

# City of Santa Rosa



## Legislation Details

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<b>Type:</b>	CC- Report	<b>Status:</b>		<b>Status:</b>	Agenda Ready
<b>File created:</b>	1/30/2017	<b>In control:</b>		<b>In control:</b>	City Council
<b>On agenda:</b>	2/14/2017	<b>Final action:</b>		<b>Final action:</b>	2/14/2017

**Title:** REPORT - ADMINISTRATIVE AGREEMENT FOR COLLECTION OF ASSESSMENTS FOR SONOMA COUNTY TOURISM BUSINESS IMPROVEMENT AREA, RETROACTIVE TO THE TERMINATION DATE OF THE LAST AGREEMENT ON JUNE 30, 2015, TO ACCOMMODATE ASSESSMENTS REMITTED BETWEEN JULY 2015 AND MARCH 2016; AND REMITTANCE OF ANY ASSESSMENT FUNDS COLLECTED BUT NOT REMITTED BETWEEN JUNE 30, 2015, AND THE SIGNING OF A NEW AGREEMENT

BACKGROUND: Through Sonoma County Code Chapter 33, the County has formed a Tourism Business Improvement Area (SCTBIA) that allows a levy of two percent (2%) of rent charged by lodging operators to be assessed on lodging operators generating total gross rent greater than \$350,000 in the preceding fiscal year (July 1 to June 30). The City of Santa Rosa (City) consented to the formation of the SCTBIA and to the collection of BIA assessments from lodging operators located within the City through Resolution No. 25954, passed by a vote of 6-0-1 by City Council on May 4, 2004. The Sonoma County Tourism Bureau administers the funds through marketing and promotions programs that encourage tourism and overnight stay to the benefit of the assessed lodging establishments.

Due to a gap between the June 30, 2015, termination date of the last SCTBIA administrative agreement between the County and the City, and this newly proposed agreement, assessments totaling \$870,735.49 were collected by the City and remitted out of contract between July 2015 and March 2016. An additional \$740,191.94 was collected but not remitted between April to September 2016. Hence the request to approve a new agreement retroactive to the termination date of the last agreement and the additional request of Council to release the remaining unremitted funds. The new agreement waives any penalty for late remittance of the funds through March 2017. The October to December 2016 assessments will be collected and reconciled in February 2017, and are unknown at the writing of this report.

Tourism is one of the key industry sectors in Santa Rosa, and a focus of the Economic Sustainability Strategy as it produces a revenue stream through Transient Occupancy Tax, sales tax, and the Santa Rosa Tourism Business Improvement Area assessment. As such, programs that increase tourism and enhance destination awareness are consistent with and further Council Goal One: Create a Strong, Sustainable Economic Base.

RECOMMENDATION: It is recommended by the Planning and Economic Development Department that the Council, by resolution, approve a retroactive agreement for collection of assessments on Santa Rosa lodging establishments resulting from Santa Rosa's participation in the Sonoma County Tourism Business Improvement Area (SRTBIA) per Resolution Number 25954. It is further recommended that the Council, by resolution, authorize the remittance of any assessment funds collected but not remitted between June 30, 2015, and the signing of a new agreement.

**Sponsors:** Planning and Economic Development

**Indexes:** Not a Project

**Code sections:**

**Attachments:** 1. Staff Report, 2. Attachment 1 - Sonoma County Ordinance 5525, 3. Attachment 2 - Santa Rosa City Council Resolution 25954, 4. Attachment 3 - Admin Agreement, 5. Resolution, 6. Exhibit A, 7. Exhibit B, 8. Exhibit C, 9. Presentation

<b>Date</b>	<b>Ver.</b>	<b>Action By</b>	<b>Action</b>	<b>Result</b>
2/14/2017	1	City Council	to waive reading of the text and adopt	Pass