

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: RAISSA DE LA ROSA,
ECONOMIC DEVELOPMENT DIVISION DIRECTOR
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: CORRECTION OF CLERICAL ERROR IN ADMINISTRATIVE
AGREEMENT APPROVED BY RES-2020-161 FOR COLLECTION
OF ASSESSMENTS FOR SONOMA COUNTY TOURISM
BUSINESS IMPROVEMENT AREA

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, by resolution, approve the correction of clerical errors found in Sections 4 and 5 of the Administrative Agreement with the County of Sonoma, previously approved by RES-2020-161, for collection of assessments on Santa Rosa lodging establishments resulting from Santa Rosa's participation in the Sonoma County Tourism Business Improvement Area.

EXECUTIVE SUMMARY

Since 2004 the City of Santa Rosa has participated in the Sonoma County Tourism Business Improvement Area (SCTBIA) that allows a levy of two percent (2%) of rent charged by Santa Rosa lodging operators to be assessed on those operators generating total gross rent greater than \$350,000 in the preceding fiscal year. Funds are collected by the City of Santa Rosa and remitted to the County of Sonoma via an administrative agreement in accordance with Sonoma County Ordinance No. 5525. The Sonoma County Tourism Bureau administers the funds, which are used for programs that encourage tourism and overnight stays to the benefit of the assessed lodging establishments.

RES-2020-161, passed on October 13, 2020, allows for a new administrative agreement retroactive to the termination date of the last agreement. A clerical error was made in this administrative agreement regarding timing of the City's remittance and reporting to the County, necessitating a correction in the agreement from a sixty (60) day remittance to a thirty (30) day transfer of funds in accordance with the ordinance.

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BACKGROUND

In 2001, the County of Sonoma initiated a collaborative process to develop a structure to support and increase the vitality of the tourism industry sector. From this, the Sonoma County Tourism Bureau was created, and the interest in a special county-wide tourism business assessment emerged.

Santa Rosa City Council passed Resolution Number 25954 on May 4, 2004, consenting to the inclusion of Santa Rosa within the proposed Sonoma County Tourism Business Improvement Area. All other incorporated Sonoma County cities except Healdsburg and Sonoma passed similar resolutions. Subsequently Ordinance No. 5525 of the Board of Supervisors of the County of Sonoma was passed, officially establishing the SCTBIA on November 2, 2004.

Six administrative agreements for collection of assessments for SCTBIA between the County and the City have been in place since December 28, 2004, with the latest agreement approved by Resolution No. RES-2020-161 on October 13, 2020. This administrative agreement contains a clerical error in reference to the timing of fund transfers from the City to the County, which should be 30 days per Section 33-6(b) of Sonoma County Municipal Code which was adopted by Ordinance No.. 5525, not the 60 days indicated in the agreement.

Specifically, Section 4 states that remittance to the Sonoma County Tax collector must be within 60 business days of the last day of the month following the end of each calendar quarter; and Section 5, refers to receipt of fees by the County from the City on or before the 60th day of business in related to delinquent remittances. To bring the administrative agreement associated with RES-2020-161 into compliance with the ordinance the afore mentioned sections must have “60 business days,” and, “the 60th day,” corrected to read “30 business days,” and, “the 30th day.”

PRIOR CITY COUNCIL REVIEW

On May 4, 2004, the Council, by Resolution No. 25954, consented to inclusion of the territorial jurisdiction of the City of Santa Rosa within a BIA to be established by the Sonoma County Board of Supervisors substantially as set forth in the attached ordinance. (See Attachment 2)

On February 14, 2017, the Council, by Resolution No. RES-2017-024, approved a retroactive agreement for collection of assessments on Santa Rosa lodging establishments resulting from participation in the SCTBIA, and authorizing the remittance of any assessment funds collected but not remitted.

On September 29, 2020, the Council by Resolution No. RES-2020-161, approved a retroactive agreement for collection of assessments on Santa Rosa lodging

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establishments resulting from participation in the SCTBIA, and authorizing remittance of any assessment funds collected but not remitted.

ANALYSIS

As the correction of remittance timing from the City to the County is consistent with the Sonoma County ordinance that has been in place since 2004 and has been known and accepted by the City since that time, this change will have no impact of consequence on the City.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

The proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Sonoma County Ordinance No. 5525
- Attachment 2 – Santa Rosa City Council Resolution No. RES-2020-161
- Attachment 3 – Santa Rosa City Council Resolution 25954
- Attachment 4 – Redlined Administrative Agreement for Collection of Assessments for Sonoma County Tourism Business Improvement Area
- Resolution/Exhibit A

CONTACT

Raissa de la Rosa, Economic Development Division Director
Tel. 707-543-3059 / rdelarosa@srcity.org