

**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 4, 2019 at 7:00 P.M.**, or as soon as possible thereafter, at the Costa Mesa Senior Center, Grand Hall 1, 695 W. 19<sup>th</sup> Street, Costa Mesa, California, regarding Reauthorization of the Business Improvement Area (BIA) assessment of three percent (3%) for certain Costa Mesa hotels and motels for Fiscal Year 2019-2020, Resolution 19-20 attached.

**Public Comments:** Public comments in either oral or written form may be presented during the public hearing. Any written communications, photos, or other materials for copying and distribution to the City Council that are 10 pages or less, must be submitted to the City Clerk **NO LATER THAN 12:00 p.m.** on the day of the hearing, **June 4, 2019**. Materials can be e-mailed to [cityclerk@costamesaca.gov](mailto:cityclerk@costamesaca.gov) or provided on a flash drive. 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. If the public wishes to submit written communication, photos, or other material for distribution to the City Council at the meeting **AFTER 12:00 p.m.**, 10 copies will need to be provided for distribution. Please note that **NO** copies of written communication will be made **AFTER 12:00 p.m.** 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 30 MINUTES PRIOR TO THE START OF THE MEETING**. Please note that there is not an overhead projector available for this 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.

Published May 24, 2019

**RESOLUTION NO. 19-20**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2019-20 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 2019-2020 fiscal year; and

WHEREAS, the Agenda Report and its attachments for the May 7, 2019 City Council meeting filed with the City Clerk set forth a detailed description of the activities to be provided in the 2019-2020 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. Assessment. An annual assessment for the Costa Mesa Tourism & Promotion Business Improvement Area is proposed to be levied pursuant to Streets & Highways Code §§ 36500 *et seq.* The proposed boundaries of the territory 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 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 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 2019-20 shall be 7:00 p.m. on June 4, 2019, at the Costa Mesa Senior Center, 695 W. 19th Street, Costa Mesa, California. 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 7<sup>th</sup> day of May, 2019.**

/s/ Katrina Foley

Katrina Foley, Mayor

ATTEST:

/s/ Brenda Green

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

APPROVED AS TO FORM:

/s/ Kimberly Hall Barlow

Kimberly Hall Barlow, City Attorney

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. 19-20 and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 7<sup>th</sup> day of May, 2019, 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 8<sup>th</sup> day of May, 2019.

/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: Marriott International  
10400 Fernwood Rd.  
Bethesda, MD 20817

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

**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 2018-2019 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.