

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING ITS INTENTION TO CONTINUE THE ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT, TO CONTINUE THE BASIS FOR AND TO LEVY THE ASSESSMENTS FOR THE DISTRICT, AND TO SET A DATE FOR THE PUBLIC HEARING ON THE DISTRICT AND THE ASSESSMENT FOR THE 2025-26 FISCAL YEAR

WHEREAS, the Parking and Business Improvement Area Law of 1989 (“PBIAL”), sections 36500 *et seq.* of the Streets and Highway Code, authorizes cities to establish business improvement districts for several purposes, one of which is promotion of tourism; and

WHEREAS, the Arroyo Grande Tourism Business Improvement District was established in May 2013 and incorporated into the Arroyo Grande Municipal Code (“AGMC”) under Chapter 3.46; and

WHEREAS, in accordance with the requirements of Streets and Highways Code Section 36530 and AGMC Section 3.46.100, the City Council appointed an Advisory Board to provide oversight, guidance, and recommendations regarding the use of the assessment funds; and

WHEREAS, the AGMC and the PBIAL require the Advisory Board to prepare and submit an annual report (“Annual Report”) stating proposed changes, improvements and activities for the fiscal year; and

WHEREAS, this Resolution is not subject to the California Environmental Quality Act (CEQA) because it will not result in a direct, or reasonably foreseeable indirect, physical change in the environment (State CEQA Guidelines, §§ 15060 (c)(2) and (3), 15378); and

WHEREAS, on March 13, 2025, the Advisory Board approved the Annual Report; and

WHEREAS, the Advisory Board Annual Report was filed and approved by the Arroyo Grande City Council on March 25, 2025.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. All recitals set forth above, are true, correct and incorporated herein.
2. The City Council hereby declares its intention to continue the Arroyo Grande Tourism Business Improvement District (“District”) in accordance with AGMC Chapter 3.46 and Streets and Highways Code Sections 36500 *et seq.* and to levy assessments for fiscal year 2025-26.

RESOLUTION NO.
PAGE 2

3. The Annual Report is on file with the City Clerk and contains a full and detailed description of the improvements and activities to be provided for fiscal year 2025-26. No changes to the District boundaries are proposed, and the report includes the estimated cost of providing improvements and activities for fiscal year 2025- 26. The assessment is not proposed to be increased.
4. The boundaries of the District are the boundaries of the City of Arroyo Grande.
5. The assessment levied by the District shall be used for activities and programs promoting lodging businesses in the District through the promotion of scenic, recreational, cultural, and other attractions in the District as a tourist destination, and as further set forth in ACMG Section 3.46.030.
6. The assessment is proposed to be levied on all “lodging” businesses in the District, as that term is defined in AGMC section 3.46.020, and allocated by the City of Arroyo Grande.
7. The assessment shall be based upon two percent (2%) of the rent charged by the operator per occupied room per night for all transient occupancies and shall be collected quarterly.
8. New lodging businesses shall not be exempt from immediate assessment.
9. A public hearing, held pursuant to AGMC Chapter 3.46 and Streets and Highways Code Section 36535, to allow for comments and to receive written and oral protests on the District and proposed assessment, is hereby set for 6:00 p.m., Tuesday May 13, 2025, before the City Council of the City of Arroyo Grande at the City Council Chambers at 215 E. Branch St., Arroyo Grande, CA.
10. At the public hearing, the testimony of all interested persons for or against the continuation of the District, the boundaries of the District, or the furnishing of specified types of improvements or activities will be heard. A protest may be made orally or in writing by any interested person. **However, only written protests will be considered in determining if there is a majority protest. The form and manner of protests shall comply with Streets and Highways Code Sections 36524 and 36525.**
11. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly state the irregularity of defect to which objection is made. Written protests must be received by the City Clerk of the City of Arroyo Grande before the close of the public hearing scheduled herein and may delivered or mailed to the City Clerk, City of Arroyo Grande, 300 East Branch Street, Arroyo Grande, CA 93420. A written protest may be withdrawn in writing at any time before

RESOLUTION NO.

PAGE 3

the conclusion of the public hearing. Each written protest shall contain a written description of the business in which the person signing the protest is interested sufficient to identify the business. If the person signing the protest is not shown on the official records of the City of Arroyo Grande as the owner of a business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business.

12. If at the conclusion of the public hearing, there are of record written protests by the owners of lodging businesses within the District that will pay fifty percent (50%) or more of the total assessments of the entire District, no further proceedings to continue the District shall occur. New proceedings to continue the District shall not be undertaken again for a period of at least one (1) year from the date of the finding of a majority protest by the City Council. If the majority of written protests are only as to an improvement or activity proposed, then that type of improvement or activity shall not be included in the District.

13. The City Clerk is instructed to provide notice as required by AGMC Chapter 3.46 and Streets and Highways Code Section 36534. The City Clerk shall give notice of the public hearing by causing this Resolution of Intention to be published once in a newspaper of general circulation in the City no less than seven (7) days before the public hearing.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 25th day of March, 2025.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

MATTHEW DOWNING, CITY MANAGER

APPROVED AS TO FORM:

ISAAC ROSEN, CITY ATTORNEY