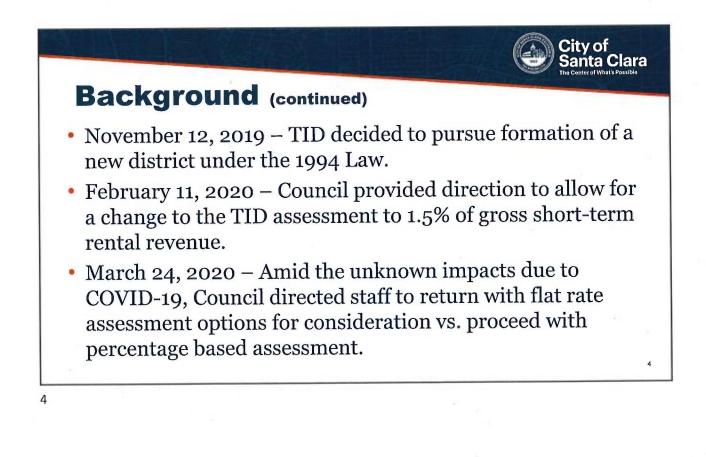




#### Background

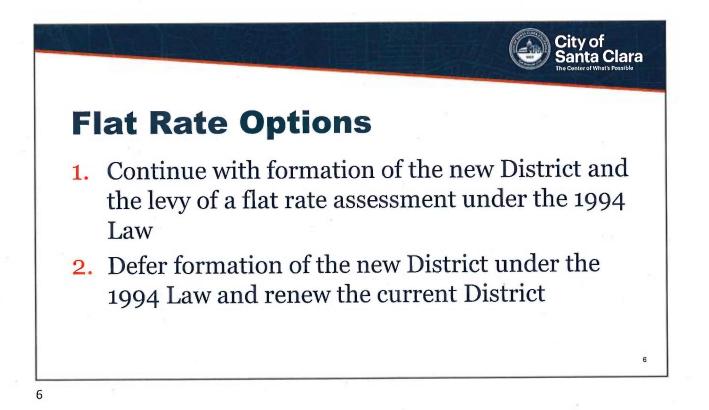
- Santa Clara TID was formed in 2005 pursuant to the Parking and Business Improvement Area Law of 1989 (Ordinance No. 1797).
- Established boundaries and includes 11 lodging businesses.
- Hotels collect a \$1.00 per occupied room night.
- In 1994, the State Legislature passed the Property and Business Improvement Law allowing for additional provisions.





## **Current Status**

- Formation process under the 1994 Law commenced
- Proposed Management District Plan completed in 2/2020
  - Five year term effective July 1, 2020
  - Owners' association identified
  - Initial annual assessment rate of 1.5%; option to increase to 2%
  - Signed petitions received from the lodging businesses who would collectively pay more than 50% of the 1.5% assessment



# **Option 1:** Continue with formation of the new District and the levy of a flat rate assessment under the 1994 Law

## Requirements

- Update proposed Management District Plan to reflect a flat rate assessment and updated annual budget.
- Lodging businesses restart petition process as petitions submitted to City needs to reflect the flat rate assessment.
- Once petitions are submitted, Council can initiate formation process as outlined under the 1994 Law.
- At a future date, Council can propose to levy a new or increased assessment.

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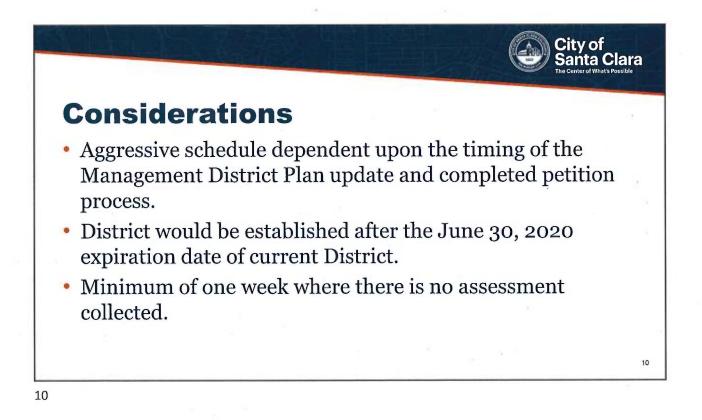
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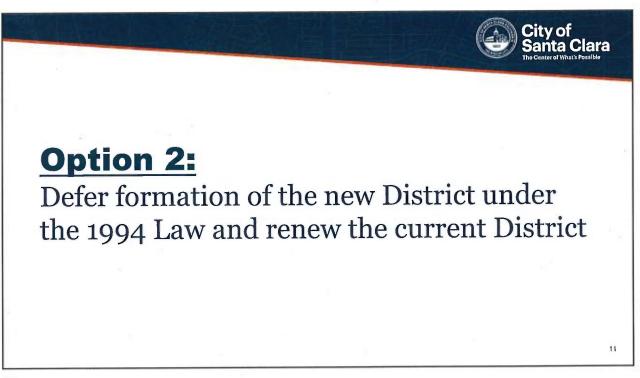
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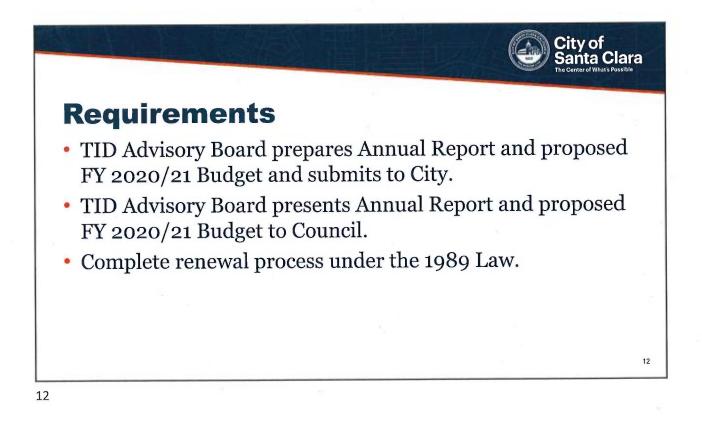
#### Timeline

