

RESOLUTION NO. 2023-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, CONFIRMING THE ANNUAL REPORT FILED BY TRAVEL COSTA MESA AND LEVYING AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2023-2024 FOR A BUSINESS IMPROVEMENT AREA COVERING CERTAIN COSTA MESA HOTELS AND MOTELS

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, in adopting the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code sections 36500, *et seq.*), the California Legislature authorized cities to levy assessments on businesses in order to promote economic revitalization and tourism, to create jobs, attract new businesses, and prevent erosion of business districts; and

WHEREAS, on July 5, 1995, by Ordinance No. 95-9, the City Council adopted a business improvement area, commonly known as the Costa Mesa Tourism & Promotion Business Improvement Area ("BIA"), the purpose of which is to promote tourism to the City and to fund programs and activities that benefit the hotel and motel businesses within the City of Costa Mesa; and

WHEREAS, the eleven (11) hotels and motels listed in Exhibit A, attached hereto and incorporated herein by this reference, are currently subject to the assessment; and

WHEREAS, the City Council appointed the general managers of the 11 hotels and motels subject to the assessment to serve as the advisory board as required by California Streets and Highways Code section 36530; and

WHEREAS, said advisory board is known as Travel Costa Mesa ("TCM"); and

WHEREAS, the City Council has voted to continue the special assessment for the BIA each year since its inception, and it has been levied upon the 11 hotel and motel businesses listed in Exhibit A; and

WHEREAS, in January 2000, the City Council approved an increase in the assessment, raising the assessment from one percent (1%) to two percent (2%) based on the sale of overnight room stays; and

WHEREAS, in November 2010, the City Council approved an increase in the assessment, raising the assessment from two percent (2%) to three percent (3%) based on the sale of overnight room stays; and

WHEREAS, the City desires to levy and collect a three percent (3%) assessment within the BIA for Fiscal Year 2023-2024; and

WHEREAS, on May 2, 2023, the City Council adopted Resolution No. 2023-19, a resolution of intention to levy an assessment for Fiscal Year 2023-2024, pursuant to California Streets and Highways Code section 36534; and

WHEREAS, the City Council has conducted a public hearing pursuant to California Streets and Highways Code section 36535; and

WHEREAS, the City Council now desires to confirm the annual report as filed by TCM and adopt this Resolution to levy the assessment for the 2023-2024 Fiscal Year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Costa Mesa as follows:

Section 1. Annual Report. The City Council hereby confirms the annual report on the Business Improvement Area as originally filed by Travel Costa Mesa in accordance with California Streets and Highways Code section 36535. The report shall be kept on file in the City Clerk's Office.

Section 2. Assessment. An annual assessment for the BIA shall be levied pursuant to California Streets and Highways Code sections 36500, *et seq.* The boundaries of the territory are the 11 motels and hotels listed in Exhibit A. The amount of the annual assessment is three percent (3%) based on the sale of overnight room stays. New hotel and motel businesses commenced after the effective date of the resolution levying the assessment will be exempt from the levy of assessment pursuant to California Streets and Highways Code section 36531.

Section 3. Types of Activities to Be Funded. The type or types of activities to be funded by and through the annual levy of assessments on businesses within the Costa Mesa Tourism & Promotion Council Business Improvement Area are specified in the referenced annual report and Exhibit B, attached hereto and incorporated herein.

Section 4. Reporting and Remitting to the City of Costa Mesa Finance Department. Each hotel/motel owner shall separate the Business Improvement Assessment from the Transient Occupancy Tax on guest billing statements. The specific term "Business Improvement Assessment" shall be included on the billing to identify the assessment amount. The hotel/motel owner shall collect and subsequently remit the assessment to the Costa Mesa Finance Department at the same time and manner as the Transient Occupancy Tax. A ten percent (10%) penalty and half percent (0.5%) interest will be assessed on late remittances.

Section 5. Method and Basis of Levy. To allow each business owner to estimate the amount of the assessment to be levied against his or her business, the method and basis of levying the assessment are set forth in the annual report relative to the Business Improvement Area, Ordinance No. 95-9, and Exhibit B.

PASSED AND ADOPTED this 6th day of June, 2023.

John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

Brenda Green, City Clerk

Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 2023-xx and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 6th day of June, 2023, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 7th day of June, 2023.

Brenda Green, City Clerk

EXHIBIT A

The Business Improvement Area (“BIA”) benefit zone encompasses the entire City of Costa Mesa boundaries. It is anticipated that the entire City, including businesses and residents, will benefit from increased revenues generated by the activities financed by the BIA assessment.

