

**2019-2023**



**MONTEREY COUNTY TOURISM  
IMPROVEMENT DISTRICT  
MANAGEMENT DISTRICT PLAN**

*Prepared pursuant to the Property and Business Improvement District Law of  
1994, Streets and Highways Code section 36600 et seq.*

**May 10, 2018**

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## I. OVERVIEW

Developed by the Monterey County Destination Marketing Organization, Inc. d.b.a. Monterey County Convention and Visitors Bureau (MCCVB), the Monterey County Tourism Improvement District (MCTID) is an assessment district proposed to provide specific benefits to payors, by funding group sales and services and marketing communications programs for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

*Location:* The proposed MCTID includes all lodging businesses located within the boundaries of the unincorporated areas of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Salinas, Sand City, and Seaside. The proposed MCTID has been divided into three (3) benefit zones, as shown on the map in Section III.

*Services:* The MCTID is designed to provide specific benefits directly to payors by generating room night sales. Group sales and services and marketing communications programs will generate overnight tourism and market Monterey County as a tourist, meeting and event destination, thereby generating room night sales for assessed businesses.

*Budget:* The total MCTID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$4,542,000. This budget is expected to fluctuate as room sales and the assessment rates do, over the MCTID's term.

*Cost:* The annual assessment rate in Zone 1 is \$2.00 per paid occupied room per night for full service lodging businesses and \$1.00 per paid occupied room per night for limited service lodging businesses. The annual assessment rate in Zone 2 is \$2.50 per paid occupied room per night for full service lodging businesses and \$1.50 per paid occupied room per night for limited service lodging businesses. The annual assessment rate in Zone 3 is \$4.00 per paid occupied room per night for full service lodging businesses and \$2.00 per paid occupied room per night for limited service lodging businesses. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays at vacation time-share facilities; stays at vacation rentals; stays at RV parks; stays by any Federal or State of California officer or employee when on official business; and stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty.

During the MCTID's five (5) year term, the assessment rate may be increased by the MCCVB's TID Committee to a maximum of \$3.00 per paid occupied room per night for full service lodging businesses and \$1.50 per paid occupied room per night for limited service lodging businesses in Zone 1, \$3.50 per paid occupied room per night for full service lodging businesses and \$2.00 per paid occupied room per night for limited service lodging businesses in Zone 2, and \$5.00 per paid occupied room per night for full service lodging businesses and \$2.50 per paid occupied room per night for limited service lodging businesses in Zone 3. The maximum assessment increase in any year shall be \$0.30 per paid occupied room per night for full service lodging

businesses and \$0.15 per paid occupied room per night for limited service lodging businesses.

*Collection:* The cities and County will be responsible for collecting the assessment on a monthly, bi-monthly or quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the MCTID. The cities and County shall take all reasonable efforts to collect the assessments from each lodging business.

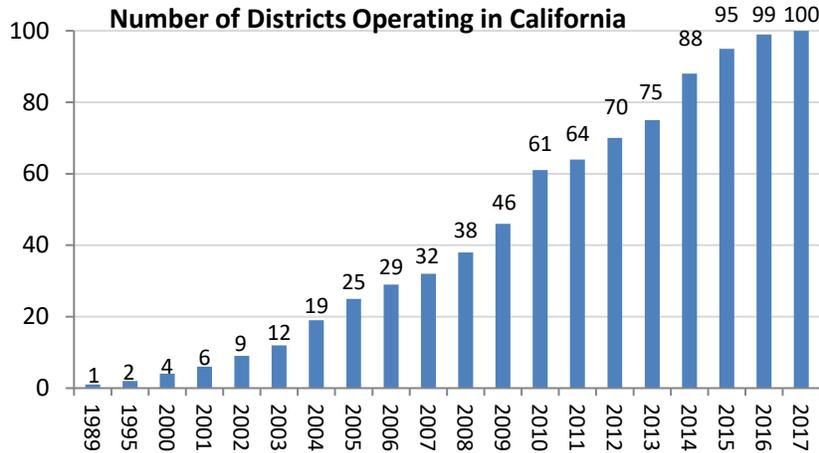
*Duration:* The proposed MCTID will have a five (5) year life, beginning January 1, 2019 through December 31, 2023. Once per year, beginning on the anniversary of MCTID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a Monterey City Council hearing on MCTID termination.

*Management:* The Monterey County Convention and Visitors Bureau will serve as the MCTID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the Monterey City Council.

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## II. BACKGROUND

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, one hundred (100) California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TBID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.



California's TIDs collectively raise over \$250 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Monterey County lodging businesses invest in stable, lodging-specific marketing and sales programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to generate room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that generate room night sales.

In California, TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TIDs:

- Funds must be spent on programs that provide a specific benefit to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are **designed, created and governed by those who will pay** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

## **Monterey County TID Background**

In 2017, the MCCVB engaged Tourism Economics to analyze market share and the return on investment of the publicly funded TID. In addition to this analysis, the report reviews the performance of Monterey County's tourism sector, the role of the MCCVB in attracting visitors to the area, the economic rationale for tourism promotion, and case studies of changes in destination marketing organization (DMO) funding. The full report is included in Appendix 3, key highlights include:

### **Monterey County's Tourism Sector Overview and Recent Performance**

Visitors to Monterey County spent \$2.7 billion in 2015. This spending directly generates (i.e. not including indirect and induced effects) 24,390 jobs, \$1.1 billion in income, and \$240 million in state and local taxes. 10% of all jobs and 5% of all income in Monterey County is directly attributable to tourism.

### **MCCVB Performance**

A study of the MCCVBs media campaigns showed that 38% of individuals that recall seeing media produced by the MCCVB reported that they intend to visit in the future.

### **Competitive Analysis of Funding**

An analysis of public DMO funding in comparison to the size of similar and competing destinations indicates that the MCCVB is considerably underfunded. While the MCCVB receives only slightly less total public funding than its average competitor, the MCCVB represents a much larger tourism sector than its typical competitor. Analysis also revealed that Monterey County's TID assessment rate of 0.7%, is well below the average rate of 2.3%. In fact, Monterey County levies the **lowest assessment** of any destination examined.

### **Impacts of the TID on Monterey County's Economy**

On a cumulative basis, from 2018-2022, the study forecasts that the Monterey County TID will contribute \$518 million in visitor spending. This spending in turn delivers a total of \$36 million in state and local tax revenue. Additionally, 782,000 total room nights and \$174 million in room revenue result from the TID. To put this into perspective, a medium-sized hotel (100 rooms) with a destination average ADR (\$222) gains 1,600 rooms and \$360,000 in room revenue.

### III. BOUNDARY

The MCTID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the unincorporated areas of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Salinas, Sand City, and Seaside.

Lodging business means: any building, portion of any building, or group of buildings in which there are guest rooms or suites, including housekeeping units for transient guests, where lodging with or without meals is provided. Lodging business does not include:

- Vacation time-share facilities;
- Vacation rentals, defined as a single family home, townhome, or condominium that is available for rent; and
- Recreational vehicle (RV) parks.

Full service lodging business means: an upscale, upper upscale, or luxury lodging business with a wide variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms, or spas.

Limited service lodging business means: a lodging business that offers limited facilities and amenities, typically without a full-service restaurant. Limited service lodging businesses are often in the economy, midscale, or upper midscale class.

The boundary, as shown in the map below, currently includes 256 lodging businesses. A complete listing of lodging businesses within the proposed MCTID can be found in Appendix 2.

