

## RESOLUTION NO. 6316(20)

### **A Resolution of the City Council of the City of Lompoc, County of Santa Barbara, State of California, Waiving Penalties and Interest Until June 30, 2020 for Assessments Due, Pursuant to the Lompoc Tourism Improvement District (LTID), for February 2020 and March 2020 Lodging Services, for Those Lodging Businesses Current on Payment of LTID Assessments as of January 1, 2020**

**WHEREAS**, on March 17, 2020, the City of Lompoc (City) declared a local emergency due to COVID-19, a contagious virus with no known cure that has become a global pandemic; and

**WHEREAS**, the City's actions followed the Governor of the State of California declaring a state of emergency on March 4, 2020, and the President of the United States declaring a national emergency on March 13, 2020; and

**WHEREAS**, on March 19, 2020, the Governor issued an Executive Order mandating all residents heed the guidelines of the California Department of Public Health to stay at home, except to participate in essential services; and

**WHEREAS**, the effects of the various orders and actions needed to slow the spread of COVID-19 have resulted in significant economic effects on lodging businesses in the City, and hotel and motel room reservations have dramatically decreased; and

**WHEREAS**, hotels, motels, and other lodging businesses in the City provide not only a place for visitors to stay while in the City, but also generate additional revenue in the form of increased sales tax dollars from visitors' purchases at local stores and restaurants; and

**WHEREAS**, if hotels, motels, and other lodging businesses in the City were forced to close permanently as a result of the decrease in room reservations, then there would be, at minimum, a significant delay in such businesses reopening, and there may be a permanent reduction in the number of hotel rooms in the City, resulting in reductions in City-revenue and the elimination of an essential amenity for visitors to the City; and

**WHEREAS**, hotels, motels, and other lodging businesses in the City are subject to the LTID assessments, pursuant to Resolutions No. 5886(13) and 6180(18), which require those businesses to collect from their guests a 3% assessment to fund the expenditures of the LTID, which then must be remitted to the City; and

**WHEREAS**, in this time of economic uncertainty and declining lodging revenues, the City Council finds it is vital to help assist the lodging businesses that pay LTID assessments in the City to remain open and viable businesses so visitors to the City have a place of lodging during this period of local emergency, and so such businesses will be

able to successfully operate again once the conditions of public health emergency in the City cease; and

**WHEREAS**, pursuant to Streets and Highways Code, section 36651, and that certain management agreement dated as of August 29, 2018 (Agreement), the City has designated Visit Lompoc, LLC (VLI) as the owner's association to provide the improvements and activities described in the Management District Plan for the LTID (Plan);

**WHEREAS**, by a letter dated April 1, 2020, VLI has requested the City to waive penalties and interest for late payments of LTID assessments for February 2020 and March 2020 lodging services, until June 30, 2020 (Waiver);

**WHEREAS**, pursuant to Section 3.01 of the Agreement, the City and VLI are authorized to agree to the Waiver; and

**WHEREAS**, the City Council finds it is in the best interest of the public's health, safety, and welfare for hotels, motels, and other lodging businesses to be able to continue to operate during and after the public health emergency caused by COVID-19; and the City desires to help such businesses that pay LTID assessments tax to continue in business; and the City can do so by temporarily approving the Waiver; and

**WHEREAS**, this measure is temporary in nature and is intended to provide temporary financial relief to hotels, motels, and other lodging businesses that pay LTID assessments within the City during, and immediately following, the City's response to the COVID-19 pandemic outbreak; and

**WHEREAS**, certain lodging businesses in the City may already be behind on payments of LTID assessments to the City as of January 1, 2020; and, thus, those businesses missed payments prior to the COVID-19 public health emergency and such missed payments were not caused by or related to COVID-19.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The recitals above are true and correct and incorporated herein by this reference.

**SECTION 2.** Except as provided in Section 3 below, penalties and interest for late payment of LTID assessments received by the City for February 2020 and March 2020 lodging services are hereby waived through June 30, 2020. From and after July 1, 2020, penalties and interest on those payment shall begin to accrue. Payments of assessments for April 2020 lodging services shall be due, as normal, on May 31, 2020.

**SECTION 3.** No lodging business that is behind on payments of LTID assessments to the City as of January 1, 2020, shall qualify for the waiver of penalties and interest in Section 2 above.

**SECTION 4.** This Resolution shall be effective on the day of its adoption.

The foregoing Resolution was proposed by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and was duly passed and adopted by the Council of the City of Lompoc at its special meeting on April 7, 2020, by the following vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

\_\_\_\_\_  
Jenelle Osborne, Mayor  
City of Lompoc

ATTEST:

\_\_\_\_\_  
Stacey Haddon, City Clerk  
City of Lompoc