



**VISIT PALMDALE BOARD MEETING  
EMBASSY SUITES BY HILTON PALMDALE  
39375 5<sup>TH</sup> STREET WEST  
PALMDALE CA, 93551  
TUESDAY, OCTOBER 15, 2024  
11:30 AM**

[www.visitpalmdale.org/board-meetings-and-agendas/](http://www.visitpalmdale.org/board-meetings-and-agendas/)

## **WELCOME**

How to Submit Public Comments:

Visit Palmdale is making every effort to follow the spirit and intent of the Brown Act and other applicable laws regulating the conduct of public meetings in order to maximize transparency and public access.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to participate in this meeting, please contact Visit Palmdale at (661) 267-5100 at least 72 hours prior to the meeting.

Your courtesy is requested to help our meetings run smoothly. If you'll be kind enough to follow these simple rules, we can make the best possible use of your time and ours: Please refrain from public displays or outbursts, such as unsolicited applause, comments, cheering, foul language or obscenities. Any disruptive activities that substantially interfere with the ability of Visit Palmdale to carry out its meeting will not be permitted, and offenders will be asked to leave the meeting. Please turn off/mute your cell phones and mobile devices.

Meeting materials are available at the Visit Palmdale office located at 38250 Sierra Highway, Palmdale, CA, and Embassy Suites by Hilton Palmdale located at 39375 5<sup>th</sup> Street West, Palmdale, CA.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **SELECTION OF OFFICES** (All office positions)
5. **PUBLIC COMMENT**  
Now is the time for public participation on Agenda Items 6 through 12. Each

speaker is allotted two minutes in total for the entirety of the above sections.

**6. APPROVAL OF MINUTES**

6.1 It is recommended that the Board review and approve the minutes for the Visit Palmdale meeting of February 26, 2024.

**7. TREASURER'S REPORT**

7.1 Staff presentation of the Treasurer's Report from Q4 2023-2024.

**8. AMENDMENT TO THE VISIT PALMDALE BYLAWS**

8.1 It is recommended that the Board review and approve the minor amendment to clarify the term quorum within the bylaws.

**9. ADMINISTRATIVE SERVICES AGREEMENT**

9.1 It is recommended that the Board review and approve the draft Administrative Services Agreement between Visit Palmdale and the City of Palmdale.

**10. ANNUAL REPORT FY 2024-25**

10.1 It is recommended that the Board review and approve the Palmdale Tourism Improvement District Annual Report for FY2024-25.

**11. FY 2024-25 BUDGET**

11.1 It is recommended that the Board review and approve the Budget for FY2024-25.

**12. CIVITAS PALMDALE TOURISM IMPROVEMENT DISTRICT RENEWAL**

12.1 It is recommended that the Board receive and file the Palmdale Tourism Improvement District Management District Plan.

**13. PUBLIC COMMENTS (NON-AGENDIZED ITEMS)**

Now is the time for public participation on items not listed on the agenda. Each speaker is allotted two minutes in total.

**14. STAFF COMMUNICATIONS**

**15. BOARD MEMBER COMMUNICATIONS**

**16. ADJOURNMENT**



VISIT PALMDALE BOARD MEETING  
DOUBLETREE BY HILTON  
300 WEST PALMDALE BOULEVARD  
PALMDALE CA, 93551  
MONDAY, FEBRUARY 26, 2024  
11:30 AM

[www.visitpalmdale.org/board-meetings-and-agendas/](http://www.visitpalmdale.org/board-meetings-and-agendas/)

## WELCOME

### 1. CALL TO ORDER

Chair Austin Bishop called the meeting to order at 11:46 am.

### 2. PLEDGE OF ALLEGIANCE

Jorge Ventura led the Pledge of Allegiance.

### 3. ROLL CALL

Chair Austin Bishop, Vice Chair Randy Miranda, Secretary Christian Barrow,  
Treasurer Luis Garibay, Director Tracy Baldyga, Director Sandra Stapleton,  
Director Adriana Serrato

Present: Chair Bishop, Vice Chair Miranda, Secretary Barrow, Treasurer  
Garibay, Director Baldyga, Director Stapleton, Director Serrato

Absent: None

### 4. PUBLIC COMMENTS

No public comments were received.

### 5. APPROVAL OF MINUTES

Secretary Barrow made a motion to approve the minutes for the Visit Palmdale meeting  
of October 17, 2023, seconded by Vice Chair Miranda.

Vote: Motion carried 7-0

Yes: Chair Bishop, Vice Chair Miranda, Secretary Barrow, Treasurer Garibay,  
Director Baldyga, Director Stapleton, Director Serrato

**6. TREASURER'S REPORT**

Treasurer Garibay gave a brief overview of the report and clarified revenue of \$180,000. Treasurer Garibay stated that expenses are from normal day-to-day operations. The largest expense was for the Beer and Wine Festival and Tourism Improvement District (TID) renewal categories. Treasurer Garibay reported that Visit Palmdale will be more aggressive with spending this year.

Chair Bishop stated that Visit Palmdale has flexibility from a marketing standpoint to facilitate extra ideas.

**7. AMENDMENT TO THE VISIT PALMDALE BYLAWS**

Executive Director Megan Taggart discussed adjustments to the bylaws and noted that all edits were minor. Updates include clarifying term lengths when occupying a previously vacated position, increasing the Director position representing 90 rooms or less to 100 rooms or less, reducing the number of Board Meetings, and updates to reflect the new Secretary information.

Treasurer Garibay made a motion to approve the amendment to the bylaws, seconded by Secretary Barrow.

Vote: Motion carried 7-0.

Yes: Chair Bishop, Vice Chair Miranda, Secretary Barrow, Treasurer Garibay, Director Baldyga, Director Stapleton, Director Serrato

**8. AMENDMENT TO THE VISIT PALMDALE FINANCE POLICY**

Executive Director Taggart presented the revisions to the finance policy, which included adjustments made to the Tourism Improvement District's fiscal year, spending policies, adding the Secretary as a signer, and clarifying contract signing authority.

Treasurer Garibay made a motion to approve the amendment to the finance policy, seconded by Vice Chair Miranda.

Vote: Motion carried 7-0.

Yes: Chair Bishop, Vice Chair Miranda, Secretary Barrow, Treasurer Garibay, Director Baldyga, Director Stapleton, Director Serrato.

**9. VISIT PALMDALE EVENTS**

Executive Director Taggart reported that the time of the Beer & Wine Festival is changing to 5-10pm, there will be three tribute bands, and the 80s theme will remain the same. Advertising for the festival has been extended to include San Diego County, with a focus on brewery and winery districts.

Chair Bishop stated that he met with Plant 42 and they asked for help filling 2,000-3,000 jobs with the majority being civilian jobs. Chair Bishop stated that they discussed how

Visit Palmdale can partner with Plant 42 which could include a possible drone show at the festival.

Executive Director Taggart said that she would look into the drone show, but the festival date is approaching quickly and it might be infeasible this year.

Secretary Barrow suggested that hotels can host interviews or job fairs for Plant 42.

Director Stapleton said they are expecting 3,000 kids at the Boeing site for an upcoming job fair. She said Plant 42 could get pilots to volunteer and suggested showing a recruiting video at the festival.

Treasurer Garibay said that we can work within the existing budget to facilitate some of these ideas.

#### 10. **PUBLIC COMMENTS (NON-AGENDIZED ITEMS)**

Vicky Ventura from the Antelope Valley Chamber asked for a partnership between the Chambers and hotels. She suggested leveraging and spending money on marketing the Poppy bloom. Currently, the Poppy Reserve is run by volunteers. Ms. Ventura stated that the Chamber receives a large volume of calls related to the Poppy Reserve and bloom. Ms. Ventura suggested that Visit Palmdale provide buses and places for visitors to stay during Poppy season.

Vice Chair Miranda said that they can include a QR code with trails and accommodations for the Poppy bloom as well as packages with transportation and lodging at the hotels during the bloom.

Director Baldyga said they could collaborate with Antelope Valley Transit Authority for the Poppy bloom and confirmed that they see an increase in visitors during that time.

Director Stapleton suggested hot air balloons during the Poppy Festival.

Secretary Barrow stated that tours could also show other parts of the city, such as the airpark.

Chair Bishop suggested that Visit Palmdale hire tour guides.

Public Comments:

Don Hoperich said the National Softball Association (NSA) website doesn't have any Palmdale hotels on the website and they have four upcoming tournaments in Palmdale.

Executive Director Taggart said she would reach out again to the NSA.

**11. STAFF COMMUNICATIONS**

Executive Director Taggart said that now is a slow time for hotels and Visit Palmdale will be launching a gift card promotion for March to encourage more visitors at hotels. Gift cards will be equally distributed for each hotel that participates in \$25 to \$50 denominations.

Treasurer Garibay said there is plenty of money in the budget for the program.

Ms. Ventura said Visit Palmdale should promote local businesses and partner with the chambers to bring business and visitors into the Antelope Valley.

**12. BOARD MEMBER COMMUNICATIONS**

Treasurer Garibay announced a change in the adjournment meeting date to Tuesday, October 15, 2024, based on the approved revisions to the bylaws.

**13. ADJOURNMENT TO THE VISIT PALMDALE BOARD MEETING OF OCTOBER 15, 2024, AT 11:30 AM**

Chair Bishop adjourned the meeting at 12:30 pm and announced a new date of October 15, 2024.

**CERTIFICATE OF SECRETARY**

I, Christian Barrow, certify as follows:

1. I am the duly elected and acting Secretary of Visit Palmdale, a California Nonprofit Mutual Benefit Corporation; and,
2. That the minutes of the Board Meeting accurately reflect discussions held by the Board of Directors on February 26, 2024.

