



Council Agenda Report

From: Thomas Frutchey, City Manager
Subject: Formation of the Paso Robles Tourism Improvement District
Date: June 20, 2017

Facts

1. The City of Paso Robles Tourism Business Improvement District (TBID) was formed in 2008 by City ordinance at the request of all hotels inside city limits. The City collects a 2% assessment per room night from each hotel, with all funds dedicated to marketing Paso Robles as a tourist destination.
2. The Travel Paso Robles Alliance (TPRA) is the advisory body that has overseen marketing and financial operations for the TBID and has advised the City Council on these operations since its creation and the Council's approval of its bylaws in 2009 (Resolution No. 08-145).
3. The TPRA agreed by unanimous vote at a Special Meeting on April 14, 2017 to report to City Council the dissolution of the current TBID and request that Council approve the formation of the new Paso Robles Tourism Improvement District (the "PRTID") and accompanying non-profit Destination Marketing Organization (DMO.)
4. Reasons for the requested transition from the TBID to the PRTID include, among others:
 - a. The ability to include multiple perspectives in the management and governance of the PRTID, including those of restaurants, retail businesses serving tourists, and attractions.
 - b. An increase in efficiency, as many of the steps legally required of the City to purchase services, initiate agreements, etc. are not required of a tourism improvement district formed under California's Property and Business Improvement District Law of 1994.
 - c. The ability to hire staff (such as an Executive Director).
 - d. To extend the process necessary to request the City Council's approval to continue, changing it from once every year to once every five years.
5. The proposed district would continue the 2% assessment, expanded to include all lodging properties inside City limits (including hotels, beds and breakfasts, short-term rentals, RV parks, etc.).
6. Governance of the PRTID would change from a committee advising the City Council to a 501(c)6 non-profit Owners' Association operating as a Destination Marketing Organization (DMO), independent of City oversight.
7. A comprehensive Management District Plan (Plan) was developed, setting forth the proposed boundary of the PRTID, a service plan and budget, and a proposed means of governance. The Council accepted the Plan at its meeting on May 2, 2017 (see Attachment 2).
8. Lodging businesses that will pay more than fifty percent (50%) of the assessment proposed in the Plan signed and submitted petitions in support of establishing the PRTID. As a result, on May 2, 2017, the City Council adopted a Resolution of Intention to establish the PRTID and to levy an assessment on certain lodging businesses within the PRTID, and set May 16, 2017 at 6:30 PM at 1000 Spring Street as the time and place for a public meeting to take public input and discuss the formation of the PRTID.

9. On May 16, 2017, the City Council held a public meeting, as required by Government Code Section 54954.6, to allow public testimony regarding the establishment of the PRTID and the levy of assessments. There was no formal protest of the formation of the PRTID or the levy of assessments.
10. As of June 6, 2017, more than 64% of assessed lodging payors had submitted ballots either in support of the formation of the PRTID or declining to protest its formation.
11. Upon approval of the PRTID, tourism assets and responsibilities previously owned and performed by the City of Paso Robles will be transferred to the PRTID as outlined in the Tourism Asset Transfer Agreement (Attachment 3).
12. During the discussions between the City and the TPRA Board and Steering Committee, the City asked for several commitments from the PRTID, in order to increase its likelihood of success, including:
 - ❖ Representation of all tourism industry perspectives—including specifically those of restaurants and visitor attractions—on the PRTID Board and Marketing Committee.
 - ❖ Ongoing recognition that it is the quality of the visitor experience that will continue to attract visitors to Paso Robles, not just the quality and sales efforts of the lodging establishments.
 Sandra Sage, the TPRA Chair, has re-iterated the intent of the lodging industry, as represented by the PRTID, to meet those commitments on an ongoing basis, through its Bylaws and other means (Attachment 4).

Options

1. Do nothing.
2. Approve the formation of the PRTID as described in the Management District Plan and Resolution and authorize the City Manager to sign and execute the attached Tourism Asset Transfer Agreement.
3. Request revisions to the Management District Plan, Tourism Asset Transfer Agreement, or other guiding documents as the Council deems necessary.

Analysis and Conclusions

The PRTID is designed to provide specific benefits directly to payors by increasing room night sales and revenue therefrom. Marketing, sales and communications, and visitor services / welcome center programs will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales and revenue therefrom.

Fiscal Impact

There will be both direct and indirect positive fiscal impacts from the change.

Under the PRTID, the City will be compensated for collecting the assessments, conducting enforcement efforts when assessments are not paid, and providing appropriate fiscal controls. In addition, the time currently devoted to supporting the TPRA and related tourism efforts by Shonna Howenstine, the City's Tourism Coordinator, will be redirected to citizen engagement and other high-priority activities.

If the PRTID is successful, transient occupancy taxes and sales taxes are likely to increase over what they otherwise would have been under the existing TBID.

Recommendation

1. Approve Resolution No. 17-XXX: (1) disestablishing the current Paso Robles Tourism and Lodging Promotions Business Improvement District (TBID) and Travel Paso Robles Alliance (TPRA); (2) establishing the Paso Robles Tourism Improvement District; and (3) levying a 2% assessment on all lodging businesses within the district, beginning July 1, 2017, as described in the Management District Plan and Resolution.

2. Direct the City Manager to take all necessary steps to accomplish the transition, including executing all additional documents, setting up all accounts, transferring all funds, and implementing the Asset Transfer Agreement.
3. Appoint Mayor Martin as the City's ex officio Representative on the PRTID Board and the City Manager as the Alternate.

Attachments

1. Resolution of Intention to establish the Paso Robles Tourism Improvement District
2. Management District Plan
3. Tourism Asset Transfer Agreement
4. Letter from Sandra Sage, TPRA Chair, confirming commitments

RESOLUTION NO. 17-XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES TO ESTABLISH THE PASO ROBLES TOURISM IMPROVEMENT DISTRICT AND LEVY AN ASSESSMENT ON ALL LODGING BUSINESSES WITHIN THE DISTRICT

WHEREAS, on May 2, 2017, the City Council (the "Council") of the City of Paso Robles (the "City") adopted a Resolution of Intention to establish the Paso Robles Tourism Improvement District (the "PRTID") and to levy an assessment on certain lodging businesses within the PRTID as set forth in the attached Resolution of Intention; and

WHEREAS, on May 16, 2017, the Council held a public meeting pursuant to Government Code Section 54954.6, allowing public testimony regarding the establishment of the PRTID, the levy of assessments, and filing a notice of intent to hold a public hearing on June 20, 2017; and

WHEREAS, the PRTID is proposed to include all lodging businesses located within the boundaries of the City of Paso Robles; and

WHEREAS, the annual assessment rate shall be two percent (2%) of gross room rental revenue. After the initial year, the assessment rate may be increased by the Owners' Association Board to a maximum of three percent (3%) of gross short-term room rental revenue as described in Section VI. The assessment rate may also be decreased by the Owners' Association Board, but shall not drop below two percent (2%) of gross short-term room rental revenue. The maximum increases or decreases in any year shall be one-half of one percent (0.5%). Based on the benefit received, the assessment shall not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; complimentary room stays; and stays pursuant to contracts executed prior to July 1, 2017; and

WHEREAS, the PRTID is designed to provide specific benefits directly to payors by increasing room night sales and revenue therefrom. Marketing, sales, communications, and visitor services / welcome center programs will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales and revenue therefrom; and

WHEREAS, a new nonprofit corporation, the Paso Robles Destination (PRD), will be formed to serve as the PRTID's Owners' Association. The PRD, which will replace the Tourism Paso Robles Alliance (TPRA), is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

WHEREAS, the total PRTID annual budget for the initial year of its five-year operation is anticipated to be approximately \$1,200,000. This budget is expected to change over time as a direct result of changes in the number of lodging rooms, the price of those rooms, and the occupancy rate; and

WHEREAS, more than 50% of the proposed assessed payors are in support of the formation of the PRTID.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. All of the above recitals are true and correct and incorporated herein by reference.

