

## RESOLUTION NO. 2024-081

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND MODIFYING THE ELK GROVE TOURISM MARKETING DISTRICT

**WHEREAS**, the Property and Business Improvement District Law of 1994 (Streets and Highways Code section 36600 et. seq.) authorizes the City to modify business improvement districts upon petition by a weighted majority of the business owners located within the boundaries of the Elk Grove Tourism Marketing District (EGTMD); and

**WHEREAS**, lodging business owners who will pay more than fifty percent (50%) of the proposed assessment, as weighted according to the amount of the assessment to be paid by the petitioner, within the boundaries of the EGTMD have petitioned the City Council to modify the EGTMD; and

**WHEREAS**, the modified EGTMD includes lodging businesses in the City of Elk Grove and a portion of unincorporated Sacramento County; and

**WHEREAS**, consent to include lodging businesses in a portion of unincorporated Sacramento County has been received from Sacramento County; and

**WHEREAS**, included with the petitions was a Management District Plan (Plan) summary that describes the proposed assessment to be levied on lodging businesses within the EGTMD to pay for sales and marketing programs, and other improvements and activities set forth in the Plan; and

**WHEREAS**, the assessed lodging businesses within the EGTMD will receive a specific benefit from the activities and improvements set forth in the Plan; and

**WHEREAS**, on March 27, 2024 at 8400 Laguna Palms Way, Elk Grove, CA 95758 at 6:00 PM, the City Council adopted Resolution No. 2024-035, a Resolution of Intention to modify the EGTMD; and

**WHEREAS**, the public meeting and public hearing to consider the modification of the EGTMD have been properly noticed in accordance with Streets and Highways Code section 36623; and

**WHEREAS**, on April 24, 2024, at 6:00 PM at 8400 Laguna Palms Way, Elk Grove, CA 95758, the City Council held a public meeting regarding the modification of the EGTMD, and the City Council heard and received objections and protests, if any, to the modification of the EGTMD and the levy of the proposed assessment; and

**WHEREAS**, on May 22, 2024 at 6:00 PM at 8400 Laguna Palms Way, Elk Grove, CA 95758, the City Council held a public hearing regarding the modification of the EGTMD, and the City Council heard and received all objections and protests, if any, to the modification of the EGTMD and the levy of the proposed assessment; and

**WHEREAS**, the City Clerk has determined that there was no majority protest. A majority protest is defined as written protests received from owners of businesses that would pay fifty percent (50%) or more of the assessments proposed to be levied in the modified EGTMD. Protests are weighted based on the assessment proposed to be levied on each lodging business; and

**WHEREAS**, the City bears the burden of proving by a preponderance of the evidence that an assessment imposed for a specific benefit or specific government service is not a tax, that the amount is no more than necessary to cover the costs to the City in providing the specific benefit or specific government service, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the specific benefits or specific government services received by the payor.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Elk Grove that:

- 1) The recitals set forth herein are adopted by the City Council as findings and they are true and correct.
- 2) The boundaries of the modified District are set forth in the attached Exhibit A, District Boundaries.
- 3) The EGTMD is hereby extended for a ten (10) year term, beginning April 1, 2020, through March 31, 2030.
- 4) The annual assessment rate of the modified EGTMD is four percent (4%) of gross short-term (stays less than thirty (30) days) room rental revenue for lodging businesses in the City of Elk Grove and two percent (2%) for lodging businesses in the portion of unincorporated Sacramento County.
- 5) The Plan dated March 5, 2024 is hereby adopted and approved.
- 6) The activities to be provided to benefit businesses in the EGTMD will be funded by the levy of the assessment. The revenue from the assessment levy shall not be used: to provide activities that directly benefit businesses outside the EGTMD; to provide activities or improvements outside the EGTMD; or for any purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Plan. Notwithstanding the foregoing, improvements and activities that must be provided outside the EGTMD boundaries to create a specific benefit to the assessed businesses may be provided, but shall be limited to marketing or signage pointing to the EGTMD.
- 7) The City Council finds as follows:
  - a) The activities funded by the assessment will provide a specific benefit to assessed businesses within the EGTMD that is not provided to those not paying the assessment.
  - b) The assessment is a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
  - c) The assessment is a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

- d) Assessments imposed pursuant to the EGTMD are levied solely upon the assessed business, and the business owner is solely responsible for payment of the assessment when due. If the owner chooses to collect any portion of the assessment from a transient, that portion shall be specifically called out and identified for the transient in any and all communications from the business owner as the "EGTMD Assessment" or "Tourism Assessment" as specified in the Plan.
- 8) The assessments levied for the EGTMD shall be applied towards sales and marketing programs to market Elk Grove lodging businesses as visitor, meeting, and event destinations, and other improvements and activities as set forth in the Plan.
  - 9) Assessments levied on lodging businesses pursuant to this resolution shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on room rentals is the best measure of benefit.
  - 10) The assessments for the entire EGTMD will total approximately \$1,026,000 in year one.
  - 11) Bonds shall not be issued to fund the EGTMD.
  - 12) The EGTMD shall include all lodging businesses located within the boundaries of the City of Elk Grove and a portion of unincorporated Sacramento County. A boundary map is attached hereto and incorporated herein by reference.
  - 13) The assessments shall be used for the purposes set forth above and any funds remaining at the end of any year may be used in subsequent years in which the EGTMD assessment is levied, as long as they are used consistent with the requirements set forth herein.
  - 14) The assessments to fund the activities and improvements for the EGTMD will be collected by the City on a monthly or quarterly basis, and in accordance with Streets and Highways Code section 36631.
  - 15) The City Council, through adoption of this Resolution and the Plan, has the right pursuant to Streets and Highways Code section 36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the EGTMD as defined in Streets and Highways Code section 36612. The City Council has determined that Visit Elk Grove shall be the EGTMD Owners' Association.
  - 16) Visit Elk Grove, pursuant to Streets and Highways Code section 36650, shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report. The first report shall be due after the first year of operation of the EGTMD.