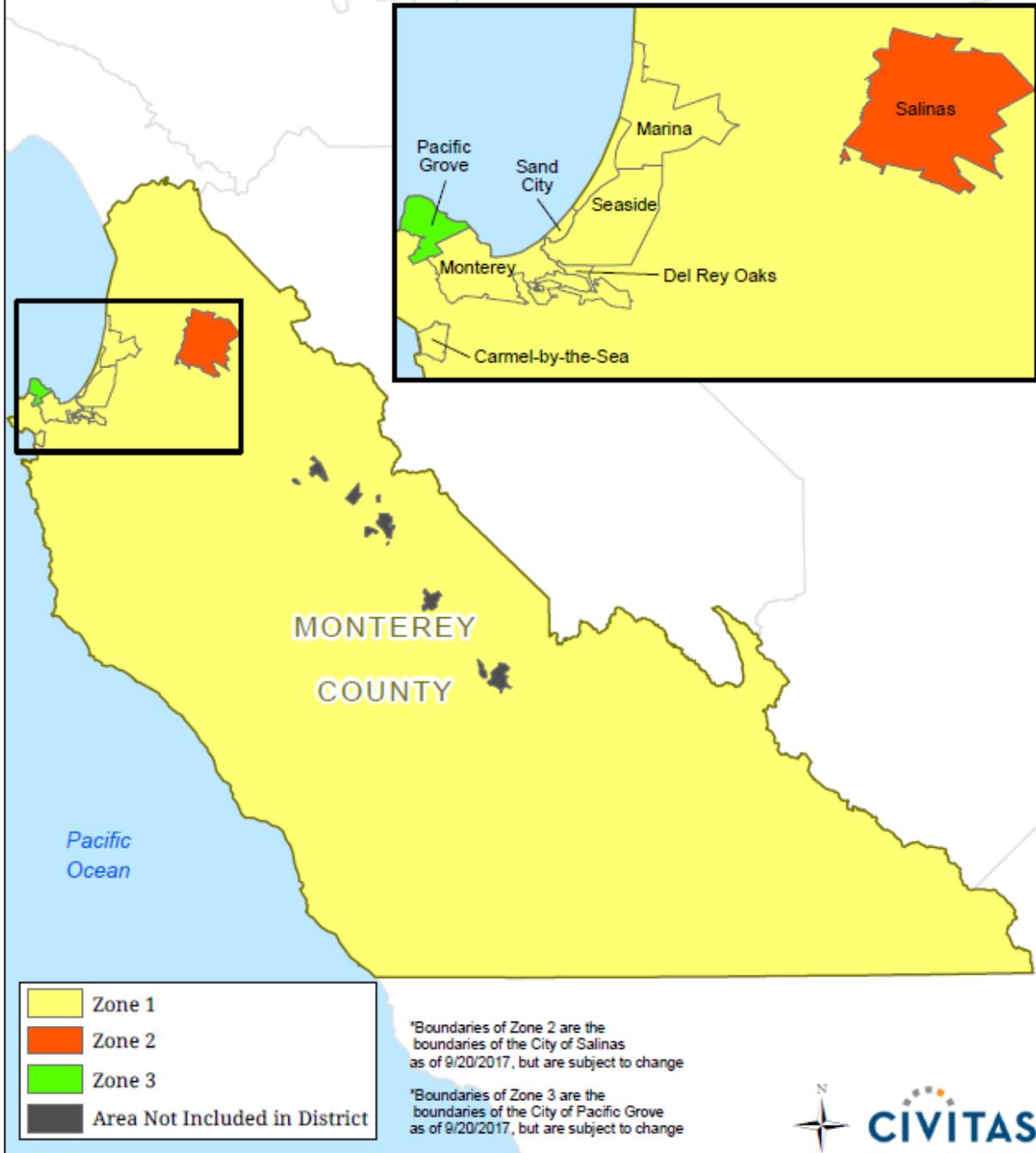
The proposed MCTID is divided into three (3) benefit zones, based on the special benefits and privileges granted to lodging businesses in each zone. The boundaries of each zone are shown in the map on the following page. A description of the boundaries of each zone is provided below:

Zone 1: Includes the unincorporated area of Monterey County and the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Sand City, and Seaside.

Zone 2: Includes the City of Salinas. The boundaries of Zone 2 shall be the boundaries of the City of Salinas as may be amended from time to time.

Zone 3: Includes the City of Pacific Grove. The boundaries of Zone 3 shall be the boundaries of the City of Pacific Grove as may be amended from time to time.

# Monterey County Tourism Improvement District

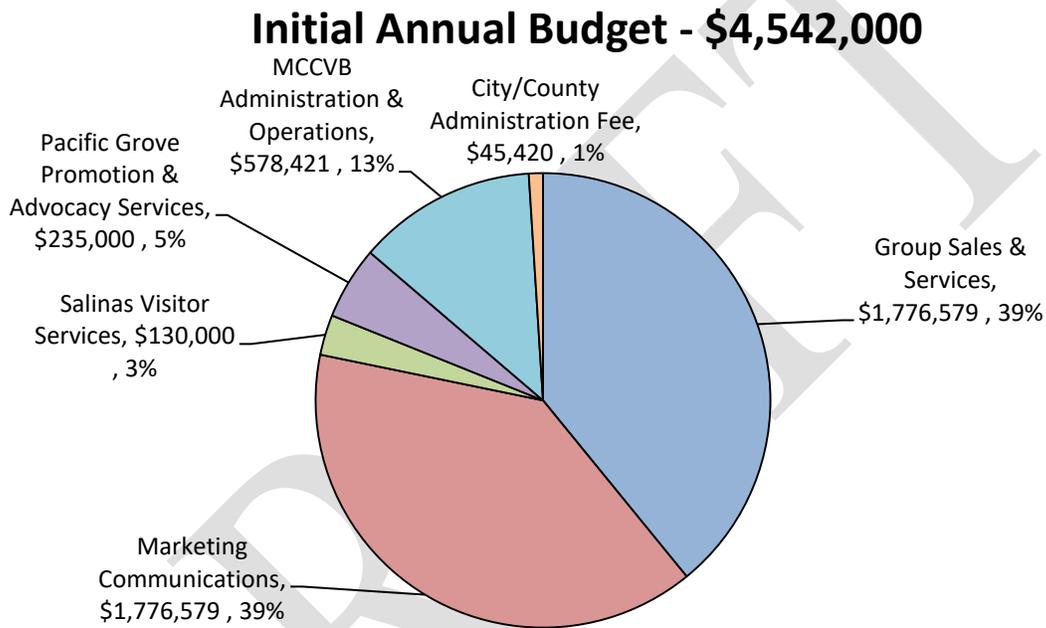


## IV. BUDGET AND SERVICES

### A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of Monterey of conferring the benefits or granting the privileges. The privileges and services provided with the MCTID funds are group sales and services and marketing communications programs available only to assessed lodging businesses.

A service plan budget has been developed to deliver services that benefit the assessed lodging businesses. A detailed annual budget will be developed and approved by MCCVB. The table below illustrates the initial annual budget allocations. The total initial budget is \$4,542,000.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same in subsequent years. However, with the exception of the Zone 2 and 3 budget categories, the TID Committee shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. Any changes to the budget category allocations shall be included in the annual report to the City. A description of the proposed programs for the initial year of operation is below. The same programs are proposed for subsequent years. In the event of a legal challenge against the MCTID, any and all assessment funds may be used for the costs of defending the MCTID.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the marketing communications budget includes the cost of MCCVB staff time dedicated to overseeing and implementing the marketing communications program. Staff time dedicated purely to administrative tasks is allocated to the MCCVB administration and operations portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the MCCVB on an as-needed basis.

