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DEPARTMENT OF  
FINANCE

REVENUE DIVISION

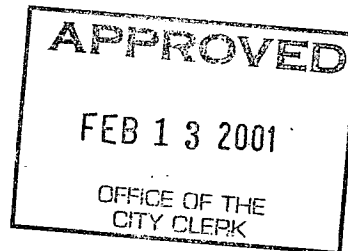
CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 104  
915 I STREET  
SACRAMENTO, CA  
95814-2696

REVENUE  
ADMINISTRATION  
916-264-5724

January 16, 2001  
RA01002:MLF:mg

AG 2001-021



City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: ADMINISTRATION OF SACRAMENTO TOURISM BUSINESS  
IMPROVEMENT DISTRICT (STBID)**

**LOCATION:** Cities of Sacramento and Isleton  
County of Sacramento (Unincorporated area)

**STAFF RECOMMENDATION**

This report recommends that the City Council:

1. Adopt the attached resolution establishing the Sacramento Tourism Business Improvement District Advisory Board and appointment of Board members
2. Adopt the attached resolution approving an agreement between the City of Sacramento and the Sacramento Convention and Visitors Bureau (SCVB) for administration of the Sacramento Tourism Business Improvement District

**CONTACT PERSONS**

Margaret L. Freeman, Revenue Manager, 264-5724  
Barbara Bonebrake, Director of Conventions, Culture and Leisure, 264-7733

**FOR COUNCIL MEETING OF**

February 13, 2001

## **SUMMARY**

The recommended Council action will (1) establish the Sacramento Tourism BID Advisory Board so that the Board can review, monitor and have oversight of the activities of the STBID and (2) approve the agreement that will authorize the Sacramento Convention and Visitors Bureau to administer the activities for the Sacramento Tourism BID.

## **COMMITTEE/COMMISSION ACTION**

None required.

## **BACKGROUND INFORMATION**

On December 5, 2000, the City Council adopted Ordinance 2000-051, establishing the Sacramento Tourism Business Improvement District (STBID). The STBID assessment will generate revenue for the sole purpose of marketing convention and tourism activities in the City of Sacramento, City of Isleton and unincorporated Sacramento County. The assessment is on a daily per rented (occupied) room basis.

### **Advisory Board:**

The Ordinance included the creation of an Advisory Board with six (6) members to advise the City of Sacramento on the amount of the District's assessments and on the programs and activities to be funded by the assessments. Members of the Advisory Board must be operators of hotels within the STBID. The City of Sacramento shall appoint three (3) members, the Sacramento County Board of Supervisors shall appoint two (2) members and the City of Isleton shall appoint one (1) member. On January 24, 2001, Sacramento County Board of Supervisors appointed John Bailey and Brenda Sprouse to the STBID Advisory Board. The City of Isleton is expected to make their one appointment no later than February 28, 2001. The attached Resolution (page 5) authorizes the appointment of the three members by the Sacramento City Council. Those appointments are Lloyd Kirsch, Ken Leone, Jr. and Gunter Stannius.

### **STBID Administrative Agreement:**

The Ordinance requires that all assessments, less the administrative fees allowed for each City and the County, shall be transferred to the Sacramento Convention and Visitors Bureau (SCVB) for funding the STBID's programs and activities. The attached agreement (Exhibit A, page 11) is the contract, as required by the Ordinance, between the City of Sacramento and the SCVB to carry out the services as specified by the Business Plan adopted by City Council on December 5, 2000. The SCVB will be required to prepare a written annual report including a financial report of funds expended, performance measurements for programs and activities completed and an annual budget for the forthcoming year. In order to conform to the SCVB's fiscal year, July 1 to June 30, the agreement provides that the first performance report will be due on or about June 1, 2001. Thereafter, July 1 to June 30, will be considered the annual reporting cycle. The annual report will be submitted for review and final approval to the STBID Advisory Board before submittal to the Sacramento City Council.

