

RESOLUTION NO. 15-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, LEVYING AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2015-2016 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:

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

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

WHEREAS, the City Council appointed the general managers of the 10 hotels subject to the assessment area, to serve as the advisory board as required by California Streets and Highways Code Section 36530; and

WHEREAS, the City Council has voted to continue the special assessment for the BIA each year since its inception, and it has been levied upon the 10 hotel and motel businesses listed on Exhibit A; and

WHEREAS, in January 2015 an 11th hotel was added to the list of 10 hotel and motel businesses that are subject to the assessment; and

WHEREAS, in January 2000, the City Council approved an increase in the assessment, raising the assessment from one percent (1%) to two percent (2%). The two percent (2%) assessment is based on the sale of overnight room stays; and

WHEREAS, in November 2010, the City Council approved an increase in the assessment, raising the assessment from two percent (2%) to three percent (3%). The three percent (3%) assessment is based on the sale of overnight room stays;

WHEREAS, a Resolution of Intention was adopted by the City Council pursuant to the Parking and Business Improvement Area Law of 1989 (Streets & Highways Code § 36500 *et seq.*) at a meeting on May 5, 2015; and

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

Section 1. Assessment. An annual assessment for the Costa Mesa Tourism & Promotion Council Business Improvement Area shall be levied pursuant to Streets & Highways Code § 36500 *et seq.* The boundaries of the territory are the 11 motels and hotels listed in Exhibit A, attached hereto and incorporated herein by this reference. The amount of the annual assessment is three percent (3%). The three percent (3%) assessment is based on the sale of overnight room stays. New hotel and motel businesses commenced after the effective date of the resolution levying the assessment will be exempt from the levy of assessment, pursuant to Streets & Highways Code § 36531 and § 36535.

Section 2. Annual Report. An annual report on the Business Improvement Area has been prepared. Said report is on file in the City Clerk's Office.

Section 3. Types of Activities To Be Funded. The type or types of activities to be funded by and through the annual levy of assessments on businesses within the Costa Mesa Tourism & Promotion Council Business Improvement Area are specified in the referenced annual report and Exhibit B.

Section 4. Reporting and Remitting to the City of Costa Mesa Finance Department. Each hotel/motel owner shall separate the Business Improvement Assessment from the Transient Occupancy Tax on guest billing statements. The specific term "Business Improvement Assessment" shall be included on the billing to identify the assessment amount. The hotel/motel owner shall collect and subsequently remit the assessment to the City Finance Department at the same time and manner as the Transient Occupancy Tax. A 10 percent (10%) penalty and half percent (0.5%) interest will be assessed on late remittances.

Section 5. Method and Basis of Levy. 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 are set forth in the annual report relative to the

Business Improvement Area, Ordinance 95-9, and Exhibit B.

BE IT FURTHER RESOLVED THAT the City Council of the City of Costa Mesa, California, does hereby adopt the annual report on the business improvement area (referenced report on file in the City Clerk's Office), and this Resolution as set forth herein, and Exhibits "A" and "B" which are attached hereto and incorporated by this reference.

PASSED AND ADOPTED this ____ day of _____, 2015.

Stephen M. Mensinger, Mayor

ATTEST:

APPROVED AS TO FORM:

Brenda Green, City Clerk

Thomas Duarte, City Attorney

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

I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 15-xx and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the ____ day of _____, 2015, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this ____ day of _____, 2015.

BRENDA GREEN, CITY CLERK

EXHIBIT A

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

The following businesses will be included in the BIA that is established pursuant to Streets & Highways Code § 36500 *et seq.*, the businesses commonly known as:

Ayres Country Inn & Suites

Property Address: 325 and 345 Bristol Street, Costa Mesa

Business Owner: Newport Country Inn & Suites, Inc.
355 Bristol Street, Suite A
Costa Mesa, CA 92626

Property Owner: Newport Country Inn & Suites, Inc.
355 Bristol Street, Suite A
Costa Mesa, CA 92626

Best Western Plus Newport Mesa Inn

Property Address: 2642 Newport Boulevard, Costa Mesa

Business Owner: James Hsuen & Shang-Pu Lee
2642 Newport Boulevard
Costa Mesa, CA 92627

Property Owner: James Hsuen & Shang-Pu Lee
2642 Newport Boulevard
Costa Mesa, CA 92627

BLVD Hotel

Property Address: 2430 Newport Blvd., Costa Mesa, CA 92627

Business Owner: Shayamal Patel
2450 Newport Blvd
Costa Mesa, CA 92627

Property Owner: Shayamal Patel
2450 Newport Blvd
Costa Mesa, CA 92627

Hilton Costa Mesa

Property Address: 3050 Bristol Street, Costa Mesa

Business Owner: Ashford TRS CM LLC
14185 Dallas Parkway, Suite 1100
Dallas, TX 75254

Property Owner: Remington Lodging & Hospitality LP
14185 Dallas Parkway, Suite 1100
Dallas, TX 75254

Crowne Plaza

Property Address: 3131 Bristol Street, Costa Mesa

Business Owner: Brighton Management
1901 Main Street, Suite 150
Irvine, CA 92614

Property Owner: 3131 Bristol Property UC, LLC
2711 Centerville Road, Suite 400
Wilmington, DE 19808

Holiday Inn Express Hotel & Suites

Property Address: 2070 Newport Boulevard, Costa Mesa

Business Owner: Narendra B. Patel
2070 Newport Boulevard
Costa Mesa, CA 92667

Property Owner: Narendra B. Patel
2070 Newport Boulevard
Costa Mesa, CA 92667

Costa Mesa Marriott

Property Address: 500 Anton Boulevard, Costa Mesa

Business Owner: Marriott International
10400 Fernwood Road
Bethesda, MD 20817

Property Owner: Host Hotels & Resorts
6903 Rockledge Drive, Suite 1500
Bethesda, MD 20817

Ramada Inn & Suites Costa Mesa

Property Address: 1680 Superior Avenue, Costa Mesa

Business Owner: B.D. Inns Inc./Ramada Ltd.
1680 Superior Avenue
Costa Mesa, CA 92627

Property Owner: B.D. Inns Inc./Ramada Ltd.
1680 Superior Avenue
Costa Mesa, CA 92627

Residence Inn by Marriott

Property Address: 881 Baker Street, Costa Mesa

Business Owner: Marriott International
10400 Fernwood Road
Bethesda, MD 20817

Property Owner: ING Clarion Partners
2650 Cedar Springs Road, Suite 850
Dallas, TX 75201-1491

The Westin South Coast Plaza

Property Address: 686 Anton Boulevard, Costa Mesa

Business Owner: Host Hotels & Resorts
6903 Rockledge Drive Suite 1500
Bethesda, MD 20817

Property Owner: CJ Segerstrom & Sons
c/o South Coast Plaza
686 Anton Boulevard
Costa Mesa, CA 92626

Avenue of the Arts Wyndham Hotel

Property Address: 3350 Avenue of the Arts, Costa Mesa

Business Owner: Rosanna Inc.
3350 Avenue of the Arts
Costa Mesa, CA 92627

Property Owner: Rosanna Inc.
3350 Avenue of the Arts
Costa Mesa, CA 92627

EXHIBIT B

The BIA assessment will be used to fund the Costa Mesa Conference & Visitor Bureau (CVB). The CVB will fund activities to promote tourism in 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 CMCVB's 2014-2015 Annual Report.

Revenue

A three percent (3%) levy will be assessed against each of the 11 hotels listed in Exhibit A, based on the net 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. A penalty and interest shall be assessed on late payments.

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