



## MEMORANDUM

**TO:** City Council

**FROM:** Whitney McDonald, City Manager

**BY:** Sheridan Bohlken, Recreation Services Director

**SUBJECT:** Consideration of Adoption of a Resolution to Revise the Arroyo Grande Tourism Business Improvement District Advisory Board By-laws

**DATE:** July 25, 2023

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### **SUMMARY OF ACTION:**

The proposed Resolution would adopt revised Bylaws governing the Arroyo Grande Business Improvement District (AGTBID) Advisory Board, including revisions to process for appointment to the Advisory Board as well as changes to the meeting schedule.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

Approximately 2 hours of additional staff time may be necessary to complete the new appointment process for the Advisory Board.

### **RECOMMENDATION:**

Adopt a Resolution revising the AGTBID Advisory Board Bylaws.

### **BACKGROUND:**

In May 2013, the City Council adopted an Ordinance establishing the AGTBID. The AGTBID was formed under the Parking and Business Improvement Law of 1989, Sections 36500 et. seq. of the Streets and Highways Code and incorporated into the Arroyo Grande Municipal Code (AGMC) in Title 3, Chapter 3.46.

The purpose of forming the AGTBID was to provide revenue to defray the cost of services, activities, and programs promoting lodging businesses in the AGTBID through the promotion of scenic, recreational, cultural, and other attractions in the AGTBID as a tourist destination. An assessment is levied on all lodging businesses within the AGTBID boundaries and is based upon two percent of the rent charged by the operator per occupied room per night for all transient occupancies.

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In December 2014, the City Council adopted an Ordinance amending Chapter 3.46 of the Arroyo Grande Municipal Code to provide that the same exemptions that apply to the Transient Occupancy Tax apply to AGTBID assessments and amended the definition of "lodging" to include vacation rentals and homestays.

During its [April 25, 2023](#) meeting, the City Council considered options for potential changes to the administration of the AGTBID and to the AGTBID Advisory Board. Through the discussions, Council directed staff to develop options to take on administration of the AGTBID in-house, as opposed to continuation of the City's contract with the South County Chambers of Commerce for administrative services, and to develop revisions to the AGTBID Bylaws to change the Advisory Board make-up and selection process.

Proposed revised Bylaws were presented to Council for initial review and direction on [May 23, 2023](#). Due to an Advisory Board Member's resignation before an AGTBID Board meeting could be called, resulting in a lack of quorum, the proposed Bylaws were not presented to the AGTBID Advisory Board for feedback. Instead, the proposed Bylaws and letter (Attachments 3 & 4) were sent to all lodging partners in Arroyo Grande.

The proposed Bylaws were sent out to AGTBID members on June 27<sup>th</sup>, asking the members for input and feedback on the suggested changes. The letter also shared information on how to become a board member for those lodging partners who may be interested in the opportunity. At the time of this staff report, no responses or feedback have been received.

#### **ANALYSIS OF ISSUES:**

Revised Bylaws have been prepared and are provided in Attachment 2. Attachment 3 provides a redline version depicting the changes to the current bylaws for ease of reference.

Under the revised bylaws, the AGTBID Advisory Board will be appointed using a similar approach as the City's other advisory bodies. Under this approach, each member of the City Council will appoint one member of the AGTBID Advisory Board, subject to approval by a majority of the City Council. This will create a five-member Board, as opposed to the minimum of three and maximum of nine members allowed under the current bylaws. Additionally, the revised Bylaws state a preference that three of the five Board members be owners of lodging businesses in the AGTBID or persons with knowledge of the tourism or lodging industry. The term of each Advisory Board member will coincide with the term of the appointing member of the City Council. TBID Advisory Board members will not be subject to the City's residency requirements otherwise required of advisory body members.

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The updated Bylaws provided in Attachments 2 and 3 also include minor revisions to reflect the change in administrative functions from the Chamber to the City and a clarification of the manner in which AGTBID Advisory Board agenda packets are distributed consistent with City practice. Additionally, based on Council direction provided on May 23, 2023, the regular meeting schedule identified in Section 11(a) was modified to require at least quarterly meetings established according to a schedule adopted by the Advisory Board. The proposed, amended AGTBID Bylaws, included as attachments for Council's consideration, were mailed out to all lodging businesses in the City on June 27<sup>th</sup>.

#### **ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolution;
2. Modify and adopt the Resolution;
3. Do not adopt the resolution; or
4. Provide staff other direction.

#### **ADVANTAGES:**

Revising the AGTBID Bylaws will provide more consistency with other City advisory boards. Revising meeting dates will allow a better workflow for products such as the annual report, and provide opportunities to routinely post agendas on the City website as well as deliver agendas to Board members via email.

#### **DISADVANTAGES:**

No disadvantages for proposing the amended bylaws are known at this time.

#### **ENVIRONMENTAL REVIEW:**

Approving changes to the Bylaws of the AGTBID is not subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. Moreover, the action merely constitutes an administrative activity of the City and is additionally exempt from CEQA on that basis. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.).

#### **PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

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**Attachments:**

1. Proposed Resolution
2. AGTBID Bylaws
3. AGTBID Bylaws – Redline
4. Letter to AGTBID