## **Group Sales & Services**

The group sales and services program will develop business leads for meetings and events that convert to room nights for assessed businesses. The group sales and services program will have a central theme of promoting Monterey County as a desirable place for overnight group visits. The program will have the goal of generating overnight visitation and room night sales at assessed businesses, and may include the following programs:

- Group marketing initiatives to ensure target customer destination familiarity to drive overnight visitation and room sales to assessed businesses;
- A business development model ensuring highly qualified leads and efficient use of Owners' Association resources in developing new business opportunities to drive overnight visitation and room sales to assessed businesses;
- Focus on business development platform: engage, action, transaction, participation to drive overnight visitation and room sales to assessed businesses;
- Familiarization trips (FAMs) and site inspections to drive overnight visitation and room sales to assessed businesses;
- Strategic client services designed to makes visitors' destination choice easier to drive overnight visitation and room sales to assessed businesses;
- Visitor services programs designed to extend stays at assessed businesses and increase visitor spending;
- Strategic business development services designed to identify, qualify, and pursue new business opportunities that best fit the destination's profile, targeting the ideal opportunities from key deployed markets to drive overnight visitation and room sales to assessed businesses; and
- Tour and travel sales programs to fill shoulder seasons and need periods for the destination to drive overnight visitation and room sales to assessed businesses.

## **Marketing Communications**

The marketing communications program will promote assessed businesses as tourist, meeting, and events destinations. The marketing communications program will have a central theme of promoting Monterey County as a desirable place for overnight visits. The program will have the goal of generating overnight visitation and room sales at assessed businesses, and may include the following programs:

- Programs that develop and distribute content via paid, owned and earned channels to drive overnight visitation and room sales to assessed businesses;
- Partnership marketing initiatives with Monterey Regional Airport for domestic marketing, plus cooperative programs for international marketing to reach farther-out prospective visitors to drive overnight visitation and room sales to assessed businesses;
- Focus on high-priority, high-impact initiatives to drive overnight visitation and room sales to assessed businesses;
- Drive familiarity and engagement for group audiences through targeted direct marketing and retargeting programs to complement Group Sales' business development focus to drive overnight visitation and room sales to assessed businesses; and
- Expand international marketing to drive overnight visitation and room sales to assessed businesses.

### **Salinas Visitor Services**

The Salinas visitor services portion of the budget shall be utilized for funding visitor services programs for the benefit of generating overnight visitation and room night stays at Zone 2 lodging businesses. The Salinas visitor services program will provide visitors with brochures, maps, and information regarding local events. The Salinas visitor services budget shall be the amount collected from the additional assessment in Zone 2.

### **Pacific Grove Promotion and Advocacy Services**

The Pacific Grove promotion and advocacy services portion of the budget shall be utilized for marketing assessed businesses in the City of Pacific Grove through marketing campaigns and promotions, as well as operating tourist information centers, for the benefit of generating overnight visitation and room night stays at Zone 3 lodging businesses. The program includes providing visitors with brochures, maps, and information regarding local events. The Pacific Grove promotion and advocacy budget shall be the amount collected from the additional assessment in Zone 3.

### **MCCVB Administration and Operations**

The MCCVB administration and operations portion of the budget shall be utilized by the MCCVB for administrative staffing costs, office costs, advocacy, and other general administrative costs such as insurance, legal, and accounting fees.

### **City/County Administration Fee**

The cities and County may retain a fee equal to one percent (1%) of the amount of the assessment collected, within their respective jurisdictions, to cover their costs of collection and administration.

### **B. Annual Budget**

The total five (5) year program budget is projected at approximately \$4,542,000 annually, or \$30,167,771 through 2023 if the maximum assessment rate increases are adopted. This amount is expected to fluctuate as occupancy rates increase at assessed businesses and if the assessment rate is increased. If the maximum annual assessment rate increases are adopted by the TID Committee, the annual budget will increase as estimated in the table below. During the MCTID's five (5) year term, the assessment rate may be increased by the MCCVB's TID Committee to a maximum of \$3.00 per paid occupied room per night for full service lodging businesses and \$1.50 per paid occupied room per night for limited service lodging businesses in Zone 1, \$3.50 per paid occupied room per night for full service lodging businesses and \$2.00 per paid occupied room per night for limited service lodging businesses in Zone 2, and \$5.00 per paid occupied room per night for full service lodging businesses and \$2.50 per paid occupied room per night for limited service lodging businesses in Zone 3. The maximum assessment increase in any year shall be \$0.30 per paid occupied room per night for full service lodging businesses and \$0.15 per paid occupied room per night for limited service lodging businesses.

The assessment rate may or may not increase starting in 2020, the increase may be implemented beginning in 2020 or in later years at the discretion of the TID Committee. The following table demonstrates the estimated maximum budget, based on existing lodging businesses, with the assumption that the assessment rate will be increased in both Zones by \$0.30 per paid occupied room per night for full service lodging businesses and \$0.15 per paid occupied room per night for limited service lodging businesses in 2020, 2021, and 2022 and by \$0.10 per paid occupied room per night for full service lodging businesses and \$0.05 per paid occupied room per night for limited service lodging businesses in 2023, as it is a required disclosure, it is not the anticipated course of action. Any new lodging businesses that commence business within the MCTID during the five (5) year term shall be assessed using the same methodology listed in Section IV (D). Additionally, a three percent (3%)

annual increase in the total budget is shown in both tables, to account for estimated increased room occupancy as a result of MCTID efforts. This three percent (3%) annual increase is a conservative estimate based on the effects of similarly sized TID budgets.

**Estimated Annual Budget If Maximum Assessment Rates Are Adopted**

Year	Group Sales & Services	Marketing Communications	Visitor Services (Zone 2 Only)	Promotion & Advocacy (Zone 3 Only)	MCCVB Administration & Operations	City/County Administration Fee	Total
2019	\$1,776,579	\$1,776,579	\$130,000	\$235,000	\$578,421	\$45,420	<b>\$4,542,000</b>
2020	\$2,070,415	\$2,070,415	\$151,501	\$273,868	\$674,089	\$52,932	<b>\$5,293,220</b>
2021	\$2,378,945	\$2,378,945	\$174,078	\$314,679	\$774,540	\$60,820	<b>\$6,082,008</b>
2022	\$2,703,182	\$2,703,182	\$197,804	\$357,568	\$880,106	\$69,110	<b>\$6,910,950</b>
2023	\$2,870,843	\$2,870,843	\$210,072	\$379,746	\$934,693	\$73,396	<b>\$7,339,593</b>
<b>Total</b>	<b>\$11,799,965</b>	<b>\$11,799,965</b>	<b>\$863,454</b>	<b>\$1,560,860</b>	<b>\$3,841,849</b>	<b>\$301,678</b>	<b>\$30,167,771</b>

**Estimated Annual Budget If Maximum Assessment Rates Are Not Adopted**

Year	Group Sales & Services	Marketing Communications	Visitor Services (Zone 2 Only)	Promotion & Advocacy (Zone 3 Only)	MCCVB Administration & Operations	City/County Administration Fee	Total
2019	\$1,776,579	\$1,776,579	\$130,000	\$235,000	\$578,421	\$45,420	<b>\$4,542,000</b>
2020	\$1,829,877	\$1,829,877	\$133,900	\$242,050	\$595,774	\$46,783	<b>\$4,678,260</b>
2021	\$1,884,773	\$1,884,773	\$137,917	\$249,312	\$613,647	\$48,186	<b>\$4,818,608</b>
2022	\$1,941,316	\$1,941,316	\$142,055	\$256,791	\$632,056	\$49,632	<b>\$4,963,166</b>
2023	\$1,999,556	\$1,999,556	\$146,316	\$264,495	\$651,018	\$51,121	<b>\$5,112,061</b>
<b>Total</b>	<b>\$9,432,101</b>	<b>\$9,432,101</b>	<b>\$690,188</b>	<b>\$1,247,647</b>	<b>\$3,070,917</b>	<b>\$241,141</b>	<b>\$24,114,095</b>

The two tables above were calculated based on the following methodology. The initial year’s budget was determined based on actual collections in the prior year. The amounts collected from each category of assessed business were increased annually by the applicable percentage increase for each business category’s assessment rate. The increased amounts for each business category were added together and then increased by an additional three percent (3%) to account for the estimated increased occupancy as a result of MCTID efforts.