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Secretary

Treasurer's Report (Q4: August 2024 - October 2024)

7.1

	Q4 Actuals	FY 23/24 Budget	Balance
<b>Revenues</b>			
PTBID	\$ 847,222.56	\$ 1,035,000.00	\$ 187,777.44
Visitor's Guide	\$ -	\$ 5,000.00	\$ 5,000.00
High Desert Beer and Wine Festival	\$ 127,225.53	\$ 75,000.00	\$ (52,225.53)
<b>Total Revenue</b>	<b>\$ 974,448.09</b>	<b>\$ 1,115,000.00</b>	<b>\$ 140,551.91</b>
<b>OPERATING EXPENSES</b>			
<b>Administration</b>			
Dues & Subscriptions	\$ 1,432.19	\$ 10,000.00	\$ 8,567.81
Insurance - General Liability	\$ 1,676.00	\$ 6,000.00	\$ 4,324.00
Legal & Professional Fees	\$ 1,417.50	\$ 10,000.00	\$ 8,582.50
Administrative Expenses and Reimbursements	\$ 64,128.26	\$ 95,000.00	\$ 30,871.74
<b>Total Administration</b>	<b>\$ 68,653.95</b>	<b>\$ 121,000.00</b>	<b>\$ 52,346.05</b>
<b>Sales, Marketing, and Communications</b>			
General Marketing and Promotions	\$ 51,261.70	\$ 80,000.00	\$ 28,738.30
Contracted Services	\$ 18,720.00	\$ 45,000.00	\$ 26,280.00
Tradeshows/Conventions	\$ -	\$ 40,000.00	\$ 40,000.00
Website	\$ 20,075.00	\$ 40,000.00	\$ 19,925.00
Visitor Guide / Magazine	\$ 58,200.00	\$ 80,000.00	\$ 21,800.00
Graphic Design	\$ 689.95	\$ 30,000.00	\$ 29,310.05
Customer Experience Initiatives	\$ 22,995.85	\$ 100,000.00	\$ 77,004.15
Regional Marketing & Events	\$ 8,160.37	\$ 40,000.00	\$ 31,839.63
Photography	\$ 6,221.86	\$ 35,000.00	\$ 28,778.14
AV Film Partnership	\$ 8,000.00	\$ 42,000.00	\$ 34,000.00
Sports Tourism Partnerships	\$ 10,653.23	\$ 45,000.00	\$ 34,346.77
Aerospace Partnerships	\$ 3,250.00	\$ 45,000.00	\$ 41,750.00
High Desert Beer & Wine Festival	\$ 232,678.15	\$ 200,000.00	\$ (32,678.15)
New Events & Local Programs	\$ 19,866.36	\$ 60,000.00	\$ 40,133.64
<b>Total Sales, Marketing, and Communications</b>	<b>\$ 460,772.47</b>	<b>\$ 882,000.00</b>	<b>\$ 421,227.53</b>
<b>Destination Development</b>			
Infrastructure Development	\$ 2,445.80	\$ 50,000.00	\$ 47,554.20
<b>Total Destination Development</b>	<b>\$ 2,445.80</b>	<b>\$ 50,000.00</b>	<b>\$ 47,554.20</b>
<b>Contingency / Renewal</b>			
Contingency	\$ -	\$ 22,000.00	\$ 22,000.00
TBID Renewal	\$ 39,520.00	\$ 40,000.00	\$ 480.00
<b>Total Contingency Renewal</b>	<b>\$ 39,520.00</b>	<b>\$ 62,000.00</b>	<b>\$ 22,480.00</b>
<b>TOTAL REVENUE</b>	<b>\$ 974,448.09</b>		
<b>TOTAL EXPENSES</b>	<b>\$ 571,392.22</b>		
<b>NET INCOME</b>	<b>\$ 403,055.87</b>		
<b>Balance</b>	<b>\$ 1,492,656.47</b>		
Total Q4 Revenues	\$ 974,448.09		
Total Q4 Expenses	\$ 571,392.22		

**BYLAWS OF VISIT PALMDALE  
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION**

**ARTICLE I - NAME AND PRINCIPAL OFFICE**

The name of the corporation is Visit Palmdale (“Corporation”). The principal office for the transaction of the affairs and activities of this corporation shall be located in the City of Palmdale. The Board of Directors may change the location of the principal office.

**ARTICLE II - PURPOSE**

The purpose of this corporation shall be to promote Palmdale tourism and improve the tourism business environment through the development and operation of a tourism improvement district and other programs and initiatives.

**ARTICLE III - LIMITATIONS**

**Section 1: Assets.** This Corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends of its Directors and is organized solely for nonprofit purposes. No part of the profits or net income of this Corporation shall ever inure to the benefit of any Director, officer or to any individual. Upon the dissolution or winding up of the Corporation, after payment of, or provision for payment of, all debts and liabilities of this Corporation, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation which has been formed to provide benefits or services for Palmdale and which has established its tax-exempt status under §501(c) of the Internal Revenue Code. If no such corporation as described above is in existence at the time of dissolution, then the remaining assets shall be distributed to a nonprofit fund, foundation or corporation, which has established its tax-exempt status under §501(c) of the Internal Revenue Code.

**Section 2: Construction.** Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

**ARTICLE IV - MEMBERS**

**Section 1: Definitions.** This corporation shall have no members within the meaning of the California Nonprofit Corporation Law, pursuant to Corporation Code §7332(a).

**Section 2: Non-Voting Members.** The Corporation’s Board of Directors may, in its discretion, admit individuals to one or more classes of non-voting members; the class or classes shall have such rights and obligations as the Board finds appropriate.



## ARTICLE V - DIRECTORS

**Section 1: Number.** The corporation shall have seven (7) Directors. Each Director shall have one (1) vote. A reduction in the number of Directors shall not result in any Director's being removed before his or her term of office expires.

**Section 2: Tenure.** Each Director of the corporation shall serve for a term of three (3) years, with staggered term expirations as described within these Bylaws. After filling of a vacant position as outlined within these Bylaws, the appointed Director shall carry out the remainder of the duties and term for the Director which was replaced.

**Section 3: Initial Appointment.** The initial members of the Board of Directors shall be appointed by the incorporator of the corporation. The initial Directors shall serve for staggered terms of one, two or three years. At the first duly constituted meeting of the Board of Directors, the initial Board members shall draw lots to determine their individual terms.

**Section 4: Criteria.** Among the seven (7) Directors:

- A. A majority of the Directors shall be owners or owner representatives of four (4) lodging businesses paying the Palmdale Tourism Improvement District (PTID) assessment, of which at least one (1) Director shall be an owner or owner representative of a lodging business with 100 rooms or less.
- B. Two (2) Directors shall be appointed by the Mayor of the City of Palmdale subject to the approval of the City Council, one (1) shall be from the Palmdale City Council and one (1) shall be a City staff representative of the City of Palmdale.
- C. At least one (1) Director shall be a representative of the non-lodging hospitality or tourism sector in Palmdale to be appointed by the Mayor of the City of Palmdale subject to the approval of the City Council

**Section 5: Annual Election.** Election of Directors shall take place at the annual meeting of the corporation. Directors shall be elected by the Board.

**Section 6: Powers.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation law, the provisions of the PTID Management District Plan, and any other applicable laws, and subject to any limitations of the Articles of Incorporation and these Bylaws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised by, or under the direction of, the Board.

**Section 7: Specific Powers.** Without prejudice to the general powers set forth in Article V, Section 6 of these Bylaws, but subject to the same limitations, the Board shall have the power to do the following:

- A. Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service.
- B. Change the principal office or the principal business office in the City of Palmdale from one

location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in the City of Palmdale for holding any meeting of the Board.

- C. Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidence of debt and securities.

**Section 8: Occurrence of Vacancies.** A vacancy or vacancies on the Board shall occur in the event of:

- A. The death, removal or resignation of any Director; or
- B. The declaration by resolution of the Board of a vacancy in the office of a Director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty arising under Corporations Code §7238, the PTID Management District Plan, or other applicable laws; or
- C. An increase in the authorized number of Directors; or
- D. The failure of an election to elect the number of Directors required to be elected in that election; or
- E. The failure of a Director to maintain good standing; or
- F. The failure of a Director to attend two or more consecutive Board meetings in a row and an affirmative vote by the remaining Directors to remove the absent Director; or
- G. A Director no longer meeting the criteria in Section 4 of this Article.

**Section 9: Filling Vacancies.** Vacancies on the Board may be filled by approval of the Board, or if the number of Directors then in office is less than a quorum, by either:

- A. The affirmative vote of a majority of Directors then in office at a meeting held according to the notice provisions of these Bylaws and the Ralph M. Brown Act; or
- B. A sole remaining Director.

**Section 10: Resignation of Directors.** Any Director may resign by giving written notice to the chair of the Board, if any, or to the Chairperson or the Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Directors' resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

**Section 11: Removal of Directors.** Any Director may be removed, with or without cause, by the vote of the majority of the entire Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given as provided in Article VI.

**Section 12: Compensation and Reimbursement.** Directors shall serve as volunteers and shall not be compensated. Directors may be reimbursed for expenses, as the Board may establish by resolution to be just and reasonable to the corporation at the time that the resolution is adopted.

**Section 13: Advisors.** The Board may designate individuals to serve as advisors to the Board. Advisors will receive notice of meetings in the same manner as Directors, but will not be considered Directors for any purpose including voting. Advisors shall serve for such terms as determined by the Board and may be removed by the Board at any time.