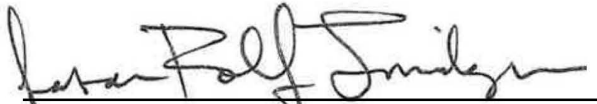
- 17) The EGTM as modified pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code section 36600 et. seq.).
- 18) The City Clerk, or designee, is directed to take all necessary actions to complete the modification of the EGTM and to levy the assessments.
- 19) This Resolution shall take effect immediately upon its adoption by the City Council.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 22<sup>nd</sup> day of May 2024



BOBBIE SINGH-ALLEN, MAYOR of the  
CITY OF ELK GROVE

ATTEST:



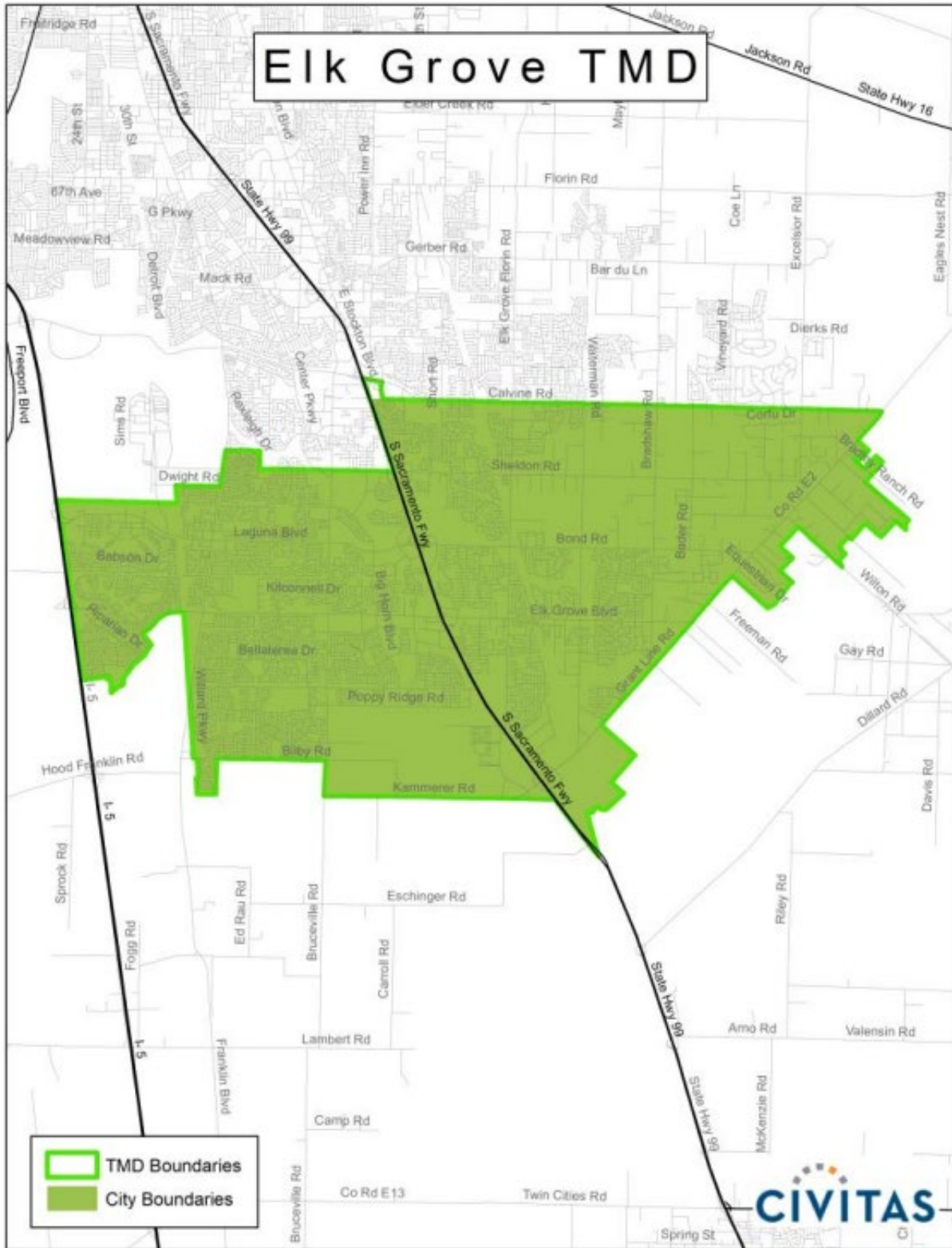
JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,  
CITY ATTORNEY

# EXHIBIT A DISTRICT BOUNDARIES



**CERTIFICATION**  
**ELK GROVE CITY COUNCIL RESOLUTION NO. 2024-081**

STATE OF CALIFORNIA        )  
COUNTY OF SACRAMENTO    )        ss  
CITY OF ELK GROVE         )

*I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on May 22, 2024 by the following vote:*

**AYES:**        **COUNCILMEMBERS:**        *Singh-Allen, Brewer, Robles, Spease, Suen*

**NOES:**       **COUNCILMEMBERS:**        *None*

**ABSTAIN:**   **COUNCILMEMBERS:**        *None*

**ABSENT:**    **COUNCILMEMBERS:**        *None*

  
\_\_\_\_\_  
**Jason Lindgren, City Clerk**  
**City of Elk Grove, California**