Section 2. Based on the information contained in the staff report entitled "Formation of the Paso Robles Tourism Improvement District" dated June 20, 2017, testimony presented during the public meeting on May 16, 2017 and the responses thereto, and a greater than 50% majority of signed petitions from assessed payors within the proposed district, the City Council hereby finds and determines to: establish the Paso Robles Tourism Improvement District and levy an assessment on all lodging businesses within the district pursuant to Government Code Section 54954.6.

Section 3. The current Paso Robles Tourism and Lodging Promotions Business Improvement District (TBID), which was created by Ordinance No. 952. N.S. in 2008, is not being renewed, and therefore is being disestablished, effective 12:00 Midnight on June 30, 2017. The TPRA, which was created in 2008 by Resolution No. 08-145, is hereby also disestablished, effective 12:00 Midnight on June 30, 2017.

Section 4. The PRTID will have an initial five-year life, beginning July 1, 2017 and running through June 30, 2022. The life of the PRTID may be extended, per the process identified in the California Streets and Highways Code, Section 36000 et seq.

Section 5. The levy of assessments begins on July 1, 2017.

Section 6. Once per year, beginning on July 1, 2018, there will be a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a City Council hearing on district termination.

Section 7. The City Manager is hereby authorized to execute all additional documents, set up all accounts, and transfer all funds and other assets necessary to terminate the TBID and the TPRA, as well as to implement the PRTID.

APPROVED this 20th day of June 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, Deputy City Clerk



PASO ROBLES TOURISM IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

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I. OVERVIEW

The proposed Paso Robles Tourism Improvement District (PRTID) is an assessment district intended to provide specific benefits to payors, by funding targeted marketing, sales promotion, and related efforts.

Location: The proposed PRTID includes all lodging businesses located within the boundaries of the City of Paso Robles, as shown on the map in Section III.

Services: The PRTID is designed to provide specific benefits directly to payors by increasing room night sales and revenue therefrom. Marketing, sales and communications, and visitor services / welcome center programs will increase overnight tourism and market payors as a premiere destination for tourists, meetings, and events, thereby increasing room night sales and revenue.

Budget: The total PRTID annual budget for the initial year of its five-year operation is anticipated to be approximately \$1.28 million. This budget is expected to fluctuate as room sales and the assessment rate vary, as detailed in Section VI.

Time line: The proposed schedule for the conversion from the current Tourism and Lodging Promotions Business Improvement District "TLPBID" to the PRTID is provided as Appendix 1.

Cost: The annual assessment rate shall be 2% of gross short-term room rental revenue. After the initial year, the assessment rate may be increased to a maximum of 3% of gross short-term room rental revenue as described in Section VI. The assessment rate may also be decreased, but shall not drop below 2% of gross short-term room rental revenue. The maximum increases or decreases in any year shall be 0.5%. Based on the benefit received, the assessment shall not be collected on: stays of more than 30 consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and complimentary room stays.

Enabling Legislation: The TLPBID was created under the California Parking and Business Improvement Area Law of 1989, which requires annual renewal, limits the use of revenues to sales and marketing efforts only, and which requires a high level of ongoing City involvement, thereby limiting flexibility and responsiveness. The proposed PRTID will be created under the California Property and Business Improvement District Law of 1994, which addresses all three of these shortcomings.

Duration: The proposed PRTID will have a five-year life, beginning July 1, 2017 through June 30, 2022. Once per year, beginning on July 1, there is a 30-day period in which lodging business owners paying more than 50% of the assessment may protest and initiate a City Council hearing on district termination.

Collection: The City will be responsible only for collecting the assessment on a monthly basis (including any delinquencies, penalties, and interest) from each lodging business located in the PRTID, in the same manner that it collects the current TOT and the

County TBID assessments. The City will then forward collected assessments to the Owners' Association.

Management: A new nonprofit corporation, the Paso Robles Destination (PRD) will be formed to serve as the PRTID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and shall provide annual reports to the City Council.

II. BACKGROUND

A. Paso Robles' Impetus

The California Tourism marketplace has changed since 2008, when the City and hoteliers collaboratively created the Travel Paso Robles Alliance (TPRA). First, communities throughout the state have increasingly turned to tourism as a staple of economic security and growth. More existing and aspiring tourism destinations have formed Tourism Improvement Districts (TIDs), resulting in more tourism marketing dollars becoming available for tourism promotion. It is estimated that today there are over \$200 million more dollars available for tourism promotion in California than there were just ten years ago.

Second, many destinations have spent heavily on infrastructure projects that have improved their visitor experience; everything from bike trails, river parks, performing arts centers, and the like. Every destination, to remain competitive, must offer a full checklist of such improvements and attractions.

Combined, these changes have made the tourism environment more competitive, necessitating a change in local destination marketing organizations, if communities are to remain competitive. In this complex, competitive, and ever-changing environment, the two key attributes of success are:

- ❖ A community that provides a unique and enjoyable tourist experience; and
- ❖ A DMO that is characterized by: lean staffing, responsiveness to marketplace changes, flexibility, and the credibility to serve as a catalyst for the entire local tourism industry.

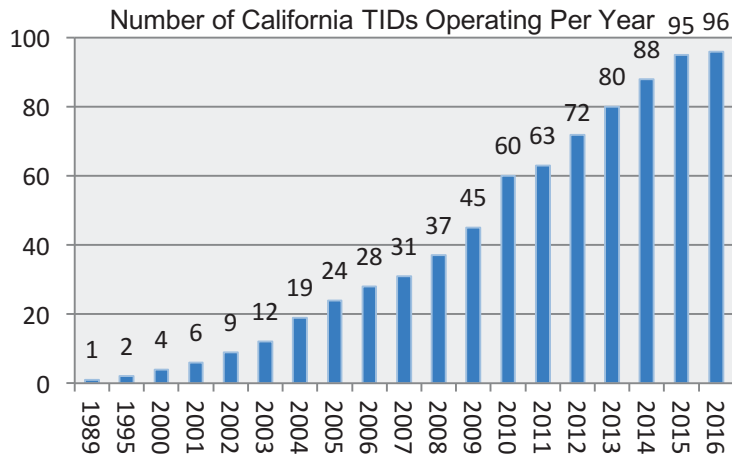
To meet the challenges and opportunities, the Board of Directors of the Travel Paso Robles Alliance has voted to move forward and become a true destination marketing organization. Anticipated benefits include the following:

- ❖ A more tourism-focused organization that can be a leader and catalyst for the tourism industry.
- ❖ A more streamlined decision-making process that brings ideas to the marketplace more quickly, thus providing performance results that can be acted on more quickly.
- ❖ Improved accountability, because all marketing functions will be contained within one organization.
- ❖ Greater overall control of tourism promotion elements to better integrate marketing programs.
- ❖ Improved results that benefits the entire tourism industry.

The new DMO, PRD, will serve as the Owners' Association for the tourism improvement district created pursuant to this Plan.

B. Tourism Improvement Districts

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over ninety California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation.



California's TIDs collectively raise over \$225 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Paso Robles lodging businesses invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase room

night sales and revenues. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase room night sales and revenues.