**Section 14: Contracts with Directors.** A mere common Directorship does not constitute a material financial interest within the meaning of this Section. No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any domestic or foreign corporation, firm or association in which one or more of the Corporation's Directors has a material financial interest, is either void or voidable because such Director or Directors or such other corporation, business corporation, firm or association are parties or because such Director or Directors are present at the meeting of the Board or a Committee thereof which authorizes, approves or ratifies the contract or transaction if:

- A. The material facts as to the transaction and as to such Director's interest are fully disclosed or known to the Board of Directors and such contract or transaction is approved by the Board of Directors in good faith, with any membership owned by any interested Director not being entitled to vote thereon;
- B. The material facts as to the transaction and as to such Director's interest are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the interested Director or Directors and the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified; or,
- C. As to contracts or transactions not approved as provided in A or B above, the person asserting the validity of the contract or transaction sustains the burden of proving that the contract or transaction was just and reasonable as to the Corporation at the time it was authorized, approved, or ratified.

## **ARTICLE VI - MEETINGS**

**Section 1: Annual Meeting.** The annual meeting of the corporation shall be held at such time in the third quarter of the fiscal year as the Board may fix from time to time. At the annual meeting, Directors and officers shall be elected and other business may be transacted, subject to the provisions of these Bylaws. Notice of the annual meeting shall be posted at least seventy-two hours prior to the meeting in a publicly accessible location and on the Corporation's website, in accordance with the requirements of the Ralph M. Brown Act. Each notice shall state the general business to be transacted, and the day, time and place of the meeting.

**Section 2: Board of Directors Regular Meetings.** The Board shall meet twice per year on dates agreed upon by the Board. Notice of regular meetings shall be posted at least seventy-two hours prior to the meeting in a publicly accessible location, and on the Corporation's website, if any, in accordance with the requirements of the Ralph M. Brown Act. Each such notice shall state the general business to be transacted, and the day, time and place of the meeting. Business may be transacted at any regular meeting of the Board in accordance with the requirements of the Ralph M. Brown Act.

**Section 3: Board of Directors Special Meetings.** Special meetings of the Board may be called by the Chairperson of the Board or any three Directors. Notice of special meetings shall be given to each Director stating the time, place, and business to be discussed at least twenty-four hours before the time of the meeting specified in the notice. Notice shall be delivered to the Board personally or by any other means pursuant to Government Code §54956. Notice shall also be posted at least twenty-four hours prior to the meeting in a publicly accessible location, and on the Corporation's website, if any, in accordance with the requirements of the Ralph M. Brown Act.

**Section 4: Notice of Meetings.** Notice of all meetings will be given in accordance with the provisions of the Ralph M. Brown Act, Government Code §54950 et. seq. The noticing provisions in these Bylaws shall be subject to any amendments of the Ralph M. Brown Act.

**Section 5: Place of Meetings.** All meetings of the corporation shall be held at such location within the boundaries of the PTID as may be determined by the Board.

**Section 6: Telephonic Appearance.** Teleconferencing, as authorized by §54953 of the Ralph M. Brown Act may be used for all purposes in connection with meetings. All votes taken during a teleconferenced meeting shall be by roll call. If teleconferencing is used, the Board shall post the agenda at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the Board. Each teleconference location shall be identified in the notice and agenda of the meeting, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the Board shall participate from locations within the boundaries of PTID. The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to §54954.3 at each teleconference location.

**Section 7: Quorum.** *At any meeting of the Board, a majority of the Directors of the Board then in office shall constitute a quorum.* If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. There shall be no voting by proxies or voting by absentia.

## **ARTICLE VII - OFFICERS**

**Section 1: Offices Held.** The officers of the Corporation shall be a Chairperson, a Vice Chairperson, a Secretary, a Treasurer, and such other officers as the Board may from time to time designate. All officers shall be Directors. Any number of offices may be held by the same person.

**Section 2: Election of Officers.** The officers of this corporation shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

**Section 3: Term.** All officers shall be elected for a term of one (1) year or until their successors are elected and qualified.

**Section 4: Removal of Officers.** Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause.

**Section 5: Resignation of Officers.** Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to which the officer is a party.

**Section 6: Vacancies in Office.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed by these Bylaws for normal appointments to that office. However, vacancies need not be filled on an annual basis.

**Section 7: Responsibilities of Chairperson.** The Chairperson shall preside at all meetings and have such other powers and duties as the Board or these Bylaws may require.

**Section 8: Responsibilities of Vice Chairperson.** The Vice Chairperson shall assume the duties of the Chairperson in his or her absence and have such other powers and duties as the Board or these Bylaws may require.

**Section 9: Responsibilities of Secretary.** The Secretary of the corporation shall have the following responsibilities:

- A. The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and any action taken and the vote or abstention on that action of each Director present for the action.
- B. The Secretary shall keep or cause to be kept, at the Corporation's principal office, a copy of the Articles of Incorporation and Bylaws, as amended to date.
- C. The Secretary shall keep or cause to be kept, at the Corporation's principal office or at a place determined by resolution of the Board, a record of the Corporation's Directors, showing each Director's name, address, and business represented.
- D. The Secretary shall give, or cause to be given, notice of all meetings that these Bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require.
- E. The Secretary shall maintain, or cause to be maintained, the Corporation's records in accordance with the requirements of the California Public Records Act, Government Code §6250 et seq.

**Section 10: Responsibilities of Treasurer.** The Treasurer of the corporation shall have the following responsibilities:

- A. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, by the PTID Management District Plan, or by

the Board. The books of account shall be open to inspection by any Director at all reasonable times.

- B. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; shall disburse the Corporation's funds as the Board may order; shall render to the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the corporation; and have such other powers and perform such other duties as the Board or these Bylaws may require.

**Section 11: Loans.** The corporation shall not loan any money or property to, or guarantee the obligation of, any Director or officer of the corporation. The corporation may advance money to a Director or officer for reasonable business expenses, provided that the Director or officer is entitled to reimbursement.

## **ARTICLE VIII - COMMITTEES**

**Section 1: Establishment.** The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors and no one who is not a Director, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may do the following:

- A. Fill vacancies on the Board or any committee of the Board;
- B. Fix compensation of the Directors for serving on the Board or any committee;
- C. Amend or repeal Bylaws or adopt new Bylaws;
- D. Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- E. Create any other committees of the Board or appoint the members of committees of the Board; or
- F. Expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected; or
- G. With respect to any assets held in charitable trust, approve any contract or transaction between this corporation and one or more of its Directors or between this corporation and an entity in which one or more of its Directors have a material financial interest, subject to the approval provisions of Corporations Code §5233(d)(3).

**Section 2: Meetings and Actions of Committees.** Meetings and actions of committees shall be governed by, held, and taken under the provisions of these Bylaws concerning meetings and other Board actions, except that the time for general meetings of committees and calling of special meetings of committees may be set either by Board resolution, or if none, by resolution of the committee. Notice of committee meetings will be given in accordance with the provisions of the Ralph M. Brown Act. Minutes of each meeting shall be kept and shall be filed with the corporate records, and in accordance with the provisions of the California Public Records Act. The Board may adopt rules for governance of any committee as long as the rules are consistent with these Bylaws.

If the Board has not adopted rules, the committee may do so.

**Section 3: Advisory Committees.** The Board may establish one or more advisory committees. The members of any advisory committee may consist of directors or non-directors. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the corporation, but shall be limited to making recommendations to the Board or the Board's authorized representatives and to implementing Board decisions and policies. Advisory committees shall be subject to the supervision and control of the Board.

## **ARTICLE IX - INDEMNIFICATION AND INSURANCE**

### **Section 1: Indemnification.**

- A. To the fullest extent permitted by law, this corporation shall indemnify its Directors and officers, and may indemnify employees and other persons described in the Corporations Code, including persons formerly occupying such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in the Corporations Code, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in the Corporations Code. "Expenses," as used in these Bylaws, shall have the same meaning as in the Corporations Code.
- B. On written request to the Board by any person seeking indemnification under the Corporations Code, the Board shall promptly decide under that code whether the applicable standard of conduct set forth has been met, and if so the Board shall authorize indemnification.
- C. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

**Section 2: Insurance.** This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents, to cover any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising from the officer's, Director's, employee's, or agent's status as such.

## **ARTICLE X - RECORDS**

**Section 1: Maintenance.** This Corporation shall keep all of the following records, either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two:

- A. Adequate and correct books and records of account; and
- B. Minutes of the proceedings of its Board and committees.

**Section 2: Inspection by Directors.** Every Director shall have the absolute right, at any reasonable time, to inspect the Corporation's books, records, and documents of every kind, and to inspect the physical properties of the corporation. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of books, records, and documents of every kind.

**Section 3: Articles and Bylaws.** This Corporation shall keep, at its principal office, the original or a copy of the Articles of Incorporation and Bylaws, as amended to the current date, that shall be open to inspection by Directors at all reasonable times during office hours.

**Section 4: Annual Reports.** The Treasurer of the Corporation shall prepare and submit, or cause to be prepared and submitted, the following annual reports. The Treasurer shall keep, or cause to be kept, copies of all annual reports with the Corporation's records. The two reports may be combined into one all-inclusive document.

- A. PTID Annual Report. The PTID annual report will be prepared and submitted in accordance with the provisions of Streets and Highways Code §36650 and the PTID Management District Plan.
- B. Corporation Annual Report. The Corporation annual report shall be prepared within 120 days after the end of the corporation's fiscal year. This section shall not apply if the Corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year. The report shall contain the following information in appropriate detail:
  - 1. A balance sheet as of the end of the fiscal year, an income statement, and statement of cash flows for the fiscal year, accompanied by an independent accountant's report, or if none, by the certificate of an authorized officer of the corporation that they were prepared without audit from the corporation's books and records;
  - 2. A statement of the place where the names and addresses of current Directors are located; and,
  - 3. Any other information required by these Bylaws or the Board.

