2026-2031

SANTA CLARA 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.

April 21, 2026

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I. OVERVIEW

Developed by Santa Clara lodging businesses and Silicon Valley/Santa Clara DMO, Inc. dba Discover Santa Clara® ("Discover Santa Clara® or DMO"), the Santa Clara Tourism Improvement District ("SCTID") is an assessment district proposed to continue to provide specific benefits to payors by funding marketing, communications, and convention center and partner sales services for assessed lodging 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. The SCTID was initially created in 2021 for a five (5) year term. Santa Clara lodging businesses and the DMO now wish to renew the SCTID for an additional five (5) year term.

Location: The renewed SCTID includes all lodging businesses with ten (10) rooms or more, existing and in the future, available for public occupancy located within the boundaries of a portion of the city of Santa Clara, as shown on the map and defined in Section IV.

Services: The SCTID is designed to provide specific benefits directly to payors by increasing awareness and demand for room night sales. Marketing, communication programs, and convention center and partner sales, and other improvements and activities set forth in this Management District Plan ("Plan"), will increase demand for overnight tourism and market payors for tourist, meeting and event destinations, thereby increasing demand for room nights.

Budget: The total SCTID annual assessment budget for the initial year of its five (5) year operation is anticipated to be approximately $4,047,912. A similar assessment budget is expected to apply to subsequent years, but this assessment budget is expected to fluctuate as room sales do, as businesses open and close, and if the assessment rate is increased or decreased pursuant to this Plan.

Cost: The annual assessment rate is two percent (2%) of gross short-term sleeping room rental revenue. During the SCTID term, the assessment rate may be increased to a maximum rate of three percent (3%) of gross short-term sleeping room rental revenue for assessed lodging businesses. The DMO Board of Directors (the "Board") shall have the authority to increase the rate to a maximum assessment rate of three percent (3%). If the assessment rate is increased, it may subsequently be decreased, subject to Board approval as described in Section V of this Plan, but shall not be decreased below a minimum of two percent (2%) of gross short-term sleeping room rental revenue. The maximum assessment increase or decrease permitted in any year shall be one-half percent (0.5%). Increases to the assessment rate shall be subject to the approval of the Board and assessed lodging business owners, as described in Section V of this Plan.

Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; or stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. Additionally, assessments will not be collected on stays by any Federal or State of California officer or employee on official business who shall provide one of the following: a warrant or check drawn on the Treasury of the United States; a copy of the official travel orders indicating the issuing governmental agency and the employee's full name; or, a copy of a letter on the official letterhead of an exempt governmental agency requesting exemption and

listing the employee's name and stating that the stay is for official government business. The dates of occupancy must also be included. These requirements must be demonstrated by the guest at the time of registration. Failure to satisfy these requirements will result in no assessment exemption. Copies of the documentation for each exemption claimed must be submitted to the City's Director of Finance with each remittance of assessments.

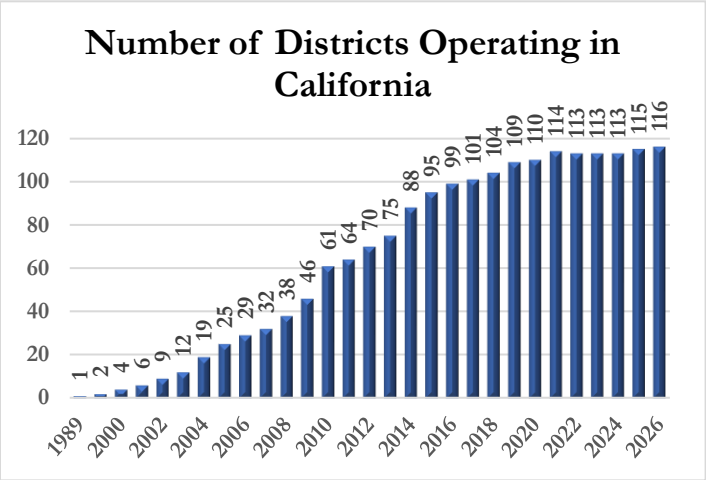
Collection: Each assessed lodging business located in the boundaries of the SCTID shall be responsible for remitting the assessments to the City in accordance with this Plan. The City will be responsible for collecting the assessment on a monthly basis (including any interest and overdue charges) from each assessed lodging business located in the boundaries of the SCTID. The City shall take all reasonable efforts to collect the assessments from each assessed lodging business and may charge SCTID its proportionate share of collection costs.

Duration: The renewed SCTID will have a five (5) year life, beginning July 1, 2026, or as soon as possible thereafter, and ending five (5) years from its start date. After five (5) years, the SCTID may be renewed pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 et seq. ("94 Law") if assessed lodging business owners support continuing the SCTID programs.

Management: The DMO shall continue to serve as the SCTID'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 City Council.

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, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model: Illinois, Minnesota, Massachusetts, 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 existing business improvement district laws to form TIDs. Additionally, 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 $300 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Santa Clara lodging businesses continue to invest in stable, commerce-specific marketing programs.

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

In California, most 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* *<u>funds raised are returned to the private non-profit corporation</u> governing the district for expenditures consistent with plans like this one.* They are intended to supplement, not supplant, existing government funding and services for the specific benefit of the assessed businesses.

There are many benefits to TIDs:

- Funds must be spent on services and improvements that provide a specific benefit only 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.

III. ACCOMPLISHMENTS

Organizational Formation and Strategic Evolution: Since its establishment, Discover Santa Clara® has evolved from a start-up organization into a fully operational Destination Marketing Organization with the team, systems, and partnerships in place to deliver results. Over the past fiscal year, the DMO advanced its sales, marketing, and operational capabilities, strengthened financial stewardship, and positioned Santa Clara to capitalize on major global opportunities ahead—including Super Bowl LX and the FIFA World Cup 2026. The following highlights reflect key accomplishments achieved through collaboration with our SCTID hotel partners, the City, and industry stakeholders.