**C. California Constitutional Compliance**

The MCTID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term ‘assessments’ to levies on real property.<sup>1</sup> Rather, the MCTID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the MCTID, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of Monterey of conferring the benefits or providing the services.

<sup>1</sup> *Jarvis v. the City of San Diego* (1999) 72 Cal App. 4<sup>th</sup> 230

### ***1. Specific Benefit***

Proposition 26 requires that assessment funds be expended on, “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.”<sup>2</sup> The services in this Plan are designed to provide targeted benefits directly to assessed lodging businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific lodging businesses within the District. The programs described in this Plan are specifically targeted to generate room night sales for assessed lodging businesses within the boundaries of the District, and are narrowly tailored. MCTID funds will be used exclusively to provide the specific benefit of generated room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in MCTID programs, or to directly generate sales for non-assessed businesses. The programs paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this District is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is the generation of room night sales. The specific benefit of the generation of room night sales for assessed lodging businesses will be provided to lodging businesses paying the district assessment, with MCTID programs promoting lodging businesses paying the district assessment. The MCTID programs will be designed to generate room night sales at assessed lodging businesses. Because they are necessary to provide the MCTID programs that specifically benefit the assessed lodging businesses, the MCCVB administration and operations services also provide the specific benefit of generated room night sales to the assessed lodging businesses.

Although the District, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”<sup>3</sup>

### ***2. Specific Government Service***

The assessment may also be utilized to provide, “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.”<sup>4</sup> The legislature has recognized that marketing services like those to be provided by the MCTID are government services within the meaning of Proposition 26<sup>5</sup>. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”<sup>6</sup>

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<sup>2</sup> Cal. Const. art XIII C § 1(e)(1)

<sup>3</sup> Government Code § 53758(a)

<sup>4</sup> Cal. Const. art XIII C § 1(e)(2)

<sup>5</sup> Government Code § 53758(b)

<sup>6</sup> Government Code § 53758(b)

### **3. Reasonable Cost**

District services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Excluding Zone 2 funds managed by the City of Salinas and Zone 3 funds managed by the Pacific Grove Chamber of Commerce, funds will be managed by the MCCVB, and reports submitted on an annual basis to the City of Monterey. Lodging businesses that do not pay the MCTID assessment will not be featured in marketing materials, receive sales leads generated from district-funded programs, be featured in advertising campaigns, or benefit from other district-funded services.

#### **D. Assessment**

The annual assessment rate in Zone 1 is \$2.00 per paid occupied room per night for full service lodging businesses and \$1.00 per paid occupied room per night for limited service lodging businesses. The annual assessment rate in Zone 2 is \$2.50 per paid occupied room per night for full service lodging businesses and \$1.50 per paid occupied room per night for limited service lodging businesses. The annual assessment rate in Zone 3 is \$4.00 per paid occupied room per night for full service lodging businesses and \$2.00 per paid occupied room per night for limited service lodging businesses. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays at vacation time-share facilities; stays at vacation rentals; stays at RV parks; stays by any Federal or State of California officer or employee when on official business; and stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty.

During the MCTID's five (5) year term, the assessment rate may be increased by the MCCVB's TID Committee to a maximum of \$3.00 per paid occupied room per night for full service lodging businesses and \$1.50 per paid occupied room per night for limited service lodging businesses in Zone 1, \$3.50 per paid occupied room per night for full service lodging businesses and \$2.00 per paid occupied room per night for limited service lodging businesses in Zone 2, and \$5.00 per paid occupied room per night for full service lodging businesses and \$2.50 per paid occupied room per night for limited service lodging businesses in Zone 3. The maximum assessment increase in any year shall be \$0.30 per paid occupied room per night for full service lodging businesses and \$0.15 per paid occupied room per night for limited service lodging businesses. Any assessment rate increase shall not increase the amount of the assessment in Zone 2 allocated to the Salinas visitor services budget category or the amount of the assessment in Zone 3 allocated to the Pacific Grove promotion and advocacy services budget category. It is not the intent of the TID Committee to raise the assessment rate. However, if the TID Committee finds it necessary to increase the assessment rate in order to ensure competitive funding, the TID Committee has the authority to increase the assessment rate. Any assessment rate increase must be approved by a two-thirds (2/3) votes of the full membership of the TID Committee.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the "MCTID Assessment." The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds shall not be issued.

### **E. Penalties and Interest**

The MCTID shall reimburse the cities and County for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent MCTID assessment are sought to be recovered in the same collection action by the cities or County, the MCTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business that fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment or the estimated assessment.
2. *Continued Delinquency:* Any lodging business that fails to remit any delinquent assessment on or before a period of thirty (30) days following the date on which the assessment first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. *Fraud:* If the cities or County determine that the nonpayment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto, in addition to the penalties stated in paragraphs 1 and 2 of this section.
4. *Interest:* In addition the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of one percent (1%) per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. *Penalties Merged with Assessment:* Every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the assessment required to be paid.
6. *Audit Deficiency:* If, upon audit by the cities or County, a lodging business is found to be deficient in either its return or its remittances or both, the cities or County shall immediately invoice the lodging business for the amount of the net deficiency plus a penalty of ten percent (10%) of the net deficiency. If the lodging business fails or refuses to pay the deficient amount and applicable penalties within thirty (30) days of the date of the invoice, an additional ten percent (10%) penalty shall be added to the original deficiency. In addition to the penalties imposed, any lodging business that fails to remit payment of billed audit deficiencies within thirty (30) days of the date of the invoice shall pay interest at the rate of one percent (1%) per month or fraction thereof on the amount of the assessment, exclusive of penalties.

### **F. Time and Manner for Collecting Assessments**

The MCTID assessment will be implemented beginning January 1, 2019 and will continue for five (5) years through December 31, 2023. The cities and County will be responsible for collecting the assessment on a monthly, bi-monthly or quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in their respective jurisdictions. The cities and County shall take all reasonable efforts to collect the assessments from each lodging business. The cities and County shall forward the assessments collected to the Owners' Association, except for the additional assessments in Zones 2 and 3.

## **V. GOVERNANCE**

### **A. Owners' Association**

The Monterey City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the MCTID as defined in Streets and Highways Code §36612. The Monterey City Council has determined that the Monterey County Destination Marketing Organization, Inc. d.b.a. Monterey County Convention and Visitors Bureau (MCCVB) will serve as the Owners' Association for the MCTID. The MCCVB Board shall create a TID Committee comprised solely of assessed lodging business representatives. The number of seats on the TID Committee from each MCTID jurisdiction shall reflect the proportional assessment revenue derived from each MCTID jurisdiction. Except as noted below, the TID Committee shall have full decision-making authority over the expenditure of MCTID funds. Notwithstanding the forgoing, the City of Salinas shall have full decision-making authority over the expenditure of funds raised by the extra \$0.50 full and limited service assessment in Zone 2 and the Pacific Grove Chamber of Commerce shall have full decisions making authority over the expenditure of funds raised by the extra \$2.00 full service and \$1.00 limited service assessment in Zone 3.