In California, TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. Unlike transient occupancy tax levies, TID funds cannot be used for government programs.

There are many benefits to TIDs, including but not limited to:

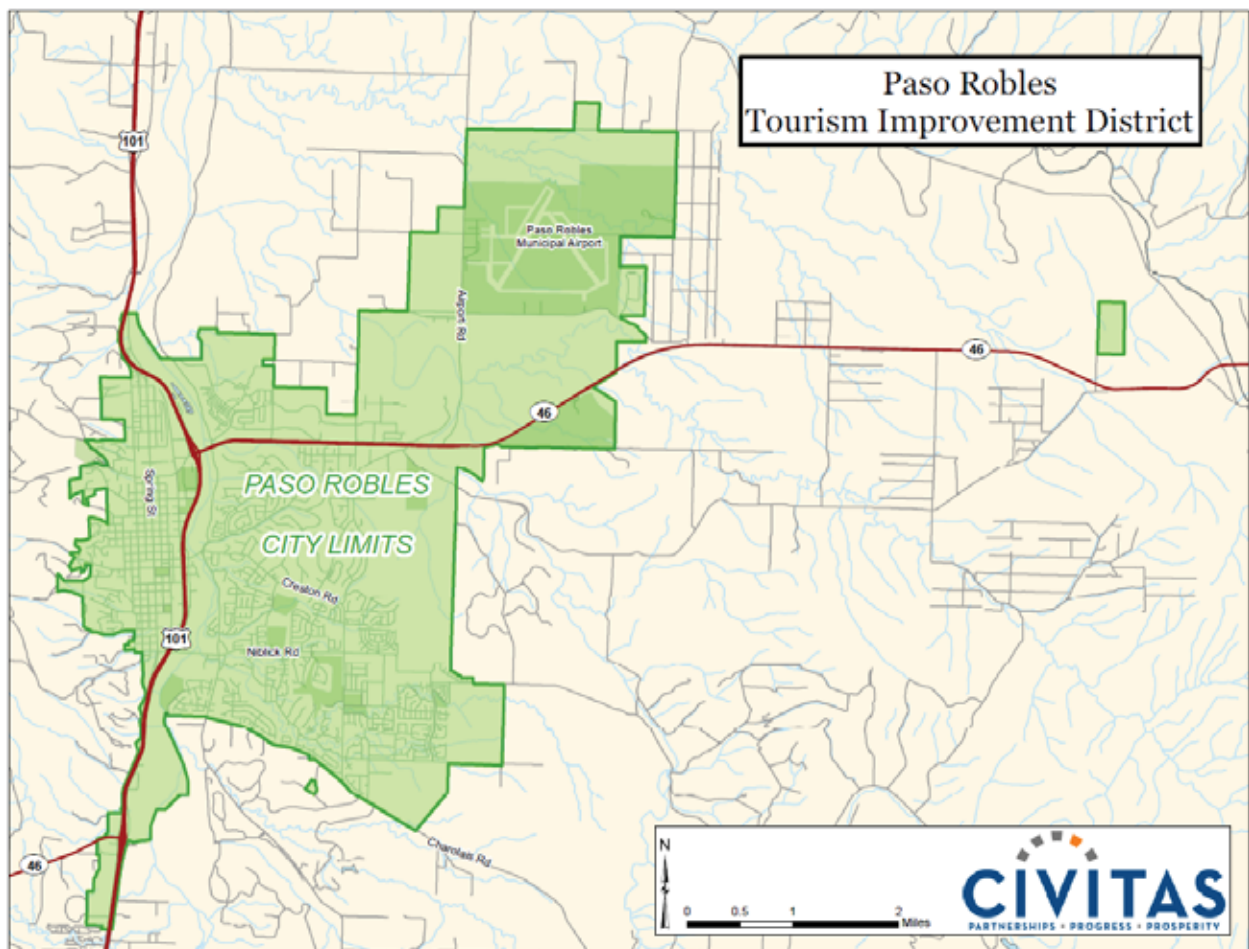
- Funds must be spent on services and improvements that provide a specific benefit only to those lodging businesses that pay;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are designed, created, and governed by those who will pay the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The PRTID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of Paso Robles.

As used herein, lodging business means: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed located, campground, recreational vehicle park, or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes 176 lodging businesses. A listing of lodging businesses within the proposed PRTID can be found in Appendix 3.



IV. SERVICES

Assessment funds will be spent on specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the PRTID funds are marketing, sales, and communications and visitor services programs available only to assessed businesses, which are designed to increase room night sales and revenue therefrom. A description of the proposed activities for the initial year of operation is below; the same activities are proposed for subsequent years.

A. Marketing, Sales & Communications

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Paso Robles as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts, including advertising and social media, to increase awareness and optimize Internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Coordinated promotions with visitor-attracting businesses, events, and attractions targeted at increasing overnight visitation to assessed businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Sponsorship and promotion of events marketed to overnight visitors encouraging them to stay at assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses; and
- Development and maintenance of a website designed to promote assessed businesses.

B. Visitor Services

The visitor services program will fund visitor services improvements designed to increase room night sales and revenues at assessed lodging businesses. Improvements may include:

- Welcome center and visitor kiosk programs including a long-term ambassador program and new technology-driven visitor information enhancements to drive overnight visitation and room sales to assessed businesses;
- Brand-centric visitor services training programs for both public and private sector staff designed to create a visitor experience that will bring repeat visits to assessed businesses;

- Comprehensive and integrated wayfinding signed systems, including signage to attractions and parking areas designed to create a visitor experience that will bring repeat visits to assessed businesses;
- Art and cultural projects and events, to attract overnight visitors; and
- Improvements to existing parks, sports facilities, and public recreational facilities, and visitor centers utilized by overnight visitors designed to create a visitor experience that will bring repeat visits to assessed businesses.

C. Administration

In order to provide the sales and marketing services, PRD will incur various administrative costs, such as staffing, rent, advocacy, insurance, legal, and accounting fees.

D. City Collection Fee

The City of Paso Robles shall retain a fee to cover its actual costs of assessment collection and administration.

E. Contingency/Reserve

In order to ensure effective provision of services, a contingency will be established to account for uncollected assessments or unanticipated program costs. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of PRD. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of the reserve fund shall be set by PRD. The reserve fund may be spent on programs described in this Plan in any proportion deemed appropriate by PRD.

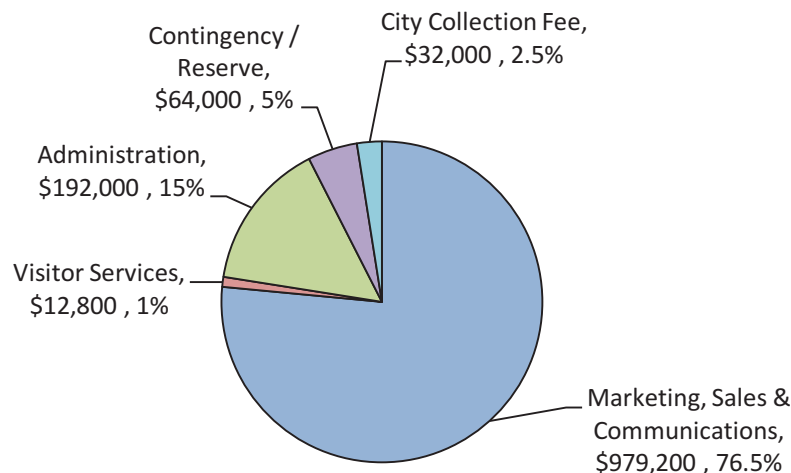
V. BUDGET

A. Initial Annual Budget

The budget is projected at approximately \$1.28 million annually, or approximately \$6.8 million for the five years through FY 2021-22, if assessment rates are not changed. If maximum assessment rate increases are adopted, the estimated total assessment through 2022 could be approximately \$9.2 million. (Note: This is a required disclosure and not the anticipated course of action.) This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the life of the PRTID.

