



REGULAR STUDY SESSION MEETING OF THE CITY COUNCIL JUNE 9, 2026 – MINUTES

CALL TO ORDER –The Study Session meeting was called to order by Mayor Stephens at 5:04 p.m.

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Pettis, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Absent: None.

STUDY SESSION ITEM:

1. PROVIDE DIRECTION TO STAFF TO EXPLORE TWO CITY BALLOT INITIATIVES PERTAINING TO BUSINESS LICENSE REFORM AND TRANSIENT OCCUPANCY TAX

Presentation by Dr. Richard Bernard, FM3 Research, Mr. Stewart, Wildan, Ms. Jakher, Assistant to the City Manager, Ms. Reyes, Assistant City Manager, Ms. Acosta-Reyes, Finance Manager, Mr. Khou, Budget and Purchasing Manager.

Public Comments:

Ralph Taboada, Costa Mesa, clarified the Finance and Pension Advisory Committee (FiPAC) recommendation was to increase a maximum of 3% Transient Occupancy Tax (TOT) and/or TOT and Business Improvement Area (BIA), and thanked Paulette Lombardi-Fries, with Travel Costa Mesa, for her work supporting the City.

Paulette Lombardi-Fries, informed the City Council that a Tourism Economic Impact Study would be conducted.

Steve Yannarell, General Manager of The Westin Costa Mesa, and Travel Costa Mesa Chair, spoke on local competition, the impacts of small increases including a reduction in occupancy, and spoke on renovating and reinvesting in the hotel.

ACTION:

City Council provided the following direction on the placement of the measure(s) on November 3, 2026, ballot:

- Place both potential measures on the July 21st agenda for consideration.
- Do additional polling.

- An analysis of the budgetary needs that would be addressed by the potential ballot measures including the Facility Needs Assessment, Pavement Management Plan, Parks Assessment and the Information Technology Strategic Plan.
- Review of potential revenues from Short Term Rentals.
- For the TOT address the comparison to the City of Irvine's hotel room rates and amenities, and short-term rentals within the city.
- Return with a revised Business License Reform structure:
 - Using a single rate of \$0.50 per \$1,000 in gross receipts for businesses that generate more than \$500,000 in gross receipts.
 - Maintaining the current business license rate for businesses that generate \$500,000 or less in gross receipts.
 - A maximum rate that a business would pay is \$15,000.

ADJOURNMENT – Mayor Stephens adjourned the Study Session at 7:17 p.m.

Minutes adopted on this 4th day of August, 2026.

John Stephens, Mayor

ATTEST:

Brenda Green, City Clerk

DRAFT