



## CITY COUNCIL STAFF REPORT

DATE: NOVEMBER 2, 2016

PUBLIC HEARING

SUBJECT: PROPOSED ORDINANCE ESTABLISHING THE PALM SPRINGS SMALL HOTEL TOURISM BUSINESS IMPROVEMENT DISTRICT, PROPOSED RESOLUTION CONFIRMING THE REPORT OF THE ADVISORY BOARD AND LEVYING THE FISCAL YEAR 2016-17 ASSESSMENT, AND THE CONDUCT PROTEST PROCEEDINGS TO THE DISTRICT

FROM: David H. Ready, City Manager

BY: Chief of Staff/City Clerk

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### SUMMARY

The Small Hotels of Palm Springs (SHOPS) and the Desert Gay Tourism Guild (DGTG) have requested that the City of Palm Springs establish a Tourism Business Improvement District ("the TBID"), and collect an assessment on hotels of 49 rooms or less located in the City to be used for additional marketing dedicated to small hotels.

The proposed actions are the final steps in establishing the district. The City Council will conduct protest proceedings, consider an ordinance establishing the district, and a resolution confirming the report of the advisory committee and levying the 2017 assessment.

### RECOMMENDATION:

1. Open the public hearing, receive public testimony, and written and oral protests to the establishment of the Palm Springs Small Hotel Tourism Business Improvement District.
2. Waive reading of the text and introduce for first reading Ordinance No. \_\_\_\_\_, "AN ORDINANCE OF THE CITY OF PALM SPRINGS, ADDING CHAPTER 5.83 TO THE PALM SPRINGS MUNICIPAL CODE, ESTABLISHING THE PALM SPRINGS SMALL HOTEL TOURISM BUSINESS DISTRICT."
3. Adopt Resolution No. \_\_\_\_\_, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, CONFIRMING THE REPORT OF THE ADVISORY COMMITTEE AND LEVYING AN ASSESSMENT FOR FISCAL

YEAR 2016-17 IN CONNECTION WITH THE PALM SPRINGS TOURISM  
SMALL HOTEL BUSINESS IMPROVEMENT DISTRICT.”

STAFF ANALYSIS:

At the August 2, 2016, meeting the City Council directed the City Manager to develop a report and materials for the consideration of the creation of a Palm Springs Small Hotel Tourism Business Improvement District. At the September 7, 2016, meeting the City Council adopted Resolution No. 24086 initiating proceedings to establish the district and setting October 5, 2016, as the date to conduct the public meeting. At the October 5, 2016, public meeting the City Council adopted Resolution No. 24116, declaring its intention to establish the district, and establishing the public hearing date for November 2, 2016.

The proposed actions are the final step in establishing the district which include: 1) conducting protest proceedings; 2) consider a proposed ordinance adding Chapter 5.83 to the Palm Springs Municipal Code establishing the district; and 3) adopting a resolution confirming the report of the advisory board and levying a one percent (1%) levy on occupancy revenue to fund activities that promote tourism within the district, for the benefit of those hotels paying the assessment.

A TBID is a special benefit assessment district that can be established by the City Council, under existing State law<sup>1</sup>, for the specific purpose of funding activities that promote tourism. Currently, 67 California Cities have TBID programs in place. This mechanism is also in place on larger hotels with an assessment to fund the Greater Palm Springs CVB (GPSCVB). The establishment of this district would have no effect on the current GPSCVB assessment.

The law provides that business operators are assessed and pay the assessment to the City. Cities have utilized a percentage multiplied against daily hotel revenue as the formula for imposing the assessment. Further, this law provides cities have the express authority to make improvements and engage in business promotional activities that benefit the assessed businesses within the designated boundary area.

It is noted that the assessment is made against the business operator, and not against the property itself. Therefore, the assessment is legally treated by ordinance enactment as a debt owed by the business operator to the City. The City Attorney advises that Proposition 218 rules are not applicable because the assessment is not a tax on real property, and case law has clearly held that this enabling law (Streets and Highways Code sections 36500 et seq.) is not subject to Proposition 218 restrictions. (Howard Jarvis Taxpayers Assn. v. City of San Diego (1999) 72 Cal. App. 4<sup>th</sup> 230)

The formation of the district is not by election of the business operators, but by majority protest procedure. After notice, any person subject to the proposed assessment may

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<sup>1</sup> Parking and Business Improvement Area Law of 1989, Cal. Streets and Highways Code § 36500 et seq.

protest the establishment of the TBID. Each protest is weighted by the amount of the assessment to be paid. The TBID cannot be established if a majority of the affected businesses subject to the TBID, weighted by assessment, file a timely protest. Therefore, in order for a protest to be successful, businesses representing greater than 50% of the value of the total assessment to be collected must protest the formation of the district.