The budget allocations for the initial year are shown below. Although actual annual revenues will fluctuate due to market conditions and assessment rate changes, the proportional allocations of the budget shall remain consistent; however, the City and PRD shall have the authority to adjust categorical allocations by up to 15% of the total budget each year. In the event of a legal challenge against the PRTID, any and all assessment funds may be used for the costs of defending the PRTID, the City and PRD related to the PRTID.

The initial annual budget of \$1,280,000 will be allocated as follows:



B. Five-Year Budget Estimates

After the initial year, the assessment rate may be increased by the PRD Board to a maximum of 3% of gross short-term room rental revenue as described in Section VI. The table below demonstrates the maximum total assessment with the assumption that assessment rates will be increased by 0.5% in each fiscal year until the maximum assessment rate of 3% has been reached, as it is a required disclosure. If the maximum annual assessment increases are adopted by the PRD Board, the estimated annual budget will increase as shown in the table below. Additionally, a 3% annual increase in the total budget is shown, to account for estimated increased room night sales as a result of PRTID efforts. This 3% annual increase is a conservative estimate based on the effect of similarly sized TID budgets.

Annual Budget if Maximum Assessment Rates Are Adopted (Est.)

2017-2022

Fiscal Year	Marketing, Sales & Communications	Visitor Services	Admin.	Contingency / Reserve	City Collection Fee	Total
2017-18	\$979,200	\$12,800	\$192,000	\$64,000	\$32,000	\$1,280,000
2018-19	1,260,720	16,480	247,200	82,400	41,200	1,648,000
2019-20	1,558,250	20,369	305,539	101,846	50,923	2,036,928
2020-21	1,604,997	20,980	314,705	104,902	52,451	2,098,036
2021-22	1,653,147	21,610	324,147	108,049	54,024	2,160,977
TOTAL	\$7,056,315	\$92,239	\$1,383,591	\$461,197	\$230,599	\$9,223,941

Annual Budget if Maximum Assessment Rates Are Not Adopted (Est.)

2017-2022

Fiscal Year	Marketing, Sales & Communications	Visitor Services	Admin.	Contingency / Reserve	City Collection Fee	Total
2017-18	\$985,600	\$12,800	\$192,000	\$64,000	\$25,600	\$1,280,000
2018-19	1,015,168	13,184	197,760	65,920	26,368	1,318,400
2019-20	1,045,623	13,580	203,693	67,898	27,159	1,357,952
2020-21	1,076,992	13,987	209,804	69,935	27,974	1,398,691
2021-22	1,109,301	14,407	216,098	72,033	28,813	1,440,651
TOTAL	\$5,232,684	\$67,957	\$1,019,354	\$339,785	\$135,914	\$6,795,694

C. GAAP Compliance

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of employing an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by PRD on an as-needed basis.

VI. ASSESSMENT

A. Assessment

The annual assessment rate shall be 2% of gross short-term room rental revenue. Based on the benefit received, the assessment shall not be collected on: stays of more than 30 consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and complimentary room stays.

The term "gross short-term room rental revenue" as used herein means: the consideration charged, whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall include all charges to the transient associated with the occupancy of space in a lodging business, including room rental rates, booking fees, cleaning charges, resort fees, and other similar costs. However, gross short-term room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to customers. The amount of assessment, if passed on to each customer, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each customer shall receive a receipt for payment from the business. The assessment shall be disclosed as the "PRTID Assessment." The assessment is imposed solely upon, and is the sole obligation of, the assessed lodging business even if it is passed on to customers.

Bonds may be issued.

After the initial year, the assessment rate may be increased by the PRD Board to a maximum of 3% of gross short-term room rental revenue. The assessment rate may also be decreased by the PRD Board, but shall not drop below 2% of gross short-term room rental revenue. The maximum increases or decreases in any year shall be 0.5%. Any increase or decrease authorized by the PRD Board shall be included in the Annual Report described in Section VIII(C), and approved by the Paso Robles City Council during the fiscal annual report review. Thereafter, the increase or decrease will be effective starting the following fiscal year.

B. Penalties and Interest

The City shall be responsible for collection of delinquent assessments. The PRTID shall reimburse the City of Paso Robles for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent PRTID assessment are sought to be recovered in the same collection action by the City, the PRTID shall bear its pro rata share of such collection costs. Assessed businesses that are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business that fails to remit any assessment imposed within the time required shall pay a penalty of 10% of the amount of the assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any lodging business that fails to remit any delinquent remittance on or before 30 days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of 10% of the amount of the assessment in addition to the amount of the assessment and the 10% penalty first imposed.

3. *Fraud:* If the City determines that the nonpayment of any remittance due is due to fraud, a penalty of 25% of the amount of the assessment shall be added thereto in addition to the penalties stated in paragraphs 1 and 2 above.
4. *Interest:* In addition to the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of 1% per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. *Penalties Merged With Assessment:* Every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the assessment required to be paid.

C. Time and Manner for Collecting Assessments

The PRTID assessment will be implemented beginning July 1, 2017 and will continue for five years through June 30, 2022. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to PRD.

VII. CALIFORNIA CONSTITUTIONAL COMPLIANCE

The PRTID is subject to certain provisions of the California Constitution. Although it levies an assessment, the PRTID is not a property-based assessment subject to the requirements of Article XIII D of the Constitution ("Proposition 218"). The Court has found, "Proposition 218 limited the term 'assessments' to levies on real property."¹ Rather, the PRTID assessment is a business-based assessment, and is subject to Article XIII C of the Constitution ("Proposition 26"). Pursuant to Proposition 26 all City levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the PRTID, a "specific benefit" and a "specific government service." Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

A. Specific Benefit

Proposition 26 requires that assessment funds be expended on, "a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege."² The services in this Plan are designed to provide targeted benefits directly to assessed lodging businesses, and are intended to provide benefits and services directly to only those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific lodging businesses within the PRTID. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the PRTID, and are narrowly tailored. PRTID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in PRTID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by the PRTID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales and revenue therefrom. The specific benefit of an increase in room night sales for assessed lodging businesses will be directly provided only to lodging businesses paying the PRTID assessment, with marketing and sales programs promoting only those lodging businesses paying the assessment. The marketing and sales programs will be designed to increase room night sales at each assessed lodging business. Because they are necessary to provide the marketing and sales programs that specifically benefit the assessed lodging businesses, the administration, collection and contingency expenditures also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the PRTID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, "A specific benefit is not excluded from classification as a 'specific benefit' merely because an indirect benefit to a nonpayer occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor."³

¹ Jarvis v. the City of San Diego 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

³ Government Code § 53758(a)

B. Specific Government Service

The assessment may also be utilized to provide, "a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product."⁴ The legislature has recognized that marketing and promotions services like those to be provided by the PRTID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that "a specific government service is not excluded from classification as a 'specific government service' merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor."⁶

C. Reasonable Cost

PRTID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by PRD, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from PRTID-funded activities, be featured in advertising campaigns, and directly benefit from other PRTID-funded services. Non-assessed lodging businesses will not directly receive these, nor any other, PRTID-funded services and benefits.

