

**RESOLUTION NO. 2024-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA RENEWING THE VISIT TEMECULA VALLEY TOURISM BUSINESS IMPROVEMENT DISTRICT PURSUANT TO THE PARKING AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994 AND APPROVING A MANAGEMENT AGREEMENT BETWEEN THE CITY AND VISIT TEMECULA VALLEY TO ADMINISTER THE ASSESSMENT REVENUES**

**WHEREAS**, the Parking and Business Improvement District Law of 1994, California Streets and Highways Code Section 36600 *et seq.* (the “Law”) authorizes cities to establish business improvement districts for the purpose of promoting tourism; and

**WHEREAS**, by Resolution No. 15-09, adopted on February 10, 2015, the City Council established the Visit Temecula Valley Tourism Business Improvement District (“VTVTBID”) pursuant to the Law and authorized the levy of an assessment on lodging businesses, which include hotels, motels, and bed and breakfasts as defined in Temecula Municipal Code Section 3.20.020 (“Lodging Businesses”), for an initial term of five fiscal years, commencing with the fiscal year beginning on March 1, 2015, and ending on February 29, 2020; and

**WHEREAS**, by Resolution No. 20-08, adopted on January 28, 2020, the City Council renewed the VTVTBID established pursuant to Resolution No. 15-09 and the Law and authorized the levy of an assessment on Lodging Businesses for a second term with a duration of four years and ten months, that commenced with the fiscal year beginning on March 1, 2020, and will end on December 31, 2024 so as to align the VTVTBID’s fiscal year with the calendar year of January 1st through December 31st; and

**WHEREAS**, Resolution Nos. 15-09 and 20-08 and the Law, provide that the City Council may again renew the VTVTBID and authorize an assessment on Lodging Businesses for a new term not to exceed ten years by following the procedures for the establishment of a district under the Law; and

**WHEREAS**, the owners of all of the Lodging Businesses within the City of Temecula (the “City”) have requested the City Council to initiate proceedings pursuant to the Law to renew the VTVTBID for a term of five years pursuant to a written petition; and

**WHEREAS**, the boundaries of the proposed renewed VTVTBID will be the same as the boundaries of the existing VTVTBID, being the exterior boundaries of the City; and

**WHEREAS**, the City Council desires to have Visit Temecula Valley (“VTV”) continue to manage the activities provided within the proposed renewed VTVTBID; and

**WHEREAS**, the VTV has drafted a management district plan (the “Management District Plan”) in connection with the proposed renewal of the VTVTBID which contains all the

information required by Section 36622 of the Law and filed such Management District Plan with the City Clerk of the City;

**WHEREAS**, on September 24, 2024, the City Council adopted Resolution No. 2024-64, “A Resolution of the City Council of the City of Temecula Declaring Its Intention to Renew the Visit Temecula Valley Tourism Business Improvement District Pursuant to the Parking and Business Improvement District Law of 1994 and Fixing the Time and Place of a Public Hearing Thereon and Giving Notice Thereof”; and

**WHEREAS**, the City caused a notice of a public meeting and public hearing concerning the proposed renewal of the VTVTBD and the proposed levy of assessments within the VTVTBD to be duly mailed, as required by law; and

**WHEREAS**, a public meeting concerning the proposed renewal of the VTVTBD and the proposed levy of assessments within the VTVTBD was held on October 22, 2024, at the hour of 6:00 p.m. at the City of Temecula, City Council Chambers, 41000 Main Street, Temecula, California; and

**WHEREAS**, a public hearing concerning the proposed renewal of the VTVTBD and the proposed levy of assessments within the VTVTBD was held on November 12, 2024, at the hour of 6:00 p.m. in the at the City of Temecula, City Council Chambers, 41000 Main Street, Temecula, California; and

**WHEREAS**, at the public hearing, the testimony of all interested persons for or against the renewal of the VTVTBD and the levy of assessments within the VTVTBD was heard and considered, and a full, fair and complete hearing was held; and

**WHEREAS**, a majority protest does not exist as defined by Section 36623 of the Law;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF TEMECULA DOES HEREBY RESOLVE, DETERMINE AND FIND AS FOLLOWS:

**Section 1.**     **Recitals.** The recitals set forth herein are true and correct.

**Section 2.**     **Renewal of District.** Pursuant to the Law, the business improvement district designated as the Visit Temecula Valley Tourism Business Improvement District (the "VTVTBD") is renewed.

**Section 3.**     **Description of District.** The exterior boundaries of the renewed VTVTBD are the exterior boundaries of the City, as shown on the map attached hereto as Exhibit A and incorporated herein by such attachment. The VTVTBD includes all Lodging Businesses, existing and future, within these boundaries.