Metrics reflect performance through the close of FY 2024/25, with select indicators updated to reflect early FY 2025/26 activity where relevant.

ORGANIZATIONAL SUCCESS: TEAM ACHIEVEMENTS AND INDUSTRY ACCOLADES.

I. Administrative Operational Advancement & Governance

- **Executive Leadership and Team Build-Out:** Following the hiring of a new CEO in October 2022, Discover Santa Clara® **built out its full organizational structure.** Under her leadership, the DMO strategically assembled a high-performing team that now includes a Director of Business Operations, Directors of Sales & Marketing, two Sales Managers, a Manager of Data & Strategy, a Marketing Manager, and a Marketing Coordinator. With staggered onboarding over two and a half years, the **full team of nine was in place in March 2025.**
- **Established Financial Infrastructure**: Developed and completed **Financial Standard Operating Procedures (SOPs)** in collaboration with our Accounting Firm Krisch & Company and City representatives. These SOPs were approved by the Board in January 2024 and serve as one of the steps necessary for the DMO's readiness to gain financial independence.
- **Launched a 401(k) Program**: Introduced a formal **retirement benefits program** for all full-time employees, demonstrating long-term commitment to staff well-being and organizational maturity.
- **Implemented Performance Management and Incentive Programs to Drive Accountability and Results:** Implemented a comprehensive **performance management framework** creating a structured Annual Review Process that includes quarterly check-ins and year-end evaluations aligned to individual goals and broader organizational Key Performance Indicators (KPIs). Additionally, designed and rolled out **incentive compensation plans** and goal-setting processes for all eligible positions, linking performance with accountability to drive results-driven behavior.
- **Modernized Administrative Systems**:
    - Developed and gained Board approval for the organization's first-ever **Travel & Entertainment Policy** to guide responsible spending, improve reporting accuracy, and establish accountability standards.
    - Introduced **Corporate Credit Cards** through Bridge Bank to streamline business purchasing, travel, and reimbursements.
    - Finalized **revenue reconciliation** for 2019–2021 with the City and the former Chamber of Commerce DMO.
    - Created **SOPs** and internal systems to guide reporting, vendor management, and City contract tracking.
- **Strengthened Governance & Reporting**:
    - Delivered **quarterly and annual reports** to the Board of Directors and SCTID partners.

- Facilitated Board of Directors **elections and onboarding processes.**
- Initiated Civitas-led **Board training** in January 2025 to strengthen governance alignment and introduce the SCTID renewal process.

- **Strategic Team Alignment**: Implemented cadence of all-staff **strategic offsite meetings** focused on cross-functional planning, budget alignment, and team development, including *The Enneagram Training* for deeper understanding of team dynamics.
- **Strong Financial Performance & Stewardship (FY 2024/25):**
  - SCTID assessment **outperformed projections** ($3.2M vs. $2.6M forecast)
  - Generated **$160,000 in new interest revenue** on assessment funds.
  - Closed FY 2024/25 with an approximately **$600,000 year-end surplus** to fund future activities**,** reflecting strong assessment performance and expense management.

II. Sales & Convention Strategy

- **Strategic Sales Deployment:** Implemented a **market-segment deployment model,** aligning sales team members by verticals such as corporate, sports, and association to better engage planners and strategically grow business opportunities.
- **Sales Lead Growth & Expanded Booking Scope**: Within the Priority (P1–P5) classification system—where groups are ranked by peak room demand and convention center spend—**P1–P3 represent the highest-value, long-term business** driving the greatest economic impact. FY 2024/25 marked the first full year with a fully staffed sales team and the expansion of the DMO's booking scope to include management of P3 leads generated through direct sales efforts. As a result, total lead volume increased 46% year-over-year, with the DMO generating 101 P1–P3 leads, up from 72 the prior year. This growth was driven by proactive prospecting, targeted sales trips, and consistent client engagement.
- **Secured Priority 1 (P1) + Priority 2 (P2) Events:** Secured multiple P2 and self-contained groups for future years driving both room nights for our SCTID hotel partners and revenue for the Convention Center. Successfully delivered the DMO's first P1 citywide group to actualization, with the event completed and generating over $1M in revenue.
- **Tradeshow & Industry Presence:** Engaged in **25 strategically selected tradeshows and sales missions**, including IMEX, TEAMS, MPI, IPEC, Connect Spring, and RCMA, targeting **corporate, association, sports, and affinity segments** to drive direct planner engagement and elevate Santa Clara's visibility.
- **Strategic Partnerships**: Established **strategic partnerships** with leading tourism and meetings industry organizations – including *U.S. Travel, CalTravel, Meeting Professionals International, SF Travel, HelmsBriscoe, and ConferenceDirect* – expanding access to key client databases, industry events, and high-value meeting planner networks.
- **Sales-Driven Marketing Integration:** Partnered with marketing to create **targeted sales materials, custom collateral, and pre-post campaigns** supporting key tradeshows and sales missions. Integrated **meetings-focused content** into the broader strategy to ensure alignment with planner needs and enhance Santa Clara's visibility as a premier meetings destination.
- **CRM & Data Modernization:** Completed a comprehensive audit and cleanup of the Simpleview Customer Relationship Management tool, integrated strategic prospecting tools including **ZoomInfo and Cvent BI Dashboard, enhanced STR (Smith Travel Accommodations Report) reporting, and advanced implementation of the Tourism Economics Symphony** platform to strengthen data capture, marketing attribution, return on investment (ROI) measurement, and partner decision-making.
- **Backyard Acquisition Strategy:** Rolled out a local account acquisition plan targeting 1,500 regional companies, hosting site visits and client events to showcase SCTID partner hotels and City assets, including the Convention Center, to the meeting planner community.