SHOPS and DGTG are recommending a 1% assessment on room revenue. The boundaries of the district would be citywide, but the assessments would be limited to hotels of 49 rooms or less.

The assessment would be collected by the City. SHOPS and DGTC are recommending the Palm Springs Bureau of Tourism (PSBOT) administer the BID funds and promotional programs as a segregated and restricted fund.

The hoteliers recommend an advisory group to determine the programs and efforts to be funded and recommend the PSBOT administer the development and implementation of the programs.

The ordinance effective date would be December 16, 2016; the effective date of the first assessment would be January 1, 2017, in which the subject hotels would be responsible for the assessment.

There are approximately 80 small hotels in Palm Springs with 49 rooms or less, and the small hotels believe they are at a marketing disadvantage because they do not have the same marketing infrastructure of larger, branded hotels. Most small hotels do not have international marketing budgets, global call centers, local and national sales forces, international reservation systems, global brand recognition, etc.

SHOPS and DGTG membership includes approximately 80% of the small hotels located in the City of Palm Springs. Through a number of meetings, the two organizations have identified the formation of a TBID with a 1% assessment on room revenue as an appropriate funding source for increased marketing efforts.

SHOPS and DGTG have asked that the PSBOT work with them to administer the programs funded through the assessment. This would facilitate the coordination with all existing efforts and take advantage of the staffing and infrastructure that is already in place.

The City Council appointed the President and three members of the Small Hotels of Palm Springs, the President and three members of Desert Gay Tourism Guild, as the Palm Springs Small Hotel Tourism Business Improvement District Advisory Board. All Advisory Board meetings are subject to the notice and requirements of the Ralph M. Brown Act for the conduct of meetings.

Title 2, Cal. Code of Regulations § 18703(e)(5) effectively exempts TBID board members from substantive conflict of interest regulations as they relate to voting on board matters, such as recommending an assessment rate, which could possibly affect an economic interest they have within the boundary area. Thus, such board members sitting on the advisory board could vote on recommending an assessment rate to be applied to hotel operators without being subject to the disqualification rules contained in the Political Reform Act and the regulations promulgated by the Fair Political Practices Commission (FPPC). Notwithstanding, advisory board members would still be required to disclose economic interests on FPPC Form 700 annually, and would be required every two years to receive the State approved AB1234 ethics training.


**FISCAL IMPACT:**


Based upon the current assessment information, the assessment will generate approximately \$325,000 per year, restricted funds, for the specific purpose of the TBID. For the remainder of the current fiscal year (January 1, 2017 through June 30, 2017) the estimated assessment is \$205,000.

The City has incurred costs to establish the TBID, including mailing, hearings, notifications, related staff and research time. Additionally, each year the TBID will incur costs to annually renew the assessment. The TBID will require collection, distribution, audit, annual report preparation, and City Staff administration.

All administrative Staff time and costs may be reimbursed from the proceeds of the assessment. The Director of Finance estimated the cost to process monthly assessment returns and payments is \$40,000 to \$60,000 per year. In addition to the collection of monthly assessment returns, annual administrative costs to prepare the notices and public hearings to renew the TBID each year will be approximately \$1,000 to \$2,000.

Pursuant to previous direction from the City Council, Staff has included provisions, in both the Resolution of Intention and the proposed ordinance, the administrative costs will be funded by the proceeds of the assessment.

  
\_\_\_\_\_  
JAMES THOMPSON  
Chief of Staff/City Clerk

  
\_\_\_\_\_  
DAVID H. READY  
City Manager

**Attachments:**

- Proposed Ordinance Establishing the District
- Proposed Resolution Levying the Assessment
- Advisory Board Report

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, ADDING CHAPTER 5.83 TO THE PALM SPRINGS MUNICIPAL CODE, ESTABLISHING THE PALM SPRINGS SMALL HOTEL TOURISM BUSINESS IMPROVEMENT DISTRICT.