**Section 5: Annual Statement.** As part of the annual report, or as a separate document if no annual report is issued, the corporation shall annually prepare and mail, deliver or send by electronic transmission to its Directors a statement of any transaction or indemnification of the kinds in subparagraph B below within 120 days after the end of the corporation's fiscal year.

- A. The statement shall include:
  - 1. A brief description of the transaction;
  - 2. The names of interested persons involved and their relationship to the corporation;
  - 3. The nature of interested persons in the transaction;
  - 4. The amount of the interested persons' interest, except that in a partnership in which such person is a partner, only the partnership interest need be stated.
- B. Transactions included in the statement shall be those transactions:
  - 1. To which the corporation or its subsidiary was a party;
  - 2. Which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000; and
  - 3. In which either of the following interested persons had a direct or indirect material



financial interest (a mere common Directorship is not a material financial interest):

- a. Any Director or officer of the corporation;
- b. Any holder of more than 10 percent of the voting power of the corporation.

## **ARTICLE XI - OPERATIONS AND ADMINISTRATION**

**Section 1: Fiscal Year.** The fiscal year of the corporation shall begin on November 1<sup>st</sup> and end on October 31<sup>st</sup> of each year.

**Section 2: Funds.** All funds of the corporation shall be deposited in such banks, trust companies, or other reliable depositories as the Board from time to time may determine. All checks, drafts, endorsements, notes and evidence of indebtedness of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as the Board may determine from time to time. Endorsements for deposits to the credit of the Corporation shall be made in such manner as the Board may determine from time to time.

**Section 3: Contracts.** The Chairperson, or any other officer or agent specifically authorized by the Board may, in the name of and on behalf of the corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board. Without the express and specific authorization of the Board, no officer or agent may enter into any contract or execution or deliver any instrument in the name of or on behalf of the corporation.

**Section 4: Brown Act Compliance.** To the extent that the Corporation is subject to the open meeting requirements of the Ralph M. Brown Act, then the Board will comply with the provisions of Government Code §54950 through and including §54961. To the extent that any provisions of these Bylaws are inconsistent with the Ralph M. Brown Act, the provisions of said Act shall prevail. In the event the Corporation is not required to comply with the Brown Act, then the Board will not endeavor to meet the requirements of the Brown Act.

## ARTICLE XII - AMENDMENT

Except as otherwise provided herein, and subject to the power of Directors to amend or repeal the Bylaws, these Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by an affirmative vote of a majority of the Directors present at any regular or special meeting, a quorum being assembled, provided that written notice of such meeting, setting forth in detail the proposed revision(s) and explanation(s) therefore, be given not less than 7 days prior to such meeting.

### CERTIFICATE OF SECRETARY

I, Christian Barrow, certify as follows:

1. I am the duly elected and acting Secretary of Visit Palmdale, a California Nonprofit Mutual Benefit Corporation;
2. That these Bylaws, consisting of 11 pages, inclusive, are the Bylaws of the Corporation as adopted by the Board of Directors on February 8, 2022, as amended by the Board of Directors on June 13, 2023, February 26, 2024, and October 15, 2024; and,
3. That these Bylaws have not been amended or modified since the dates specified above.

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Secretary

## PALMDALE TOURISM IMPROVEMENT DISTRICT ADMINISTRATIVE SERVICES AGREEMENT

This Palmdale Tourism Improvement District Administrative Services Agreement (“Agreement”) is entered into by and between the City of Palmdale, a general law city, (“City”) and Visit Palmdale, a California mutual benefit non-profit corporation, (“Visit Palmdale”).

### RECITALS

- A. Pursuant to Resolution No. 2021-096, the City Council adopted the Palmdale Tourism Improvement District (“PTID”) Management District Plan (“Management District Plan”) and established a tourism business improvement district under Streets and Highways Code section 36600 et seq. (“Act”);
- B. Under the Management District Plan, the PTID has a five-year period — from November 1, 2021 through October 31, 2026 — during which the City will collect for PTID’s benefit an annual assessment on short-term room-rental revenue to promote sales, marketing and communications, and destination development (“Services”);
- C. On November 6, 2024, the City Council amended the Management District Plan via Resolution No. 2024-080 to extend the term of the Management District Plan to June 30, 2036;
- D. Visit Palmdale was incorporated to provide the Services under the Management District Plan;
- E. The City desires to contract with Visit Palmdale to render the Services and to perform other functions as provided in this Agreement.

### AGREEMENT

- I. Term. The term of this Agreement shall commence upon the Effective Date defined in the signature block below and terminate on June 30, 2026.
- II. Termination. Either party may terminate this Agreement without cause upon 30 days’ written notice to the other party. In the event of termination, the City will reimburse Visit Palmdale for work performed as of the termination date, and any unexpended funds and all assets purchased with PTID funds shall be returned to the City and disposed of pursuant to the Act.
- III. Use of Funds.

- a. Limitation. Visit Palmdale will expend funds received under this Agreement consistently with the Management District Plan and as authorized by the Act and other law.
- b. Prohibition. Visit Palmdale shall not use funds received under this Agreement to advocate for or against any local candidate for office or ballot measure.

IV. Visit Palmdale's Responsibilities.

- a. PTID Annual Report. By December 31<sup>st</sup> of each year, Visit Palmdale shall submit to the City an annual report as required by Streets and Highways Code section 36650.
- b. Corporation Annual Report. By December 31<sup>st</sup> of each year, Visit Palmdale shall submit to the City an audited annual report as required by Corporations Code 8321.
- c. The reports required by subdivisions a. and b. of this Section IV may, in Visit Palmdale's discretion, be provided as one document.
- d. Statutory Compliance. Comply with the Ralph M. Brown Act (Gov Code, § 54950 et seq.), the California Public Records Act (Gov Code, § 7920.000 et seq.) and the Property and Business Improvement District Law of 1994 (Sts. & Hy. Code, § 36600 et seq.) as to activities funded by revenues received under this Agreement. Comply with the Nonprofit Mutual Benefit Corporation Law (Corp. Code, § 7110 et seq.) and other applicable law.
- e. Annual Payment. By December 31<sup>st</sup> of each year, Visit Palmdale shall submit to the City an annual payment of \$50,000 to cover the cost of the Administrative Services listed in Section V(c).

V. City's Responsibilities.

- a. Assessment. The City shall bill, collect, and disburse to PTID assessments and perform all other responsibilities specified in the Management District Plan. The City shall retain one percent of all assessment revenue for administrative costs. The City shall report to Visit Palmdale on a regular basis (not less than bi-annually) as to the status of PTID assessment revenues collected so Visit Palmdale can manage its finances.
- b. Information. The City shall make available to Visit Palmdale such information in its possession which is necessary for implementation of the Management District Plan, except for information which the City Attorney determines to be confidential.

- c. Administrative Services. The City agrees to make its employees available to provide Visit Palmdale with administrative services, including:
1. Organizing meetings of the Board of Directors;
  2. Drafting and posting agendas;
  3. Recording minutes;
  4. Coordinating travel and program logistics;
  5. Answering inquiries and records requests;
  6. Consulting with legal counsel and an independent auditor;
  7. Drafting and presenting budgets and annual reports;
  8. Implementing sales, marketing, and communication programs; and
  9. Implementing destination development programs.

VI. Insurance.

- a. Coverage Limits. Visit Palmdale shall maintain insurance coverage in the following minimum amounts:
- Non-Profit Management Liability: \$1,000,000 per occurrence  
\$1,000,000 aggregate
  - General Liability: \$1,000,000 per occurrence  
\$1,000,000 aggregate
- b. Insurance requirements. Such insurance shall be procured from an insurer authorized to do business in California, shall provide primary and not excess coverage, shall name the City and its officers and employees as additional insureds, and shall contain provisions that prohibit cancellation without 30 days' prior written notice to City.
- c. Proof of Insurance. Concurrently with the execution of this Agreement, Visit Palmdale will file and maintain proof of insurance with the City, and such insurance shall remain in effect at all times during the term of this Agreement. At least 15 days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is canceled or reduced, Visit Palmdale will, within 10 days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company.
- d. Subcontract. If Visit Palmdale subcontracts any portion of the work required by this Agreement, each such subcontract will contain a provision making the subcontractor subject to Sections VI (Insurance) and VII (Indemnity) of this Agreement.

VII. Indemnity.

- a. To the fullest extent permitted by law, Visit Palmdale will defend, indemnify, and hold the City, its elected and appointed officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage, or injury of any kind, in law or equity to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Visit Palmdale, its directors, officers, employees, contractors, subcontractors, or agents in connection with the performance of the Services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees, and attorneys' fees and other related cost and expenses.
- b. To the fullest extent permitted by law, City will defend, indemnify, and hold Visit Palmdale, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage, or injury of any kind, in law or equity to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of the City, its officials, officers, employees, contractors, subcontractors, or agents in connection with the performance of the Services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees, and attorneys' fees and other related cost and expenses.

VIII. General Provisions.

- a. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to its subject matter, and supersedes all prior negotiations, understandings, or agreements.
- b. Status of Visit Palmdale. Visit Palmdale is a wholly independent contractor to the City. This Agreement is not intended and will not be construed to create the relationship of agent, employee, servant, partnership, joint venture or association as between the City and Visit Palmdale. The City does not exercise control over the conduct of Visit Palmdale, except as set forth herein. The City will have no responsibility for payment of any wage or benefits to Visit Palmdale's employees and agents, for whom Visit Palmdale shall bear sole responsibility and liability.