**Section 4.**     **Assessment.** Except where funds are otherwise available, the City proposes to annually levy an assessment on all Lodging Businesses within the VTVTBD boundaries based upon 4% of the rent charged by the operator per occupied room per night to pay

for activities within the VTVTBD. Extended stays, defined as stays of more than 30 consecutive calendar days, and those exempt persons as defined in Temecula Municipal Code Section 3.20.040 will be exempt from the VTVTBD assessment. New lodging businesses established within the boundaries of the VTVTBD after the beginning of any fiscal year will not be exempt from the levy of assessment for that fiscal year. Assessments pursuant to the VTVTBD shall not be included in gross room rental revenue for purpose of determining the amount of the transient occupancy tax imposed pursuant to Chapter 3.20 of the Temecula Municipal Code.

**Section 5.** **Duration of Assessment.** The annual assessment described in Section 4 may be levied for a term of five fiscal years, commencing with the fiscal year beginning on January 1, 2025 and ending on December 31, 2029, after which term the City may again renew the assessment pursuant to Section 36600 of the Law. For purposes of levying and collecting assessments within the renewed VTVTBD, a fiscal year shall commence on January 1st and end on the following December 31st; provided that the City Council may, by resolution, designate the fiscal year as July 1st to June 30th of the following year, or any other fiscal year, subject to all applicable requirements of the Law.

The amount of the annual assessment proposed to be levied in year one totals approximately \$2,480,000. This amount is expected to fluctuate over the remaining four years of the five-year term of the assessment for the renewed VTVTBD in accordance with occupancy rates and rents charged by the operators of the Lodging Businesses within the VTVTBD, but the amount is not anticipated to be significantly different each year.

**Section 6.** **Collection of Assessments.** The City will collect the assessments from Lodging Businesses within the boundaries of the VTVTBD in monthly installments or such other installments as determined pursuant to resolution of the City Council. The funds collected will be distributed to the VTVTBD. Funds remaining at the end of any year may be used in subsequent years in which VTVTBD assessments are levied as long as they are used consistent with the requirements of this Resolution.

**Section 7.** **Activities.** The proposed activities for the VTVTBD include tourism promotions and marketing programs that specifically and specially benefit the Lodging Businesses within the VTVTBD by increasing tourism and marketing the Temecula Valley as a tourism destination. The activities will be funded from the Assessments. A portion of the Assessments each year will be used to pay for administrative expenses of the City.

**Section 8.** **No Bonds.** The City shall not issue bonds in connection with the renewed VTVTBD.

**Section 9.** **Fund.** There is a continued special fund designated as the VTVTBD Fund into which all revenue derived from the Assessments shall be placed. The moneys in such Fund, except for the moneys to pay administrative expenses, will be distributed to VTV and shall be used only for the purposes specified in this Resolution. The revenue from the levy of the Assessments shall not be used to provide improvements or activities outside the VTVTBD or for any purpose other than the purposes specified in this Resolution. Funds remaining at the end of any year may be used in subsequent years in which Assessments are levied as long as they are

used consistent with the requirements of this Resolution.

**Section 10.** **Benefit.** The City Council hereby finds that the Lodging Businesses within the VTVTBDID will be specifically and specially benefited by the activities funded by the Assessments. The activities are narrowly tailored to provide the specific government service of a sales and marketing program only to Lodging Businesses, which are the only businesses that will be featured in advertising campaigns and the only businesses that will receive sales leads generated from the sales and marketing program. The activities will confer on the Lodging Businesses the specific benefit of generating an increased demand for room night sales. Any benefit from the activities to non-assessed businesses will occur only incidentally and without cost to the Lodging Businesses. The Assessment does not exceed the reasonable cost of providing the activities, with 80% of each annual budget for sales and marketing and only 20% for administration, contingency and reserve expenses.

**Section 11.** **Amendments.** Lodging Businesses within the VTVTBDID renewed by this Resolution shall be subject to any amendments to the Law.

**Section 12.** **Levy of Assessment.** The adoption of this Resolution constitutes the levy of an Assessment in each of the fiscal years referred to herein and in the Management District Plan.

**Section 13.** **Agreement with VTV.** The Mayor is hereby authorized and directed to execute and deliver, for and in the name of the City, the Management Agreement Between the City and Visit Temecula Valley for the Operation and Administration of the Visit Temecula Tourism Business Improvement District (the "Management Agreement") in substantially the form attached to this Resolution as Exhibit B and incorporated herein by such attachment, with such changes therein as the Mayor may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

**Section 14.** **Certification.** The City Clerk shall certify to the adoption of this Resolution.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Temecula  
this 12<sup>th</sup> day of November, 2024.