The PRTID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-PRTID funds. PRTID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

VIII. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the PRTID as defined in Streets and Highways Code §36612. The City Council has determined that a new nonprofit corporation, the Paso Robles Destination (PRD), will be formed to serve as the Owners' Association for the PRTID.

B. Brown Act and California Public Records Act Compliance

PRD is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. PRD, as the Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The PRD board acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the PRD board and certain committees wherein the PRTID is discussed must be held in compliance with the public notice and other requirements of the Brown Act. PRD is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, PRD shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

PRD shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 2). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – TIMELINE

Action	Date	Responsible Party
Initiate project	February 1, 2017	Hotel Committee
Project kick-off call with Hotel Committee <ul style="list-style-type: none"> Call with City staff to review conversion process and timeline 	February 6 – 10, 2017	Civitas – Will Run Hotel Committee – Will Schedule and Invite City Staff – Will Participate
Hotel outreach	February – April 2017	Hotel Committee
Develop initial draft Management District Plan (MDP)	February 17, 2017	Civitas
Client review and comment on MDP	March 1, 2017	Hotel Committee
Submit draft MDP, Petition, and Resolutions to City; ongoing review and negotiation	February 17, 2017	Civitas
Hotel Committee Meeting and meeting with City Staff – Review MDP and conversion timeline/process	February 21 – 24, 2017	Civitas – Will Run Hotel Committee – Will Schedule and Invite City Staff – Will Participate
Final MDP, Petition, and Resolutions approved by City	March 17, 2017	City Staff
Petition drive	March 20 – April 14, 2017	Hotel Committee
Submit Petitions totaling over 50% of assessment to City	April 14, 2017	Hotel Committee – Responsible for collecting signed petitions
City Council Formation Resolution of Intention (Consent Calendar)	May 2, 2017	City Staff – Will place item on the agenda and give presentation (if required) Civitas – Will attend and will be prepared to present if needed. Hotel Committee – Attend in support
Hotel Committee Meeting – Discuss new Non-Profit and Bylaws <ul style="list-style-type: none"> File Articles of Incorporation, apply for EIN, draft bylaws (May) 	May 2, 2017	Civitas – Will Run Hotel Committee – Will schedule and invite
Mail - Formation Notice of Public Meeting/Hearing - Must be mailed 1 day (next day) after ROI is adopted.	May 3, 2017	City Staff – Will mail notice and signed resolution to all effected businesses
City Council <ul style="list-style-type: none"> Formation Public Meeting – No action required - Must be held at least 10 days after Notice of Public Meeting/Hearing is mailed and at least 7 days before Public Hearing is held. 	May 16, 2017	City Staff – Will place item on the agenda and give presentation (if required) Hotel Committee – Attend and be prepared to speak in support if there is any opposition

City Council <ul style="list-style-type: none"> Formation Public Hearing & Adopt Resolution of Formation - <i>Must be held at least 45 days after Notice is mailed.</i> 	June 20, 2017	City Staff – Will place item on the agenda and give presentation (if required) Civitas – Will attend and will be prepared to present if needed. Hotel Committee – Attend and be prepared to speak in support if there is any opposition
Hotel Committee Meeting – Approve Bylaws, appoint board of directors and submit Statement of Information	June 20, 2017	Civitas – Will Run Hotel Committee – Will schedule and invite
Old district ceases to exist	June 30, 2017	
New District begins collecting assessment	July 1, 2017	Hotels/City
Submit IRS application <ul style="list-style-type: none"> Submit FTB application after we receive status from IRS 	July 2017	Civitas

APPENDIX 2 – LAW

*** This document is current through the 2017 Supplement ***
(All 2016 legislation)

STREETS AND HIGHWAYS CODE

Division 18. Parking

Part 7. Property and Business Improvement District Law of 1994

Cal Sts & Hy Code Div. 18, Pt. 7 (2017)

CHAPTER 1. General Provisions [36600 - 36617]

ARTICLE 1. Declarations [36600 - 36604]

36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.

(2) Job creation.

(3) Business attraction.

(4) Business retention.

(5) Economic growth.

(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

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(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature's guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed.

Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits.

The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions [36606 - 36616]

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36606. "Activities"

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. "Clerk"

"Clerk" means the clerk of the legislative body.

36609.5. "General benefit"

"General benefit" means, for purposes of a property-based district, any benefit that is not a "special benefit" as defined in Section 36615.5.

36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.

- (g)** Fountains.
- (h)** Planting areas.
- (i)** Closing, opening, widening, or narrowing of existing streets.
- (j)** Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k)** Ramps, sidewalks, plazas, and pedestrian malls.
- (l)** Rehabilitation or removal of existing structures.

36611. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

36612. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. "Property"

"Property" means real property situated within a district.

36614.5. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

36614.6. "Property-based assessment"

"Property-based assessment" means any assessment made pursuant to this part upon real property.

36614.7. "Property-based district"

"Property-based district" means any district in which a city levies a property-based assessment.

36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. "Special benefit"

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law [36617- 36617.]

36617. Alternate method of financing certain improvements and activities; Effect on other provision
This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment [36620 - 36630]

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceeding; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

(1) A map showing the boundaries of the district.

(2) Information specifying where the complete management district plan can be obtained.

(3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) **(1)** A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed

district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the

district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments [36631 - 36637]

36631. Time and manner of collection of assessment; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adopting of resolution of intention

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived

from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing [36640- 36640.]

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance [36650 - 36651]

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements, maintenance, and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal [36660- 36660.]

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment [36670 - 36671]

36670. Circumstances permitting disestablishment of district; Procedure

PRTID Management District Plan

March 20, 2017

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(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 3 – ASSESSED BUSINESSES

Business Name	Address	City, State, ZIP	Type
Adelaide Inn	1215 Ysabel Ave	Paso Robles, CA 93446	Motels/Hotels
Allegretto Vineyard Resort	2700 Buena Vista Dr	Paso Robles, CA 93446	Motels/Hotels
Best Western Black Oak Lodge	1135 24th St	Paso Robles, CA 93446	Motels/Hotels
Bestway Inn Of Paso Robles	2701 Spring St	Paso Robles, CA 93446	Motels/Hotels
Budget Inn Of Paso Robles	2745 Spring St	Paso Robles, CA 93446	Motels/Hotels
Courtyard by Marriott at Paso Robles	120 S Vine Street	Paso Robles, CA 93446	Motels/Hotels
Economy Inn	2218 Spring St	Paso Robles, CA 93446	Motels/Hotels
Farmhouse Motel	425 Spring St	Paso Robles, CA 93446	Motels/Hotels
Hampton Inn & Suites	212 Alexa Dr	Paso Robles, CA 93446	Motels/Hotels
Hotel Cheval, Llc	1021 Pine St	Paso Robles, CA 93446	Motels/Hotels
La Bellasera Hotel & Suites (dba)	206 Alexa Court	Paso Robles, CA 93446	Motels/Hotels
La Quinta Inn & Suites / Arciero Inns Corp	2615 Buena Vista Dr	Paso Robles, CA 93446	Motels/Hotels
Melody Ranch Motel	939 Spring St	Paso Robles, CA 93446	Motels/Hotels
Motel 6 No. 1372	1134 Black Oak Dr	Paso Robles, CA 93446	Motels/Hotels
Paso Robles Inn, Inc.	1103 Spring St	Paso Robles, CA 93446	Motels/Hotels
Paso Robles Wine Country Inn	3548 Spring St	Paso Robles, CA 93446	Motels/Hotels
PR Hospitality Inc DBA Holiday Inn Express	2455 Riverside Ave	Paso Robles, CA 93446	Motels/Hotels
River Lodge - Zen Paso Robles, LLC	1955 Theater Dr	Paso Robles, CA 93446	Motels/Hotels
The Inn At Paso	730 Spring St	Paso Robles, CA 93446	Motels/Hotels
The Oaks Hotel	3000 Riverside Ave	Paso Robles, CA 93446	Motels/Hotels
Townhouse Motel	2749 Spring St	Paso Robles, CA 93446	Motels/Hotels
Wine Country Rv Resort	2500 Airport Rd	Paso Robles, CA 93446	RV Park
1113 Fresno St. Vacation Rental	1113 Fresno St	Paso Robles, CA 93446	Vacation Rental
1129 Park Street LLC	1231 Park St	Paso Robles, CA 93446	Vacation Rental
119 Via Manzanita	119 Via Manzanita Ct	Paso Robles, CA 93446	Vacation Rental
1311 Chestnut St. Vacation Rental	1311 Chestnut St	Paso Robles, CA 93446	Vacation Rental
1420 Greenwood Dr. Vacation Rental	1420 Greenwood Dr	Paso Robles, CA 93446	Vacation Rental
1623 Skyview Drive	1623 Skyview Dr	Paso Robles, CA 93446	Vacation Rental
1828 Park St Vacation Rental	1828 Park St	Paso Robles, CA 93446	Vacation Rental
1832 Park St Vacation Rental	1832 Park St	Paso Robles, CA 93446	Vacation Rental

