



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 18-933, **Version:** 1

Adopt Resolution granting consent for the City of Monterey to create the Monterey County Tourism Improvement District (MCTID), granting the City Council of the City of Monterey jurisdiction for all the purposes in connection with the creation, operation, and future renewals of the proposed MCTID.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt Resolution to Adopt a resolution granting consent for the City of Monterey to create the Monterey County Tourism Improvement District (MCTID), granting the City Council of the City of Monterey jurisdiction for all the purposes in connection with the creation, operation, and future renewals of the proposed MCTID.

SUMMARY/DISCUSSION:

On August 27, 2018, the Board of Supervisors received the attached letter and resolution (Attachment A) from the City of Monterey requesting consent to create the Monterey County Tourism Improvement District (MCTID). The consent is requested to create the MCTID and grant the City Council of the City of Monterey jurisdiction for all the purposes in connection with creation, operation, and future renewals of the proposed MCTID.

On July 18, 2006, the Board approved a resolution granting consent to the City of Monterey to form the Monterey County Tourism Improvement District (TID) as requested by the Monterey County Convention and Visitors Bureau (MCCVB). The existing TID was formed pursuant to the Parking and Business Improvement Area Law of 1989 ('89 Law) to fund tourism promotion and marketing programs for the Monterey County tourism industry and includes lodging businesses located within the unincorporated areas of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Pacific Grove, Salinas, Sand City, and Seaside.

Approval of the proposed resolution would modernize the district by disestablishing the '89 Law district and re-establishing the MCTID pursuant to the Property and Business Improvement District Law of 1994 ('94 Law). The Board must give consent to the City of Monterey for the unincorporated area of the County of Monterey to be included in the MCTID. If established, the District is estimated to generate between \$24 and \$30 million over five years for promotion of travel and tourism specific to Monterey County.

All the current processes/procedures regarding the MCTID will remain unchanged. The difference will be the district will renew every five years versus annually. Attached is a Fact Sheet "California Tourism Improvement Districts," that provides a comparison of the major differences between the two laws (Attachment B).

The MCTID is a benefit assessment district proposed to help fund marketing and sales promotion efforts for Monterey County lodging businesses. This approach has been used successfully in other destination areas throughout the state to improve tourism and drive additional room nights. The City of Monterey is working with the Monterey County Convention and Visitors Bureau (MCCVB) and local lodging businesses to form the new MCTID.

The proposed MCTID includes all lodging businesses located within the boundaries of the unincorporated areas of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove,

Salinas, Sand City, and Seaside.

The assessment rate is planned to remain the same in the Management District Plan (MDP - MCTID governing document) at the current rate of \$1 per occupied room for limited service and \$2 for full service. Pacific Grove and Salinas are identified as separate “zones” in the MDP as they have additional assessments that are separately managed.

The County’s collection of the assessments from lodging properties and distribution of the funds to MCCVB will remain the same including the County’s option to keep 1% of the collected assessments for administrative costs. The Management District Plan (MDP) can be viewed at the Monterey County Convention and Visitors Bureau (MCCVB) Website: <https://www.seemonterey.com/members/tools/reports/>.

While there is no plan to increase the assessment rate, the MDP allows for an increase (with maximums) in the event of unforeseen circumstances that would seriously affect the programs. Any increase in the rate would require a super majority vote of the MCTID Oversight Committee. The MCTID Oversight Committee is comprised of hotel representatives from within the MCTID boundaries (Attachment C).

The recommended action, adoption of the resolution consenting to the inclusion of the County of Monterey in the proposed MCTID, will enable the City of Monterey and the Monterey County Convention and Visitors Bureau to move forward with the MCTID formation process. Attached is the “Monterey County TID Conversion Timeline” (Attachment D), which details the Action, Responsible Party, and Dates to create the Monterey County TID. The due date for the County and Cities to grant consent to the City of Monterey is by October 15, 2018. The new '94 Law district would begin collection assessment on January 1, 2019.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this recommendation as to form and legality.

FINANCING:

The Treasurer-Tax Collector’s Office retains a fee to cover their costs of collection and administration of the MCTID. There is no financial impact to the General Fund with this recommendation.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The revenue generated from the Monterey County Tourism Improvement District (MCTID) would promote and support the following Board of Supervisors Strategic Initiatives:

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: _____
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Approved by: _____

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Attachments:

Resolution - October 2018

Resolution Word

Attachment A - City of Monterey Letter

Attachment B - CA Tourism Improv Dist.

Attachment C - Oversight Committee

Attachment D - MC TID Conversion Timeline