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James Stewart, Mayor

ATTEST:

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Randi Johl, City Clerk

[SEAL]

STATE OF CALIFORNIA     )  
COUNTY OF RIVERSIDE   ) ss  
CITY OF TEMECULA        )

I, Randi Johl, City Clerk of the City of Temecula, do hereby certify that the foregoing Resolution No. 2024-     was duly and regularly adopted by the City Council of the City of Temecula at a meeting thereof held on the 12<sup>th</sup> day of November, 2024, by the following vote:

AYES:                    COUNCIL MEMBERS:

NOES:                    COUNCIL MEMBERS:

ABSTAIN:                COUNCIL MEMBERS:

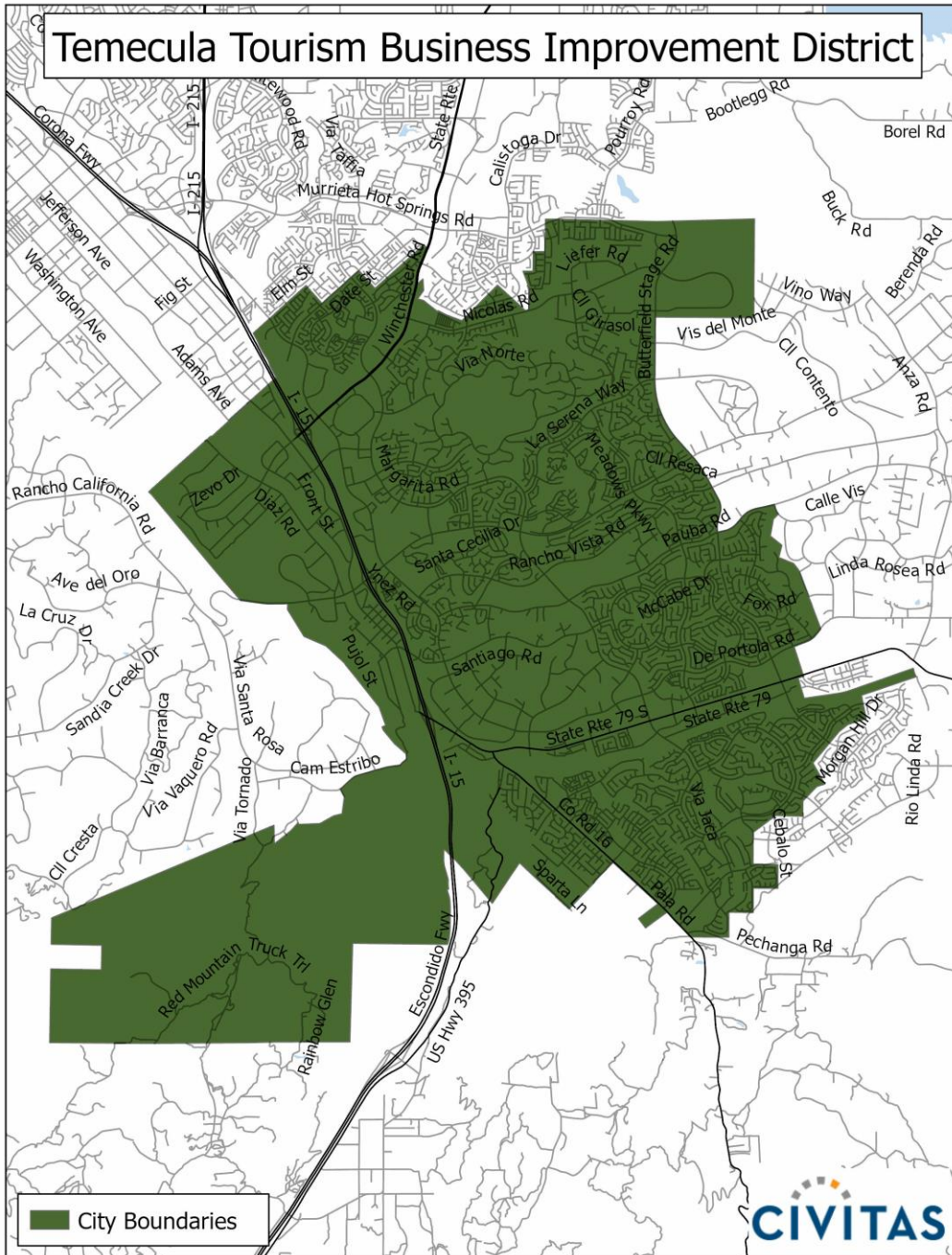
ABSENT:                 COUNCIL MEMBERS:

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Randi Johl, City Clerk

# EXHIBIT A

## Visit Temecula Valley Tourism Business Improvement District Boundaries



**EXHIBIT B**

Management Agreement between the City of Temecula and Visit Temecula Valley for the  
Operation and Administration of the Visit Temecula Valley Tourism Business Improvement  
District

(attached)