



May 30, 2019

Paul Patel
President
Visit Lompoc, Inc.
111 South I Street
Lompoc, CA 93436

Re: Visit Lompoc's Annual Report to the City of Lompoc City Council

Dear Mr. Patel:

This letter is in response to your contention in recent correspondence with City staff that Visit Lompoc, Inc. ("VLI") is not required to submit an Annual Report to the City Council of the City of Lompoc for the year 2019. This Firm serves as the City Attorney for the City of Lompoc, and I have been requested to address your contention.

VLI would be in violation of both the Agreement between the City and VLI and the Lompoc Management District Plan, as well as applicable state law, if it failed to submit an Annual Report to the City Council for the year 2019.

As you know, VLI entered into a Management Agreement ("Agreement") with the City of Lompoc ("City") on July 28, 2014 for the management of the Lompoc Tourism Improvement District ("LTID"). This Agreement was later renewed, on August 29, 2018. VLI's management of the LTID is subject to both the Agreement, as well as the LTID Management District Plan ("MDP"). Additionally, the operation of the LTID must be in compliance with Streets and Highways Code § 36600, *et seq.* ("Code"), which set out the rules and regulations for tourism improvement districts ("TID").

As part of its duties under the Agreement, the MDP, and the Code, VLI is required to submit an Annual Report to the City Council. While an Annual Report is not required in the first year a TID is operating, an Annual Report must be submitted to the City Council during each following year.

You contend that, because the LTID was renewed in the year 2018, VLI need not submit an Annual Report for the year 2019. There is no basis for such a claim in any of the materials provided above. In fact, each of the above reflect the opposite view.

Both the Agreement and MDP require that VLI provide an Annual Report pursuant to the applicable provisions of the Code. The Code, in turn, provides in § 36650 that "[t]he owners' association shall cause to be prepared a report for each fiscal year, except the first year, for

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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."

At no point in the Agreement, the MDP, or the Code is it suggested that renewal of a TID "restarts" the TID's years of operation and allows the TID avoid submitting an Annual Report. As the renewal of the LTID specifically addresses the continuing operation of the LTID, there is no question that VLI must submit an Annual Report for the year 2019. To do otherwise would place VLI in violation of the Agreement, the MDP, and the Code.

As such, please contact Jasmine McGinty, Development Program Specialist, at (805) 875-8226 in order to coordinate when VLI will submit its Annual Report to the City Council. The City Council can review and approve it as a consent calendar item. Please also feel free to contact me with any questions you may have.

Very truly yours,

ALESHIRE & WYNDER, LLP



Jeff M. Malawy
City Attorney

cc: Jasmine McGinty, Development Program Specialist
Jim Throop, City Manager
Stacey Haddon, City Clerk
Teri Schwab, City Attorney's Office