### **B. Brown Act and California Public Records Act Compliance**

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the MCCVB board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

### **C. Annual Report**

The MCCVB shall present an annual report at the end of each year of operation to the Monterey City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

# APPENDIX 1 – LAW

\*\*\* THIS DOCUMENT IS CURRENT THROUGH THE 2018 SUPPLEMENT \*\*\*  
(ALL 2017 LEGISLATION)

## STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

### CHAPTER 1. General Provisions

#### ARTICLE 1. Declarations

##### **36600. Citation of part**

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

##### **36601. Legislative findings and declarations; Legislative guidance**

The Legislature finds and declares all of the following:

- (a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.
- (c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.
- (d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.
- (e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:
  - (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
  - (2) Job creation.
  - (3) Business attraction.
  - (4) Business retention.
  - (5) Economic growth.
  - (6) New investments.
- (f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.
- (g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.
- (h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.
  - (1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.
  - (2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the

incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

### **36602. Purpose of part**

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

### **36603. Preemption of authority or charter city to adopt ordinances levying assessments**

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

### **36603.5. Part prevails over conflicting provisions**

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

### **36604. Severability**

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

## **ARTICLE 2. Definitions**

### **36606. “Activities”**

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

### **36606.5. “Assessment”**

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

### **36607. “Business”**

“Business” means all types of businesses and includes financial institutions and professions.

**36608. “City”**

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

**36609. “City council”**

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

**36609.4. “Clerk”**

“Clerk” means the clerk of the legislative body.

**36609.5. “General benefit”**

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

**36610. “Improvement”**

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

**36611. “Management district plan”; “Plan”**

“Management district plan” or “plan” means a proposal as defined in Section 36622.

**36612. “Owners’ association”**

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

**36614. “Property”**

“Property” means real property situated within a district.

**36614.5. “Property and business improvement district”; “District”**

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

**36614.6. “Property-based assessment”**

“Property-based assessment” means any assessment made pursuant to this part upon real property.

**36614.7. “Property-based district”**

“Property-based district” means any district in which a city levies a property-based assessment.

**36615. “Property owner”; “Business owner”; “Owner”**

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

**36615.5. “Special benefit”**

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

**36616. “Tenant”**

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

**ARTICLE 3. Prior Law**

**36617. Alternate method of financing certain improvements and activities; Effect on other provisions**

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

**CHAPTER 2. Establishment**

**36620. Establishment of property and business improvement district**

A property and business improvement district may be established as provided in this chapter.

**36620.5. Requirement of consent of city council**

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

### **36621. Initiation of proceedings; Petition of property or business owners in proposed district**

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
- (1) A map showing the boundaries of the district.
  - (2) Information specifying where the complete management district plan can be obtained.
  - (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
- (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
  - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

### **36622. Contents of management district plan**

The management district plan shall include, but is not limited to, all of the following:

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.
- (d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.
- (e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial

year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

### **36623. Procedure to levy assessment**

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. 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 or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

#### **36624. Changes to proposed assessments**

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

#### **36625. Resolution of formation**

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

#### **36626. Resolution establishing district**

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

#### **36627. Notice and assessment diagram**

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

#### **36628. Establishment of separate benefit zones within district; Categories of businesses**

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

#### **36628.5. Assessments on businesses or property owners**

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

#### **36629. Provisions and procedures applicable to benefit zones and business categories**

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

#### **36630. Expiration of district; Creation of new district**

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

### **CHAPTER 3. Assessments**

#### **36631. Time and manner of collection of assessments; Delinquent payments**

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

#### **36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property**

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify

businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

**36633. Time for contesting validity of assessment**

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

**36634. Service contracts authorized to establish levels of city services**

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

**36635. Request to modify management district plan**

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

**36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention**

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

**36637. Reflection of modification in notices recorded and maps**

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

**CHAPTER 3.5. Financing**

**36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments**

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915

may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

## CHAPTER 4. Governance

### **36650. Report by owners' association; Approval or modification by city council**

(a) The owners' association 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 improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements, maintenance, and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

### **36651. Designation of owners' association to provide improvements, maintenance, and activities**

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

## CHAPTER 5. Renewal

### **36660. Renewal of district; Transfer or refund of remaining revenues; District term limit**

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed

district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

## **CHAPTER 6. Disestablishment**

### **36670. Circumstances permitting disestablishment of district; Procedure**

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

### **36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district**

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

## APPENDIX 2 – ASSESSED BUSINESSES

Business Name	Business Address	City/State/ZIP	Type
Acacia Lodge (Country Garden Inns)	20 Via Contenta	Carmel Valley, CA 93924	Limited Service
Adams Motel	2086 N. Main St.	Salinas, CA 93906	Limited Service
Adobe Inn	Dolores St. & 8th Ave.	Carmel-by-the-Sea, CA 93921	Full Service
Aloha Motel	235 Kerd St.	Salinas, CA 93905	Limited Service
America's Best Value Inn	1030 Fairview Ave.	Salinas, CA 93905	Limited Service
Andril Cottages	569 Asilomar Ave.	Pacific Grove, CA 93950	Limited Service
Anton Inn	1095 Lighthouse Ave.	Pacific Grove, CA 93950	Limited Service
Artichoke Inn	10341 Merritt St.	Castroville, CA 95012	Limited Service
Asilomar Conference Center	800 Asilomar Ave.	Pacific Grove, CA 93950	Full Service
Barlocker's Rustling Oaks Ranch	25252 Limekiln Rd.	Salinas, CA 93908	Limited Service
Bay Park Hotel	1425 Munras Ave.	Monterey, CA 93940	Full Service
Bayside Inn	2055 N. Fremont St.	Monterey, CA 93940	Limited Service
Beachcomber Inn	1996 Sunset Dr.	Pacific Grove, CA 93950	Limited Service
Bernardus Lodge	415 Carmel Valley Rd.	Carmel Valley, CA 93924	Full Service
Best Value Stage Coach Lodge	1111 10th St.	Monterey, CA 93940	Limited Service
Best Value Surf Inn	1200 Munras Ave.	Monterey, CA 93940	Limited Service
Best Western Beach Dunes Inn	3290 Dunes Dr.	Marina, CA 93933	Limited Service
Best Western Carmel Bay View Inn	Junipero btwn 5th & 6th	Carmel-by-the-Sea, CA 93921	Limited Service
Best Western Carmel's Townhouse Lodge	N.W. Corner San Carlos & Fifth Ave.	Carmel-by-the-Sea, CA 93921	Limited Service
Best Western DeAnza Inn	2141 N. Fremont St.	Monterey, CA 93940	Limited Service
Best Western Magic Carpet Lodge	1875 Fremont Blvd.	Seaside, CA 93955	Limited Service

Best Western Monarch Resort	1111 Lighthouse Ave.	Pacific Grove, CA 93950	Limited Service
Best Western Monterey Inn	825 Abrego St.	Monterey, CA 93940	Limited Service
Best Western Park Crest Motel	1100 Munras Ave.	Monterey, CA 93940	Limited Service
Best Western Ramona Inn	2332 N. Fremont St.	Monterey, CA 93940	Limited Service
Best Western Salinas Monterey Hotel	175 Kern. St.	Salinas, CA 93905	Limited Service
Best Western Salinas Valley Inn & Suites	187 Kern St.	Salinas, Ca 93905	Limited Service
Bide-A-Wee Inn & Cottages	221 Asilomar Ave.	Pacific Grove, CA 93950	Limited Service
Big Sur Campground Inc.	47000 Hwy. 1	Big Sur, CA 93920	Limited Service
Big Sur Lodge	Pfeiffer Big Sur State Park	Big Sur, CA 93920-0190	Full Service
Big Sur River Inn	Hwy 1. at Pheneger Creek	Big Sur, CA 93920	Full Service
Blue Lagoon Inn	2362 N. Fremont St.	Monterey, CA 93940	Limited Service
Blue Sky Lodge	10 Flight Rd.	Carmel Valley, CA 93924	Limited Service
Borg's Oceanfront Motel	635 Ocean View Blvd.	Pacific Grove, CA 93950	Limited Service
Briarwood Inn	San Carlos btwn 4th & 5th	Carmel-by-the-Sea, CA 93921	Limited Service
Bryson Hesperia Resort (Cabins)	75364 Bryson Hesperia Rd.	Bradley, CA 93426	Limited Service
Budget Inn Salinas	219 John St.	Salinas, CA 93901	Limited Service
Butterfly Grove Inn	1073 Lighthouse Ave.	Pacific Grove, CA 93950	Limited Service
Cabana Holiday Cabins	8710 Prunedale North Rd.	Prunedale, CA 93907	Limited Service
California Inn	736 N. Main St.	Salinas, CA 93906	Limited Service
Candle Bay Inn	2118 N. Fremont St.	Monterey, CA 93940	Limited Service
Candlelight Inn (Inns by the Sea)	San Carlos btwn 4th & 5th	Carmel-by-the-Sea, CA 93921	Limited Service
Cannery Row Inn	200 Foam St.	Monterey, CA 93940	Limited Service
Capitol Motel	3220 N. Main st.	Salinas, CA 93906	Limited Service