- c. Status of City Employees. Those City employees who also provide services to Visit Palmdale will remain employees of the City alone.
- d. Assignment or Transfer. Visit Palmdale will not assign or transfer either directly or by operation of law, this Agreement or any interest herein without prior written consent of the City. Any attempt to do so without written consent will be null and void, and any assignee or transferee will acquire no right or interest by reason of such attempted assignment or transfer.
- e. Amendments. No supplements, modifications, or amendments to this Agreement will be binding unless made in writing and signed by both parties.
- f. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall constitute an original. Signatures may be given by emailed pdf, Docu-Sign, or comparable electronic means with the same force as original signatures.

IN WITNESS THEREOF, this Agreement shall take effect upon the date of the last signature below ("Effective Date").

"CITY"

"VISIT PALMDALE"

City of Palmdale, a California municipal corporation

Visit Palmdale, a California mutual benefit non-profit corporation

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

Approved as to form:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





## **Palmdale Tourism Improvement District 2024-2025 Annual Report**

Submitted to the City of Palmdale pursuant to Streets and Highways Code Section 36650, for the period from November 1, 2024, through October 31, 2025

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**November 1, 2024 - October 31, 2025**

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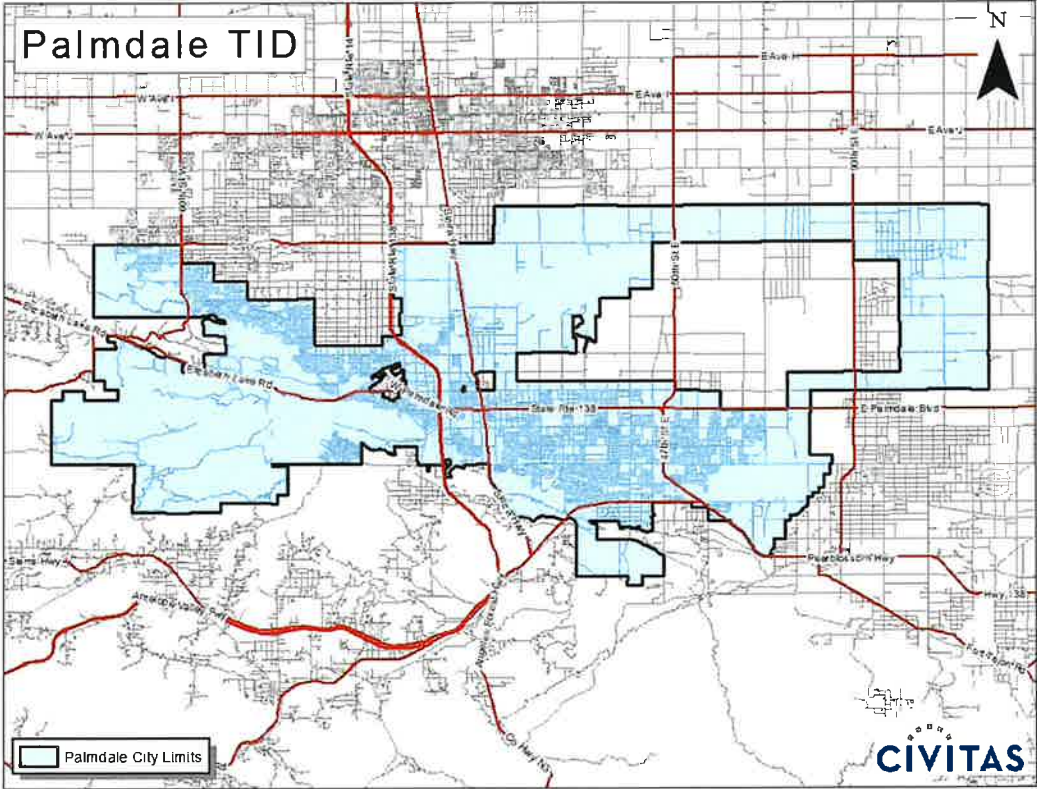
# Boundaries

There are no proposed changes to the boundaries for fiscal year 2024/2025. One (1) lodging business has closed:

- Knights Inn Motel - 130 East Palmdale Boulevard, Palmdale CA 93550.

The Palmdale Tourism Improvement District (PTID) will continue to include all lodging businesses, existing and in the future, available for public occupancy located within the boundaries of the City of Palmdale.

A complete listing of lodging businesses currently within the PTID can be found in the Appendix.



## Improvements and Activities

For fiscal year 2024/2025, the improvements and activities to be provided are consistent with the Management District Plan (Plan).

### *Sales, Marketing, and Communications*

A sales, marketing and communications program will continue to promote assessed businesses as tourist, meeting, and event destinations. The sales, marketing and communications program will continue to have a central theme of promoting the destination as a desirable place for overnight visits. The program will continue to have the goal of increasing demand for overnight visitation and sales at assessed businesses, and may include the following activities:

- Development of a marketing plan to ensure district funds are strategically spent to market assessed businesses;
- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation to assessed businesses;
- Content development for photoshoots and video shoots for digital promotion, featuring assessed businesses to drive overnight visitation and sales to assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, visitor guides, promotional items, postcards, flyers and maps featuring assessed businesses;
- Advertising targeted at potential visitors to drive overnight visitation and sales to assessed businesses;
- Implementation of a public relations and communications strategy, inclusive of social media outlets and press release distribution designed to drive overnight visitation and increase sales at assessed businesses;
- Attendance of trade shows, professional industry conferences, and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists, business travelers, and group events to assessed businesses;
- Familiarization tours of assessed businesses;
- Visitor Service programs and enhancements, such as kiosks and Visitor Centers, that will enhance the visitor experience;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Joint partnerships with local businesses as well as local and state tourism organizations to increase overnight visitation at assessed businesses; and
- Development of Visitor Studies and Return on Investment (ROI) analysis on effectiveness of district funds to improve effectiveness and increase demand for overnight visitation at assessed businesses.

### ***Destination Product Development***

The Destination Project Development projects may continue to include:

- Infrastructure improvements that enhance the destination's competitive position to attract visitors, filming, sporting events, and special events year-round, to increase sales at assessed businesses;
- Comprehensive and integrated wayfinding signage system and/or banner program targeted to increase demand for visitation and increase sales at assessed businesses; and
- Other programs and activities that will enhance the visitor experience to increase sales at assessed businesses.

### ***Administration and Operations***

The administration and operations portion of the budget shall continue to be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, audits, legal, and accounting fees.

### ***Contingency/Reserve***

The budget includes a contingency line item to continue to account for uncollected assessments, or higher than anticipated program costs, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program or administration costs at the discretion of the Board. 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 of the Owners' Association.

Additionally, in the event there are contingency/reserve funds remaining near the end of the PTID's term, contingency/reserve funds may be used for the cost of renewing the PTID.

### ***City Collection Fee***

The City shall continue to retain a fee equal to one percent of the amount of assessments collected, to cover collection and administration costs.

## Cost

### *FY 2024/2025 Projections*

The cost of providing improvements and activities for FY 2024/2025 is consistent with the Plan. The anticipated total budget for FY 2024/2025 is \$1,100,000.00 in anticipated collections and \$1,680,000 in carryover from previous years, for a total estimated budget of \$2,780,000.00.

The categorical collections breakdown for FY 2024/25 is below:

Category	FY 2024/2025 Estimated Collections	% of Budget
Sales, Marketing & Communications	\$891,000	81%
Destination Development	\$66,000	6%
Administration	\$110,000	10%
Contingency/Reserve	\$22,000	2%
City Fee	\$11,000	1%
Totals	\$1,100,000	100%

### *FY 2023/2024 Actuals*

The projected FY 2023/2024 assessment collections were \$1,036,668.42. Actual collections were slightly less than anticipated, totaling \$1,021,000. Budgeted and actual expenses are shown below.

Category	FY 2023/2024 Budgeted		FY 2023/2024 Actual			
	\$	%	\$ Actual	%	\$ Spent	\$ Carryover
Sales, Marketing & Communications	\$829,334.74	81%	\$827,010	81%	\$385,063.89	\$441,946.11
Destination Development	\$62,200.11	6%	\$61,260	6%	\$0	\$61,260.00
Administration	\$114,033.53	10%	\$102,100	10%	\$65,848.27	\$36,251.73
Contingency/Reserve	\$20,733.37	2%	\$20,420	2%	\$49,920	(\$29,500.00)
City Fee	\$10,366.68	1%	\$10,210	1%	\$10,210	\$0.00
Totals	\$1,036,668.42	100%	\$1,021,000	100%	\$511,042.16	\$509,957.84

Note that the carryover amount of \$509,957.84 only includes carryover in assessment revenue from the previous fiscal year. The total carryover amount of \$1,680,000 is a running total including carryover from multiple years.

## **Assessment**

There is no change in the method and basis of levying the assessment.

### ***Assessment Rate***

The annual assessment rate is two percent of gross short term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than 30 consecutive days; stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to November 1, 2021.

The term “gross room rental revenue” as used herein means: the consideration charged, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include 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 PTID assessment is identified separately it shall be disclosed as the “PTID Assessment.” As an alternative, the disclosure may include the amount of the PTID 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 for any purpose, including calculation of transient occupancy taxes.

Bonds shall not be issued.

### ***Time and Manner for Collecting Assessments***

The City will continue to be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners’ Association, Visit Palmdale.