Community Visibility & Upcoming Signature Events

- **Super Bowl LX and FIFA World Cup 2026 Readiness:** Finalized and received Board approval for the SBLX/FWC26 Activation Plan - including **public relations strategies, influencer content, an Ultimate Sports Playbook, enhanced digital presence, and a Media & Meeting Planner Familiarization Trip** - with many elements already executed and others advancing toward completion.

  The plan has delivered high-value media and public relations exposure for the City and DMO, including the launch of the **Global Games Food Trail**, securing early placements in **Forbes and *Vogue***. The DMO also finalized a partnership with the **Bay Area Host Committee**, unlocking unique marketing, sales, and visibility opportunities tied to these global events.

- **Hosted VIP & Media Events:**
  - **Hosted the Bay Area Travel Writers Group:** Welcomed influential local media to showcase Santa Clara's unique offerings and strengthen relationships with key travel writers.
  - **Hosted Los Angeles Media Mission:** Hosted a **cooking class activation** led by Chef Nelson Ramirez of the Santa Clara Marriott, for ten key Los Angeles media representatives, reinforcing the city's identity as a global gathering place for international fans and global cuisine ahead of Super Bowl LX and FWC26.
  - Collaborated with Levi's® Stadium for **North America Trailer Dealers Association (NATDA)** joint event.
  - Partnered with DMO's including **Visit Salt Lake City, Visit Oakland, Team San Jose, and SF Travel** to co-host key client events – creating shared opportunities to showcase Santa Clara and build planner relationships.
  - Hosted multiple client events at **Levi's® Stadium,** engaging planners through premium experiences at 49ers games and major concerts to strengthen relationships, showcase the destination, and secure more leads.
  - **Citywide Media Success:** Supported the City of Santa Clara in crafting the narrative around Beyoncé and Taylor Swift concert visits, positioning the City as the ***"Swiftie Capital of the USA,"*** and elevating national exposure.

III. Marketing, Brand Development & Visibility

- **Omnichannel Marketing Ecosystem:** Completed a competitive RFP process and appointed **Madden Media** to execute on the Omnichannel Marketing project, resulting in the delivery of the following tools and assets to actively support sales, marketing, public relations, our SCTID partner hotels and city partners.
  - A newly launched Discover Santa Clara ® **redesigned website** with 360° hotel tours, SEO optimization, real-time SCTID hotel partner booking widget, and multi-language support.
  - Published the city's first-ever **Visitors Guide.**
  - Established consistent **unified brand voice and PR strategy.**
  - Built a reusable, high-quality **photo/video content library.**
- **Marketing Agency of Record (AOR):** Completed a competitive RFP process and appointed **Madden Media** as the DMO's AOR in March 2025 to support key marketing initiatives. Establishing an AOR ensures brand consistency, streamlined communication, project execution, and enables the DMO to respond more swiftly to opportunities with a partner deeply aligned to its evolving goals including:
  - Shaping the DMO's **Public Relations and Communications** narrative,

- Partnering to manage our **digital marketing strategy** and budget,
- Creating a **Meetings & Conventions specific video** for sales & marketing purposes,
- Supporting the execution of the DMO's **SBLX/FWC26 Activation Plan.**

- **Collateral & Presentation Tools:** Created and modernized **customer facing sales collateral, presentations, and internal reporting templates** to align with our brand look and feel.
- **Digital Audience & Engagement Growth:** With the establishment of a dedicated Marketing Team in May 2023 and building from a minimal digital footprint typical of a start-up DMO, Discover Santa Clara® has achieved exceptional growth across its owned channels, significantly expanding reach and engagement with core audiences.
  - **Instagram:** Grew from **79 to more than 21,232 followers**, representing a significantly expanding destination awareness through high-performing event, experiential, and partner-driven content.
  - **LinkedIn:** Expanded from **240 to more than 2,745 followers**, strengthening reach and credibility within the meetings, business, and industry community.
  - **Facebook:** Grew from **14 to more than 5,174 followers**, increasing visibility for citywide events, partner activations, and destination storytelling.
  - **Email Marketing:** Subscriber base grew from **1,935 to more than 28,464**, enabling stronger campaign reach and more targeted communication with key audiences.
  - **TikTok Platform Expansion:** Launched TikTok as a test channel in early 2025 to extend reach through short-form video. Early performance demonstrated strong organic reach and engagement, prompting a strategic expansion of the platform to reach younger audiences and complement broader digital efforts.
  - **Blogs:** Published **33+ original blog pieces** across two fiscal years, including high-performing evergreen content such as *Business Travel Guide* and *Top 60 Things To Do in Santa Clara*.
- **Influencer Collaborations:** Executed multiple **influencer campaigns**, generating an impressive **5.1M impressions** in collaboration with SCTID partner hotels and key Santa Clara venues, including event tie-ins at Levi's® Stadium and California's Great America. Launched the *Santa Clara Influencer Catalog* to formalize future collaboration processes and efforts.
- **Strategic Advertising**:
  - Partnered with CBS on **two executions of The 49ers Experience**, showcasing Discover Santa Clara® and all 11 SCTID hotel partners through 15-second spotlight segments delivering significant brand exposure for the city.
  - Coverage in ***San Jose Mercury News, CBS Bay Area, KTVU, and the Silicon Valley Business Journal.***
  - Recognized by *Casino.org and San Jose Mercury News* as the ***"Swiftie Capital of the USA"*** in 2023, positioning the DMO for creative destination branding.

IV. Team Awards & Accolades

The Discover Santa Clara® team has been recognized for its leadership, innovation, and industry presence. These accolades reflect the DMO's increasing influence and credibility within the meetings, destination marketing, and tourism sectors.