## **FINANCIAL CONSIDERATIONS**

It is estimated the STBID assessments will generate \$2.1 million in the City of Sacramento and \$1.0 million in the unincorporated area of the County during the first year of implementation. The assessment of BID fees is effective February 1, 2001 and monthly remittance for the previous calendar month is due to the appropriate agency on the last day of each month. The first monthly payment is due March 31, 2001.

The City of Sacramento's Revenue Division, the City of Isleton and the County Business License Division will be reimbursed for costs associated with the administration and collection of the STBID assessment. The STBID assessments will be remitted monthly and then be forwarded to the Sacramento Convention and Visitors Bureau on a monthly basis. There will be no impact to the current distribution of Transit Occupancy Tax for the purpose of promoting tourism and convention activities as a result of the adoption of the STBID assessment. Instead, the STBID assessment will supplement the funds available for promoting tourism and convention activities in the City of Sacramento, City of Isleton and County of Sacramento and place their spending for such activities on a par with similarly sized jurisdictions in California.

## **ENVIRONMENTAL CONSIDERATIONS**

The environmental Services Section has reviewed the proposed project in accordance with the State Guidelines for implementation of the California Environmental Quality Act (CEQA). The project is not considered a "project" in accordance with Section 21065 of the Public Resources Code, as it will not "cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment". Therefore no further environmental review is necessary.

## **POLICY CONSIDERATIONS**

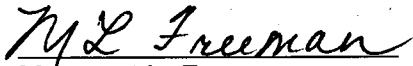
The authority for the Sacramento City Council to adopt a STBID, and the authority for the City of Isleton and County of Sacramento to consent to their inclusion within the STBID, is in accordance with the California Streets and Highways Code Section 36500 *et seq.*, and is consistent with local and regional economic development goals.

The formation of the STBID Advisory Board and the agreement for the administration of the Sacramento Tourism BID and disbursement of the BID fees is in accordance with current City Code as adopted by Ordinance 2000-051.

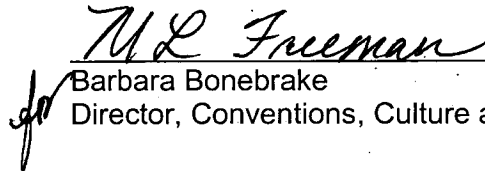
**ESBD CONSIDERATION**

There is no requirement for purchase of goods or services associated with this item.

Respectfully submitted,



Margaret L. Freeman  
Revenue Manager



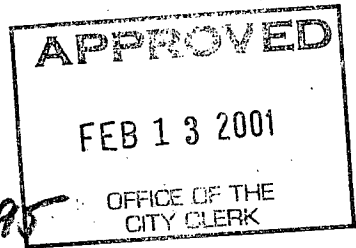
Barbara Bonebrake  
Director, Conventions, Culture and Leisure

RECOMMENDATION APPROVED:



Robert P. Thomas, City Manager

Attachments



**RESOLUTION NO. 2001-095**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO ESTABLISHING THE SACRAMENTO TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD AND APPOINTING BOARD MEMBERS PURSUANT TO TITLE 3, SECTION 3.98 OF THE SACRAMENTO CITY CODE AND AUTHORIZING THE CITY OF SACRAMENTO TO EXECUTE A CONTRACT WITH THE SACRAMENTO CONVENTION AND VISITORS BUREAU TO PROVIDE THE SERVICES AUTHORIZED BY THE DISTRICT**

