



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: AUGUST 13, 2019

DEPARTMENT: OFFICE OF THE CITY MANAGER

FROM: ANDREW MYRICK, ECONOMIC DEVELOPMENT MANAGER

TITLE: CALIFORNIA WELCOME CENTER AGREEMENT

RECOMMENDED MOTION:

A motion to approve the attached Resolution and Agreement with the Salinas Valley Tourism and Visitor's Bureau.

RECOMMENDATION:

Staff recommends that Council adopt the Proposed Resolution.

EXECUTIVE SUMMARY:

The attached contract would provide funding which will support continued operation of a California Welcome Center.

BACKGROUND:

Tourism Improvement Districts (TIDs) are special assessment districts authorized by the State that allow hospitality businesses to assess themselves to fund efforts to promote tourism within a particular region. The City of Salinas collects \$1.50 per room night at lodging facilities in the City of Salinas in association with an existing TID operated by the Monterey County Convention and Visitor's Bureau (MCCVB). Of this money, \$1.00 per room night is remitted back to the MCCVB; the remaining \$0.50 per room night is provided to the City of Salinas. This money may be spent at the discretion of the City, but must be used for the purpose of increasing the number of room-night stays within the City. The City is responsible for ensuring that the money is spent appropriately, as well as tracking and reporting outcomes on the use of the funds to the MCCVB.

Historically, this money has been provided to the Salinas Valley Tourism and Visitor's Bureau (SVTVB) to support their operation of a designated California Welcome Center in the City of Salinas. The SVTVB has signed a lease to relocate to the recently renovated freight building at the Salinas Train Depot. Staff recommends that the entirety of discretionary TID funding be used to support the SVTVB's operation of the Welcome Center. These funds would be paid on a monthly basis. The SVTVB would be required to provide reporting and other documentation to enable the City to meet its reporting obligations regarding the appropriate use of the funds.

The Agreement provides staff the authority to renew the Agreement on the same terms on an annual basis, if such is mutually desired by both parties.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The promotion of tourism within the City of Salinas relates to the Council Goal of Economic Diversity and Prosperity. This contract will enable the City to continue to support the California Welcome Center while longer-term strategies are identified.

DEPARTMENTAL COORDINATION:

The Finance Department has provided assistance relating to the ongoing management of TID funds, and the Welcome Center has worked extensively with the Public Works Department with regards to its move to the Freight Building at the train station.

FISCAL AND SUSTAINABILITY IMPACT:

This contract will be fully funded from TID monies collected between July 1, 2019 and June 30, 2020. There will be no impact to the General Fund. The Finance Department would retain 1% of the collected TID funds to cover its administrative costs.

ATTACHMENTS:

Proposed Resolution, including the following Exhibits:

Exhibit “A” – Proposed Agreement