- **Christine Lawson, President & CEO**
  - Honored as one of ***Silicon Valley Business Journal's*** **(SVBJ) Top 100 Women of Influence in 2024.**
  - Recipient of ***Smart Meetings'*** **Visionary Leader Award in 2024.**
  - Named one of the **Power 100 Most Influential People in Silicon Valley in 2025.**
  - Panelist at the **Future of Santa Clara event in both 2024 and 2025.**
  - **Invited contributor to *The Mercury News'* Monthly Insights & Indicators Column.**

- Featured across **multiple media outlets; *ABC7, CBS Bay Area, KTVU, and the Mercury News*** during Levi's® Stadium event coverage, reinforcing Santa Clara's position as a dynamic destination.
- Invited mentor participant for **SVBJ's Mentorship Monday** event in 2025.

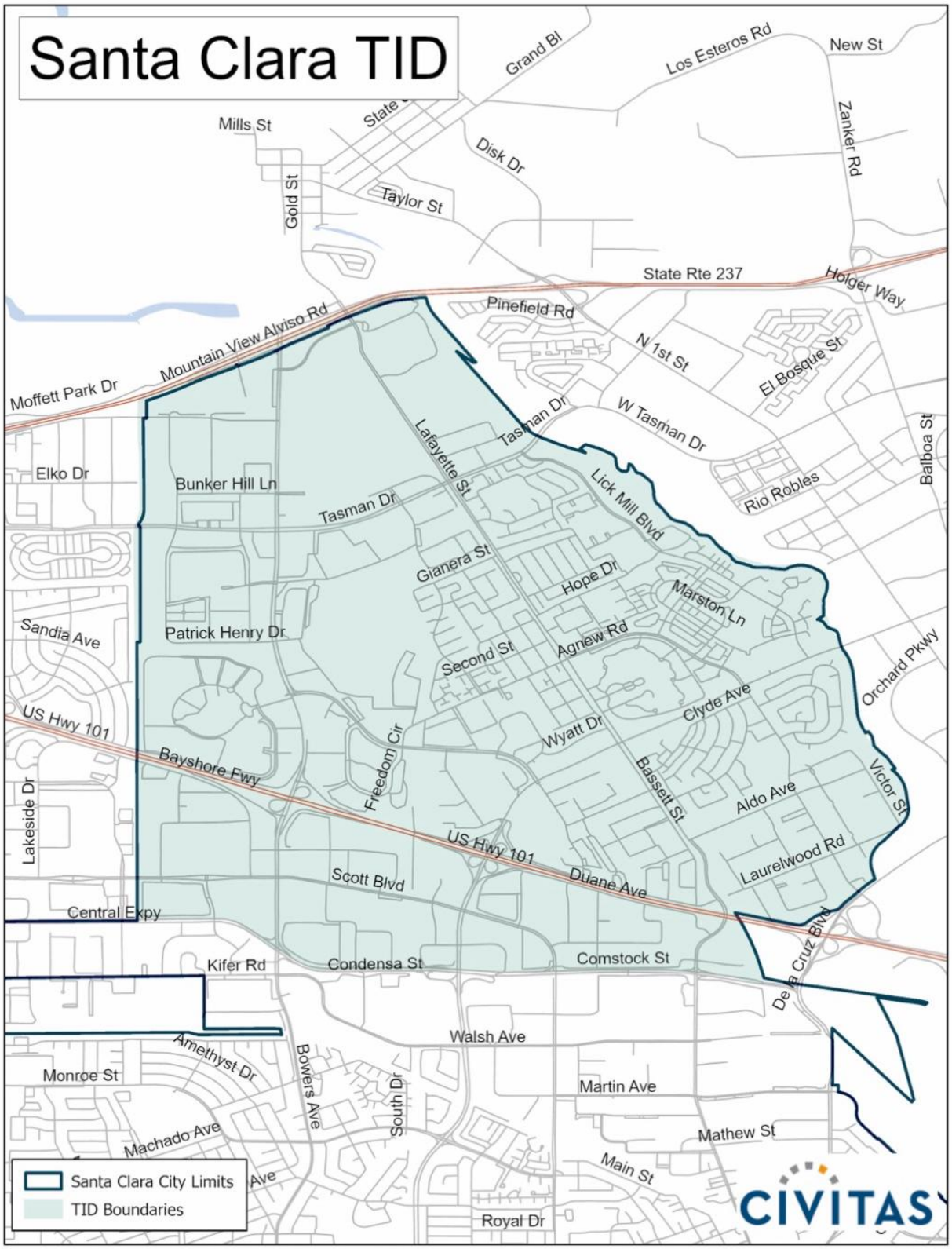
- **Katelyn Riccardi, Director of Marketing**
  - Named one of **SVBJ's 40 Under 40 in 2024.**
  - Invited mentor participant for **SVBJ's Mentorship Monday** event in 2024.
  - Appointed to the **Board of Directors for the Triton Museum of Art in 2024.**
- **Ben Landis, Marketing Manager**
  - Named to **Destinations International's and CalTravel's 30 Under 30 Class of 2025** recognizing rising stars shaping the future of destination marketing.

IV. BOUNDARY

The SCTID shall continue to include all lodging businesses with ten (10) rooms or more, existing and in the future, available for public occupancy within the boundaries of a portion of the City, as shown in the map on the following page.

Lodging business means: any structure, or any portion of any structure, that is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes, and includes, but is not limited to, any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home, or house trailer at a fixed location, or other similar structure or portion thereof. The term "lodging business" does not include short-term rentals, including units within a multi-family building permitted to operate as short-term rentals.

A complete listing of assessed lodging businesses within the renewed SCTID can be found in Appendix 2.