*City Attorney Summary*

*This ordinance adds Chapter 5.83 to the Palm Springs Municipal Code and establishes the Palm Springs Small Hotel Tourism Business District.*

The City Council of the City of Palm Springs ordains as follows:

SECTION 1. Chapter 5.83, titled "Establishment of the Palm Springs Small Hotel Tourism Business Improvement District", is hereby added to Title 5 "Business Regulations" of the Municipal Code to read as follows:

**Chapter 5.83**

**Establishment of the Palm Springs Small Hotel Tourism  
Business Improvement District**

**5.83.010 – Chapter title.**

This chapter shall be known as the "Palm Springs Small Hotel Tourism Business Improvement District."

**5.83.020 - Definitions.**

For the purposes of this chapter, the following definitions shall apply:

"Assessment" means the assessment authorized by this chapter.

"Authorized activities" means the activities authorized to be provided in connection with the District, as set forth in this chapter.

"District" means the Palm Springs tourism business improvement district established by this chapter.

"Fiscal year" means the period beginning July 1 of each calendar year and ending June 30 of the following calendar year, except that the fiscal year ending June 30, 2017 shall begin on the later of the effective date of this chapter or January 1, 2017.

"Gross occupancy revenue" means the total rent received from transients by a hotel and motel business.

"Hotel and motel business" means any operator of a hotel other than an operator of a hotel that is owned by a nonprofit corporation and operated as an adjunct to a charitable or educational activity.

"Law" means the Parking and Business Improvement Area Law of 1989, being Sections 36500 et seq. of the California Streets and Highways Code.

"Transient occupancy tax" means the tax imposed by the City as established in the Municipal Code.

**5.83.030 - District established/Cost Reimbursement Owing to the City.**

(A) A parking and business improvement area designated as the "Palm Springs Small Hotel Tourism Business Improvement District" (referred to as "Assessment District", or "District") is hereby created and established pursuant to the law.

(B) The Assessment District shall reimburse the City of Palm Springs for any and all costs the City has, or will, incur in establishing and otherwise assisting in the administration of the District. Accordingly, such costs shall be deemed a debt of the District which such debt shall be repaid promptly from any District revenue.

**5.83.040 - Boundaries.**

The boundaries of the Assessment District are the City limits of the City of Palm Springs.

**5.83.050 - Activities.**

The following activities are authorized to be provided in connection with the District: (i) the promotion of tourism within the District; (ii) the promotion of public events which benefit hotel and motel businesses operating in the District; (ii) furnishing of music in any public place in the District; and (iv) activities which benefit hotel and motel businesses located and operating in the District. The primary purpose of these activities is to promote tourism within the District.

**5.83.060 - Assessment.**

Except where funds are otherwise available, an assessment shall be levied annually to pay for all authorized activities within the District. The assessment shall be in addition to any other assessments, fees, charges or taxes imposed by the City.

**5.83.070 - Assessment—Businesses subject to assessment.**

The assessment will be levied against small hotel with 49 rooms or less in the City. No other business shall be subject to the assessment.

**5.83.080 - Assessment—New businesses.**

Small hotel and motel businesses as defined herein established in the District after the beginning of any fiscal year shall not be exempt from the levy of the assessment for that fiscal year but shall instead be subject to the assessment.

**5.83.090 - Assessment—Basis and rate.**

The assessment will be calculated as a percentage of each day's gross occupancy revenue. The rate of the assessment effective in any fiscal year shall be set by resolution of the City Council pursuant to California Streets and Highway Code Section 36535.

**5.83.100 - Assessment—Collection.**

The assessment calculated based on any day's gross occupancy revenues shall be paid to the City no later than the date on which the small hotel and motel business is required to remit to the City the transient occupancy tax collected by the hotel and motel business on that day.

**5.83.110 - Assessment—Penalties and interest.**

Any small hotel and motel business failing to timely make payment to the City of the assessment shall be subject to the same penalties and interest thereon as set forth in this Code for failure to timely remit to the City transient occupancy tax payments collected by the hotel and motel business.

