



Agenda

April 10, 2024

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Welcome to the Carlsbad Tourism Business Improvement District Advisory Board Meeting

We welcome your interest and involvement in the city's legislative process. This agenda includes information about topics coming before the CTBID Advisory Board and the action recommended. You can read about each topic in the reports, which are available on the city website. The staff liaison is also available to answer any questions you have about CTBID Advisory Board meeting procedures.

How to watch

In Person



CTBID Advisory Board Meetings take place at City Hall, 1200 Carlsbad Village Drive

Online



Watch the livestream and replay past meetings on the city website, carlsbadca.gov/residents/communication/city-tv-channel

How to participate

If you would like to provide comments to the CTBID Advisory Board, please:

- Fill out a speaker request form, located in the foyer.
- Submit the form to the Clerk before the item begins.
- When it's your turn, the Clerk will call your name and invite you to the podium.
- Speakers have three minutes, unless the presiding officer (usually the chair) changes that time.
- You may not give your time to another person, but groups can select a single speaker as long as three other members of your group are present. Group representatives have 10 minutes unless that time is changed by the presiding officer or the commission.
- **In writing:** Email your comments to business@carlsbadca.gov. Please indicate the agenda item number in your email subject line. Emails received by 11 a.m. will be provided to the Carlsbad Tourism Business Improvement District Advisory Board prior to the start of the meeting. Other comments will be included with the meeting record. **Emailed comments will not be read out loud during the meeting.**

Reasonable Accommodations

Reasonable Accommodations Persons with a disability may request an agenda packet in appropriate alternative formats as required by the Americans with Disabilities Act of 1990. Reasonable accommodations and auxiliary aids will be provided to effectively allow participation in the meeting. Please contact the City Manager's Office at 442-339-2821 (voice), 711 (free relay service for TTY users), 760-720-9461 (fax) or manager@carlsbadca.gov by noon on the Tuesday before the meeting to make arrangements. City staff will respond to requests by noon on Wednesday, the day of the meeting, and will seek to resolve requests before the start of the meeting in order to maximize accessibility.

CALL TO ORDER:

ROLL CALL:

APPROVAL OF MINUTES:

Minutes of the Special Meeting held Nov. 1, 2023

PUBLIC COMMENT

ADVISORY BOARD COMMENTS & ANNOUNCEMENTS:

NEW BUSINESS:

1. UPDATE ON SERVICES RENDERED BY VISIT CARLSBAD – Receive a progress report from Visit Carlsbad on contract deliverables.

Recommendation: Receive the report.

2. DISESTABLISHMENT OF THE CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT – Adoption of a resolution recommending the City Council disestablish the Carlsbad Tourism Business Improvement District established in 2005 and repeal Carlsbad Municipal Code Chapter 3.37. (Staff contact: Matt Sanford, Innovation and Economic Development Department)

Recommendation: Adopt the resolution.

GENERAL COUNSEL COMMENT:

ADJOURNMENT:



Minutes

Special Meeting

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Nov. 1, 2023

CALL TO ORDER: 2:16 p.m.

ROLL CALL: Noe, Canepa, Sarte, Eding, Becerra, Beszeditz, Chapin.

CONSENT CALENDAR:

APPROVAL OF MINUTES:

Minutes of the Regular Meeting held Jan. 11, 2023

Minutes of the Special Meeting held April 26, 2023

Minutes of the Special Meeting held June 27, 2023

Due to recent resignations and appointments to the CTBID advisory board, it is impossible to ever establish a quorum of board members who attended the Jan. 11, April 26, and June 27, 2023 meetings. Accordingly, General Counsel has recommended the members who were present review the meeting minutes to determine whether any corrections were needed.

No corrections were determined to be necessary, therefore the minutes have been deemed accepted by the board.

REPORTS AND DISCUSSION ITEMS:

1. **UPDATE ON SERVICES RENDERED BY VISIT CARLSBAD** – Receive a progress report from Visit Carlsbad on contract deliverables.

Visit Carlsbad President and CEO Kim Sidoriak presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

SUBCOMMITTEE REPORTS:

None.