### ***Penalties and Interest***

The PTID shall continue to reimburse the City of Palmdale for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent PTID assessment are sought to be recovered in the same collection action by the City, the

PTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. **Original Delinquency:** Any lodging business owner who fails to remit any assessment imposed by this section within the time required shall pay a penalty of 10% of the amount of the unpaid assessment in addition to the amount of the assessment.
2. **Continued Delinquency:** Any lodging business owner who fails to remit any delinquent remittance on or before a period of 30 days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of 10% of the amount of unpaid assessment, in addition to the amount of the assessment and the 10% penalty first imposed.
3. **Fraud:** If the City determines that the nonpayment of any remittance due under this section is due to fraud, a penalty of 25% of the amount of the assessment shall be added thereto in addition to the penalties stated in this section.
4. **Interest:** In addition to the penalties imposed, any lodging business owner who fails to remit any assessment imposed by this section shall pay interest at the rate of one and one-half percent per month or fraction thereof on the amount of unpaid assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. **Penalties Merged with Assessment:** Every penalty imposed and such interest as accrues under the provisions of this chapter shall become a part of the assessment herein required to be paid.



## Surplus and Other Funding

### ***Surplus***

The amount of surplus to be carried over from the previous years is \$1,680,000.00.

### ***Other Funding***

Approximately \$280,000.00 will be contributed from other sources, including advertising in the Visitor's Guide and income from the annual High Desert Beer and Wine Festival.

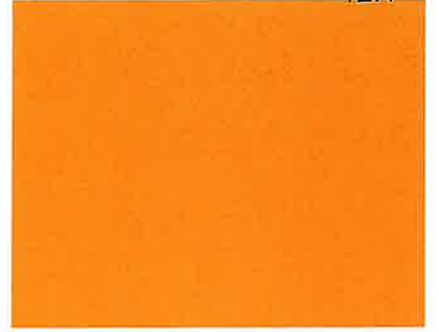
## Appendix – Assessed Businesses

Lodging Business	Business Address
Best Western	600 W Palmdale Blvd, Palmdale, CA 93551
Courtyard by Marriott	530 W Rancho Vista Blvd, Palmdale, CA 93551
Doubletree Palmdale	300 W Palmdale Blvd, Palmdale, CA 93551
Element Hotel	39325 Trade Center Drive, Palmdale, CA 93551
Embassy Suites	39375 5th St W, Palmdale, CA 93551
Palm Inn & Suites	430 W Palmdale Blvd, Palmdale, CA 93551
Fairfield Inn & Suites	1052 W Ave O-8, Palmdale, CA 93551
Hampton Inn and Suites	9428 Trade Center Dr, Palmdale, CA 93551
Hilton Garden Inn Palmdale	1309 W Rancho Vista Blvd, Palmdale, CA 93551
Holiday Inn	38630 5th St W, Palmdale, CA 93551
Home2 Suites	38750 5th St W, Palmdale, CA 93551
Motel 6	407 West Palmdale Blvd, Palmdale, CA, 93551
OYO Hotel	217 E Palmdale Blvd, Palmdale, CA 93550
Palm Motel	38535 6th St E, Palmdale, CA 93550
Red Roof Inn	200 W Palmdale Blvd, Palmdale, CA 93551
Residence Inn by Marriot	514 West Avenue P, Rancho Vista Blvd, Palmdale, CA 93551
Sherwood Motel	1331 E Palmdale Blvd, Palmdale, CA 93550
Staybridge Suites Palmdale	420 W Park Dr, Palmdale, CA 93551

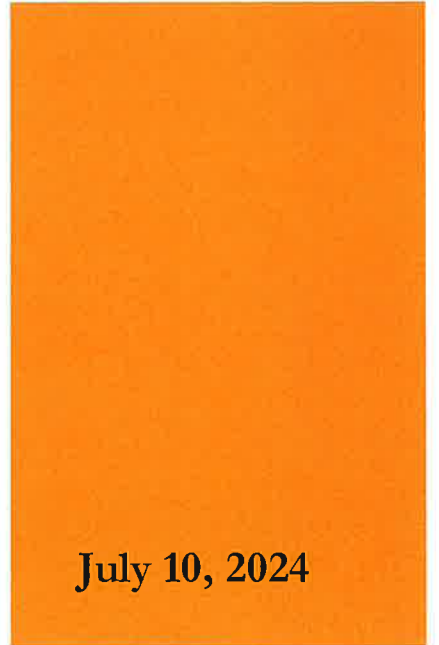
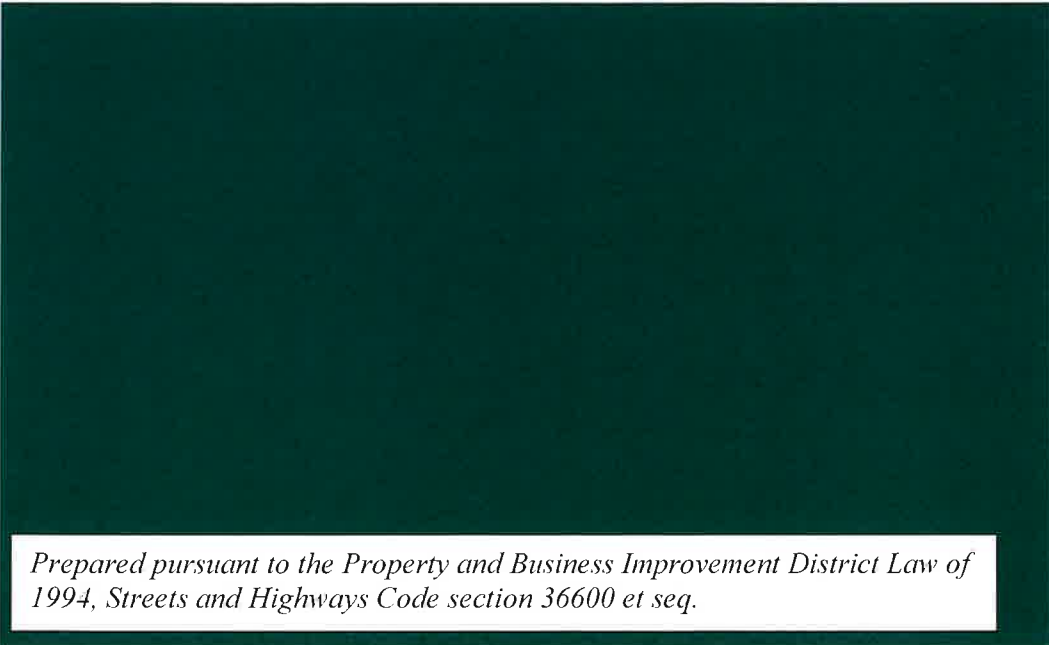


**FY 2024/2025 BUDGET**

<b>Beginning Balance</b>	<b>\$ 1,492,656.47</b>
<b>Revenues</b>	
PTBID	\$ 1,100,000.00
Visitor's Guide	\$ 5,000.00
High Desert Beer and Wine Festival	\$ 50,000.00
<b>Total Revenue</b>	<b>\$ 1,155,000.00</b>
<b>OPERATING EXPENSES</b>	
<b>Administration</b>	
Dues & Subscriptions	\$ 10,000.00
Insurance - General Liability	\$ 6,000.00
Legal & Professional Fees	\$ 10,000.00
Administrative Expenses and Reimbursements	\$ 90,000.00
<b>Total Administration</b>	<b>\$ 116,000.00</b>
<b>Sales, Marketing, and Communications</b>	
General Marketing and Promotions	\$ 80,000.00
Contracted Services	\$ 45,000.00
Tradeshows/Conventions	\$ 20,000.00
Website	\$ 40,000.00
Visitor Guide/Magazine	\$ 20,000.00
Graphic Design	\$ 30,000.00
Customer Experience Initiatives	\$ 200,000.00
Regional Marketing & Events	\$ 50,000.00
Photography	\$ 40,000.00
AV Film Partnership	\$ 50,000.00
Sports Tourism Partnerships	\$ 50,000.00
Aerospace Partnerships	\$ 50,000.00
High Desert Beer and Wine Festival	\$ 200,000.00
New Events & Local Programs	\$ 61,000.00
<b>Total Sales, Marketing, and Communications</b>	<b>\$ 936,000.00</b>
<b>Destination Development</b>	
Infrastructure Development	\$ 70,000.00
<b>Total Destination Development</b>	<b>\$ 70,000.00</b>
<b>Reserve/TBID Renewal</b>	
Contingency	\$ 22,000.00
<b>Total Reserve/Renewal</b>	<b>\$ 22,000.00</b>
<b>City Fee</b>	
City Collection Fee	\$ 11,000.00
<b>Total City Fee</b>	<b>\$ 11,000.00</b>
<b>TOTAL</b>	<b>\$ 1,155,000.00</b>



**PALMDALE 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.*

**July 10, 2024**

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Prepared by

Visit  
**Palmdale**

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## I. OVERVIEW

Developed by Palmdale lodging businesses and the City of Palmdale (City), the Palmdale Tourism Improvement District (PTID) is an assessment district proposed to continue to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed 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 PTID was created in 2021 for a five (5) year term. Visit Palmdale (VP) and Palmdale lodging businesses now wish to renew the PTID for an additional nine (9) year and eight (8) month term.

*Location:* The renewed PTID includes all lodging businesses, existing and in the future, available for public occupancy located within the boundaries of the City of Palmdale, as shown on the map in Section IV.

*Services:* The PTID is designed to provide specific benefits directly to payors by increasing awareness and demand for room night sales. Sales, marketing & communications, and destination development programs will increase demand for overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing demand for room night sales.

*Budget:* The total PTID annual assessment budget for each full fiscal year (July 1 – June 30) of operation is anticipated to be approximately \$1,375,000. The initial “year” of operations will be a partial year consisting of eight (8) months, with an anticipated assessment budget of \$1,001,000. A similar assessment budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do, and as lodging businesses open and close.

