



**Department:** Administration  
**Cost Center:** 208-1006  
**For Agenda of:** 10/1/2024  
**Placement:** Business  
**Estimated Time:** 30 minutes

**FROM:** Greg Hermann, Deputy City Manager  
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**SUBJECT:** 2023-24 ANNUAL REPORT OF THE TOURISM BUSINESS IMPROVEMENT DISTRICT

### RECOMMENDATION

1. As recommended by the Tourism Business Improvement District (TBID) Board, receive and approve the TBID Board's annual report for FY 2023-24; and
2. Adopt a Draft Resolution of Intention entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, declaring its intention to continue the San Luis Obispo Tourism Business Improvement District, to continue the basis for and to levy the assessment for the district, and to set a date for the Public Hearing on the district and the assessment for 2024-25."

### POLICY CONTEXT

As referenced in the City's Municipal Code, [12.42.060](#) and [Sections 36530 and 36533](#) of the State's Parking and Business Improvement Law, the appointed TBID Advisory Board is to submit an annual report that outlines the past year's efforts and how the funding was used and to what effect.

### Background

In June 2008, the Council adopted Ordinance No. 1517 establishing a tourism business improvement district as requested by the local lodging industry. The district was formed under the State's Parking and Business Improvement Law of 1989, sections 36500 *et seq.* of the Streets and Highways Code and codified into the City's Municipal Code under Chapter 12.42.

Pursuant to Municipal Code Section [12.42.060](#) and [Sections 36530 and 36533](#) of the State's Parking and Business Improvement Law, the appointed TBID Advisory Board is to submit an annual report (Attachment A) that outlines the past year's efforts and how the funding was used and to what effect.

[Section 36534](#) further requires that after the approval of the annual report, the Council shall adopt a resolution of intention (Attachment B) to levy an annual assessment for that fiscal year. The resolution also sets a public hearing to receive any written or oral protests against the continuation of the TBID as required by the applicable statute.

### **Annual Report**

On September 4, 2024, the TBID Board met in a regular monthly meeting to finalize the 2023-24 annual report for recommendation to the Council. The annual report reiterates the use of the TBID funds within the defined marketing platform that guides the strategy used to deliver on the TBID's objective and goals.

The annual report's contents include:

1. TBID Background and Advisory Body
2. 2023-24 Year by the Numbers
3. Strategic Plan Implementation and Program Approach
4. 2023-24 Summary of Activities
5. 2023-24 Financial Statement
6. Looking Ahead to 2024-25
7. Charts and Graphs showing various results

### **Next Steps**

Should the City Council approve the annual report and adopt the resolution of intention, a public hearing will be noticed for October 15, 2024. The public hearing will allow hoteliers to submit comments, voice concerns, and protest the assessment.

As set forth in Sections [36524](#) and [36525](#) of the California Streets and Highways Code, the Council has the ability to continue the proposed citywide TBID at this public hearing on October 15, 2024, unless oral or written protests are received from City hoteliers that pay 50% or more of the proposed assessments. In that event, the Council cannot consider continuation of the TBID in the City for at least one year.

### **Noticing Schedule**

Legal notices regarding the Council's review and consideration of the TBID annual report were published in the New Times and postcards were mailed to TBID properties on September 19, 2024. For convenience, the link to the agenda was also distributed to TBID constituents and stakeholders via email. Public noticing for the TBID Advisory Board meeting held on September 4, 2024, was performed through the posting of the agenda on the City's website by 5:00 pm on August 30, 2024, with the agenda distributed to TBID constituents and stakeholders via email for convenience.

### **Previous Council or Advisory Body Action**

On September 4, 2024, the TBID Board approved the 2023-24 annual report for submission to Council and recommended the continuation of the TBID for fiscal year 2024-25 (Attachment C).

**Public Engagement**

This item is on the agenda for the October 1, 2024 Council Meeting and will follow all required postings and notifications. The public has an opportunity to comment on this item at or before the meeting. All Advisory Body Meetings for the TBID were noticed in accordance with Brown Act standards.

**ENVIRONMENTAL REVIEW**

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. [15378](#).

**FISCAL IMPACT**

Budgeted: Yes  
 Funding Identified: Yes

Budget Year: 2023-24

**Fiscal Analysis:**

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$ N/A	\$	\$	\$
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Acceptance of the FY 2023-24 Annual Report does not result in any direct fiscal impacts to the City. The current unaudited year-end TBID Assessment Revenue for FY 2023-24 is \$2,201,977, which is approximately \$61,177 more than the budgeted amount, based on the calculation of 20% of the projected Transient Occupancy Tax (TOT) reflected on [page 12 of the City’s FY 2024-25 Adopted Financial Plan Supplement](#).

In FY 2024-25, the TBID projected revenue is \$2,183,616 and is budgeted for program costs including staffing. Additionally, the City will retain approximately \$43,672 of the assessment revenue - roughly 2% of FY 2024-25 TBID Assessment Revenue - to cover the City’s administrative costs associated with collecting and disbursing the assessment.

**ALTERNATIVES**

***The Council may choose to not approve the report or adopt the resolution of intention.*** This action is not recommended as the advisory body has fully reviewed the report and recommended the approval to Council to move forward with the Public Hearing for the TBID. Council also has the option to request additional information before approval.

**ATTACHMENTS**

A – SLO TBID 2023-24 Annual Report

B – Draft Resolution of Intention to continue the SLO TBID

C – TBID Draft Minutes from September 4, 2024