GENERAL COUNSEL COMMENT:

None.

PUBLIC COMMENT:

None.

ADJOURNMENT:

By proper motion, the Board Meeting was adjourned at 2:47 p.m.

Bridget Desmarais
Management Analyst



Staff Report

Meeting Date: April 10, 2024
To: CTBID Advisory Board Members
From: Matt Sanford, Economic Development Manager
Staff Contact: Matt Sanford, Economic Development Manager
matt.sanford@carlsbadca.gov, 760-607-2923
Subject: Update on Services Rendered by Visit Carlsbad

Recommended Action

Receive a progress report from Visit Carlsbad on contract deliverables.

Item Explanation

Since the inception of the Carlsbad Tourism Business Improvement District (CTBID), the CTBID Advisory Board has contracted with Carlsbad Convention and Visitors Bureau, a 501(c)(6) corporation (dba Visit Carlsbad), to provide tourism promotion services for the CTBID. The scope of those services has included operation of the visitor center, website development and administration, group sales, print and internet advertising, public relations and various other tourism promotion activities identified in the agreement.

On April 18, 2023, the City Council of the City of Carlsbad formed a new Carlsbad Tourism Business Improvement District (New CTBID) under the Property and Business Improvement District Law of 1994 (California Streets and Highways Code Sections 36600 et seq.). Visit Carlsbad was selected as the Owners' Association under the New CTBID and implemented the New CTBID's management district plan, as of July 1, 2023, when the new assessment also began.

As a result of the New CTBID's establishment, the current CTBID will wind down operations by the end of fiscal year 2023-24. To avoid subjecting hotel businesses to double assessments, the City Council did not levy assessments under the current CTBID for the fiscal year 2023-24. However, the current CTBID has available funds from prior fiscal year assessments to fund tourism promotion and visitor services for the benefit of hotel businesses until the New CTBID receives sufficient assessment revenue to begin providing these services.

Historically, to execute these services, the CTBID Advisory Board has contracted with Visit Carlsbad to develop a program of work and present it to the CTBID Advisory Board for approval along with the proposed budget for the work. The budget is then included in the CTBID's annual report and budget. In this case, the program of work was presented and approved in May 2022 for FY 2022-2023.

On June 27, 2023, the CTBID Advisory Board approved an amendment to extend the contract with Visit Carlsbad to execute the same program of work, until the remaining CTBID funds that were collected in FY 2022-2023 are fully expended.

This report will provide an update on the progress made by Visit Carlsbad on the deliverables set forth in the contract and provide the CTBID Advisory Board with an accounting of funds expended and services rendered.

Fiscal Impact

None.

Exhibits

None.



Staff Report

Meeting Date: April 10, 2024
To: CTBID Advisory Board Members
From: Matt Sanford, Economic Development Manager
Staff Contact: Matt Sanford, Economic Development Manager
matt.sanford@carlsbadca.gov, 760-607-2923
Subject: Disestablishment of the Carlsbad Tourism Business Improvement District

Recommended Action

Adopt a resolution recommending the City Council disestablish the Carlsbad Tourism Business Improvement District established in 2005 and repeal Carlsbad Municipal Code Chapter 3.37.

Item Explanation

The current Carlsbad Tourism Business Improvement District was established in 2005 under the state's Parking and Business Improvement Area Law of 1989 (Old CTBID). In 2020, the district, through a petition from the majority of the lodging businesses in Carlsbad, as measured by the revenue they contributed, and subsequent City Council action, raised the assessment from \$1 per room night to 2% of the daily room night cost.

The increase in the assessment rate increased the district's budget from approximately \$1.5 million to approximately \$6.5 million. This larger budget went into effect beginning fiscal year 2020-21 and has allowed for more robust tourism promotion.

The statutory authority for the existing district was adequate in previous years, but with the district's increased assessment, budget and capabilities grew, and a majority of Carlsbad lodging businesses – which both pay and benefit from the assessment – expressed their support to form a new Carlsbad Tourism Business Improvement District with a more modern authorization structure.

