



NOTICE OF SPECIAL MEETING  
CITY OF PACIFIC GROVE  
CITY COUNCIL  
SPECIAL MEETING AGENDA

Tuesday, October 16, 2018, 5:30 P.M.

Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

The Council will not begin consideration of any item on this agenda later than 10:00 p.m. unless such consideration is approved. Any items on this agenda not considered this evening will be continued to a future meeting.

Copies of the agenda packet are available for review at the Pacific Grove Library located at 550 Central Avenue; the main counter in City Hall at 300 Forest Avenue, Pacific Grove; and on the internet at [www.cityofpacificgrove.org/agendas](http://www.cityofpacificgrove.org/agendas). The most effective method of communication with the City Council is by sending an email to [citycouncil@cityofpacificgrove.org](mailto:citycouncil@cityofpacificgrove.org). In order to allow the City Council adequate time to review communication related to an agenda item, and in order to allow for the communication to be photocopied and placed within the Reading File, it is recommended that the communication be sent no later than 9:00 AM on the day prior to the City Council meeting.

## AGENDA

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE: Mayor Kampe

#### 1. APPROVAL OF AGENDA

#### 2. GENERAL PUBLIC COMMENT

*General Public Comment must deal with matters subject to the jurisdiction of the City and the Council that are not on the Regular Agenda. This is the appropriate place to comment as to items on the Consent Agenda, only if you do not wish to have the item pulled for individual consideration by the Council. Comments from the public will be limited to three minutes and will not receive Council action. Comments regarding items on the Regular Agenda shall be heard prior to Council's consideration of such items at the time such items are called. Whenever possible, written correspondence should be submitted to the Council in advance of the meeting, to provide adequate time for its consideration.*

### REGULAR AGENDA

#### 3. NEW BUSINESS

- A. Resolution Granting Consent to the City of Monterey to Establish the Monterey County Tourism Improvement District (MCTID) and Include the City of Pacific Grove in the MCTID  
Reference: Tori Hannah, Administrative Services Director and Stephen Green, Administrative Services Manager  
Recommended Action: Adopt a resolution granting consent to the City of Monterey to form the MCTID and include the City of Pacific Grove in the MCTID.  
**CEQA: Does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines**

**ADJOURNMENT**

NOTICE OF ADA COMPLIANCE: Pursuant to Title II of the Americans with Disabilities Act (Codified At 42 United States Code Section 12101 and 28 Code of Federal Regulations Part 35), and Section 504 of the Rehabilitation Act of 1973, the City of Pacific Grove does not discriminate on the basis of race, color, religion, national origin, ancestry, sex, disability, age or sexual orientation in the provision of any services, programs, or activities. The City of Pacific Grove does not discriminate against persons with disabilities. City Hall is an accessible facility. A limited number of assisted listening devices will be available at this meeting. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting or provide the requested agenda format.



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Tori Hannah, Administrative Services Director and Stephen Green,  
Administrative Services Manager

**MEETING DATE:** October 16, 2018

**SUBJECT:** Resolution Granting Consent to the City of Monterey to Establish the  
Monterey County Tourism Improvement District (MCTID) and Include the  
City of Pacific Grove in the MCTID

**CEQA STATUS:** Does Not Constitute a “Project” per California Environmental Quality Act  
(CEQA) Guidelines

**RECOMMENDATION**

Adopt a resolution granting consent to the City of Monterey to form the MCTID and include the City of Pacific Grove in the MCTID.

**RESULT OF RECOMMENDED ACTION**

The recommended action, adoption of the resolution consenting to the inclusion of Pacific Grove in the proposed MCTID, will enable the City of Monterey and the Monterey County Convention and Visitors Bureau to move forward with the MCTID formation process. Upon successful formation, the MCTID will be governed by the TID Oversight Committee and the Management District Plan (MDP), facilitated by the Monterey City Council and the Monterey County Convention and Visitors Bureau (the Owner’s Association), and the City of Pacific Grove will not have a management role. However, the Pacific Grove Chamber of Commerce will have full control over the management of the additional assessment funds (\$2.00 per night for full service businesses and \$1.00 per night for limited service businesses) levied in Pacific Grove.

**BACKGROUND**

State law provides cities with the ability to form special benefit assessment districts for the purpose of business improvement, subject to the support of a majority of affected businesses.