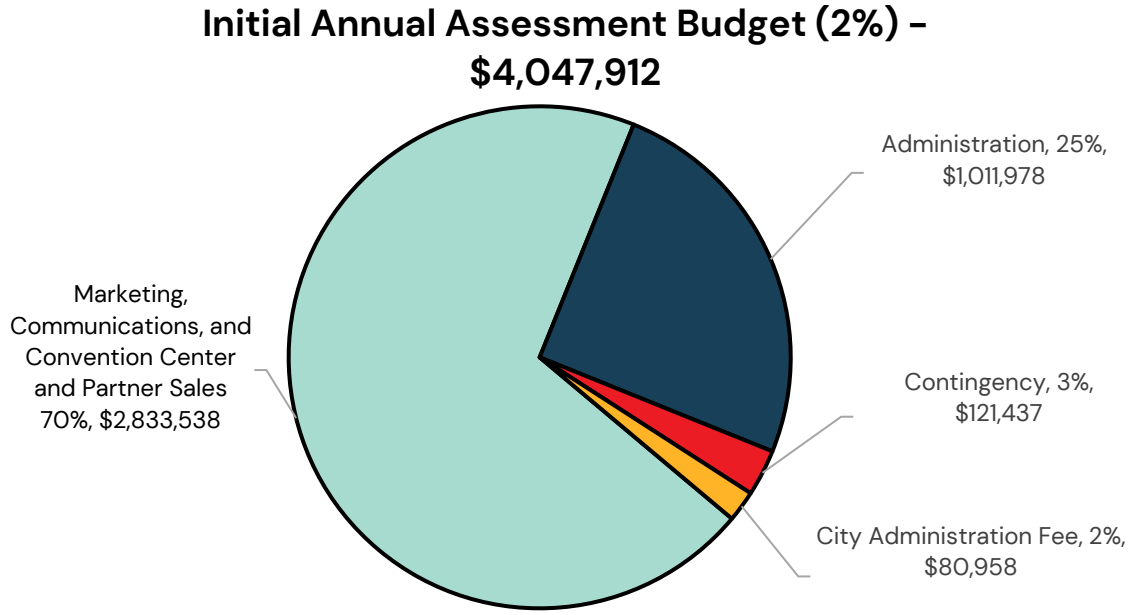

Santa Clara TID
Grand Bl
Los Esteros Rd
New St
Mills St
Disk Dr
Zanker Rd
Gold St
Taylor St
State Rte 237
Holger Way
Pinefield Rd
Mountain View Alviso Rd
N 1st St
El Bosque St
Moffett Park Dr
Tasman Dr
W Tasman Dr
Lafayette St
Balboa St
Elko Dr
Bunker Hill Ln
Lick Mill Blvd
Rio Robles
Tasman Dr
Gianera St
Hope Dr
Marston Ln
Sandia Ave
Patrick Henry Dr
Agnew Rd
Second St
Orchard Pkwy
US Hwy 101
Clyde Ave
Wyatt Dr
Bayshore Fwy
Freedom Cir
Bassett St
Aldo Ave
Victor St
Lakeside Dr
US Hwy 101
Laurelwood Rd
Scott Blvd
Duane Ave
Central Expy
De la Cruz Blvd
Kifer Rd
Condensa St
Comstock St
Walsh Ave
Amethyst Dr
Bowers Ave
Monroe St
South Dr
Martin Ave
Machado Ave
Mathew St
Main St
Ave
Royal Dr
Santa Clara City Limits
TID Boundaries
CIVITAS

V. ASSESSMENT 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 conferring the benefits or granting the privileges. The privileges and services provided with the SCTID funds are marketing, communications programs, convention center and partner sales, and other improvements and activities set forth in this Plan, available only to assessed lodging businesses within the SCTID.

A service plan assessment budget has been developed to deliver services that benefit the assessed lodging businesses. A detailed annual assessment budget will be developed and approved by the Board. The chart below illustrates the initial annual assessment budget allocations. These activities and allocations will also apply in subsequent years, subject to the stipulations in this Plan. The total initial assessment budget is estimated to be $4,047,912.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the Board shall have the authority to adjust budget allocations between the categories by no more than twenty percent (20%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the SCTID, any and all assessment funds may be used for the costs of defending the SCTID and its assessment.

Each budget category includes all costs related to providing that service. For example, the marketing, communications, and convention center and partner sales budget includes the cost of staff time dedicated to overseeing and implementing the marketing, communications program, and convention center and partner sales. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories. The staffing levels necessary to provide the services below will be determined by the DMO, and approved by the Board, on an as-needed basis.

Marketing, Communications, and Convention Center and Partner Sales

The Marketing, Communications Program, and Convention Center and Partner Sales Program is designed to position Santa Clara as a premier destination for meetings, events, and leisure tourism by combining strategic sales initiatives with targeted marketing and communications efforts. This program focuses on driving overnight stays at assessed businesses, supported by demand at Santa Clara venues such as the Convention Center and sport complexes, and includes the attraction of self-contained and hybrid events. The goal is to increase overnight visitation to assessed lodging businesses and strengthen the destination's visibility for major events and transient visitors. To achieve this, the program will leverage both proactive sales efforts and innovative digital marketing strategies, to reach a broader audience. Program activities may include, but are not limited to, the following activities:

- Promote and market Santa Clara as a premier destination for group events, meetings, and conventions, with a focus on driving room night demand to assessed businesses and generating strong ancillary revenue. This will be achieved through digital advertising, enhanced online presence, print collateral, and social media outreach.
- Develop and implement marketing strategies that position Santa Clara as a competitive leisure and group travel destination. Efforts shall highlight city assets, including attractions, venues, and assessed lodging businesses, to increase awareness and drive visitation to assessed lodging businesses.
- Engage in sales activity to market and sell the destination as a whole, including but not limited to the Convention Center, to drive room night sales at assessed lodging businesses and generate commensurate revenue across the destination.
- Engage in sales activities and targeted outreach to generate new bookings and drive room night demand from Santa Clara event attendees and group travelers utilizing the Convention Center and other partner venues, such as sports complexes, entertainment venues, and unique event spaces that contribute to overnight hotel stays at assessed lodging businesses.
- Engage in sales activities and targeted outreach to generate new bookings and increase room night production from self-contained group business, and other group travelers to assessed businesses.
- Coordinate the booking and reservation of meeting spaces, hotel room blocks, and off-site venues to ensure a seamless experience for planners and attendees.
- Host exhibits at industry trade shows, attend association events, and participate in destination marketing forums to generate leads and elevate Santa Clara's visibility as a leading meetings, business, and tourism destination that drives overnight visitation to assessed lodging businesses.
- Conduct familiarization trips and site visits for prospective clients and meeting planners to promote Santa Clara's assets and hospitality offerings that support overnight stays at assessed lodging businesses.
- Host key and in-market client events for current and prospective meeting planners and business influencers to showcase assessed businesses and partner venues that increase awareness, generate group lead volume, and drive demand at assessed lodging businesses.
- Develop and distribute promotional materials highlighting Santa Clara's assessed businesses and their offerings to support meeting planner decision-making and increase overnight stays.
- Implement competitive incentive programs in partnership with assessed lodging businesses and key Santa Clara venues to attract new marquee events and conventions that generate overnight visitation.
- Provide destination planning support to associations, businesses, and organizations holding events in Santa Clara, with a focus on increasing room night generation at assessed lodging businesses through coordination with the Convention Center operator and other local venue and service providers.

- Manage and continue to evolve the destination website to showcase Santa Clara as a desirable location for events and activities that drive overnight stays at assessed lodging businesses.
- Conduct coordinated advertising, public relations, and promotional campaigns that highlight Santa Clara attractions and amenities to increase group bookings and attract transient travelers, driving overnight stays at assessed lodging businesses.
- Establish stronger partnerships with regional and national event planners, third-party booking agencies, and local tourism stakeholders to increase visibility and generate leads that have the potential to convert into room nights at assessed lodging businesses.
- Utilize industry research, destination analytics, and hotel performance data to inform sales and marketing strategies, identify high-value market segments, and optimize efforts that convert leads into overnight stays at assessed lodging businesses.
- Develop and pursue multi-year agreements with meeting planners and event organizers to secure repeat business that generates consistent overnight visitation at assessed lodging businesses.
- Engage target industries and market segments through focused outreach to secure meetings and events that align with Santa Clara's destination strengths and drive room night demand to assessed lodging businesses.
- Develop sales & marketing campaigns and packages that pair stays at assessed lodging businesses with local experiences to attract weekend and shoulder-season travelers.
- Plan and execute paid advertising campaigns across digital platforms and traditional media channels. Activities may include search engine marketing, programmatic display, social media advertising, print, radio, or out-of-home placements targeted to drive website traffic and overnight bookings at assessed lodging businesses.
- Identify, contract, and manage influencer partnerships to expand reach and drive awareness in target markets to drive room night demand to assessed lodging businesses.
- Develop and manage cooperative marketing programs with assessed lodging businesses, including seasonal promotions and shared advertising initiatives.
- Plan and execute marketing campaigns with strategic travel and media partners to drive overnight visitation to assessed lodging businesses through targeted promotions, enhanced visibility, and destination-aligned messaging and branding.
- Develop and distribute the official Santa Clara Visitor Guide in print and digital formats, highlighting attractions, assessed lodging businesses, and visitor resources.
- Manage and grow all owned marketing channels, including social media platforms and email databases, to expand reach and engagement with prospective visitors.
- Create and distribute dynamic digital content—including short-form video, event-centric itineraries, and user-generated content—that highlights Santa Clara's assessed lodging businesses, venues, and experiences to influence booking decisions for both group and transient travel.
- Collaborate with tourism-aligned brands, influencers, and content creators to elevate Santa Clara's destination messaging and drive measurable increases in overnight visitation to assessed lodging businesses.

Administration

The administration portion of the SCTID budget provides management, coordination and support to all organizational services and functions. Administration is responsible for the general oversight and fiscal health of the organization and the budget will be used to support administrative staffing costs, office costs, policy development, and other general administrative costs such as insurance, legal, human resources, and accounting.

Contingency
The budget includes a contingency line item to account for uncollected assessments, if any. Funds may be collected and set aside in a contingency account and utilized for other programs or renewal costs consistent with the Plan as deemed appropriate by the Board. Contingency funds may be spent on SCTID programs or administrative renewal costs in such proportions as determined appropriate by the Board. This program represents three percent (3%) of the total annual assessment budget.

Reserve
DMO may maintain a reserve fund in accordance with this Plan. Reserve funds shall be expended in furtherance of the programs, activities, and services set forth in this Plan. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the Board.

City Administration Fee
The City shall retain a fee equal to two percent (2%) of the amount of assessment collected to cover its costs of collection and administration of the SCTID assessment which may include but are not limited to: staffing costs, legal services, telephone, supplies, postage, and other general office expenses.

B. Annual Budget

The total five (5) year assessment budget is projected at approximately $4,047,912 annually, or $27,323,406 through the five (5) year term of the SCTID if the maximum assessment rate increases of one-half percent (0.5%) per year, up to a maximum rate of three percent (3%), are adopted as outlined in the table below. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do, as businesses open and close, and if the assessment rate is increased or decreased pursuant to this Plan.

The annual assessment rate is two percent (2%) of gross short-term sleeping room rental revenue. During the SCTID term, the assessment rate may be increased to a maximum rate of three percent (3%) of gross short-term sleeping room rental revenue for assessed lodging businesses. The Board shall have the authority to increase the rate to a maximum assessment rate of three percent (3%). If the assessment rate is increased, it may subsequently be decreased, subject to Board approval as described in Subsection D of this Section V, but shall not be decreased below a minimum of two percent (2%) of gross short-term sleeping room rental revenue. The maximum assessment increase or decrease permitted in any year shall be one-half percent (0.5%). Increases to the assessment rate shall be subject to the approval of the Board, and assessed lodging business owners, as described in Subsection D of this Section V.