On January 12, 2022, the CTBID Advisory Board, made up of representatives of local hotels and resorts, voted to explore options to modernize the district's operations, including possibly reestablishing the district under the Property and Business Improvement District Law of 1994.

In October 2022, information about the potential changes and a copy of the petition was sent to all lodging businesses. The city received enough petitions in support of the change to allow the City Council to establish a new district.

On April 18, 2023, the City Council formed a new Carlsbad Tourism Business Improvement District (New CTBID) under the Property and Business Improvement District Law of 1994 (California Streets and Highways Code Sections 36600 *et seq.*). Visit Carlsbad was selected as the Owners' Association under the New CTBID to implement the New CTBID's management district plan.

The New CTBID and corresponding assessment began on July 1, 2023, and was authorized for a five-year period. Because of the formation of the New CTBID, the Old CTBID's assessment was not levied in fiscal year 2023-24. However, the Old CTBID could not be disestablished at the time because a balance of approximately \$3.5 million remained from previous years' assessments. Those funds had to be expended on programs and services consistent with the Old CTBID's guidelines.

On June 27, 2023, to expend the Old CTBID's funds collected in fiscal year 2022-23, the CTBID Advisory Board approved an amendment to extend the contract with Visit Carlsbad to execute the same program of work until the remaining Old CTBID funds were fully expended. As of April 5, 2024, all funds collected under the Old CTBID were expended and services were rendered by Visit Carlsbad.

Because there are no remaining funds and the assessment has already been discontinued, the CTBID Advisory Board may provide a recommendation to the City Council to disestablish the Old CTBID.

Fiscal Impact

None.

Next Steps

Should the CTBID Advisory Board adopt the resolution recommending disestablishment of the Old CTBID, staff will proceed with scheduling the necessary public hearing and item for City Council consideration.

Environmental Impact

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065, in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

Exhibits

1. Resolution - CTBID Disestablishment Recommendation

RESOLUTION NO. _____

A RESOLUTION OF THE CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD OF THE CITY OF CARLSBAD, CALIFORNIA, RECOMMENDING THE CITY COUNCIL DISESTABLISH THE CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT ESTABLISHED IN 2005 AND REPEAL CARLSBAD MUNICIPAL CODE CHAPTER 3.37

WHEREAS, on Nov. 15, 2005, the City Council of the City of Carlsbad approved Ordinance No. NS-778 enacting Chapter 3.37 of the Carlsbad Municipal Code establishing the Carlsbad Tourism Business Improvement District (Old CTBID) under the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code Section 36500 *et seq.*); and

WHEREAS, the City Council established the Carlsbad Tourism Business Improvement District Advisory Board (CTBID Advisory Board) as authorized under the California Streets and Highways Code Section 36530 and codified in Carlsbad Municipal Code Section 3.37.100; and

WHEREAS, the City Council formed a new Carlsbad Tourism Business Improvement District on April 18, 2023 (New CTBID) under the Property and Business Improvement District Law of 1994 (California Streets and Highways Code Section 36600 *et seq.*) as effectuated in City Council Resolution No. 2023-118; and

WHEREAS, the New CTBID will continue to promote tourism and visitor services with Visit Carlsbad as the contracted Owners' Association as defined under the 94 Law; and

WHEREAS, as a result of the New CTBID's establishment, the Old CTBID has wound down operations and exhausted its remaining funds as of April 5, 2024; and

WHEREAS, there are no remaining assets to dispose of acquired with the revenues of the assessments levied and collected for the Old CTBID's projects, programs, activities, and administration.

NOW, THEREFORE, BE IT RESOLVED by the Carlsbad Tourism Business Improvement District Advisory Board of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the Carlsbad Tourism Business Improvement District Advisory Board recommends the City Council disestablish the Old CTBID and repeal Carlsbad Municipal Code Chapter 3.37.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Carlsbad Tourism Business Improvement District Advisory Board of the City of Carlsbad on the __ day of _____, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

TIM STRIPE, Chair

SHERRI FREISINGER, City Clerk
(SEAL)