**5.83.120 - Assessment—Debt to City.**

The amount of assessment, penalty and interest imposed by the provisions of this chapter shall be deemed a debt to the City. An action may be commenced in any court of competent jurisdiction in the name of the City for the amount of such debt. The conviction and punishment of any person for failure to comply with the provisions of this chapter shall not relieve such person from paying any assessment, penalty or interest due and unpaid at the time of such conviction nor shall payment prevent prosecution of a violation of any of the provisions of this chapter. All remedies shall be cumulative, and the use of one or more remedies by the City to enforce this chapter shall not bar the use of any other remedy.

**5.83.130 - Assessment—Election to recover from transient.**

The assessment is levied upon each hotel and motel business subject to the assessment, and each such business shall be solely responsible for paying all assessments when due. Without disturbance of the foregoing, a hotel or motel business may elect to recover some or all of the amount of the assessment from transients owning rent to the hotel or motel business. The amount to be recovered from any transient may not exceed the amount of rent owed by that transient to the hotel and motel business, multiplied by the then effective rate of the assessment. The amount recovered shall be identified or itemized (separately or in conjunction with the amount of transient occupancy tax owned by that transient) on a document provided to the transient. Assessments levied on hotel and motel businesses pursuant to this chapter and recovered from transients pursuant to this section are not considered "rent" for the purposes of Section 4.44.020 of this code.

**5.83.140 - Special fund.**

There is created a special fund designated as "Palm Springs Small Hotel Tourism Business Improvement District Fund" into which all revenue derived from assessments levied pursuant to this chapter shall be placed, and such funds shall be used only for the purposes specified in this chapter. This fund shall be subject to an annual independent audit.

**5.83.150 - Use of revenues.**

Revenues from the levy of the assessment may be used only for authorized activities, and shall not be used for activities outside of the District.

**5.83.160 - Contracting of funds.**

The City may contract with a separate public or private agency to administer the authorized activities. Any agency that holds funds in trust for purposes related to the contract shall, at no expense to the City, provide an annual independent audit report by a certified public accountant of these funds. The audit may be funded from assessment proceeds as part of the general administration of the District. At all times the City shall reserve full rights of accounting of these funds.

**5.83.170 - Amendments.**

Small Hotel and motel businesses within the District shall be subject to any amendments to the law.



**5.83.180 - Recordkeeping and inspections.**

It shall be the duty of every hotel and motel business to keep all records as may be necessary to determine the amount of assessment due hereunder and shall preserve the same for a period of 4 years. The tax administrator shall have the right to inspect such records at all reasonable times.

The Director of Finance shall determine the mode and method of recordkeeping required to assist the tax administrator to perform the duties required of him under this section. Any audit which must be performed to secure compliance with the terms of this section is to be performed in the City. If for any reason the audit cannot be performed in the City, the hotel and motel business shall reimburse the City for the actual cost of all transportation, lodging, meals, travel time and other incidental costs reasonably incurred by the City in conducting the audit.

SECTION 2. In the event any term or provision of this Ordinance is to any extent invalid or incapable of being enforced, such term or provision shall be excluded to the extent such invalidity, illegality, or unenforceability and all other terms and provisions shall remain in full force and effect.

SECTION 3. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 16<sup>th</sup> DAY OF NOVEMBER, 2016.

\_\_\_\_\_  
ROBERT MOON, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Ordinance No. \_\_\_\_\_ is a full, true and correct copy, and was introduced at a regular meeting of the Palm Springs City Council on the 2nd day of November, 2016, and adopted at a regular meeting of the City Council held on the 16th day of November, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, CONFIRMING THE REPORT OF THE ADVISORY COMMITTEE AND LEVYING AN ASSESSMENT FOR FISCAL YEAR 2016-17 IN CONNECTION WITH THE PALM SPRINGS TOURISM SMALL HOTEL BUSINESS IMPROVEMENT DISTRICT.