*Cost:* The annual assessment rate is two percent (2%) of gross short-term sleeping room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days or stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

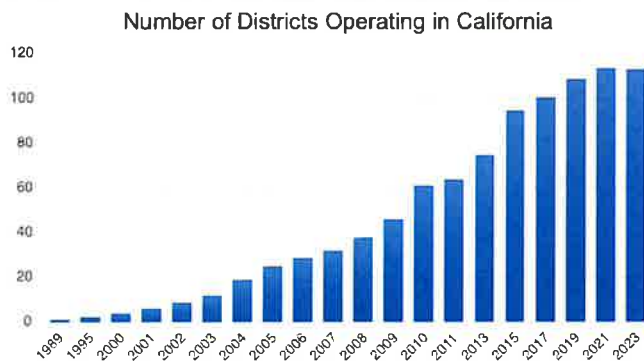
*Collection:* The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, interest, and overdue charges) from each lodging business located in the boundaries of the PTID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

*Duration:* The renewed PTID will have a nine (9) year and eight (8) month life, beginning November 1, 2026, or as soon as possible thereafter, and ending nine (9) years and eight (8) months from its start date. After nine (9) years and eight (8) months, the PTID 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 business owners support continuing the PTID programs.

*Management:* Visit Palmdale (VP) shall continue to serve as the PTID’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 an existing business improvement district law to form a TID. 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 Palmdale 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 funds raised are returned to the private non-profit corporation governing the district.*

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**

Since the inception of the PTID, large strides have been taken to further Palmdale's position in the tourist economy with the intention to drive overnight visitation to assessed businesses. The PTID has embarked on a collaborative journey, partnering with U.S. Air Force Plant 42, the AV Walls Public Art Program, the Palmdale Amphitheater, the AV Fair, and the Aerospace Valley Air Show. Amidst these efforts, Visit Palmdale successfully launched the High Desert Beer and Wine Festival at the Palmdale Amphitheater, drawing enthusiastic crowds to drive overnight visitation to assessed businesses. Concurrently, the PTID focused on refining Palmdale's brand identity with Simpleview and revamping the Visit Palmdale website, aiming to enhance the PTID's online presence. Looking ahead, the PTID is anticipating the launch of its first visitor's guide, marking another milestone in Palmdale's ongoing development as a destination.

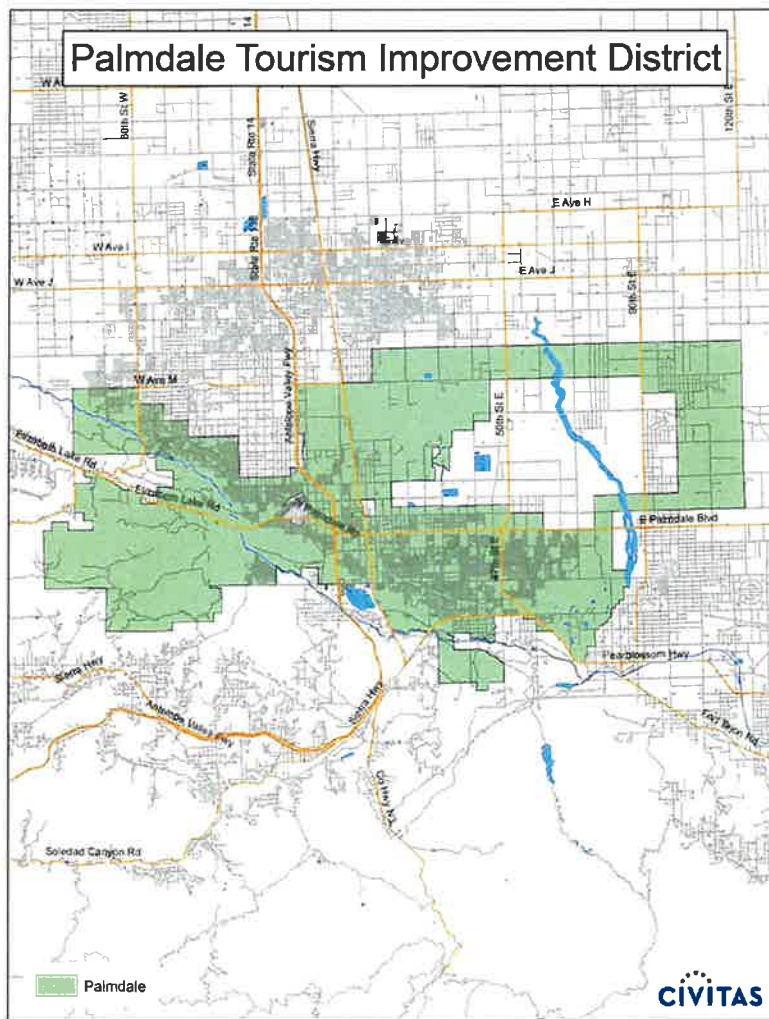


#### IV. BOUNDARY

The PTID will include all lodging businesses, existing and in the future, available for public occupancy located within the boundaries of the City of Palmdale, as shown in the map below.

Lodging business means: any structure, or any portion of any such structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes 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.

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

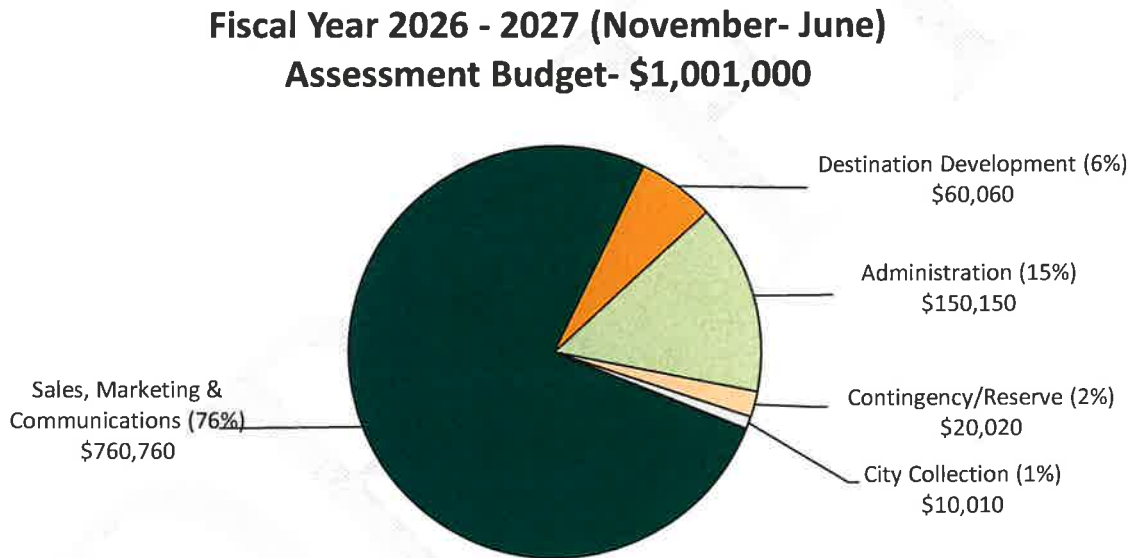


## V. ASSESSMENT BUDGET AND SERVICES

### A. Annual Service Plan

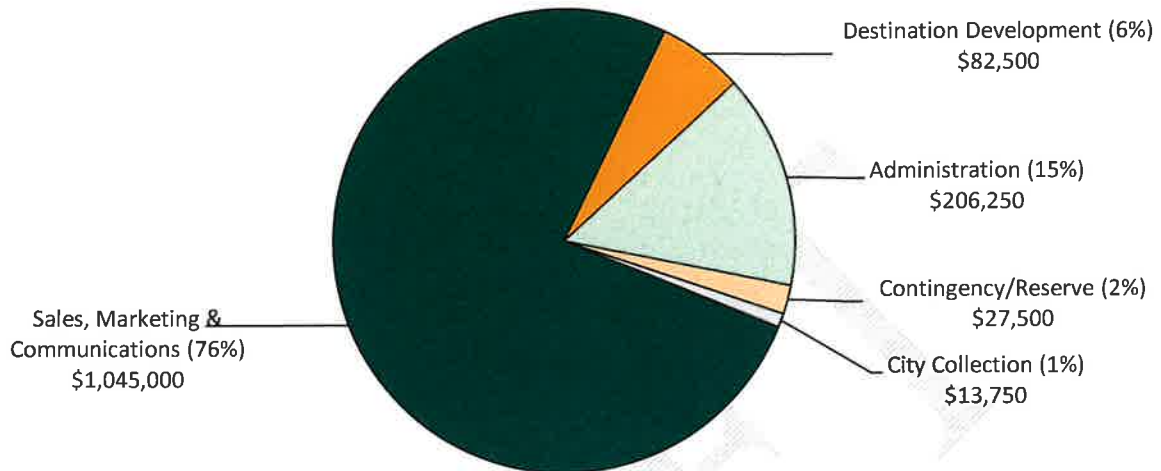
Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City conferring the benefits or granting the privileges. The privileges and services provided with the PTID funds are sales, marketing & communications and destination development programs available only to assessed businesses.

A service plan assessment budget has been developed to deliver services that benefit the assessed businesses. A detailed annual assessment budget will be developed and approved by VP. The chart below illustrates the initial annual assessment budget for the fiscal year November 1, 2026 – June 30, 2027, which covers the initial eight (8) month period of the PTID. These activities and allocations will also apply in sequent years.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. The chart below illustrates the annual assessment budget for fiscal year two (July 1, 2027 - June 30, 2028). However, the City and the VP board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) 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 PTID, any and all assessment funds may be used for the costs of defending the PTID.

## Fiscal Year 2027/2028 (July - June) Assessment Budget- \$1,375,000



Each budget category includes all costs related to providing that service. For example, the sales and marketing budget may include project management, graphic design, promotional materials, media buys, staff time dedicated to overseeing and implementing the sales and marketing program, as well as other related costs and services. The costs of an individual staff member may be allocated to multiple budget categories.