The table below demonstrates the estimated maximum budget with the assumption that the assessment rate will be increased at the earliest opportunity as it is a required disclosure, it is not the anticipated course of action. Alternate courses of action may be taken in regard to implementing the assessment rate increase other than what is demonstrated in the chart below, within the parameters of this Plan.

Estimated Annual Budget if Maximum Assessment Rates Are Adopted
2026 – 2031

Year	Marketing, Communications, and Convention Center and Partner Sales	Administration	Contingency	City Administration Fee	Total
2026-27	$2,833,538	$1,011,978	$121,437	$80,958	$4,047,912
2027-28	$3,541,923	$1,264,973	$151,797	$101,198	$5,059,890
2028-29	$4,250,308	$1,517,967	$182,156	$121,437	$6,071,868
2029-30	$4,250,308	$1,517,967	$182,156	$121,437	$6,071,868
2030-31	$4,250,308	$1,517,967	$182,156	$121,437	$6,071,868
Total	**$19,126,384**	**$6,830,852**	**$819,702**	**$546,468**	**$27,323,406**

C. California Constitutional Compliance

The SCTID 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.[1] Rather, the SCTID 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 SCTID, 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 conferring the benefits or providing the services.

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."[2] 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 lodging 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 businesses within the SCTID. The activities described in this Plan are specifically targeted to increase demand for room night sales for assessed lodging businesses within the boundaries of the SCTID and are narrowly tailored. SCTID funds will be used exclusively to provide the specific benefit of increased demand for room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in SCTID programs, or to directly generate sales for non-assessed lodging businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed lodging businesses. Nothing in this Plan limits the ability of the Owners' Association to enter into private contracts with non-assessed lodging businesses for the provision of services to those businesses with non-assessment funding.

The assessment imposed by this SCTID 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 an increase in demand for room night sales via targeted marketing. The specific benefit of an increase in demand for room night sales for assessed lodging businesses will be provided only to lodging businesses paying the SCTID assessment, with marketing, sales and communications programs

[1] *Howard Jarvis Taxpayers Assn. v. the City of San Diego (1999)* 72 Cal App. 4th 230.
[2] Cal. Const. art XIII C § 1(e)(1).

promoting only lodging businesses paying the SCTID assessment. The marketing, communications, and convention center and partner sales programs will be designed to increase room night sales at assessed lodging businesses.

Because they are necessary to provide the marketing, communications, convention center and partner sales programs that specifically benefit the assessed lodging businesses, the reserves, administration and contingency services also provide the specific benefit of increased demand for room night sales to the assessed lodging businesses.

Although SCTID, 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."[3]

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."[4] The Legislature has recognized that marketing and promotions services like those to be provided by the SCTID are government services within the meaning of Proposition 26[5].

3. *Reasonable Cost*

SCTID 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. Funds will be managed by the DMO, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from SCTID-funded activities, be featured in advertising campaigns, and benefit from other SCTID-funded services. The assessed lodging business list was compiled from records provided by the jurisdiction and complies with the requirements of the 94 Law. Pursuant to Streets and Highways Code Section 36615, the City Council's determination of ownership is final and conclusive, with no obligation to obtain other information. Non-assessed lodging businesses will not receive these, nor any other, SCTID-funded services and benefits.

The SCTID-funded programs are targeted directly to benefit assessed lodging businesses. It is, however, possible that there will be a spillover benefit to non-assessed lodging businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-SCTID funds. SCTID funds shall only be spent to benefit the assessed lodging businesses and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed lodging businesses.

D. Assessment

The annual assessment rate is two percent (2%) of gross short-term sleeping room rental revenue. During the SCTID term, the assessment rate may be increased to a maximum rate of three percent (3%) of gross short-term sleeping room rental revenue for assessed lodging businesses. The Board shall have the authority to increase the rate to a maximum assessment rate of three percent (3%). If the assessment rate is increased, it may subsequently be decreased, subject to Board approval as

[3] Government Code § 53758(a)
[4] Cal. Const. art XIII C § 1(e)(2)
[5] Government Code § 53758(b)

described below, but shall not be decreased below a minimum of two percent (2%) of gross short-term sleeping room rental revenue. The maximum assessment increase or decrease permitted in any year shall be one-half percent (0.5%). Increases to the assessment rate shall be subject to the approval of the Board and assessed lodging business owners, as described below.

The DMO shall provide notice to assessed businesses with a clear disclosure of the rationale for an assessment increase tied to programs, projects, or services that enhance brand exposure and equity for Santa Clara as a destination and directly drive room night demand. To approve an assessment rate increase, the DMO shall secure signed petitions from assessed business owners totaling more than fifty percent (50%) of the assessed lodging businesses in the SCTID. If sufficient petitions are received, the Owners' Association's Board shall vote to adjust the assessment rate in accordance with the assessment structure reflected in the petitions, thereby aligning the rate with the preferences expressed by the assessed businesses.

While any increase in the assessment rate must follow the approval process outlined above, a proposed decrease may be approved by a vote of the Board.

Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; or stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. Additionally, assessments will not be collected on stays by any Federal or State of California officer or employee on official business who shall provide one of the following: a warrant or check drawn on the Treasury of the United States; a copy of the official travel orders indicating the issuing governmental agency and the employee's full name; or, a copy of a letter on the official letterhead of an exempt governmental agency requesting exemption and listing the employee's name and stating that the stay is for official government business. The dates of occupancy must also be included. These requirements must be demonstrated by the guest at the time of registration. Failure to satisfy these requirements will result in no assessment exemption. Copies of the documentation for each exemption claimed must be submitted to the Director of Finance with each remittance of assessments.