Captain's Inn at Moss Landing	Moss Landing Rd.	Moss Landing, CA 95039	Limited Service
Carmel Country Inn	Dolores St. & 3rd Ave.	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel Fireplace Inn	San Carlos & 4th	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel Garden Court Inn	4th & Torres	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel Inn and Suites	N.E. 5th & Junipero	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel Lodge	San Carlos & 5th	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel Mission Inn	3665 Rio Rd.	Carmel, CA 93923	Full Service
Carmel Oaks Inn	5th & Mission St.	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel Resort Inn	Carpenter & 2nd Ave.	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel River Inn	Hwy 1. at Oliver Road	Carmel, CA 93922	Limited Service
Carmel Stonehouse Inn	8th Ave. btwn Monte Verde & Casanova	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel Valley Lodge	Carmel Valley Rd. at Ford Rd.	Carmel Valley, CA 93924	Limited Service
Carmel Valley Manor	8545 Carmel Valley Rd.	Carmel, CA 93923	Full Service
Carmel Valley Ranch	1 Old Ranch Rd.	Carmel, CA 93923	Full Service
Carmel Village Inn	Ocean & Junipero	Carmel-by-the-Sea, CA 93921	Limited Service
Carmel Wayfarer Inn	4th Ave. at Mission	Carmel-by-the-Sea, CA 93921	Limited Service
Carriage House Inn (Inns by the Sea)	Junipero btwn 7th & 8th	Carmel-by-the-Sea, CA 93921	Limited Service
Casa de Carmel Inn	Monte Verde & 7th	Carmel-by-the-Sea, CA 93921	Limited Service
Casa Linda Motel	1109 N. Main St.	Salinas, CA 93906	Limited Service
Casa Munras, A Larkspur Hotel	700 Munras Ave.	Monterey, CA 93940	Full Service
Casa Palmero Pebble Beach	1518 Cypress Dr.	Pebble Beach, CA 93953	Full Service
Casa Verde Inn	2113 N. Fremont St.	Monterey, CA 93940	Limited Service

Castroville Motel	11656 Merritt St.	Castroville, CA 95012	Limited Service
Centrella Inn	612 Central Ave	Pacific Grove, CA 93950	Limited Service
Clarion Hotel	1046 Munras Ave.	Monterey, CA 93940	Limited Service
Coachman's Inn	San Carlos btwn 7th & 8th	Carmel-by-the-Sea, CA 93921	Limited Service
Cobblestone Inn	Junipero btwn 7th & 8th	Carmel-by-the-Sea, CA 93921	Limited Service
Colonial Terrace Inn	San Antonio btwn 12th & 13th	Carmel-by-the-Sea, CA 93921	Limited Service
Colton Inn	707 Pacific St.	Monterey, CA 93940	Limited Service
Comfort Inn - Carmel Hill	1252 Munras Ave.	Monterey, CA 93940	Limited Service
Comfort Inn - Carmel-by-the-Sea	Ocean Ave. & Torres St.	Carmel-by-the-Sea, CA 93921	Limited Service
Comfort Inn - Monterey Bay	2050 N. Fremont St.	Monterey, CA 93940	Limited Service
Comfort Inn - Monterey Peninsula Airport	1200 Olmsted Rd	Monterey, CA 93940	Limited Service
Comfort Inn - Munras Avenue	1262 Munras Ave.	Monterey, CA 93940	Limited Service
Comfort Inn & Suites - Marina	140 Reservation Rd.	Marina, CA 93933	Limited Service
Comfort Inn & Suites/Quality Inn Salinas	181 Kern St.	Salinas, CA 93905	Limited Service
Comfort Inn/Discovery Inn - Salinas	144 Kern St.	Salinas, CA 93905	Limited Service
Continental Motel	1165 N. Main St.	Salinas, CA 93906	Limited Service
Cottages-by-the-Sea	8th & Camino Real	Carmel-by-the-Sea, CA 93921	Full Service
Country Inn	126 John St.	Salinas, CA 93901	Limited Service
Courtyard by Marriott	17225 El Rancho Way	Salinas, CA 93907	Full Service
Crystal Terrace Inn	24815 Carpenter St.	Carmel-by-the-Sea, CA 93921	Limited Service
Cypress Gardens Inn	1150 Munras Ave.	Monterey, CA 93940	Limited Service
Cypress Inn	Lincoln & 7th	Carmel-by-the-Sea, CA 93921	Limited Service

Cypress Tree Inn/America's Best Value Inn & Suites	2227 N. Fremont St.	Monterey, CA 93940	Limited Service
Days Inn	1226 De La Torre St.	Salinas, CA 93905	Limited Service
Days Inn of Monterey	1288 Munras Ave.	Monterey, CA 93940	Limited Service
Deer Haven Inn & Suites	740 Crocker Ave	Pacific Grove CA 93950	Limited Service
Deetjen's Big Sur Inn	48865 Hwy. 1	Big Sur, CA 93920	Full Service
Del Monte Pines Motel	1298 Munras Ave.	Monterey, CA 93940	Limited Service
Discovery Inn	1106 Fremont Blvd.	Seaside, CA 93955	Limited Service
Dolphin Inn (Inns by the Sea)	4th & San Carlos	Carmel-by-the-Sea, CA 93921	Limited Service
Downtown Monterey - San Carlos Days Inn	850 Abrego St.	Monterey, CA 93940	Limited Service
Econo Lodge - Salinas	180 S. Sanborn Rd.	Salinas, CA 93905	Limited Service
Econo Lodge Bay Breeze	2049 Fremont Blvd.	Seaside, CA 93955	Limited Service
Econo Lodge Monterey Fairgrounds	2042 N. Fremont St.	Monterey, CA 93940	Limited Service
Economy Inn Salinas	214 John St.	Salinas, CA 93901	Limited Service
Economy Inn Seaside	1131 Fremont Blvd.	Seaside, CA 93955	Limited Service
Edgemere Cottages	San Antonio btwn 13th St. and Santa Lucia	Carmel-by-the-Sea, CA 93921	Limited Service
El Adobe Inn	936 Munras Ave.	Monterey, CA 93940	Limited Service
El Castell Motel	2102 N. Fremont St.	Monterey, CA 93940	Limited Service
El Dorado Inn	900 Munras Ave.	Monterey, CA 93940	Limited Service
El Dorado Motel	1351 N. Main St.	Salinas, CA 93906	Limited Service
El Llano Motel	861 Abbott St.	Salinas, CA 93901	Limited Service
El Rancho Motel	976 Salinas Rd.	Pajaro, CA 95076	Limited Service
El Rey Motel	443 West Market St.	Salinas, CA 93901	Limited Service