WHEREAS, Ordinance No. \_\_\_\_\_ of the City of Palm Springs has established the Palm Springs Tourism Small Hotel Business Improvement District ("the District") pursuant to Streets and Highways Code sections 36500 et seq.; and

Whereas, the Palm Springs Tourism Small Hotel Business Improvement District Advisory Board serving as advisory board with respect to the District, prepared and filed with the City Clerk a report with regard to the District's activities and finances for fiscal year 2016-17; and

Whereas, the City Council has reviewed the advisory board's report, and declared its intention to levy an assessment against hotel and motel business of 49 rooms or less located within the District; and

Whereas, on November 2, 2016, the City Council held a noticed public hearing at which the testimony of all interested persons regarding the levy of the assessment for fiscal year 2016-17 were heard and considered.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, AS FOLLOWS:

SECTION 1. Following notice duly given pursuant to law, the City Council has held a full and fair public hearing regarding the levy and collection of an assessment within the District for fiscal year 2016-17. All interested persons were afforded the opportunity to hear and to be heard regarding protests and objections to the levy and collection of the assessment for fiscal year 2016-17. The City Council finds that there was no majority protest within the meaning of the law. All protests and objections to the levy and collection of the assessment and any and all protests and objections are hereby overruled by the City Council.

SECTION 2. The City Council hereby finally confirms the report of the Advisory Committee.

SECTION 3. The adoption of this Resolution constitutes the levy of the assessment for fiscal year 2016-17. The rate of the assessment for fiscal year 2016-17 is 1.00% (one percent) of each day's gross occupancy revenue as defined in the assessment district ordinance.

PASSED, APPROVED AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 2<sup>ND</sup> DAY OF NOVEMBER, 2016.

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA     )  
COUNTY OF RIVERSIDE    ) ss.  
CITY OF PALM SPRINGS     )

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 2<sup>nd</sup> day of November, 2016, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California

# SMALL HOTEL BUSINESS IMPROVEMENT DISTRICT CITY OF PALM SPRINGS, CALIFORNIA



## REPORT OF THE ADVISORY BOARD FISCAL YEAR 2016-17

### Introduction

The Advisory Board to the proposed Palm Springs Small Hotel Business Improvement District (the "TBID"), has caused this report to be prepared pursuant to Section 36533 of the Parking and Business Improvement Law of 1989 (Section 36500 and following of the California Streets and Highways Code) (the "Law").

This report is for the proposed initial fiscal year for the TBID, commencing July 1, 2016 and ending June 30, 2017. ("Fiscal Year 2016-2017") However, because the activities will be provided and an assessment will be levied only during the period commencing January 1, 2017 and ending June 30, 2017, estimates in this report with regard to expenses and assessment proceeds relate only to that period.

As required by the Law, this report contains the following information:

- (1) Any proposed changes in the boundaries of the TBID or in any benefit zones within the TBID;
- (2) The improvements and activities to be provided for Fiscal Year 2016-2017;
- (3) An estimate of the cost of providing the improvements and the activities for that fiscal year;
- (4) 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 Fiscal Year 2016-2017.
- (5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
- (6) The amount of any contributions to be made from sources other than assessments levied pursuant to the Law.

Submitted by: Michael Green, on behalf of the Advisory Board to the Palm Springs Small Hotel Tourism Improvement District.

Received on file in the Office of the City Clerk of the City of Palm Springs.

**SECTION 1:** Proposed changes in the boundaries of the TBID or in any benefit zones within the TBID.

The boundaries of the TBID are the City Limits of the City of Palm Springs. These boundaries will be established for Fiscal Year 2016-2017. There are no benefit zones within the TBID.

**SECTION 2:** The improvements and activities to be provided for Fiscal Year 2016-2017.

No improvements are proposed to be provided for Fiscal Year 2016-17. The activities listed in Exhibit 'A' to this Report are proposed to be provided annually. Because the TBID will exist only during a portion of Fiscal Year 2016-17, not all of these activities may be provided during that Fiscal Year, though work may be done on any or all of the activities during the Fiscal Year.

**SECTION 3:** An estimate of the cost of providing the improvements and the activities for Fiscal Year 2016-2017.

The total cost of providing the activities is estimated to be \$205,000.00. The budget for providing the activities is set forth in Exhibit 'A' to this Report.