The existing MCTID district was formed in 2006 pursuant to the Property and Business Improvement Area Law of 1989 (’89 Law). This effort seeks to modernize the district by disestablishing the ’89 Law district and re-establishing the MCTID pursuant to the Property and Business Improvement District Law of 1994 (’94 Law).

The City of Monterey is working with the Monterey County Convention and Visitors Bureau (MCCVB) and local lodging businesses to form the MCTID. The Pacific Grove City Council must give consent to the Monterey City Council for the City of Pacific Grove to be included in the MCTID. The MCTID MDP sets forth the assessment rate.

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 (Pacific Grove) 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 a two-thirds (2/3) vote of the TID Oversight 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 TID Oversight Committee is comprised of hotel representatives from within the Monterey County Tourism Improvement District (MCTID) boundaries. Seats will be allocated per jurisdiction based on TID contribution level by jurisdiction. Pacific Grove has one voting seat on the Committee currently held by Amrish Patel.

A map that defines the proposed boundary of the MCTID is attached as Exhibit A.

## **DISCUSSION**

In November 2007, the Pacific Grove Hospitality Improvement District (HID) was formed pursuant to the '89 Law. The HID resides in the proposed boundary of the MCTID. During the MCTID formation process, the Pacific Grove Chamber of Commerce worked with the MCCVB to incorporate the parameters of the HID, with the approval of the current HID Board, into Zone 3 of the MCTID. Concurrently with the MCTID formation process, the HID will be modified pursuant to the procedures provided in the '89 Law to reduce the assessment rate to zero effective December 31, 2018. The modification process includes: adopting a resolution of intention to modify the HID, providing notice by mail and publication, holding a public hearing on HID modification, and adopting an ordinance modifying the HID.

In Zone 3 of the MCTID (Pacific Grove) the MCTID assessment will be \$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. The Zone 1 MCTID assessment 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 additional amount for Zone 3 businesses is intended to replace the existing HID assessment. The additional assessment in Zone 3 is dedicated for use by the Pacific Grove Chamber of Commerce for services currently funded by the HID including, promotion and advocacy services.

In conclusion, in order to support Monterey County lodging businesses and the tourism economy of Monterey County, including the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Salinas, Sand City, and Seaside, your support for enabling the City of Monterey to proceed with formation of the MCTID is respectfully requested.

**GOAL ALIGNMENT**

N/A

**ATTACHMENTS**

1. Resolution of the City of Pacific Grove Granting Consent to the City of Monterey to Form the MCTID
2. MCTD Boundaries Map
3. PG Proposed Modification Timeline

RESPECTFULLY SUBMITTED:



---

Tori Hannah  
Administrative Services Director



---

Stephen Green  
Administrative Services Manager

REVIEWED BY:



---

Ben Harvey  
City Manager

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE,  
STATE OF CALIFORNIA, GRANTING CONSENT TO THE CITY OF  
MONTEREY TO ESTABLISH THE MONTEREY COUNTY TOURISM  
IMPROVEMENT DISTRICT**

**WHEREAS**, the City of Monterey is beginning the process to establish the Monterey County Tourism Improvement District (MCTID) pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq., to promote tourism and the lodging businesses in Monterey County; including the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Salinas, Sand City, and Seaside; and

**WHEREAS**, the City Council of the City of Monterey has requested consent to establish the MCTID in the City of Pacific Grove with adoption of City of Monterey City Council Resolution No. 18-143, dated August 21, 2018;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Pacific Grove, that:

Section 1: The above recitals are true and correct.

Section 2: The City Council consents to the City of Monterey establishing, operating, and renewing the MCTID, which District shall include the City of Pacific Grove.

Section 3: The City Clerk is hereby directed to transmit a certified copy of this Resolution to the Monterey City Clerk.

Section 4: This Resolution is effective upon its adoption.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Pacific Grove, State of California, held on this 16th day of October, 2018 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

Bill Kampe, MAYOR

ATTEST:

---

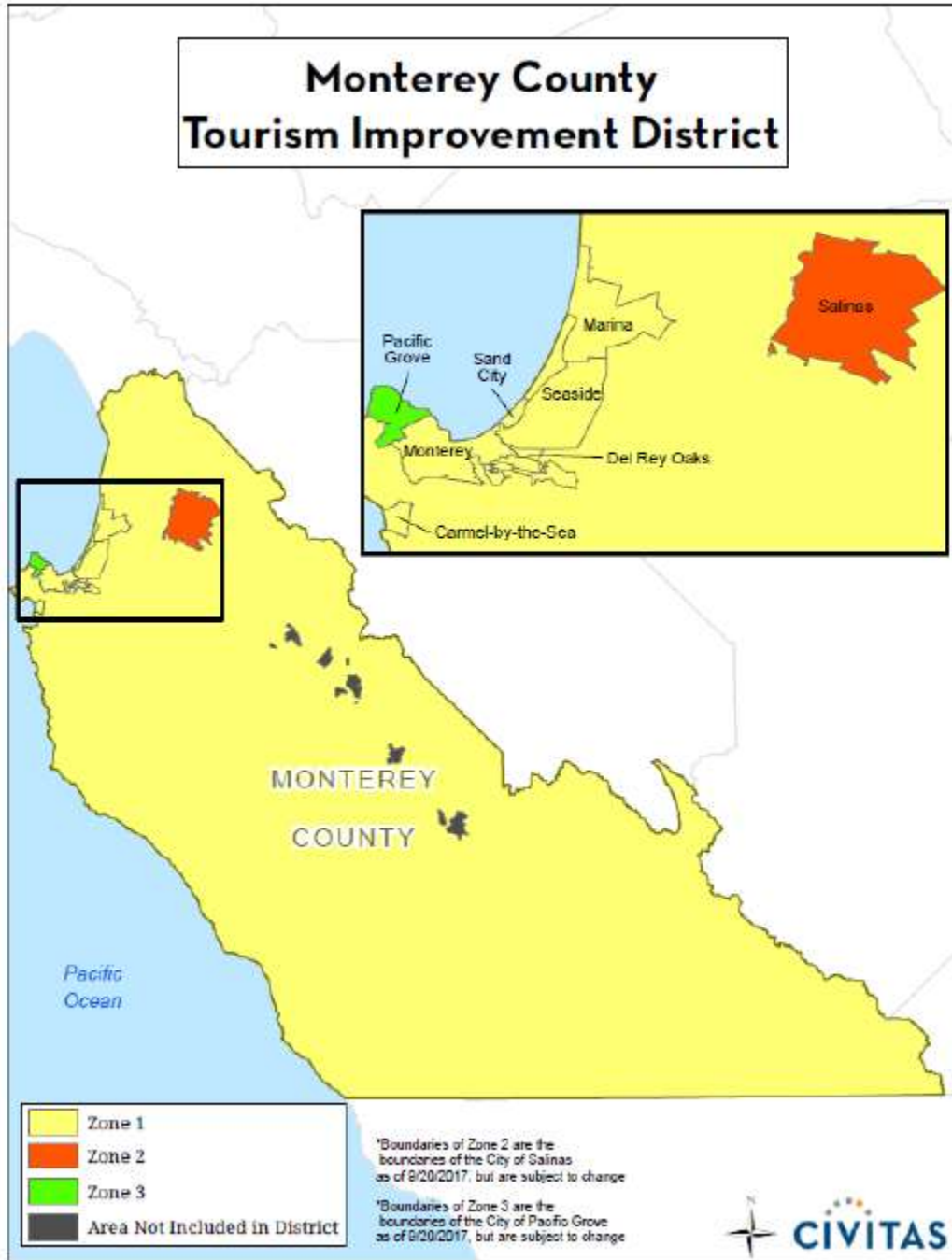
Sandra Kandell, CITY CLERK

APPROVED AS TO FORM:

---

David C. Laredo, CITY ATTORNEY

### MCTID Boundaries





**Pacific Grove HID**  
Proposed Modification Timeline  
**October 4, 2018**

Action	Date
<b>City Council</b> • Presentation to Council on proposed Monterey County Tourism Improvement District	October 3, 2018
<b>City Council</b> • Grant Consent to the City of Monterey to include Pacific Grove in the MCTID	October 16, 2018
<b>City Council</b> • Modification Resolution of Intention	October 17, 2018
<b>Mail and Publish</b> Modification Resolution of Intention – <i>Must be mailed within 7 days of adoption and must be published at least 7 days before public hearing</i>	October 18, 2018
<b>City Council</b> • Modification Public Hearing, Modification Ordinance first reading	November 7, 2018
<b>City Council</b> • Modification Ordinance second reading and adoption	December 5, 2018
'89 HID modification effective	December 31, 2018
Collections begin for MCTID	January 1, 2019

*PACIFIC GROVE CITY COUNCIL MEETS ON THE 1<sup>ST</sup> AND 3<sup>RD</sup> WEDNESDAY OF EACH MONTH*