

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, LEVYING AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2004-05 FOR A BUSINESS IMPROVEMENT AREA COVERING CERTAIN COSTA MESA HOTELS AND MOTELS.

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

A. WHEREAS, the California Legislature, in adopting the Parking and Business Improvement Area Law of 1989 (Streets & Highways Code Sections 36500 *et seq.*), found that cities are authorized to levy assessments on businesses in order to promote economic revitalization and tourism, to create jobs, attract new businesses and prevent the erosion of business districts; and

B. WHEREAS, on July 5, 1995, by Ordinance No. 95-9, the City Council adopted a business improvement area, now known as the Costa Mesa Tourism & Promotion Business Improvement Area ("BIA"), the purpose of which is to promote tourism to the City of Costa Mesa and to fund programs and activities that benefit the hotel and motel businesses within the City; and

C. WHEREAS, the City Council appointed the general managers of the seven hotels subject to the assessment area, to serve as the advisory board as required by California Streets and Highways Code Section 36530; and

D. WHEREAS, said advisory board is known as the Costa Mesa Conference and Visitor Bureau (the "CMCVB"); and

E. WHEREAS, the City Council has voted to continue the special assessment for the BIA each year since its inception, that has been levied upon the seven hotel and motel businesses listed on Exhibit A, attached hereto and incorporated herein by this reference; and

F. WHEREAS, in January 2000, the CMCVB requested, and the City Council approved, a request to raise the assessment from one percent (1%) to two percent (2%), which is based on the sale of overnight room stays; and

G. WHEREAS, on May 3, 2004, the City Council adopted Resolution No. 04-31, entitled: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2004-2005 FOR A BUSINESS IMPROVEMENT AREA COVERING CERTAIN COSTA MESA HOTELS AND MOTELS AND SETTING THE TIME AND PLACE OF A PUBLIC HEARING ON PROPOSAL"; and

H. WHEREAS, at its meeting on May 3, 2004, the City Council of the City of Costa Mesa approved the 2004 Annual Report of the Costa Mesa Conference & Visitor Bureau submitted on May 3, 2004, and such report, attached hereto as Exhibit "C" and incorporated herein by this reference, has been considered at the public hearing before this Resolution was adopted; and

I. WHEREAS, on June 17, 2004 in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa, California, a public hearing was held concerning the annual assessment for the business improvement area and no protests of the proposed assessment were filed or presented.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Costa Mesa as follows:

1) An assessment for the Costa Mesa Tourism & Promotion Business Improvement Area is levied for the fiscal year 2004-2005 pursuant to Streets & Highways Code Sections 36500 *et seq.* The boundaries of the Business Improvement Area are the seven hotels listed in Exhibit A, attached hereto and incorporated herein by this reference.

2) The amount of the annual assessment on the business owners shall be computed using the following formula: two percent (2%) of the gross revenue from the sale of hotel overnight guest room stays. New hotel and motel businesses commenced after the effective date of this Resolution will be exempt from the levy, pursuant to Streets & Highways Code Section 36531 and Section 36535.

3) The business owners shall pay the assessment to the Costa Mesa City Finance Department on a monthly basis.

4) The method and basis of levying the assessment to allow each business owner to estimate the amount of the assessment to be levied against his or her business is set forth in Exhibit B.

5) The type or types of activities to be funded by the assessments within the Business Improvement Area are specified in Exhibit C.

6) Each business owner (hotel/motel) shall separate the Business Improvement Assessment from the Transient Occupancy Tax on their guest billing statements. The specific term "Business Improvement Assessment" shall be included on the billing to identify the assessment amount.

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT the City Council of the City of Costa Mesa, California, by this Resolution, does hereby levy an assessment for fiscal year 2004-05 on the business owners within the Costa Mesa Tourism & Promotion Business Improvement Area, as set forth in Exhibits "A" and "B" attached hereto.