**SECTION 4:** 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 Fiscal Year 2016-2017.

Except where otherwise defined in this Report, all capitalized terms shall have the meanings set forth in the Palm Springs Municipal Code. Additionally, the following terms shall have the following meanings:

A. "Gross Occupancy Revenue" means the total Rent received from Transients by a Hotel and Motel Business.

B. "Hotel and Motel Business" means any Operator of a Hotel.

C. "Transient Occupancy Tax" means the tax imposed by the City in the Municipal Code.

The Assessment will be levied against each Hotel and Motel Business in the City consisting of 49 rooms or less. No other business shall be subject to the Assessment.

The Assessment will be calculated as a percentage of each day's Gross Occupancy Revenue. The rate of the Assessment will be set annually by resolution of the City Council adopted pursuant to Section 36535 of the Law. For Fiscal Year 2016-17 the rate is recommended to be one percent (1.0%).

The Assessment calculated based on each day's Gross Occupancy Revenues shall be paid to the City no later than the date on which the Hotel and Motel Business is required, pursuant to the Palm Springs Municipal Code, to remit to the City the Transient Occupancy Tax collected by the Hotel and Motel Business on that day.

New Hotel and Motel Businesses established in the District after the beginning of any fiscal year shall not be exempt from the levy of the assessment for that fiscal year but shall instead be subject to the assessment.

SECTION 5: The amount of any surplus or deficit revenues to be carried over from a previous fiscal year

Because the TBID is a newly proposed district, there is no surplus or deficit.

SECTION 6: The amount of any contributions to be made from sources other than assessments levied pursuant to the Law.

Assessment proceeds will be approximately \$205,000.00 for Fiscal Year 2016-2017. Assessment proceeds will be spent only on activities authorized in the resolutions of the City Council of the City of Palm Springs establishing the TBID and/or levying the assessments.

<p style="text-align: center;"><b>Activities, Programs and Services To be Funded by Palm Springs Small Hotel Tourism Business Improvement District Fiscal Year 2016-2017</b></p>	<p style="text-align: center;"><b>Projected Budget</b></p>
<p><b>Public Relations</b> Participate in press events. Issue press releases. Create and host familiarization events for press and media. Attend press missions.</p>	<p><b>30%</b></p>
<p><b>Promotions</b> Create and host familiarization events for travel agents, tour operators, other travel buyers and other selected attendees as targeted. Create and produce special events. Support and sponsor existing events targeted at small hotels. Develop and implement programs to educate the community and region regarding small hotel availability and products.</p>	<p><b>25%</b></p>
<p><b>Direct Marketing</b> Identify and participate in consumer and travel buyer tradeshows. Produce and distribute direct mail collateral. Produce and distribute collateral through other channels. Produce e-mail blast campaigns. Produce and distribute newsletters and other messaging.</p>	<p><b>15%</b></p>
<p><b>Advertising</b> Develop a cohesive brand and resources consistent with the City's tourism brand specific to the small hotel product. Resources to include brand template, photography, video, ad copy and other resources as necessary. Using Print, Digital and Social Media, identify partners to help create the most awareness for the small hotels in different ad media programs. Place ad media buys based on targeted strategies. Leverage value of current web presence from visitpalmsprings.com and coordinate all efforts with Bureau of Tourism.</p>	<p><b>30%</b></p>
<p><b>Research</b> Conduct research to include market analysis, brand awareness, visitor feed-back, etc. Research will be used to identify strengths and weaknesses, opportunities in order to develop strategies for targeted efforts and to track performance of activities.</p>	<p><b>5%</b></p>
<p><b>Administration</b> Costs related to the cost of establishing the District and collecting the Assessment as reimbursed to the City of Palm Springs.</p>	

**Total \$ 205,000.00**



**CITY OF PALM SPRINGS  
PUBLIC NOTIFICATION**



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Date: November 2, 2016  
Subject: Tourism Business Improvement District (T-BID)  
Small Hotels 49 Rooms or Less

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**AFFIDAVIT OF PUBLICATION**

I, Kathleen D. Hart, MMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was published in the Desert Sun on October 13, 2016.

I declare under penalty of perjury that the foregoing is true and correct.

KHart

Kathleen D. Hart, MMC  
Chief Deputy City Clerk

**AFFIDAVIT OF POSTING**

I, Kathleen D. Hart, MMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was posted at City Hall, 3200 E. Tahquitz Canyon Drive, on the exterior legal notice posting board, and in the Office of the City Clerk on October 12, 2016.