El Sombrero Motel	210 Abbott St.	Salinas, CA 93901	Limited Service
Embassy Suites Hotel & Conference Center	1441 Canyon Del Rey	Seaside, CA 93955	Full Service
Fernwood Resort (Hotel/Motel)	47200 Hwy 1	Big Sur, CA 93920	Limited Service
Fireside Lodge-Monterey	1131 10th St.	Monterey, CA 93940	Limited Service
Gateway Lodge Motel	1909 Fremont Blvd.	Seaside, CA 93955	Limited Service
Good Nite Inn	545 Work St.	Salinas, CA 93901	Limited Service
Gorda Springs Resort	Hwy 1	Gorda, CA 93920	Limited Service
Gosby House Inn	643 Lighthouse Ave	Pacific Grove, CA 93950	Limited Service
Green Gables Inn	301 Ocean View Blvd.	Pacific Grove, CA 93950	Limited Service
Green Lantern Inn	Casanova at 7th	Carmel-by-the-Sea, CA 93921	Limited Service
Hacienda Guest Lodge	PO Box 631	Jolon, CA 93928	Limited Service
Happy Landing Inn	Monte Verde btwn 5th & 6th	Carmel-by-the-Sea, CA 93921	Limited Service
Heritage Marina Inn	416 Reservation Rd.	Marina, CA 93933	Limited Service
Hidden Valley Inn (Country Garden Inns)	102 W. Carmel Valley Rd.	Carmel Valley, CA 93924	Limited Service
Highlands Inn, Hyatt Vacation Club	120 Highlands Dr.	Carmel, CA 93923	Full Service
Hilton Garden Inn Monterey	1000 Aguajito Rd.	Monterey, CA 93940	Full Service
Hofsas House	San Carlos & 4th	Carmel-by-the-Sea, CA 93921	Limited Service
Holiday Inn Express - Cannery Row Hotel	443 Wave St.	Monterey, CA 93940	Limited Service
Holiday Inn Express - Monterey Bay	1400 Del Monte Blvd.	Seaside, CA 93955	Limited Service
Holiday Inn Express & Suites - Marina	189 Seaside Cir.	Marina, CA 93955	Limited Service
Holiday Inn Express Hotel - Salinas	131 John St.	Salinas, CA 93901	Limited Service
Horizon Inn/Ocean View Lodge	Junipero & 3rd	Carmel-by-the-Sea, CA 93921	Limited Service
Hostelling International (HI) Monterey Hostel	778 Hawthorne St.	Monterey, CA 93940	Limited Service
Hotel Pacific (Inns of Monterey)	300 Pacific St.	Monterey, CA 93940	Limited Service

Howard Johnson Express Inn - Monterey	1240 Munras Ave.	Monterey, CA 93940	Limited Service
Howard Johnson Express Inn - Monterey Seaside	1893 Fremont Blvd.	Seaside, CA 93955	Limited Service
Howard Johnson Express Inn-Pacific Grove	660 Dennett	Pacific Grove CA 93950	Limited Service
Hyatt Regency Monterey Resort & Spa	1 Old Golf Course Rd.	Monterey, CA 93940	Full Service
Inn at 213 Seventeen Mile Drive	213 Seventeen Mile Dr.	Pacific Grove, CA 93950	Limited Service
Inn at The Pinnacles	32025 Stonewall Canyon Rd.	Soledad, Ca 93960	Limited Service
Inns of California Salinas	555 Airport Blvd.	Salinas, CA 93905	Limited Service
Intercontinental The Clement Monterey	750 Cannery Row	Monterey, CA 93940	Full Service
Knights Inn Carmel Hill Lodge	1374 Munras Ave.	Monterey, CA 93940	Limited Service
La Playa Hotel	8th & Camino Real	Carmel-by-the-Sea, CA 93921	Full Service
La Quinta Inn Monterey	2401 Del Monte Ave.	Monterey, CA 93940	Limited Service
Laguna Lodge	430 Reservation Rd.	Marina, CA 93933	Limited Service
Lake San Antonio Resort (Hotel/Motel)	74255 San Antonio Rd.	Bradley, CA 93426	Limited Service
Lamp Lighter Inn	Ocean & Camino Real	Carmel-by-the-Sea, CA 93921	Limited Service
L'Auberge Carmel	Monte Verde & 7th	Carmel-by-the-Sea, CA 93921	Full Service
Laurel Inn & Conference Center	801 W. Laurel Dr.	Salinas, CA 93906	Limited Service
Lighthouse Lodge & Suites	1249 Lighthouse Ave.	Pacific Grove CA 93950	Limited Service
Lincoln Green Inn	26200 Carmelo St.	Carmel-by-the-Sea, CA 93921-2747	Limited Service
Linda Motel	2030 Del Monte Ave.	Monterey, CA 93940	Limited Service
Little European Lodge	102 W. Carmel Valley Rd.	Carmel Valley, CA 93924	Limited Service
Lobos Lodge	Ocean Ave. & Monte Verde	Carmel-by-the-Sea, CA 93921	Limited Service
Lone Oak Lodge	2221 N. Fremont St.	Monterey, CA 93940	Limited Service

Los Laureles Lodge	313 W. Carmel Valley Rd.	Carmel Valley, CA 93924	Full Service
Lovers Point Inn	625 Ocean View Blvd.	Pacific Grove CA 93950	Limited Service
Lucia Lodge	62400 Hwy. 1	Lucia, CA 93920	Limited Service
Marina Lodge	420 Reservation Rd.	Marina, CA 93933	Limited Service
Mariposa Inn	1386 Munras Ave.	Monterey, CA 93940	Limited Service
Martine Inn	255 Ocean View Blvd	Pacific Grove, CA 93950	Limited Service
Merritt House Inn	386 Pacific St.	Monterey, CA 93940	Limited Service
Miller's Lodge	46325 Arroyo Seco Rd.	Greenfield, CA 93927	Limited Service
Mission Ranch Resort	26270 Dolores St.	Carmel, CA 93923	Full Service
Monte Verde Inn	Monte Verde & Ocean Ave.	Carmel-by-the-Sea, CA 93921	Limited Service
Monterey Bay Inn (Inns of Monterey)	242 Cannery Row	Monterey, CA 93940	Limited Service
Monterey Bay Lodge	55 Camino Aguajito Rd.	Monterey, CA 93940	Limited Service
Monterey Bay Travelodge	2030 N. Fremont St.	Monterey, CA 93940	Limited Service
Monterey Beach Hotel	2600 San Dunes Dr.	Monterey, CA 93940	Full Service
Monterey Downtown Travelodge	675 Munras Ave.	Monterey, CA 93940	Limited Service
Monterey Marriott Hotel	350 Calle Principal	Monterey, CA 93940	Full Service
Monterey Plaza Hotel & Spa	400 Cannery Row	Monterey, CA 93940	Full Service
Motel 6 - Marina	100 Reservation Rd.	Marina, CA 93933	Limited Service
Motel 6 - Monterey	2124 N. Fremont St.	Monterey, CA 93940	Limited Service
Motel 6 - Salinas #639	1257 De La Torre St.	Salinas, CA 93905	Limited Service
Motel 6 - Salinas North #1370	140 Kern St.	Salinas, CA 93905	Limited Service
Munras Lodge	1010 Munras Ave.	Monterey, CA 93940	Limited Service
Normandy Inn	Ocean Ave & Monte Verde	Carmel-by-the-Sea, CA 93921	Limited Service