The following businesses will be included in the BIA that is established pursuant to California Streets and Highways Code sections 36500, *et seq.*, the businesses commonly known as:

Avenue of the Arts, A Tribute Portfolio Hotel

Property Address: 3350 Avenue of the Arts, Costa Mesa

Business Owner: Rosanna Inc.
3350 Avenue of the Arts
Costa Mesa, CA 92627

Property Owner: Rosanna Inc.
3350 Avenue of the Arts
Costa Mesa, CA 92627

Ayres Country Inn & Suites

Property Address: 325 Bristol Street, Costa Mesa

Business Owner: Newport Country Inn & Suites, Inc.
355 Bristol Street, Suite A
Costa Mesa, CA 92626

Property Owner: Newport Country Inn & Suites, Inc.
355 Bristol Street, Suite A
Costa Mesa, CA 92626

Best Western Plus Newport Mesa Inn

Property Address: 2642 Newport Boulevard, Costa Mesa

Business Owner: James Hsuen
Shang-Pu Lee
2642 Newport Boulevard,
Costa Mesa, CA 92627

Property Owner: James Hsuen
Shang-Pu Lee
2642 Newport Boulevard,
Costa Mesa, CA 92627

Crowne Plaza

Property Address: 3131 Bristol Street, Costa Mesa

Business Owner: Brighton Management
20342 SW Acacia St.
Newport Beach, CA 92660

Property Owner: Bright Bristol Street LLC
3131 Bristol Street
Costa Mesa, CA 92626

Hilton

Property Address: 3050 Bristol Street, Costa Mesa

Business Owner: Ashford TRS CM LLC
14185 Dallas Parkway, Suite 1100
Dallas, TX 75254

Property Owner: Remington Lodging & Hospitality LP
14185 Dallas Parkway, Suite 1100
Dallas, TX 75254

Holiday Inn Express Hotel & Suites

Property Address: 2070 Newport Boulevard, Costa Mesa

Business Owner: Narendra B. Patel
2070 Newport Blvd.
Costa Mesa, CA 92667

Property Owner: Narendra B. Patel
2070 Newport Blvd.
Costa Mesa, CA 92667

Costa Mesa Marriott

Property Address: 500 Anton Boulevard, Costa Mesa

Business Owner: Starwood Capital Group
591 West Putnam Avenue
Greenwich, CT 06830

Property Owner: HEI Hotels & Resorts
101 Merritt 7 Corporate Park, 1st Floor
Norwalk, CT 06851

OC Hotel Costa Mesa (Formerly BLVD Hotel)

Property Address: 2430 Newport Boulevard, Costa Mesa

Business Owner: Sai Hospitality Services, LLC
11556 Manchester Way
Porter Ranch, CA 91326

Property Owner: Sanjay Panchal
11556 Manchester Way
Porter Ranch, CA 91326

Ramada Inn & Suites Costa Mesa

Property Address: 1680 Superior Avenue, Costa Mesa

Business Owner: B.D. Inns Inc./Ramada Ltd.
1680 Superior Ave.
Costa Mesa, CA 92627

Property Owner: B.D. Inns Inc./Ramada Ltd.
1680 Superior Ave.
Costa Mesa, CA 92627

Residence Inn by Marriott

Property Address: 881 Baker Street, Costa Mesa

Business Owner: Marriott International
10400 Fernwood Rd.
Bethesda, MD 20817

Property Owner: BRE Select Hotels and Resorts
6201 15th Avenue
Brooklyn, NY 11219

The Westin South Coast Plaza Hotel

Property Address: 686 Anton Boulevard, Costa Mesa

Business Owner: Host Hotels & Resorts
6903 Rockledge Dr., Suite 1500
Bethesda, MD 20817

Property Owner: CJ Segerstrom & Sons
c/o South Coast Plaza
686 Anton Boulevard
Costa Mesa, CA 92626

EXHIBIT B

The BIA assessment will be used to fund Travel Costa Mesa ("TCM"). TCM will fund activities to promote tourism in Costa Mesa and will sponsor related tourist events that benefit the hotel and motel businesses within the City.

Revenue

A three percent (3%) levy will be assessed against each of the 11 hotels listed in Exhibit A, based on the net revenue from the sale of overnight room stays.

Business owners shall pay the assessment to the Costa Mesa City Finance Department on a monthly basis. A penalty and interest shall be assessed on late payments.

Note: New hotel and motel businesses commenced after the effective date of this resolution will be exempt from the levy of assessment.