I declare under penalty of perjury that the foregoing is true and correct.

KHart

Kathleen D. Hart, MMC  
Chief Deputy City Clerk

**AFFIDAVIT OF MAILING**

I, Kathleen D. Hart, MMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was mailed to each and every person on the attached list on October 11, 2016, in a sealed envelope, with postage prepaid, and depositing same in the U.S. Mail at Palm Springs, California.  
(81 notices)

I declare under penalty of perjury that the foregoing is true and correct.

KHart

Kathleen D. Hart, MMC  
Chief Deputy City Clerk

**NOTICE OF PUBLIC HEARING  
CITY COUNCIL**

**CITY OF PALM SPRINGS  
ESTABLISHMENT OF THE PALM SPRINGS SMALL HOTEL  
TOURISM BUSINESS IMPROVEMENT DISTRICT**

**NOTICE IS HEREBY GIVEN** that the City Council of the City of Palm Springs, California, will hold a public hearing at its regular meeting of November 2, 2016. The City Council meeting begins at 6:00 p.m., in the Council Chamber at Palm Springs City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs.

The purpose of the November 2, 2016, public hearing is to consider an Ordinance, pursuant to the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code Section 36500 et seq., establishing the Palm Springs Small Hotel Tourism Business Improvement District, to provide business promotional activities for hotels and motels in the City of Palm Springs of 49 rooms or less, and authorizing the levy of assessments on small hotels and motels of 49 rooms or less within the district boundaries, which are the city limits of the City of Palm Springs.

**GEOGRAPHIC BOUNDARIES:** The boundaries of the proposed Assessment District are the city limits of the City of Palm Springs, the assessment levied against small hotels and motels with 49 rooms or less in the City.

**PROPOSED ASSESSMENT:** Small hotels and motels within the city limits would pay the assessment in the amount as outlined in Section 6 of City Council Resolution No. 24115, Resolution of Intent. No other business shall be subject to the assessment.

**PROTEST PROCEDURES:** Any interested party may protest the formation of the Palm Springs Small Hotel Tourism Business Improvement District. Protest Procedures, as well as the content of any protest are outlined in Section 9 of City Council Resolution No. 24115, Resolution of Intent.

**REVIEW OF INFORMATION:** The staff report, proposed ordinance, and other supporting documents regarding this matter are available for public review at Palm Springs City Hall between the hours of 8:00 a.m. and 6:00 p.m., Monday through Thursday. Please contact the City Clerks Department at (760) 323-8204, if you would like to schedule an appointment to review these documents.

**COMMENT ON THIS PUBLIC HEARING:** Response to this notice can be made verbally at the Public Hearing and/or in writing before the hearing.

Written protests must be received at or before the time for the Public Hearing. Verbal protests at the Public Hearing will also be counted. A majority protest of the businesses representing fifty percent (50%) or more of the total proposed assessments to be levied

will defeat the formation of the Palm Springs Small Hotel Tourism Business Improvement District.

Written comments can be made to the City Council by email at [City.Clerk@palmspringsca.gov](mailto:City.Clerk@palmspringsca.gov) or by mail or hand delivery to:

JAMES THOMPSON, CITY CLERK  
City of Palm Springs  
3200 E. Tahquitz Canyon Way  
P.O. Box 2743  
Palm Springs, CA 92262

Any challenge of the proposed in court may be limited to raising only those issues raised at the public meeting or the public hearing, described in this notice, or in written correspondence delivered to the City Clerk at, or prior, to the public hearing. [Cal. Gov. Code Section 65009(b)(2)].

An opportunity will be given at said public meeting and public hearing for all interested persons to be heard. Questions regarding the public meeting and the public hearing may be directed to James Thompson, City Clerk at (760) 323-8204.

Si necesita ayuda con esta carta, porfavor llame a la Ciudad de Palm Springs y puede hablar con Ariana Muniz telefono (760) 323-8229.

  
JAMES THOMPSON, CITY CLERK

RESOLUTION NO. 24115

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DECLARING ITS INTENTION TO ESTABLISH THE PALM SPRINGS SMALL HOTEL TOURISM BUSINESS IMPROVEMENT DISTRICT TO LEVY ASSESSMENTS WITHIN THE DISTRICT AND SETTING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO.