Business Name	Address	City, State, ZIP	Type
2735 Vine Street	2735 Vine St	Paso Robles, CA 93446	Vacation Rental
3 Kings On Pacific	187 Pacific Ave	Paso Robles, CA 93446	Vacation Rental
3141 Spring St, Suite #101	3141 Spring St Suite 101	Paso Robles, CA 93446	Vacation Rental
3Vinos Hacienda	36 Fresno St	Paso Robles, CA 93446	Vacation Rental
4 Kings On Union	1823 Union Rd	Paso Robles, CA 93446	Vacation Rental
51 Ridgeview Drive	51 Ridgeview Drive	Paso Robles, CA 93446	Vacation Rental
520 Olive Street	520 Olive St	Paso Robles, CA 93446	Vacation Rental
532 Maple St.	532 Maple St	Paso Robles, CA 93446	Vacation Rental
544 Oak St. Vacation Rental	544 Oak St	Paso Robles, CA 93446	Vacation Rental
546 13th St	546 13th St	Paso Robles, CA 93446	Vacation Rental
606 13th St	606 13th St	Paso Robles, CA 93446	Vacation Rental
608 13th St	608 13th St	Paso Robles, CA 93446	Vacation Rental
63 Ridgeview Drive Vacation Rental	63 Ridgeview Dr	Paso Robles, CA 93446	Vacation Rental
915 Osos Way	915 Osos Way	Paso Robles, CA 93446	Vacation Rental
A Treehouse On Spring	1830 Spring St	Paso Robles, CA 93446	Vacation Rental
Alfaro Inc.	2840 Vine St	Paso Robles, CA 93446	Vacation Rental
Amelia's Loft	4720 Wing Way	Paso Robles, CA 93446	Vacation Rental
Antenucci's B&B	1317 Chestnut St	Paso Robles, CA 93446	Vacation Rental
B&B Via Camelia Ct	137 Via Camelia Ct	Paso Robles, CA 93446	Vacation Rental
Beckett Vacation Rentals	42 12th St	Paso Robles, CA 93446	Vacation Rental
Beckett Vacation Rentals (2)	56 12th St	Paso Robles, CA 93446	Vacation Rental
Betsy Amato Vacation Rental	1904 Park Street	Paso Robles, CA 93446	Vacation Rental
Blue Sky Home Rental	1105 Chesnut St	Paso Robles, CA 93446	Vacation Rental
Bradshaw Vacation Rental	177 Pacific Ave	Paso Robles, CA 93446	Vacation Rental
Bradshaw Vacation Rentals #2	320 12th St	Paso Robles, CA 93446	Vacation Rental
Bungalow Sixty-Four	1935 Olive St	Paso Robles, CA 93446	Vacation Rental
Cabernet Cottage	738 Vine Street	Paso Robles, CA 93446	Vacation Rental
Casa Blanca Retreat	2440 Casa Blanca Ct	Paso Robles, CA 93446	Vacation Rental
Casa De Mimosa	420 9th St	Paso Robles, CA 93446	Vacation Rental
Casa Salida Del Sol	902 Salida Del Sol	Paso Robles, CA 93446	Vacation Rental
Chardonnay Cottage	244 19th St	Paso Robles, CA 93446	Vacation Rental
Charm On Chestnut	1721 Chestnut	Paso Robles, CA 93446	Vacation Rental
Chateau Three Four Five	345 13th St	Paso Robles, CA 93446	Vacation Rental
Clinton And Sharon George	411 16th St	Paso Robles, CA 93446	Vacation Rental
Clinton And Sharon George	144 18th St	Paso Robles, CA 93446	Vacation Rental
Club Terra Bella Vacation Rental	1902 Terra Bella Ct	Paso Robles, CA 93446	Vacation Rental

Business Name	Address	City, State, ZIP	Type
Cornerstone Cabin	1751 1/2 Filbert St	Paso Robles, CA 93446	Vacation Rental
Cornerstone Cottage	1751 Filbert St	Paso Robles, CA 93446	Vacation Rental
Cottage At Capitol Hill	133 Capitol Hill Dr	Paso Robles, CA 93446	Vacation Rental
Cowgirl On Vine Vacation Rental	1438 Vine St	Paso Robles, CA 93446	Vacation Rental
Cozy Casa Blanca	2448 Casa Blanca Ct	Paso Robles, CA 93446	Vacation Rental
DanAndAssana.com	1536 Vine St	Paso Robles, CA 93446	Vacation Rental
Danley, LLC	100 Piedmont Pl	Paso Robles, CA 93446	Vacation Rental
Dawn Gregory	407 19th St	Paso Robles, CA 93446	Vacation Rental
Dennis Bradshaw/ Craig Lane	1321 Spring St Ste 201	Paso Robles, CA 93446	Vacation Rental
DKM Enterprises LLC	1712 Vine St	Paso Robles, CA 93446	Vacation Rental
Downtown Alley	1437 Pine St	Paso Robles, CA 93446	Vacation Rental
Downtown Diggs	443 10th St	Paso Robles, CA 93446	Vacation Rental
Downtown Paso Robles Wine Country Cottage	205 17th St	Paso Robles, CA 93446	Vacation Rental
El Dorado Hacienda De La Vista	753 N Trigo Lane	Paso Robles, CA 93446	Vacation Rental
Emily's House	530 9th Street	Paso Robles, CA 93446	Vacation Rental
Foley Family Wines, Inc. dba EOS	2300 Airport Road	Paso Robles, CA 93446	Vacation Rental
Garland House	2022 Vine St	Paso Robles, CA 93446	Vacation Rental
Goodwin's C O F House	751 Walnut Dr	Paso Robles, CA 93446	Vacation Rental
Graebner Family Homes	27 Fresno St	Paso Robles, CA 93446	Vacation Rental
Hastings Family Trust	935 12th St Ste B	Paso Robles, CA 93446	Vacation Rental
Hawkins Vacation Rentals	2087 Fallbrook Ct	Paso Robles, CA 93446	Vacation Rental
Hess Room Rental	1052 Sleepy Hollow	Paso Robles, CA 93446	Vacation Rental
Holiday House	925 Olive St	Paso Robles, CA 93446	Vacation Rental
Huston's Attic	1245 Vine St #2	Paso Robles, CA 93446	Vacation Rental
Jack Chapman Vacation Rental	1214 Echo Court	Paso Robles, CA 93446	Vacation Rental
Jackson Citadel	Home Occupation	Paso Robles, CA 93446	Vacation Rental
James M Pahler	1929 Oak St	Paso Robles, CA 93446	Vacation Rental
Janis Denner	321 13th St	Paso Robles, CA 93446	Vacation Rental
Jany Home Vacation Rental	623 19th St	Paso Robles, CA 93446	Vacation Rental
Jay Packer	740 Park Street	Paso Robles, CA 93446	Vacation Rental
Jaz N' Jill's Place	728 Bolen Dr	Paso Robles, CA 93446	Vacation Rental
John Denissen	407 Peachtree Ln	Paso Robles, CA 93446	Vacation Rental
Judy McAlister	1600 Riverglen Drive	Paso Robles, CA 93446	Vacation Rental
Kennedy House	1233 Olive St	Paso Robles, CA 93446	Vacation Rental
Kim Redden	2307 Latigo Court	Paso Robles, CA 93446	Vacation Rental

