		0	1,170	Convention	2,500	
04/16/21		0	0	Special Events	500	
04/23/21		0	468	Special Events	200	
04/23/21		0	650	Sporting Events	1,000	
04/24/21		0	0	Public Show	2,500	
04/25/21		0	920	Convention	2,500	

04/30/21		125	2,260	Special Events	300	
04/30/21		0	0	Special Events	500	
04/30/21		250	750	Special Events	500	
05/04/21		0	0	Trade Show	1,700	
05/06/21		0	0	Meeting	150	
05/07/21		0	300	Public Show	1,200	
05/11/21		0	0	Trade Show	1,500	
05/11/21		0	750	Convention	200	
05/14/21		0	0	Trade Show	2,000	
05/14/21		0	350	Meeting	1,000	
05/16/21		0	500	Convention	2,500	
05/20/21		50	50	Banquet	1,000	
05/25/21		0	106	Convention	800	
05/27/21		0	300	Meeting	200	
05/28/21		0	210	Convention	1,000	
05/30/21		0	0	Public Show	1,000	
06/04/21		0	0	Special Events	1,000	
06/05/21		0	0	Special Events	500	
06/08/21		0	115	Convention	600	
06/09/21		0	250	Trade Show	1,000	
06/09/21		0	0	Meeting	500	
06/11/21		0	0	Special Events	600	
06/12/21		50	50	Trade Show	1,000	
06/12/21		0	0	Special Events	500	
06/12/21		0	0	Meeting	1,000	
06/12/21		0	0	Meeting	1,700	
06/14/21		0	200	Convention	2,500	
06/17/21		0	400	Meeting	200	
06/18/21		0	50	Banquet	900	
06/21/21		0	0	Meeting	500	
06/26/21		0	0	Public Show	1,000	
06/26/21		0	0	Public Show	2,000	
06/26/21		0	30	Banquet	800	
06/27/21		0	0	Sporting Events	750	
06/30/21		0	1,265	Meeting	1,000	

07/06/21		450	2,690	Trade Show	4,000	
07/13/21		0	1,000	Convention	200	
07/18/21		0	600	Meeting	400	
07/22/21		0	300	Convention	200	
07/27/21		0	940	Special Events	1,500	
07/30/21		0	600	Meeting	200	
08/03/21		0	750	Convention	1,000	
08/06/21		0	200	Meeting	400	
08/14/21		0	0	Sporting Events	1,000	
08/14/21		0	0	Public Show	600	
08/17/21		0	1,000	Meeting	600	
08/23/21		0	600	Convention	700	
08/31/21		0	0	Trade Show	500	
08/31/21		0	0	Meeting	900	
09/07/21		0	1,500	Convention	1,200	
09/11/21		0	0	Meeting	300	
09/15/21		0	0	Trade Show	2,500	
09/15/21		0	1,010	Meeting	800	
09/15/21		0	1,100	Convention	800	
09/17/21		0	0	Special Events	500	
09/22/21		0	500	Convention	2,500	
10/05/21		225	760	Trade Show	800	
10/07/21		0	0	Convention	1,300	
10/08/21		0	348	Convention	200	
10/08/21		0	0	Special Events	6,000	
10/10/21		0	0	Public Show	1,100	
10/12/21		0	150	Trade Show	1,500	
10/13/21		0	1,937	Trade Show	3,000	
10/14/21		0	395	Meeting	200	
10/16/21		0	0	Banquet	1,000	
10/18/21		0	614	Convention	1,000	
10/18/21		0	600	Banquet	200	
10/19/21		0	600	Convention	200	
10/28/21		0	50	Meeting	700	
11/05/21		0	0	Special Events	145	
11/08/21		0	900	Convention	1	
11/12/21		0	240	Special Events	800	
11/19/21		0	100	Convention	200	
11/20/21		0	0	Banquet	1,000	

12/09/21		0	0	Banquet	1,500	
12/09/21		0	0	Special Events	300	
12/25/21		0	120	Meeting	200	
01/15/22		0	280	Meeting	200	
01/16/22		0	10	Special Events	500	
01/21/22		0	0	Meeting	1,200	
01/22/22		0	0	Trade Show	800	
01/28/22		0	0	Meeting	1,000	
02/01/22		0	600	Convention	1,000	
02/11/22		0	0	Special Events	500	
02/11/22		0	600	Meeting	200	
02/15/22		500	1,820	Convention	1,200	
02/16/22		0	1,900	Convention	200	
02/25/22		0	0	Meeting	100	
03/03/22		0	1,400	Convention	1,500	
03/04/22		0	1,447	Convention	200	
03/11/22		800	2,700	Convention	3,000	
03/11/22		0	0	Special Events	500	
03/22/22		0	200	Trade Show	1,000	
03/25/22		0	600	Meeting	200	
04/13/22		0	1,550	Convention	5,000	
04/15/22		0	0	Meeting	2,000	
04/29/22		0	600	Meeting	200	
05/06/22		0	400	Convention	2,000	
05/13/22		0	600	Meeting	200	
05/31/22		0	900	Convention	1	
07/09/22		0	500	Meeting	500	
08/29/22		0	1,000	Special Events	1,500	
09/10/22		0	326	Meeting	300	
10/12/22		0	1,937	Trade Show	3,000	
11/04/22		0	200	Meeting	400	