

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
DECLARING RESULTS OF MAJORITY PROTEST
PROCEEDINGS AND RENEWING THE SANTA CLARA TOURISM
IMPROVEMENT DISTRICT (SCTID)**

WHEREAS the City of Santa Clara (“City”) created the Santa Clara Tourism Improvement District (“SCTID”) on May 25, 2021, by Resolution No. 21-8964; and;

WHEREAS, the SCTID was created for a five (5) year term which ends on June 30, 2026; and

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways Code § 36600 et seq.), authorizes the City to renew business improvement districts upon petition by a weighted majority of the authorized representatives of the businesses located within the boundaries of the district and paying the proposed assessment; and

WHEREAS, authorized representatives of lodging businesses who will pay more than fifty percent (50%) of the proposed assessment, as weighted according to the amount of the assessment to be paid by the lodging business, within the boundaries of the SCTID have petitioned the City Council to renew the SCTID; and

WHEREAS, included with the petitions was a Management District Plan (“Plan”) summary describing the proposed assessment to be levied on lodging businesses, existing and in the future, within the SCTID to pay for marketing, communication programs, and convention center and partner sales, and other improvements and activities set forth in the Plan; and

WHEREAS, the assessed lodging businesses within the SCTID will receive a specific benefit from the activities and improvements set forth in the Plan; and

WHEREAS, on May 5, 2026, at 7:00 PM at the Council Chambers located at 1500 Warburton Avenue, Santa Clara, CA 95050, the City Council adopted a Resolution Declaring its Intention to Renew the Santa Clara Tourism Improvement District and Fixing the Time and Place of a Public Meeting and Public Hearing therein and Giving Notice Thereof, Resolution No. 26-9558; and

WHEREAS, the public meeting and public hearing to consider the renewal of the SCTID were

properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on June 9, 2026, at 7:00 PM, or as soon thereafter as the matter was heard, at Council Chambers located at 1500 Warburton Avenue, Santa Clara, CA 95050, the City Council held a public meeting to allow public testimony regarding the Renewal of the SCTID, and the City Council heard and received objections and protests, if any, to the renewal of the SCTID and the levy of the proposed assessment; and

WHEREAS, on June 23, 2026, at 7:00 PM, or as soon thereafter as the matter was heard at Council Chambers located at 1500 Warburton Avenue, Santa Clara, CA 95050, the City Council held a public hearing regarding the renewal of the SCTID, and the City Council heard and received all objections and protests, if any, to the renewal of the SCTID and the levy of the proposed assessment; and

WHEREAS, the City Clerk determined that there was no majority protest. A majority protest is defined as written protests received from authorized representatives of businesses in the renewed SCTID which would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each lodging business; and

WHEREAS, the City bears the burden of proving by a preponderance of the evidence that an assessment imposed for a specific benefit or specific government service is not a tax, that the amount is no more than necessary to cover the costs to the City in providing the specific benefit or specific government service, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the specific benefits or specific government services received by the payor.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That The recitals set forth herein are adopted by the City Council as findings and they are true and correct.
2. The SCTID is hereby renewed for a five (5) year term, beginning July 1, 2026, and ending June 30, 2031, unless renewed pursuant to Streets and Highways Code § 36660.

3. The Plan dated April 21, 2026, is hereby adopted and approved.

4. The activities to be provided to benefit businesses in the SCTID will be funded by the levy of the assessment on those businesses. The revenue from the assessment levy shall not be used: to provide activities that directly benefit businesses outside the SCTID; to provide activities or improvements outside the SCTID; or for any purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Plan. Notwithstanding the foregoing, improvements and activities that must be provided outside the SCTID boundaries to create a specific benefit to the assessed businesses may be provided, but shall be limited to marketing or signage pointing to the SCTID.

5. The City Council finds as follows:

a) The activities funded by the assessment will provide a specific benefit to assessed businesses within the SCTID that is not provided to those not paying the assessment.

b) The assessment is a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

c) The assessment is a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

d) Assessments imposed pursuant to the SCTID are levied solely upon the assessed business, and the business is solely responsible for payment of the assessment when due. If the authorized representative of the business chooses to collect any portion of the assessment from a transient, that portion shall be specifically called out and identified for the transient in any and all communications from the business as the "SCTID Assessment" or "Tourism Assessment" as specified in the Plan.

6. The assessments levied for the SCTID shall be applied towards marketing, communication programs, and convention center and partner sales programs to market Santa Clara lodging businesses within the SCTID as tourist, meeting and event destinations, and other improvements and activities as set forth in the Plan.

7. Assessments levied on lodging businesses pursuant to this resolution shall be levied on the basis of benefit. Because the services provided are intended to increase sleeping room rentals, an assessment based on gross short-term sleeping room rental revenue is the best measure of benefit.

8. The annual assessment rate is two percent (2%) of gross short-term sleeping room rental revenue. During the SCTID term, the assessment rate may be increased to a maximum rate of three percent (3%) of gross short-term sleeping room rental revenue for assessed lodging businesses. Pursuant to the Plan, the Silicon Valley/Santa Clara DMO, Inc. dba Discover Santa Clara® (the "DMO") Board of Directors (Board) shall have the authority to increase the rate to a maximum assessment rate of three percent (3%). If the assessment rate is increased, it may subsequently be decreased, subject to Board approval as described in the Plan, but shall not be decreased below a minimum of two percent (2%) of gross short-term

sleeping room rental revenue. The maximum assessment increase or decrease permitted in any year shall be one-half percent (0.5%). Increases to the assessment rate shall be subject to the approval of the Board and assessed lodging business owners, as described in the Plan.

Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; or 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 City's Director of Finance with each remittance of assessments.

9. The assessments for the entire SCTID will total approximately \$4,047,912 in year one (1).

10. Bonds or any debt obligations shall not be issued to fund the SCTID.

11. The SCTID shall include all lodging businesses with ten (10) rooms or more, existing and in the future, available for public occupancy located within the boundaries of a portion of the City as shown on the boundary map is attached hereto and incorporated herein by reference.

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

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

14. The City Council, through adoption of this Resolution and the 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 DMO shall be the SCTID Owners' Association and shall implement the Plan in accordance with the requirements of the Agreement to Administer the SCTID, effective July 1, 2026.

15. The DMO, pursuant to Streets and Highways Code §36650, 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 improvement and activities described in the report. The first report shall be due after the first year of operation of the SCTID Renewal.

16. The SCTID renewed pursuant to this Resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §36600 et. seq.).

17. The City Clerk, or his or her designee, is directed to take all necessary actions to complete the renewal of the SCTID and to levy the assessments.

18. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 23rd DAY OF JUNE, 2026, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:
NOES: COUNCILORS:
ABSENT: COUNCILORS:
ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:
1. SCTID Boundary Map

Santa Clara Tourism Improvement District Boundary Map

Santa Clara TID