Business Name	Address	City, State, ZIP	Type
Kimpton Enterprise	852 Sycamore Canyon Rd	Paso Robles, CA 93446	Vacation Rental
Kleine Blume On Oak	535 Oak St	Paso Robles, CA 93446	Vacation Rental
Lawder Vacation Rental	545 Maple St	Paso Robles, CA 93446	Vacation Rental
Lewis Loft	1339 Vine St #201	Paso Robles, CA 93446	Vacation Rental
Liana's Getaway Vacation Rental	150 Via Fuchsia	Paso Robles, CA 93446	Vacation Rental
Locust Street Lodge	1843 Locust St	Paso Robles, CA 93446	Vacation Rental
Longview Enterprises	304 1/2 14th St	Paso Robles, CA 93446	Vacation Rental
LP Ward Consulting	59 Ridgeview Dr	Paso Robles, CA 93446	Vacation Rental
Lyons Family Vacation Rental	511 8th St	Paso Robles, CA 93446	Vacation Rental
Margie Danley	215 W 17th St	Paso Robles, CA 93446	Vacation Rental
Maria Toste DbA Casa Bella Airbnb	1341 Stoney Creek Rd	Paso Robles, CA 93446	Vacation Rental
Mary Agnes Poe House	303 16th Street	Paso Robles, CA 93446	Vacation Rental
Max & Velmas	1425 Chestnut	Paso Robles, CA 93446	Vacation Rental
Merry Hill Vacation Rental	912 Merry Hill Rd	Paso Robles, CA 93446	Vacation Rental
MGC Park Place LLC	727 Park St	Paso Robles, CA 93446	Vacation Rental
MoonSpinnerz	608 12th St	Paso Robles, CA 93446	Vacation Rental
Mr. Sleepwell's Vacation Homes	21 Fresno St	Paso Robles, CA 93446	Vacation Rental
Noak Properties	721 Oak St	Paso Robles, CA 93446	Vacation Rental
Oak Street Retreat	445 Oak St	Paso Robles, CA 93446	Vacation Rental
Oaktop Manor	80 Fresno St	Paso Robles, CA 93446	Vacation Rental
On The Vine	1905 Vine St	Paso Robles, CA 93446	Vacation Rental
Orchard House	737 Orchard Dr	Paso Robles, CA 93446	Vacation Rental
Paso Escape	1648 Heidi Ct	Paso Robles, CA 93446	Vacation Rental
Paso Highlands	1762 Highland Park Dr	Paso Robles, CA 93446	Vacation Rental
Paso House	1628 Leah Way	Paso Robles, CA 93446	Vacation Rental
Paso Rhone House	434 Vine St	Paso Robles, CA 93446	Vacation Rental
Paso Robles Home At Riverbank	1710 Creeksand Ln	Paso Robles, CA 93446	Vacation Rental
Paso Robles Wine House	2837 Cottage Ln	Paso Robles, CA 93446	Vacation Rental
Paso Vine House	2021 Vine St	Paso Robles, CA 93446	Vacation Rental
Paso Vino Time	422 Apache Ct	Paso Robles, CA 93446	Vacation Rental
Pasoco Incorporated	1825 Vine St	Paso Robles, CA 93446	Vacation Rental
Paul & Francene Vacation Rental	729 Pino Way	Paso Robles, CA 93446	Vacation Rental
Porch Light Lodge	1601 Pine St	Paso Robles, CA 93446	Vacation Rental
Private Casita	216 Red River Dr	Paso Robles, CA 93446	Vacation Rental
Pruitt Vacation Rentals	1808 Redwood Dr	Paso Robles, CA 93446	Vacation Rental

Business Name	Address	City, State, ZIP	Type
PRW Vacations	220 Pacific Ave	Paso Robles, CA 93446	Vacation Rental
Richard's Vacation Rental	1107 Vine St Units B & C	Paso Robles, CA 93446	Vacation Rental
Ryan Home	365 Hilltop Dr	Paso Robles, CA 93446	Vacation Rental
Seamus And Julie Dever	605 17th St	Paso Robles, CA 93446	Vacation Rental
Serendipity House	126 Hilltop Dr	Paso Robles, CA 93446	Vacation Rental
Shelley Baier	2105 Vine St	Paso Robles, CA 93446	Vacation Rental
Stamm Family Vacation Rental	2304 Apion Ct	Paso Robles, CA 93446	Vacation Rental
Steve Gregory - Vacation Rental	1322 Olive St	Paso Robles, CA 93446	Vacation Rental
STI Investments, LLC	149 Pacific Ave	Paso Robles, CA 93446	Vacation Rental
Suite 16th	821 16th Street	Paso Robles, CA 93446	Vacation Rental
Suite Seven Investments	808 Oxen St	Paso Robles, CA 93446	Vacation Rental
Suite Seven Investments	829 14th St	Paso Robles, CA 93446	Vacation Rental
Sunset Summit	435 Kenton Court	Paso Robles, CA 93446	Vacation Rental
Terra Firma Investments	1828 Vine St	Paso Robles, CA 93446	Vacation Rental
Terra Firma Investments	1834 Oak St	Paso Robles, CA 93446	Vacation Rental
The Blackburn House	276 Blackburn St	Paso Robles, CA 93446	Vacation Rental
The Lares Vacation Rental	910 Salida Del Sol	Paso Robles, CA 93446	Vacation Rental
The Olive Gate	1232 Olive Street	Paso Robles, CA 93446	Vacation Rental
The Paso Lodge Suite	743 Orchard Dr	Paso Robles, CA 93446	Vacation Rental
The Sycamore On Olive	1535 Olive St	Paso Robles, CA 93446	Vacation Rental
Tolle House	305 14th St	Paso Robles, CA 93446	Vacation Rental
Tosch Sisters Rentals	1542 Via Rosa	Paso Robles, CA 93446	Vacation Rental
Touch Of Narnia	1955 Olive St	Paso Robles, CA 93446	Vacation Rental
Tracy White Vacation Rental	1439 Pine St	Paso Robles, CA 93446	Vacation Rental
Treetop Cottage	2138 Olive St	Paso Robles, CA 93446	Vacation Rental
Treetop Lodge	2138 Olive St A	Paso Robles, CA 93446	Vacation Rental
Two Sweet	1433 Olive St	Paso Robles, CA 93446	Vacation Rental
Under The Oaks	627 Oak St	Paso Robles, CA 93446	Vacation Rental
Unwind On Vine	1445 Vine St	Paso Robles, CA 93446	Vacation Rental
Upstairs On Vine	1035 Vine Street, Suite A	Paso Robles, CA 93446	Vacation Rental
Vacations On Vine	1521 Vine St	Paso Robles, CA 93446	Vacation Rental
Villa At Salida Del Sol	901 Salida Del Sol	Paso Robles, CA 93446	Vacation Rental
Vine Street Retreat	1623 Vine St	Paso Robles, CA 93446	Vacation Rental
Vineyard On Olive	1234 Olive St	Paso Robles, CA 93446	Vacation Rental
Vintage On Vine (Larson)	1416 Vine St	Paso Robles, CA 93446	Vacation Rental
Wanderlust House	2213 Olive St	Paso Robles, CA 93446	Vacation Rental