The assessment was calculated based on the total cost of the activities to be provided for the benefit of the businesses within the SCTID, with costs allocated based on the proportional benefit conferred to each business. Activities funded by the SCTID, are specifically targeted to increase room nights at assessed lodging businesses. All room night sales do not represent the same benefit to the payors. For example, a higher priced room night is of greater benefit than a lower priced room night because the assessee derives greater revenue. To account for this benefit differential and to make sure the benefits are proportional, an assessment formula based on a percentage of revenue has been selected. The proposed formula accurately reflects greater benefit to assessed SCTID businesses with higher priced room nights.

The term "gross short-term sleeping room rental revenue" as used herein means: the consideration received, whether or not actually charged by the lodging business, for the occupancy of space in a lodging business valued in money, whether said gross short-term sleeping room rental revenue is received in money, goods, labor, or otherwise, including all receipts, cash, credits, and property and services of any kind or nature. A lodging business may provide complimentary non-assessable rooms for employee use; guest satisfaction or charitable purposes (by a qualified 501(c)(3) charity) and a lodging business shall detail all complimentary non-assessable rooms in its regular reporting. Failure to accurately report complimentary rooms shall result in assessment of the rooms in question. Gross short-term sleeping room rental revenue shall not include, and therefore the assessment shall not be charged upon, any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

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. If the SCTID assessment is identified separately it shall be disclosed as the "SCTID Assessment." As an alternative, the disclosure may include the amount of the SCTID assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the "Tourism 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 of the assessed lodging businesses for any purpose, including calculation of transient occupancy taxes.

Bonds or any debt obligation shall not be issued.

E. Interest and Overdue Charges

The SCTID shall reimburse the City for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent SCTID assessment are sought to be recovered in the same collection action by the City, the SCTID shall bear its pro rata share of such collection costs. Assessed lodging 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 interest as described in subparagraph 3 below.
2. *Overdue Charge for Willful Noncompliance or Repeated Delinquencies:* If the City determines that the nonpayment of any remittance due is due to willful noncompliance or repeated delinquencies, an overdue charge of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the interest as required by subparagraph 3 below.
3. *Calculation of Interest:* In addition to the overdue charges imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of the United States government T-Bills sold at the latest sale prior to the date of the delinquency plus three percent (3%) prorated per month or fraction thereof on the amount of the assessment, exclusive of overdue charges, from the date on which the remittance first became delinquent until paid.
4. *Overdue Charges and Interest Merged with Assessment:* Except for the purpose of calculation of interest and overdue charges, every overdue charge imposed and such interest as accrues under the provisions of this section shall become a part of the assessment herein and subject to collection in the same manner as assessments.

F. Time and Manner for Collecting Assessments

The SCTID assessment will be implemented beginning July 1, 2026, or as soon as possible thereafter, and ending five (5) years from its start date. The City will be responsible for collecting the assessment on a monthly basis (including any interest and overdue charges) from each assessed lodging business. The City shall take all reasonable efforts to collect the assessments from each assessed lodging business. The City shall forward the assessments collected to the Owners' Association. Unless the City otherwise provides by ordinance, resolution or written policy, assessments will be collected in the same manner, and at the same time, as City transient occupancy taxes.

VI. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this 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 SCTID as defined in Streets and Highways Code §36612. The City Council has determined that Silicon Valley/Santa Clara DMO, Inc. dba Discover Santa Clara® will continue to serve as the Owners' Association for the SCTID.

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 when acting in that capacity. 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 Board and certain committees must be held in compliance with the public notice and other requirements of the Brown 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. 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 DMO shall present an annual report at the end of each year of operation to the 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

CURRENT THROUGH CH. 790 OF THE LEGISLATION FROM THE 2025-2026 REGULAR SESSION, EFFECTIVE AS OF OCTOBER 13, 2025

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 (Division 10 (commencing with Section 7920.000) 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"

(a) "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.

(b) "Special benefit" also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general.

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 estimated 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 their 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.
(3) In a property-based district, properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance, or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred, but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.

(l) 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.
(m) 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.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625, 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 an action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36625. An 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.

36638. Assessment as government imposed fee on Civ C § 1770 transaction

(a) A business assessment pursuant to this part is a fee imposed by a government on the transaction for purposes of paragraph (29) of subdivision (a) of Section 1770 of the Civil Code.
(b) This section shall become operative on July 1, 2024.

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 assessees 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*

SCTID Hotels	Address	City	State	Zip Code
AC Hotel Santa Clara	2970 Lakeside Drive	Santa Clara	CA	95054
Avatar Hotel Santa Clara a Tapestry Collection by Hilton	4200 Great America Parkway	Santa Clara	CA	95054
Delta Hotel by Marriott - Santa Clara Silicon Valley	2151 Laurelwood Road	Santa Clara	CA	95054
Element Santa Clara	1950 Wyatt Drive	Santa Clara	CA	95054
Embassy Suites Santa Clara - Silicon Valley	2885 Lakeside Drive	Santa Clara	CA	95054
Hilton Santa Clara	4949 Great America Parkway	Santa Clara	CA	95054
Hyatt House Santa Clara	3915 Rivermark Plaza	Santa Clara	CA	95054
Hyatt Regency	5101 Great America Parkway	Santa Clara	CA	95054
Marriott Santa Clara	2700 Mission College Blvd	Santa Clara	CA	95054
Hyatt Centric Silicon Valley	3100 Lakeside Drive	Santa Clara	CA	95054
TownePlace by Marriott	2877 Lakeside Drive	Santa Clara	CA	95054

*Jurisdiction list as of April 16, 2026