PASSED AND ADOPTED this 7th day of June 2004.

ATTEST:

Deputy City Clerk of the City of Costa Mesa

Mayor of the City of Costa Mesa

APPROVED AS TO FORM

City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, JULIE FOLCIK, Deputy City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, hereby certify that the above and foregoing Resolution No. 03-41 was duly and regularly passed and adopted by the said City Council at a regular meeting thereof held on the 7th day of June, 2004, by the following roll call vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Costa Mesa this 8th day of June, 2004.

Deputy City Clerk and ex-officio Clerk of
the City Council of the City of Costa Mesa

EXHIBIT A

The Business Improvement Area (“BIA”) benefit zone encompasses the entire boundaries of the City of Costa Mesa. It is anticipated that the entire City, including businesses and residents, will benefit from the increased revenues generated by the activities financed by the BIA assessments.

The following businesses will be included in the Business Improvement Area, which is established pursuant to Streets & Highways Code § 36500 *et seq.*:

1. Ayres Country Inn & Suites

Property Address: 325 and 345 Bristol Street, Costa Mesa

Business Owner: Bruce Ayres
1817 Westminster Avenue
Newport Beach, CA 92660

Donald Ayres, Jr.
506 Via Lido Nord
Newport Beach, CA 92658

Property Owner: Homes by Ayres
355 Bristol Street, Suite A
Costa Mesa, CA 92626

2. Hilton Costa Mesa

Property Address: 3050 Bristol Street, Costa Mesa

Business Owner: CNL Hospitality Corp.
450 South Orange Ave.
Orlando, FL 32801

3. Holiday Inn

Property Address: 3131 Bristol Street, Costa Mesa

Business Owner: Hanford Hotels

Property Owner: Hanford Hotels
1 Corporate Drive
Newport Beach, CA 92660

4. Marriott Suites

Property Address: 500 Anton Boulevard, Costa Mesa

Business Owner: J.W. Marriott, Jr.

Property Owner: Marriott Suites, Ltd.
1 Marriott Way
Washington, D.C. 02258

5. Residence Inn by Marriott

Property Address: 881 Baker Street, Costa Mesa

Business Owner: Residence Inn by Marriott
1 Marriott Way
Washington, D.C. 02258

Property Owner: Marriott Residence Inn Ltd., Partnership
10400 Fernwood Road
Bethesda, Maryland 20817

6. The Westin South Coast Plaza Hotel

Property Address: 686 Anton Boulevard, Costa Mesa

Business Owner: Starwood Hotels and Resorts

Property Owner: The Westin
c/o South Coast Plaza
686 Anton Boulevard
Costa Mesa, CA 92626

7. Wyndham Hotel

Property Address: 3350 Avenue of the Arts, Costa Mesa

Business Owner: Amgreen Heritage Hotel Partners Ltd.
31200 Via Colimas, Suite 202
Westlake Village, CA 91362

EXHIBIT B

The BIA assessment will be used to fund The Costa Mesa Conference & Visitor Bureau ("CMCVB"). The CMCVB will fund activities to promote tourism to the City of Costa Mesa and will sponsor related tourist events that benefit the hotel and motel businesses within the City.

The specific improvements and activities to be funded by this assessment are outlined in the 2003 Annual Report by The Costa Mesa Conference & Visitor Bureau, which is attached hereto as Exhibit C.

Revenue

A two percent (2%) levy will be assessed against each of the seven hotels listed in Exhibit A, based on the gross revenue from the sale of overnight room stays.

Business owners shall pay the assessment to the Costa Mesa City Finance Department on a monthly basis

Note: New hotel and motel businesses commenced after the effective date of this Resolution will be exempt from the levy of assessment.

EXHIBIT C

Exhibit "C" consists of the 2004 Annual Report submitted by the Costa Mesa Conference & Visitor Bureau on May 3, 2004. A copy of this may be viewed in the City Clerk's Office.