Old Marina Inn	3110 Del Monte Blvd.	Marina, CA 93933.	Limited Service
Old Monterey Inn	500 Martin St.	Monterey, CA 93940	Limited Service
Old St Angela Inn	321 Central Ave	Pacific Grove CA 93950	Limited Service
Otter Inn	571 Wave St.	Monterey, CA 93940	Limited Service
Pacific Best Inn	1141 Fremont Blvd.	Seaside, CA 93955	Limited Service
Pacific Gardens Inn	701 Asilomar Blvd	Pacific Grove CA 93950	Limited Service
Pacific Grove Inn	581 Pine Ave	Pacific Grove, CA 93950	Limited Service
Pacific Grove Plaza	620 Lighthouse	Pacific Grove CA 93950	Limited Service
Padre Oaks Motel	1278 Munras Ave.	Monterey, CA 93940	Limited Service
Paraiso Hot Springs Resort	34358 Paraiso Springs Rd.	Soledad, CA 93960	Limited Service
Parkfield Inn	70410 Parkfield Coalinga Rd.	Parkfield, CA 93451	Limited Service
Pine Acres Lodge	1150 Jewell St	Pacific Grove CA 93950	Limited Service
Pine Inn	Ocean Ave. & Monte Verde	Carmel-by-the-Sea, CA 93923	Full Service
Portola Hotel and Spa at Monterey Bay	2 Portola Plaza	Monterey, CA 93940	Full Service
Post Ranch Inn	Hwy. 1	Big Sur, CA 93920	Full Service
Quail Lodge	8205 Valley Greens Dr.	Carmel Valley, CA 93923	Full Service
Quality Inn - Monterey Beach Dunes	3280 Dunes Dr.	Marina, CA 93933	Limited Service
Quality Inn - Monterey Fairgrounds	2075 N. Fremont St.	Monterey, CA 93940	Limited Service
Quality Inn - Munras Ave.	1058 Munras Ave.	Monterey, CA 93940	Limited Service
Ramada Inn - Marina	323 Reservation Rd.	Marina, CA 93933	Limited Service
Ramada Limited	2058 N. Fremont St.	Monterey, CA 93940	Limited Service
Ramada Limited - Carmel Hill	1182 Cass St.	Monterey, CA 93940	Limited Service
Ramada Limited - Salinas	109 John St.	Salinas, CA 93901	Limited Service

Residence Inn by Marriott	17215 El Rancho Way	Salinas, CA 93907	Full Service
Rex Motel	305 Kern St.	Salinas, CA 93905	Limited Service
Ripplewood Resort	Hwy. 1	Big Sur, CA 93920	Full Service
Riverside Campgrounds and Cabins	Hwy. 1	Big Sur, CA 93920	Limited Service
Rodeway Inn Monterey	2041 Fremont St.	Monterey, CA 93940	Limited Service
Rosedale Inn	775 Asilomar Blvd	Pacific Grove CA 93950	Limited Service
Royal Hotel/Cortes Hotel	201 E. Market St.	Salinas, CA 93901	Limited Service
Salinas Valley Motel	2100 North Main St.	Salinas, CA 93905	Limited Service
San Antonio House	4th Ave. & Torres St.	Carmel-by-the-Sea, CA 93921	Limited Service
Sanctuary Beach Resort (prev. Marina Dunes Resort)	3295 Dunes Dr.	Marina, CA 93933	Full Service
Sand Dollar Inn	755 Abrego St.	Monterey, CA 93940	Limited Service
Sandcastle Inn	1011 Autocenter Pkwy.	Seaside, CA 93955	Limited Service
Sandpiper Inn-by-the-Sea	2408 Bay View Ave.	Carmel, CA 93923	Limited Service
Sea Breeze Inn & Cottages (Monterey Peninsula Inns)	1100 Lighthouse Ave	Pacific Grove, CA 93950	Limited Service
Sea Breeze Lodge (Monterey Peninsula Inns)	1111 Lighthouse Ave	Pacific Grove CA 93950	Limited Service
Sea Lamp Inn	2201 Del Monte Blvd.	Seaside, CA 93955	Limited Service
Sea View Inn	Camino Real btwn 11th & 12th	Carmel-by-the-Sea, CA 93921	Limited Service
Seaside Inn	1986 Del Monte Blvd.	Seaside, CA 93955	Limited Service
Seven Gables Inn	555 Ocean View Blvd.	Pacific Grove, CA 93950	Limited Service
Spindrift Inn (Inns of Monterey)	652 Cannery Row	Monterey, CA 93940	Full Service
Star Motel	1161 N. Main St.	Salinas, CA 93906	Limited Service
Stonepine Estate Resort	150 E. Carmel Valley Rd.	Carmel Valley, CA 93924	Full Service
Sunset House	2 SE Camino Real	Carmel-by-the-Sea, CA 93921	Limited Service

Sunset Inn	133 Asilomar Blvd.	Pacific Grove, CA 93950	Limited Service
Super 8 - Monterey	1300 Munras Ave.	Monterey, CA 93940	Limited Service
Svendsgaard's Inn (Inns by the Sea)	4th & San Carlos	Carmel-by-the-Sea, CA 93921	Limited Service
Tally Ho Inn	Monte Verde & 6th	Carmel-by-the-Sea, CA 93921	Limited Service
Tassajara Zen Mountain Center	39171 Tassajara Rd.	Tassajara Hot Springs, CA 93924	Limited Service
The Glen Oaks	Hwy 1	Big Sur, CA 93920	Limited Service
The Holly Farm	9200 Carmel Valley Rd.	Carmel, CA 93923	Limited Service
The Homestead	Lincoln at 8th	Carmel-by-the-Sea, CA 93923	Limited Service
The Inn at Spanish Bay	2700 17 Mile Dr.	Pebble Beach, CA 93953	Full Service
The Jabberwock	598 Laine St.	Monterey, CA 93940	Limited Service
The Lodge at Pebble Beach	1700 17 Mile Dr.	Pebble Beach, CA 93953	Full Service
The Monterey Hotel	406 Alvarado St.	Monterey, CA 93940	Limited Service
The Olympia Lodge	1140 Lighthouse	Pacific Grove CA 93950	Limited Service
The Tradewinds at Carmel	Mission & 3rd	Carmel-by-the-Sea, CA 93921	Limited Service
Thunderbird Motel	1933 Fremont Blvd.	Seaside, CA 93955	Limited Service
Tickle Pink Inn	155 Highland Dr.	Carmel Highlands, CA 93923	Limited Service
Travel Inn Salinas	425 Monterey St.	Salinas, CA 93901	Limited Service
Traveler's Hotel	16 1/2 East Gabilan St.	Salinas, CA 93901	Limited Service
Treebones Resort	71895 Hwy 1	Big Sur, CA 93920	Limited Service
Vagabond Inn Salinas	131 Kern St.	Salinas, CA 93905	Limited Service
Vagabond Motel	2120 N. Fremont St.	Monterey, CA 93940	Limited Service
Vagabond's House Inn	Dolores & 4th	Carmel-by-the-Sea, CA 93921	Limited Service

Ventana Inn & Spa	Hwy 1. South	Big Sur, CA 93920	Full Service
Victorian Inn	487 Foam St.	Monterey, CA 93940	Limited Service
Vision Quest Safari Bed & Breakfast	400 River Rd.	Salinas, CA 93908	Limited Service
Wagon Wheel Motel	1217 N. Main St.	Salinas, CA 93906	Limited Service
Wayside Inn (Inns by the Sea)	7th & Mission	Carmel-by-the-Sea, CA 93921	Limited Service
Western Skylodge Motel	6 South Wood St.	Salinas, CA 93905	Limited Service
Wildhorse Motel/Ciudad Del Rey Motel	50557 Wildhorse Rd.	King City, CA 93930	Limited Service
Wilkies Inn, The	1038 Lighthouse Ave.	Pacific Grove CA 93950	Limited Service
Willow Lodge	719 South Main St.	Salinas, CA 93901	Limited Service

**APPENDIX 3 – TOURISM ECONOMICS STUDY**

DRAFT