**WHEREAS:**

- A. The City Council of the City of Sacramento has heretofore established the Sacramento Tourism Business Improvement District ("District"), pursuant to the Parking and Business Improvement Area Law of 1989, by enacting Ordinance Number 2000-051, which is codified at Title 3, Section 3.98 of the Sacramento City Code. The effective date of Ordinance Number 2000-051 is February 1, 2001.
- B. By Resolution Number 00-1366, the Board of Supervisors of the County of Sacramento consented to the formation of District, as required by California Streets and Highways Code Section 36521.5.
- C. By Resolution Number 1455, the City Council of the City of Isleton consented to the formation of District, as required by California Streets and Highways Code Section 36521.5.
- D. The purpose of the District is to provide revenue to defray the costs of services, activities and programs promoting tourism which will benefit the Operators of Hotels in the District through the promotion of scenic, recreational, cultural and other attractions in the District as a tourist destination. The specific services, activities and

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

DATE ADOPTED: \_\_\_\_\_

programs to be provided by the District include the general promotion of tourism within the District, to include costs as specified in a business plan to be adopted annually, the marketing of convention and trade shows that benefit local tourism and the local hotel industry in the District, and the marketing of the District to the travel industry in order to benefit local tourism and the local hotel industry in the District.

- E. By Resolution No. 2000-701, the City Council approved the business plan to be implemented during the first year, effective February 1, 2001. The business plan designates the Sacramento Convention and Visitors Bureau as the entity charged with providing services to be supplied by the District.
  
- F. Title 3, Section 3.98.100 provides that an Advisory Board shall be appointed to advise the City of Sacramento on the amount of the District's Assessments and on the programs and activities to be funded by the Assessments. The Advisory Board shall be selected from a list of nominees prepared by the Sacramento Hotel Association and shall consist of six (6) members. The City of Sacramento shall appoint three (3) members; the City of Isleton shall appoint one (1) member, and the County of Sacramento shall appoint two (2) members. A member of the Advisory Board need not be the Operator or employee of the Operator of a Hotel within the individual City or county which has appointed that member to serve on the Advisory Board, but must be the Operator or employee of the Operator of a Hotel within the District as a whole. The initial members of the Advisory Board shall serve staggered terms, with one (1) member serving a one (1) year term, two (2) members serving for two (2) year terms, and three (3) members serving for three (3) year terms. The length of the term for each individual member of the initial Advisory Board shall be chosen by lot at the first meeting of the Advisory Board. At the expiration of the initial terms, all members subsequently appointed to the Advisory Board shall serve for three (3) year terms. The Advisory Board is created solely for the purposes set forth herein and is not a City of Sacramento board or commission for any purpose.
  
- G. On January 24, 2001, the Board of Supervisors of the County of Sacramento appointed John Bailey and Brenda Sprouse as members on the Advisory Board.

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

DATE ADOPTED: \_\_\_\_\_

H. The City of Isleton will appoint a member on the Advisory Board.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO THAT:**

**Section 1. Recitals.** The recitals set forth above are true and correct, and the City Council so finds and determines.

**Section 2. Appointments.** The City Council hereby appoints Lloyd Kirsch, Ken Leone, Jr., and Gunter Stannius to the Advisory Board.

**Section 3. Meetings and Notice.**

a. All meetings of the Advisory Board shall be held at a location within the boundaries of the District on such dates and at such times as may be fixed by the Advisory Board. Notice and conduct of all meetings of the Advisory Board shall be in accordance with the Ralph M. Brown Act, Government Code Sections 54950 *et seq.* (The "Brown Act"). The agenda procedures for Advisory Board Meetings shall conform to said statutory procedures, except that as permitted by law the Advisory Board may utilize abbreviated agenda procedures.

b. The first meeting of the Advisory Board shall be no later than March 15, 2001, at which time the Board Members shall elect a Chairperson and a Vice-Chairperson who shall be responsible for conducting the meetings of the Advisory Board.

c. The Advisory Board shall hold an annual meeting for the purpose of organization and the transaction of other business. Annual meetings shall be held during the second quarter of each year, but no later than May 15 of each year.

**Section 4. Term of Board Members.** At the first meeting of the Advisory Board, the initial term of each Board Member shall be determined by lot with one (1) member serving a one (1) year term, two (2) members serving for two (2) year terms, and three (3) members serving for three (3) year terms. Thereafter, members shall serve terms of three (3) years. There shall be no limits on the number of consecutive full or partial terms a person may serve on the Advisory Board.