- May 19 Upon submission of petitions from the lodging businesses, Council would adopt a Resolution of Intention to establish the new District.
- June 2 Public Meeting to receive comments regarding the formation of the new District. No Council action required.
- July 7 Public Hearing to obtain public testimony or comment before adopting the Resolution of Formation.
- If approved on July 7, the new District and levy will be effective July 8, 2020.







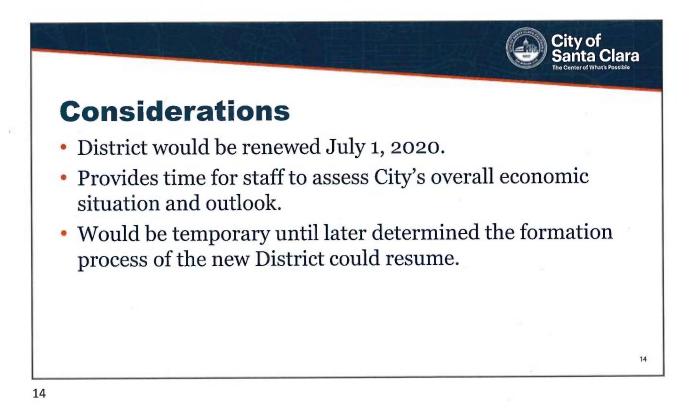




#### Timeline

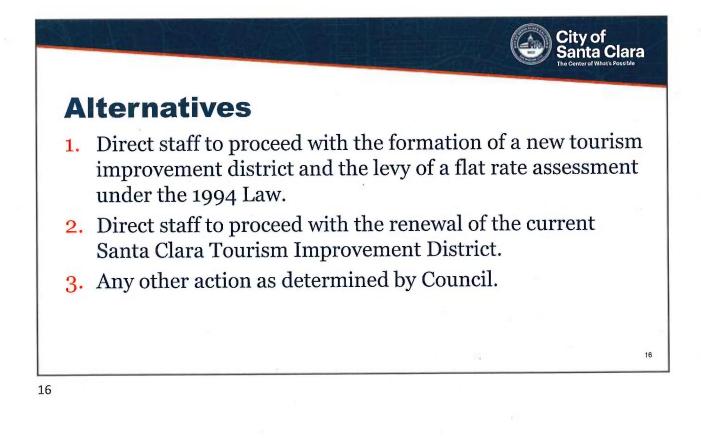
- May 19 Approval of the Annual Report and adoption of the Resolution of Intention for levy of annual assessment.
- June 23 Public Hearing regarding the Annual Report and the levying of a proposed assessment within the TID.
- If approved on June 23, the levy will be effective July 1, 2020.

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

	1989 Law	1994 Law
TID Re	eserve Fund: \$1.56 million (	(as of 4/3/2020)
Term	Annual renewal	Initial 5-year term (up to)
Governance	TID Advisory Board	DMO manages via MDP
Assessment	\$1.00 fee from hotel guests on each occupied hotel/motel room night	1.5% of gross revenue
Annual Revenue	Approximately \$800,000	Approximately \$2.8 million
Annual City fee	\$3,000	Approximately \$75,000





## **Staff Recommendation**

**Alternative 2:** Direct staff to proceed with the renewal of the current Santa Clara Tourism Improvement District.

