



salinas valley
tourism and visitors bureau™

1A Station Place, Salinas CA

To: Salinas City Council, Salinas City Manager

SUBJECT: Request for City Compensation, Rent

The Salinas Valley Tourism and Visitors Bureau, SVTVB, has been working with City staff members to complete a new Lease and Operations Agreement Between the City of Salinas and Salinas Valley Tourism and Visitors Bureau Inc. for the operation of the California Welcome Center at 1A Station Place in Salinas California. Two issues that have been critical to the negotiation of these documents were City compensation and rent.

City Compensation: The SVTVB currently receives TID funding to promote tourism initiatives within the county. The Monterey County Tourism Improvement District (MCTID) Management District Plan is tasked with collecting \$2.50 from all Salinas lodging facilities, in association with the MCTID operated by the Monterey County Convention and Visitors Bureau. \$0.50 per room night is retained by the City of Salinas.

These funds collected from Salinas lodgings have been declining, resulting in diminished operating funding for operating the Welcome Center. As a result, the proposed Operations Agreement Recitals, *SVTVB desires to enter into this Agreement to provide for the City's contribution of the Assessment toward SVTVB's continued operation of the Welcome Center as a means of promoting tourism within Salinas.*

The amount of this request to the City is for funding in the amount of \$200,000 per year from the General Funds for a period of two years, to be initiated on July 1, 2026, and to continue until July 1, 2028. This is in addition to the annual TID fund distribution. The SVTVB also requests that the City continue discussions on future annual allocations that potentially may increase this compensation amount and the length of time that the City's financial support continues in its partnership with the operation of the California Welcome Center.

Rent: Per the proposed terms of the Lease Agreement, *the Tenant shall pay the entire year's annual rent of \$12.00 in one lump sum upon the commencement date, and annually on July 1, each year until the expiration of the term.* Additionally, the SVTVB requests that the City waive the total rent payment due, (at the prior rate schedule), that accrued during this protracted period of negotiation and that the proposed \$12 per year be retroactive to the date of April 2025 when the Lease negotiation was initiated.

We are eager to continue to build a strong partnership with the City to enhance the initiatives that are gaining support from our local and regional partnerships. The investment of City funds will result in economic growth for tourism in Salinas and regionally.

Respectfully,
Craig Kaufman,
Executive Director, SVTVB

To lead community efforts in creating economic development through the promotion of tourism for the tri-county region of Monterey, Santa Cruz and San Benito, as well as surrounding areas.