



## City Council Agenda Item

**City Council Meeting Date:** August 7, 2018

**TO:** Jim Throop, City Manager

**FROM:** Jasmine McGinty, Development Programs Specialist II  
J\_mcginty@ci.lompoc.ca.us

**SUBJECT:** Approval of Management Agreement with Visit Lompoc, Inc. for Implementation of the Renewed Lompoc Tourism Improvement District

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### **Recommendation:**

Staff recommends the City Council approve the Management Agreement (attached) with Visit Lompoc, Inc. (VLI), for implementation of the purposes of the Lompoc Tourism Improvement District (LTID) and direct the City Manager to sign it.

### **Background:**

On March 20, 2018, the City Council adopted Resolution No. 6164(18) declaring its intention to renew the LTID. On April 17, 2018, the City Council held a public meeting for comments on the renewed LTID. On May 15, 2018, the City Council held the final public hearing of the LTID and adopted Resolution No. 6180(18), declaring results of the majority protest proceedings, increasing the City Administration fee from 1% to 2% over the ten year term, increasing the assessment fee from 2% to 5% over the ten year term, ultimately renewing the LTID. The renewed LTID will begin January 1, 2019, and expire on December 31, 2028.

### **Discussion:**

The Management Agreement establishes the responsibilities of the City and VLI, with regard to collection and use of the assessments made pursuant to the LTID. The Management Agreement also sets forth collection efforts, disbursements, including an annual 0.1% increase of the City Administration fee from 1% to 2% over the ten-year term, and reimbursements of collection expenses. As a part of the VLI responsibilities, the Management Agreement states when VLI shall deliver their annual report to the City in order for the City Council to receive the annual report by the second regular meeting in March of each year following the immediately preceding report year.

The Management Agreement also creates a priority for the City to follow for distribution of the collected LTID assessments as follows:

- LTID obligations based on completed LTID return (or form) filed with City for that operator; and
- LTID penalties and interest due on unpaid or late payments related to completed LTID return (or form) filed with City for that operator.

**Fiscal Impact:**

None immediately. Because the LTID programs are intended to increase visitation to the City, there may be an increase in transient occupancy tax and sales tax collections. The incremental increase in the City Administration fee will not be material to the City; however, the annual fee will likely increase from approximately \$3,600 per year under the current rate of 1% to approximately \$7,200 in the final year of the agreement when the rate reaches 2% of the gross LTID assessment. The increase stated does not assume any annual increases in the gross LTID assessment or any potential increase in the LTID rate from the current 2%.

**Conclusion:**

The adoption of Resolution No. 6180(18) renewed the LTID for a ten-year term beginning January 1, 2019, and continuing through December 31, 2028. Approval of the Management Agreement will allow VLI to implement the purposes of the LTID.

Respectfully submitted,

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Jasmine McGinty, Development Programs Specialist II

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Teresa Gallavan, Economic Development Director/Assistant City Manager

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Jim Throop, City Manager

Attachment: [Management Agreement](#)