### **Sales, Marketing, and Communications**

A sales, marketing and communications program will promote assessed businesses as tourist, meeting, and event destination. The sales, marketing and communications program will have a central theme of promoting the destination as a desirable place for overnight visits. The program will have the goal of increasing demand for overnight visitation and sales at assessed businesses, and may include the following activities:

- Development of a marketing plan to ensure district funds are strategically spent to market assessed businesses;
- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation to assessed businesses;
- Content development for photoshoots and video shoots for digital promotion, featuring assessed businesses to drive overnight visitation and sales to assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, visitor guides, promotional items, postcards, flyers and maps featuring assessed businesses;
- Advertising targeted at potential visitors to drive overnight visitation and sales to assessed businesses;
- Implementation of a public relations and communications strategy, inclusive of social media outlets and press release distribution designed to drive overnight visitation and increase sales at assessed businesses;

- Attendance and sponsorship of trade shows, professional industry conferences, and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists, business travelers, and group events to assessed businesses;
- Familiarization tours of assessed businesses;
- Visitor Service programs and enhancements, such as kiosks and Visitor Centers, that will enhance the visitor experience;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Joint partnerships with local businesses as well as local and state tourism organizations to increase overnight visitation at assessed businesses; and
- Development of Visitor Studies and Return on Investment (ROI) analysis on effectiveness of district funds to improve effectiveness and increase demand for overnight visitation at assessed businesses.

### **Destination Product Development**

The Destination Project Development projects may include:

- Infrastructure improvements, acquisition and/or site development that enhance the destination's competitive position to attract visitors, filming, sporting events, and special events year-round, to increase sales at assessed businesses;
- Comprehensive and integrated wayfinding signage system and/or banner program targeted to increase demand for visitation and increase sales at assessed businesses; and
- Other programs and activities that will enhance the visitor experience to increase sales at assessed businesses.

### **Administration and Operations**

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, audits, legal, and accounting fees.

### **Contingency/Reserve**

The budget includes a contingency line item to account for uncollected assessments, or higher than anticipated program costs, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program or administration costs at the discretion of the Board. 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 of the Owners' Association. Additionally, in the event there are contingency/reserve funds remaining near the end of the PTID's term, contingency/reserve funds may be used for the cost of renewing the PTID.

### **City Collection Fee**

The City shall retain a fee equal to one percent (1%) of the amount of assessments collected, to cover collection and administration costs.

## **B. Annual Budget**

The total PTID annual assessment budget for each full fiscal year (July 1 – June 30) of operation is anticipated to be approximately \$1,375,000. The initial "year" of operation will be a partial year consisting of eight (8) months, with an anticipated assessment budget of \$1,001,000. A similar assessment budget is expected to apply to subsequent years, but this budget is expected to fluctuate

as room sales do, and as businesses open and close. The total assessment budget for the entire nine (9) year and eight (8) month term of the PTID is anticipated to be approximately \$13,376,000.

The annual assessment rate is two percent (2%) of gross short-term sleeping room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

### **C. California Constitutional Compliance**

The PTID 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.<sup>1</sup> Rather, the PTID 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 PTID, 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 Palmdale 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.”<sup>2</sup> The services in this Plan are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those 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 PTID. 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 City of Palmdale, and are narrowly tailored. PTID 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 PTID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed 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.

The assessment imposed by this PTID 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. 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 district assessment, with sales, marketing & communications and destination development programs promoting lodging businesses paying the PTID assessment. The sales, marketing & communications and destination development programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the sales, marketing & communications and destination development programs that specifically benefit the assessed lodging businesses, the administration and contingency services also provide the specific benefit of increased demand for room night sales to the assessed lodging businesses.

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<sup>1</sup> *Jarvis v. the City of San Diego* 72 Cal App. 4<sup>th</sup> 230

<sup>2</sup> Cal. Const. art XIII C § 1(e)(1)

Although the PTID, 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.”<sup>3</sup>

## **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.”<sup>4</sup> The legislature has recognized that marketing and promotions services like those to be provided by the PTID are government services within the meaning of Proposition 26<sup>5</sup>. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”<sup>6</sup>

## **3. Reasonable Cost**

PTID 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 PTID, 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 PTID-funded activities, be featured in advertising campaigns, and benefit from other PTID-funded services. Non-assessed lodging businesses will not receive these, nor any other, PTID-funded services and benefits.

The PTID-funded programs are targeted directly to benefit assessed businesses. PTID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

## **D. Assessment**

The annual assessment rate is two percent (2%) of gross short-term sleeping room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days or stays of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

The assessment was calculated based on the total cost of the activities to be provided for the benefit of the businesses within the PTID, with costs allocated based on the proportional benefit conferred to each business. Activities funded by the PTID, are specifically targeted to increase room nights at assessed 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 businesses with higher priced room nights.

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<sup>3</sup> Government Code § 53758(a)

<sup>4</sup> Cal. Const. art XIII C § 1(e)(2)

<sup>5</sup> Government Code § 53758(b)

<sup>6</sup> Government Code § 53758(b)

The term “gross room rental revenue” as used herein means: the consideration charged for the occupancy of space in a hotel, valued in money, not including other charges such as destination fees, resort fees, reservation fees, forfeited deposits, cancellation fees, attrition fees, no-show fees, parking fees, internet fees, roll-a-way beds fees, early and/or late checkout fees, or any other charges or fees (existing or in the future).

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 PTID assessment is identified separately it shall be disclosed as the “PTID Assessment.” As an alternative, the disclosure may include the amount of the PTID 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 for calculation of transient occupancy taxes.

Bonds shall not be issued.

#### **E. Interest and Overdue Charges**

The PTID shall reimburse the City of Palmdale for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent PTID assessment are sought to be recovered in the same collection action by the City, the PTID 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 owner who fails to remit any assessment imposed by this section within the time required shall pay a overdue charge of 10 percent (10%) of the amount of the unpaid assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any lodging business owner who fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency overdue charge of 10 percent (10%) of the amount of unpaid assessment, in addition to the amount of the assessment and the 10 percent (10%) overdue charge first imposed.
3. *Fraud:* If the City determines that the nonpayment of any remittance due under this section is due to fraud, an overdue charge of 25 percent (25%) of the amount of the assessment shall be added thereto in addition to the overdue charge stated in this section.
4. *Interest:* In addition to the overdue charge imposed, any lodging business owner who fails to remit any assessment imposed by this section shall pay interest at the rate of one and one-half percent (1.50%) per month or fraction thereof on the amount of unpaid assessment, exclusive of overdue charges, from the date on which the remittance first became delinquent until paid.
5. *Overdue Charges Merged with Assessment:* Every overdue charge imposed and such interest as accrued under the provisions of this chapter shall become a part of the assessment herein required to be paid.

#### **F. Time and Manner for Collecting Assessments**

The PTID assessment will be implemented beginning November 1, 2026, or as soon as possible thereafter, and ending nine (9) years and eight (8) months from its start date. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, interest and overdue charges) from each lodging business located in their respective jurisdictions. The City shall take all

reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

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## **VI. GOVERNANCE**

### **A. Owners' Association**

The City Council, through adoption of this Management District 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 PTID as defined in Streets and Highways Code §36612. The City Council has determined that VP will continue to serve as the Owners' Association for the PTID. VP shall be comprised of up to (7) directors as follows:

- i. A majority of the Directors shall be owners or owner representatives of businesses paying the Palmdale Tourism Improvement District (PTID) assessment.
- ii. At least one (1) Director shall be an owner or owner representative of a lodging business with 100 rooms or less.
- iii. Two (2) Directors shall be representatives from the City of Palmdale, (1) from the Palmdale City Council and one (1) City Representative.
- iv. At least one (1) Director shall be a representative of a non-lodging business in hospitality or tourism sector located in the City of Palmdale.

### **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. 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.

### **C. Annual Report**

VP 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

\*\*\* THIS DOCUMENT IS CURRENT THROUGH THE 2023 SUPPLEMENT \*\*\*  
(ALL 2022 LEGISLATION)

### 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.

**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 assesseses 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

Lodging Business*	Business Address
Best Western	600 W Palmdale Blvd, Palmdale, CA 93551
Courtyard by Marriott	530 W Rancho Vista Blvd, Palmdale, CA 93551
Doubletree	300 W Palmdale Blvd, Palmdale, CA 93551
Element Hotel	39325 Trade Center Drive, Palmdale, CA 93551
Embassy Suites	39375 5th St W, Palmdale, CA 93551
Palms Inn & Suites	430 W Palmdale Blvd, Palmdale, CA 93551
Fairfield Inn & Suites	1052 W Ave O-8, Palmdale, CA 93551
Hampton Inn & Suites	9428 Trade Center Dr, Palmdale, CA 93551
Hilton Garden Inn	1309 W Rancho Vista Blvd, Palmdale, CA 93551
Holiday Inn	38630 5th St W, Palmdale, CA 93551
Home2 Suites	38750 5th St W, Palmdale, CA 93551
Motel 6	407 West Palmdale Blvd, Palmdale, CA, 93551
OYO Hotel	217 E Palmdale Blvd, Palmdale, CA 93550
Palm Motel	38535 6th St E, Palmdale, CA 93550
Red Roof Inn	200 W Palmdale Blvd, Palmdale, CA 93551
Residence Inn by Marriot	514 West Avenue P, Rancho Vista Blvd, Palmdale, CA 93551
Sherwood Motel	1331 E Palmdale Blvd, Palmdale, CA 93550
Staybridge Suites Palmdale	420 W Park Dr, Palmdale, CA 93550

*\*List as of July 2024*