

**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, 2024 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 2024-25, Resolution 2024-16 attached.

Public Comments:

Members of the public wishing to participate in the meeting may find instructions to participate on the agenda. Members of the public may also submit written comments 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, submitted to the City Clerk's Office on a flash drive, or mailed to the City Clerk's Office. Kindly submit materials to the City Clerk **AS EARLY AS POSSIBLE, BUT NO LATER THAN 12:00 p.m.** on the day of the hearing, **June 4, 2024**. 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. No links to YouTube videos or other streaming services will be accepted, a direct video file will need to be emailed to staff prior to each meeting in order to minimize complications and to play the video without delay. The video must be one of the following formats, .mp4, .mov or .wmv. Only one file may be included per speaker for public comments. Please note that materials submitted by the public that are deemed appropriate for general audiences will not be redacted in any way and will be posted online as submitted, including any personal contact information. For further assistance, 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 May 24, 2024

RESOLUTION NO. 2024-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2024-25 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 (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 2024-2025; 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 2024-25 Fiscal Year; and

WHEREAS, the Agenda Report and its attachments for the May 7, 2024 City Council meeting filed with the City Clerk set forth a detailed description of the activities to be provided in the 2024-25 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 2024-25 pursuant to California 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 California 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 California Streets & Highways Code §§ 36533 and 36534. Said report is on file in the City Clerk’s Office. The 2023-24 annual report of the Costa Mesa Tourism & Promotion Business Improvement Area is hereby approved.

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.

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 2024-25 shall be 7:00 p.m. on June 4, 2024. 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 California 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) A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.
- (e) 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.
- (f) 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 finding of a majority protest.
- (g) 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.

Section 7. Publication. The City Clerk shall cause this Resolution of Intention to be published once in a newspaper of general circulation in the City at least seven (7) days before the June 4, 2024 public hearing.

PASSED AND ADOPTED this 7th day of May, 2024.

John Stephens
John Stephens, Mayor

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.