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**COUNTY OF MENDOCINO
BOARD OF SUPERVISORS**

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Date: March 21, 2015
To: The Honorable Mendocino County Board of Supervisors and all other interested parties
From: Supervisors Dan Gjerde and John McCowen

Re: Business Improvement District (BID) Ad Hoc Committee Report

Following numerous meetings with representatives of the Mendocino County Lodging Association (MCLA), the Mendocino County Promotional Alliance (MCPA), and other interested parties, a broad based consensus has been reached on BID related issues. These meetings also produced a recommendation to extend the current MCLA/VMC contract but that matter is solely within their purview to decide. Please see the attached document ("Final MCLA – MCPA Business Improvement District Recommendations") for specific details which, if implemented, will reform the current governance structure and significantly increase funding for countywide promotional efforts.

The current BID governance structure includes five (5) boards, fifty-six (56) board members, and four (4) overlapping contracts. The attached recommendations will retain the ultimate authority of the BOS and the BID Advisory Board, as required by state law, but will create one eleven (11) member governing board to implement the approved marketing plan, thereby increasing efficiency and accountability.

Mendocino County, based on the current 1% BID assessment, and the 50% match from the County General Fund, raises approximately \$900,000 annually to promote Mendocino County. Increasing the BID assessment to 2%, with a continuation of the 50% match from the County General Fund, will double the amount of funding available for promotion.

A comprehensive review of State BID law and our local ordinance confirms that the current governance structure can be changed by amending our local ordinance independently of the process for reauthorizing the BID or increasing the BID assessment.

Therefore, it is recommended that a three part implementation process be followed: 1) renew the current BID, as is, including the 1% assessment, to insure continuity of BID operations; 2) reform the governance structure in line with the recommendations supported by the MCLA and MCPA representatives; 3) subsequently propose an increase in the BID assessment to 2% as a stand alone action subject to the protest process as mandated by state law.

We anticipate that the BID reauthorization process will proceed in a timely manner and that the BOS will approve the recommended reforms to the governance structure, provided those reforms are endorsed by the MCLA, MCPA and VMC Boards of Directors. We believe it is feasible to implement the governance reforms, including seating the new governing board, effective July 1, 2015 and to implement an increased BID assessment effective January 1, 2016. In addition to the lodging operators, the City Councils of Fort Bragg, Point Arena, Willits, and Ukiah must approve any increase in the BID assessment in order for it to apply within their jurisdictions.

We and the MCLA and MCPA participants are committed to providing comprehensive information to the elected officials and staff of the incorporated cities, lodging operators, and the general public. To that end, we plan on holding public meetings in Fort Bragg, Willits, Point Arena, Ukiah and Anderson Valley to present the proposed recommendations and respond to questions. We respectfully request your support for the recommendations as presented and the three part implementation plan.

cc: Mendocino County Lodging Association, Mendocino County Promotional Alliance, Visit Mendocino County, Mendocino County BID Advisory Board, Fort Bragg City Council, Willits City Council, Point Arena City Council, Ukiah City Council

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