WHEREAS, the City of Palm Springs is a charter city organized and existing under the laws of the State of California; and

WHEREAS, the City Council desires to establish an tourism business assessment district pursuant to the provisions of Streets and Highways Code sections 36500 et seq.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF PALM SPRINGS AS FOLLOWS:

1. The City Council hereby declares its intention to establish a business improvement assessment district area to be called the "Palm Springs Small Hotel Tourism Business Improvement District" (hereinafter "Assessment District") pursuant to Streets and Highways Code Section 36500 et seq.

2. The proposed programs and activities of the district shall be for the promotion of the business activity of these designated motel and hotels. The activities include the promotion of tourism in the district, the promotion of public events that benefit motels and hotels operating in the district, the furnishing of music in any public place in the district, and activities that benefit hotel and motel businesses in the district, and possible physical improvements.

3. The location of the Assessment District is the City boundaries of the City of Palm Springs.

4. Except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the district area.

5. It is the intention of the City Council that the Assessment District shall be responsible for reimbursing the City of Palm Springs for any and all costs the City has or will incur in establishing and otherwise assisting in the administration of the Assessment District. Accordingly such city costs shall be deemed a debt of the Assessment District which such debt shall be paid from revenue received by the Assessment District.

6. The method and basis of levying the assessment will be an assessment calculated as a percentage of each day's daily gross revenue from room rents. The assessment shall be annually as set by resolution of the City Council. It is proposed

that the initial assessment shall be at the rate of 1% of each day's daily gross revenue of room rents received by hotels and motels subject to the assessment.

Only hotels and motels of 49 rooms or less shall be subject to assessment.

7. Pursuant to section 36531, new hotel and motel businesses described above shall not be exempt from the levy of the assessment.

8. A public hearing concerning the proposed establishment of the Palm Springs Small Hotel Tourism Business Improvement District and the levy of a proposed 1% assessment on hotel and motels of 49 rooms or less shall be held by the City Council on Wednesday, November 2, 2015, at 6:00 p.m., or as soon thereafter as the matter can be heard, in the Council chambers of the City of Palm Springs located at 32400 E. Tahquitz Canyon Way, Palm Springs, California.

9. Any interested person may give testimony at the public hearing concerning the following: whether the proposed Assessment District should be established; extent of the boundary area; the furnishing of specified types of promotion activities, or improvements. A protest may be made orally or in writing.


If written protests are received from the owners of businesses in the proposed area which 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 that 50 percent, then no further proceedings shall be taken to form the district for a period of one year. If a majority protest is only against the furnishing of a specified type or types of activities with the district, those types of activities must be eliminated.

Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made. Written protests shall be filed with the clerk at or before the time fixed for hearing.

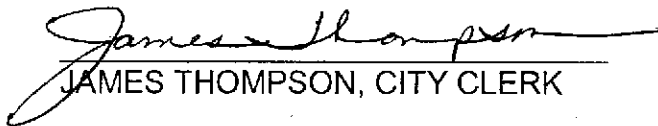
Each written protest shall contain a description of the business in which the person the protestor is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.

10. The City Clerk shall give notice of the public hearing by causing this resolution to be published once in a newspaper of general circulation in the City in the manner prescribed by Government Code Section 54954.6.

PASSED, APPROVED AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 5<sup>TH</sup> DAY OF OCTOBER, 2016.

  
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DAVID H. READY, CITY MANAGER

ATTEST:

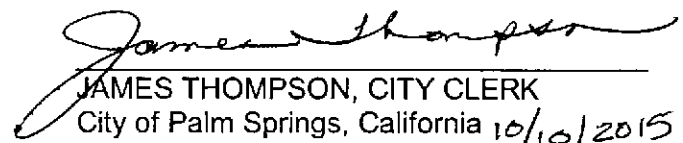
  
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JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA     )  
COUNTY OF RIVERSIDE    ) ss.  
CITY OF PALM SPRINGS    )

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. 24115 is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on 5<sup>th</sup> day of October, 2016, by the following vote:

AYES:            Councilmember Foat, Councilmember Kors, Councilmember Roberts, and Mayor Moon.  
NOES:            None.  
ABSENT:         Mayor Pro Tem Mills.  
ABSTAIN:        None.

  
\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California 10/10/2015