Business Name	Address	City, State, ZIP	Type
Welfringer Vacation Rentals	933 Inverness Dr	Paso Robles, CA 93446	Vacation Rental
Wine Country Retreat	531 3rd Street	Paso Robles, CA 93446	Vacation Rental
Wine On Pine	1712 Pine St	Paso Robles, CA 93446	Vacation Rental
Zen Out In Wine Country	218 Red River Dr	Paso Robles, CA 93446	Vacation Rental



CITY OF EL PASO DE ROBLES
"The Pass of the Oaks"

June 2, 2017

Paso Robles Destination
C/O Sandra Sage
206 Alexa Court
Paso Robles, CA 93446

RE: City of Paso Robles Tourism Assets – TENTATIVE DEAL POINTS

Dear Ms. Sage,

With the advent of the new Destination Marketing Organization known as Paso Robles Destination (PRD) beginning July 1, 2017, the City of Paso Robles ("City") and PRD are willing to consider and pursue the following items listed below to transition the City tourism functions and assets to PRD. Please note that these are tentative deal points subject to approval by the City Attorney and the City Council and further subject to the parties' ability to reach final agreement(s) acceptable to the parties' respective legal counsel.

Administrative Services Support

The City will collect the 2% PRTID assessment per room night from all lodging payors, attempt past due collections on behalf of the PRD, and remit monthly totals to the PRD as described in the Management District Plan.

Billboards

The City will license use of both billboards to the PRD through 12/31/2019 at a cost to be determined. At the conclusion of the licensing term, the City will be removing the billboard north of Highway 101.

Marketing Assets and Intellectual Property

The City will transfer to Paso Robles Destination all rights and access to the following:

- The Paso Robles tourism logo shown at right and any other iterations of this logo that may exist. The City did not trademark this logo.



- Any and all marketing assets and intellectual property created for the City of Paso Robles/TravelPaso/Travel Paso Robles Alliance by Augustine Agency and Mental Marketing, subject to intellectual property statutes.

Technology Asset List

The City will transfer to Paso Robles Destination all rights and access to the following assets as of July 1, 2017:

- **TravelPaso.com:**
 - Website hosting provided by Liquid Web - Monthly.
 - Domain registration provided by Network Solutions – registered through 10/19/2020.
 - Email service provided through Network Solutions – will need to be recreated after transfer of Domain to DMO account.
 - IT support has been provided by Augustine - contract expires June 30, 2017.
- **Tourism 800 Numbers:** There are 2 toll-free numbers (888.988.PASO and 888.488.7848) under a government account with AT&T that forward to City Tourism.
- **Tourism Email:** info@travelpaso.com - forwards to City Tourism until transfer date.
- **Social Media Accounts:**
 - Facebook <https://www.facebook.com/TravelPaso>
 - Twitter <https://twitter.com/TravelPaso>
 - Instagram <http://instagram.com/travelpaso>
 - Google+ <https://plus.google.com/u/0/+travelpaso>
 - Pinterest <https://www.pinterest.com/TravelPaso>
 - YouTube <http://www.youtube.com/user/travelpaso>
 - LinkedIn <https://www.linkedin.com/company/6579415>
 - Delicious <https://del.icio.us/travelpaso>

Paso Robles Destination should designate a contact and create a timeline to work with the City so all assets can be transferred without interruption to tourist/customers.

Other Details

The following tourism-related items will be handled as described:

- All Tourism inquiries will be directed to Paso Robles Destination contacts and/or the Paso Robles Chamber of Commerce Visitors Center at 1225 Park Street.
- The City of Paso Robles will continue to process film permit applications for filming on City property, and will refer production companies to Visit SLOCAL for filming resources and countywide film tracking purposes. A “Filming in Paso Robles” link will be added to the

City's website (www.prcity.com) describing the film permitting process with links to the TravelPaso.com and Visit SLOCAL Filming pages.

- The City Tourism Coordinator's direct line phone number (805.227.7236) and mailing address (1000 Spring Street) should be removed from all Travel Paso print or digital collateral. Calls and correspondence received at either will be forwarded or referred to PRD staff.
- Any other tourism-related items that are not listed here will be addressed as they arise based on the nature of the item.

Annual Reporting

PRD shall present an annual report at the end of each year of operation to the City Council as described in the Management District Plan.

Terms

2.5% of the PRTID's annual revenue for Administrative Services support and \$1 for all assets listed above, not including billboards, as outlined in the Management District Plan.

Attachment

Management District Plan

Anticipated Agreements Required

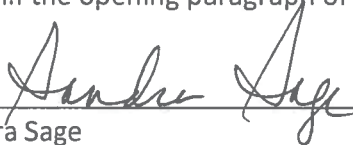
Billboard Licensing Agreement
Asset Disposition Agreement

Assuming PRD is in agreement with these tentative deal points, please sign and date this letter below and return to me by June 12, 2017 so we may move forward with the necessary agreements and agendize this for consideration by the City Council at its regular meeting on June 20, 2017.

Sincerely,

Tom Frutchey,
City Manager

AGREED AND ACCEPTED – subject to the approval of legal counsel and the City Council as set forth in the opening paragraph of this letter.

 6/8/17
Sandra Sage Date
Paso Robles Destination



CITY OF EL PASO DE ROBLES
“The Pass of the Oaks”

April 21, 2017

Sandra Sage, Chair
Travel Paso Robles Alliance
c/o La Bellasera Hotel & Suites
206 Alexa Court
Paso Robles, California 93446

[by e-mail]

Re: Formation of the Paso Robles Tourism Improvement District

Dear Sandra,

During the discussions between the City and the TPRA Board and Steering Committee, the City asked for two primary commitments from the PRTID, prior to the City Council’s approval of the creation of the PRTID. The two commitments were as follows:

- ❖ The PRTID will include representation of all tourism industry perspectives—including specifically those of restaurants and visitor attractions—on the PRTID Board and Marketing Committee.
- ❖ The PRTID will act on an ongoing basis, consistent with the recognition that it is primarily the quality of the visitor experience that will continue to attract visitors to Paso Robles, not just the quality and sales efforts of the lodging establishments.

As TPRA Chair, please formally re-iterate that it is the intent of the lodging industry, as represented by the PRTID, to meet those commitments on an ongoing basis, through its Bylaws and other means, by signing below.

In exchange, the City commits to work collaboratively with PRTID in order to ensure its success.

Sincerely,

Thomas Frutchey, City Manager
City of El Paso de Robles

Confirmed,

Sandra Sage, Chair
Travel Paso Robles Alliance (TPRA)

Date