

**CITY OF COSTA MESA
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Costa Mesa City Council at the regular meeting on **Tuesday, June 16, 2020 at 7:00 P.M.**, or as soon as possible thereafter, regarding Reauthorization of the Business Improvement Area (BIA) assessment of three percent (3%) for certain Costa Mesa hotels and motels for Fiscal Year 2020-21, Resolution 2020-22 attached.

Public Comments:

Zoom Webinar: Information to sign in will be provided on the agenda.

Members of the public who wish to make a comment may submit your public comment via email to the City Clerk at cityclerk@costamesaca.gov and they will be provided to the City Council, made available to the public, and will be part of the meeting record. Any written communications, photos, or other materials for copying and distribution to the City Council that are 10 pages or less, can be e-mailed to cityclerk@costamesaca.gov. Please note that records submitted by the public will not be redacted in any way and will be posted online as submitted, including any personal contact information. All materials, pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. Kindly submit to the City Clerk **AS EARLY AS POSSIBLE, BUT NO LATER THAN 12:00 NOON THE DAY OF THE MEETING**. If you should need further assistance, please contact the City Clerk's Office at (714) 754-5225. The City Council agenda and related documents may also be viewed on the City's website at <http://costamesaca.gov>, 72 hours prior to the public hearing date. **IF THE AFOREMENTIONED ACTION IS CHALLENGED IN COURT**, the challenge may be limited to only those issues raised at the public hearing described in the notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Brenda Green, City Clerk, City of Costa Mesa

Published on June 6, 2020

RESOLUTION NO. 2020-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2020-21 FOR A BUSINESS IMPROVEMENT AREA COVERING CERTAIN COSTA MESA HOTELS AND MOTELS AND SETTING THE TIME AND PLACE FOR A PUBLIC HEARING ON THE PROPOSAL

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 (Streets & Highways Code §§ 36500 *et seq.*), the California Legislature authorized cities to levy assessments on businesses in order to promote economic revitalization and tourism, 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 (the "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; 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, this Resolution of Intention will commence proceedings under the Parking and Business Improvement Area Law of 1989 to levy the annual assessment of the Costa Mesa Tourism & Promotion Business Improvement Area for the 2020-21 fiscal year; and

WHEREAS, the Agenda Report and its attachments for the June 2, 2020 City Council meeting filed with the City Clerk set forth a detailed description of the activities to be provided in the 2020-21 fiscal year, the boundaries of the Business Improvement Area, the benefit zone of the area, and the proposed assessments to be levied upon the businesses within the area for the coming fiscal year.

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

Section 1. Intention; Assessment. The City Council hereby declares its intention to levy and collect assessments in the Costa Mesa Tourism & Promotion Business Improvement Area for Fiscal Year 2020-21 pursuant to Streets & Highways Code §§ 36500 *et seq.* The boundaries of the Costa Mesa Tourism & Promotion Business Improvement Area are the 11 motels and hotels listed in Exhibit A. The proposed 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 Streets & Highways Code § 36531.

Section 2. Annual Report. An annual report on the Costa Mesa Tourism & Promotion Business Improvement Area has been prepared by TCM, acting as the advisory board, as required by Streets & Highways Code §§ 36533 and 36534. Said report is on file in the City Clerk's Office.

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

Section 4. 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

proposed method and basis of levying the assessment is set forth in the TCM's annual report relative to the Costa Mesa Tourism & Promotion Business Improvement Area.

Section 5. Time and Place of Public Hearing. The time and place of the public hearing on the levy of an annual assessment for Fiscal Year 2020-21 shall be 7:00 p.m. on June 16, 2020, in the City Council Chambers located at 77 Fair Drive, Costa Mesa, California, which hearing may be conducted electronically if the City Council Chambers remain closed due to the COVID-19 pandemic. At the public hearing set forth above, the testimony of all interested persons for or against the annual levy of the assessment for the Business Improvement Area, the extent of the area, and/or the furnishing of specific types of improvements or activities will be heard by the City Council.

Section 6. Protests. Consistent with Streets & Highways Code §§ 36524 and 36525, the following rules shall apply to all protests:

- (a) A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.
- (b) Every written protest shall be filed with the City Clerk's Office, Costa Mesa City Hall, 77 Fair Drive, Room 101, Costa Mesa, California 92626, at or before the time fixed for the public hearing as set forth above.
- (c) The City Council may waive any irregularity in the form or content of any written protest, and, at the public hearing, may correct minor defects in the proceedings.
- (d) 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. A written protest which does not comply with this section shall not be counted in determining a majority protest.
- (e) If written protests are received from the owners of businesses in the proposed Business Improvement Area which will pay fifty percent (50%) or more of the assessments to be levied and protests are not withdrawn so as to reduce the protests to less than the fifty percent (50%), no further proceedings on the proposal to continue to levy the Business Improvement Area assessment, as specified by this Resolution, shall be taken by the City Council for a period of one year from the date of the filing of a majority protest.
- (f) If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the Business Improvement Area, those types of improvements or activities shall be eliminated.

PASSED AND ADOPTED this 2nd day of June, 2020.

/s/ Katrina Foley

Katrina Foley, Mayor

ATTEST:

/s/ Brenda Green

APPROVED AS TO FORM:

/s/ Kimberly Hall Barlow

Brenda Green, City Clerk
STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF COSTA MESA)

Kimberly Hall Barlow, City Attorney

ss

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. 2020-22 and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 2nd day of June, 2020, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS: CHAVEZ, GENIS, REYNOLDS, MANSOOR,
MARR, STEPHENS, FOLEY

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 3rd day of June, 2020.

/s/ Brenda Green

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 Streets & Highways Code §§ 36500 *et seq.*, the businesses commonly known as:

Ayres Country Inn & Suites

Property Address: 325 and 345 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

Hilton Costa Mesa

Property Address: 3050 Bristol Street, Costa Mesa

Business Owner: Ashford Hospitality Trust
14185 Dallas Parkway, Suite 1100
Dallas, TX 75254

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

Dallas, Texas 75254

Crowne Plaza

Property Address: 3131 Bristol Street, Costa Mesa

Business Owner: Brighton Management
1901 Main Street, Suite 150
Irvine, CA 92614

Property Owner: 3131 Bristol Property UC, LLC
2711 Centerville Road, Suite 400
Wilmington, DE 19808

Holiday Inn Express Hotel & Suites

Property Address: 2070 Newport Blvd., 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

Ramada Inn & Suites Costa Mesa

Property Address: 1680 Superior Ave., 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: ING Clarion Partners
2650 Cedar Springs Road, Suite 850
Dallas, TX 75201-1491

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

Avenue of the Arts Wyndham 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

BLVD Hotel

Property Address: 2430 Newport Blvd, Costa Mesa

Business Owner: Hollywood Corner Inc.
2430 Newport Blvd.
Costa Mesa, CA 92627

Property Owner: Shyamal Patel, CA 92782
16609 Honeybee Dr.
Tustin, CA 92682

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.

The specific improvements and activities to be funded by this assessment are outlined in the TCM's 2019-2020 Annual Report.

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.