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

DATE ADOPTED: \_\_\_\_\_

**Section 5. Vacancies.** Vacancies may occur by reason of death, resignation, conviction of a felony by a Board Member, declaration by court order that a Board Member is of unsound mind, or removal with or without cause by the city or county that appointed the Board Member, or an increase in the authorized number of directors. In the event of a vacancy during the middle of a term, the Sacramento Hotel Association shall submit a new list of nominees to the city or county responsible for appointing the Board Member that created the vacancy. The appointing city or county shall by resolution appoint a new Board Member to serve on the Advisory Board until the expiration of the term of the replaced Board Member. Prior to the expiration of a term of a Board Member, the Sacramento Hotel Association shall submit a new list of nominees to the appointing city or county of the Board Member whose term is set to expire. The appointing city or county shall by resolution appoint a new Board Member to serve on the Advisory Board until the expiration of the term.

**Section 6. Powers and Duties.** The powers and duties of the Advisory Board shall be as set forth in Title 3, Section 3.98, and pursuant to that section, shall include: advising the City of Sacramento on the specific services, activities and programs to be provided by the District, including costs for said services, activities and programs; advising the City of Sacramento on the amount of Assessments to be levied; and preparation of an annual report to be submitted for review by the City Council of the City of Sacramento pursuant to Sections 36530 and 36533 of the California Streets and Highways Code.

**Section 7. Assessment Amount.** The Council hereby determines and notice is hereby given that the amount of Assessments for the year beginning February 1, 2001 through June 30, 2002, shall be as prescribed in Title 3, Section 3.98.050.

**Section 8. City Designee.** The Council hereby designates the Director, Department of Convention, Culture and Leisure, or the Director's representative, to provide oversight, monitoring and liaison services between the City of Sacramento, the Advisory Board and the Sacramento Convention and Visitors Bureau.

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

DATE ADOPTED: \_\_\_\_\_



**Section 9. Effective Date of Resolution.** This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this \_\_\_\_\_ day of February, 2001.

\_\_\_\_\_  
MAYOR

ATTEST:

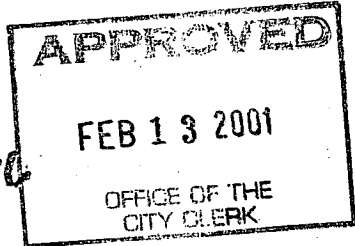
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CITY CLERK

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

DATE ADOPTED: \_\_\_\_\_



RESOLUTION NO. *2001-096*

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

A RESOLUTION AUTHORIZING THE CITY  
MANAGER TO EXECUTE ON BEHALF OF THE CITY  
COUNCIL AN AGREEMENT WITH THE  
SACRAMENTO CONVENTION AND VISITORS  
BUREAU TO ADMINISTER THE ACTIVITIES OF  
THE SACRAMENTO TOURISM BUSINESS  
IMPROVEMENT DISTRICT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

The City Manager is hereby authorized to execute on behalf of the City an agreement with the Sacramento Convention and Visitors Bureau to administer the activities of the Sacramento Tourism Business Improvement District.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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

DATE ADOPTED: \_\_\_\_\_

**APPROVED**  
FEB 13 2001  
OFFICE OF THE  
CITY CLERK

**RESOLUTION NO.** 2001-096

**ADOPTED BY THE SACRAMENTO CITY COUNCIL**

**ON DATE OF \_\_\_\_\_**

A RESOLUTION AUTHORIZING THE CITY  
MANAGER TO EXECUTE ON BEHALF OF THE  
CITY COUNCIL AN AGREEMENT WITH  
SACRAMENTO CONVENTION AND VISITORS  
BUREAU TO ADMINISTER THE ACTIVITIES OF  
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IMPROVEMENT DISTRICT

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\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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