

5/25/21

item 7




City Council Meeting

Item #7. Public Hearing: Action on a Resolution of Formation of the Santa Clara Tourism Improvement District under the Property and Business Improvement District Law of 1994 (RTC 21-155)

May 25, 2021

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City of Santa Clara
The Center of What's Possible

Background

- The existing Santa Clara TID was formed in 2005 pursuant to the Parking and Business Improvement Area Law of 1989:
 - To promote tourism in the TID area
 - Currently consists of 11 hotels
 - City receives \$3,000 annually from the TID to cover administrative costs for collecting and disbursing the assessment.

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Background (cont.)

- January 26, 2021 – Council consented to the TID's request to pursue the formation of the district under the Property and Business Improvement District Law of 1994
 - Includes change in the TID assessment from \$1.00/occupied room night to 1.5% (year 1) with possible increase to 2% (year 2)

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Background (cont.)

State Law required process for the formation of the new district:

- Upon submission of written petitions from hotels paying 76.51% of the assessment, approval of a Resolution of Intention. *Completed on April 6th.*
- Hold Public Meeting to allow for public testimony on the formation of the new district. *Completed on April 20th.*
- Hold Public Hearing to approve the formation of the new district.

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Summary

- No change in current TID boundaries and includes 11 lodging businesses.
- The proposed assessment effective July 1st is 1.5% of gross-rental revenue.
- Estimated FY 2020/21 TID Fund Balance of \$1.4 million.
- FY 2021/22 DMO Proposed Budget of \$1,290,002.

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Summary

Per the Management District Plan:

- Owners' Association, Silicon Valley/Santa Clara DMO, Inc. will manage funds and implement programs.
- DMO will provide annual reports to the City Council to include: any proposed changes to the boundaries, improvements and activities to be provided for that fiscal year, estimate of costs, method and basis of levying assessment, estimated amount of surplus or deficit to be carried over, and estimated amount of contributions from other sources, if any.

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Recommendation

1. Adopt a Resolution of Formation to establish the Santa Clara Tourism Improvement District (TID) for five years starting July 1, 2021 if there is no legally sufficient protest.

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