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1 assessments, and the Council heard and received objections and protests, if any, to the renewal
2 of the OTMD and the levy of the proposed assessment; and

3 WHEREAS, on February 28, 2024 at 6:00 PM at the City Council Chambers located at
4 300 North Coast Highway, Oceanside, California 92054, the Council held a public hearing and
5 conducted the second reading of this ordinance to renew the OTMD and continue the levy of
6 assessments, and the Council heard and received all objections and protests, if any, to the
7 renewal of the OTMD and the levy of the proposed assessment; and

8 WHEREAS, the City Clerk has determined that there was no majority protest. A
9 majority protest is defined as written protests received from owners of businesses in the
10 renewed OTMD who would pay fifty percent (50%) or more of the assessments proposed to be
11 levied. Protests are weighted based on the assessment proposed to be levied on each assessed
12 business; and

13 WHEREAS, pursuant to the Taxpayer Protection and Government Accountability Act
14 (TPGAA), an initiative certified eligible for qualification for the November 5, 2024, general
15 election ballot, the proposed assessment is an exempt charge pursuant to TPGAA Section
16 5(j)(6), as the OTMD is a tourism marketing district formed under the provisions of the
17 Property and Business Improvement District Law of 1994, as set forth in the Streets and
18 Highways Code §36600, et seq.; and

19 WHEREAS, the amount of the proposed assessment for the OTMD will total
20 approximately \$3,600,000 in the first full year. The initial “year” of OTMD operations will be a
21 partial year consisting of (3) months, with an anticipated assessment budget of \$950,000.
22 Pursuant to the TPGAA, the City has found the proposed assessment amount is reasonable
23 given the scope of services to be provided and shall not exceed the actual cost of providing the
24 OTMD services to the payors;

25 WHEREAS, adoption of this Ordinance does not diminish the legal effect of the
26 adoption of the Resolution of Formation; and

27
28 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OCEANSIDE
DOES HEREBY ORDAIN AS FOLLOWS:**

1 SECTION 1. Chapter 24A of the Oceanside City Code is hereby adopted as follows:

2
3
4 **Section 24A.010. Renewed.**

5 The City of Oceanside hereby renews the Oceanside Tourism Marketing District (OTMD), for
6 a nine (9) year and three (3) month life, beginning April 1, 2025, or as soon as possible
7 thereafter, and ending nine (9) years and three (3) months from its start date, under the
8 provisions of the Property and Business Improvement District Law of 1994, as set forth in the
9 Streets and Highways Code of the state, Section 36600 et seq.

10 **Section 24A.020. Management District Plan.**

11 The Management District Plan (Plan) dated November 14, 2023 is hereby adopted and
12 approved.

13 **Section 24A.030. Activities and Improvements.**

- 14 1. The activities to be provided to benefit businesses in the OTMD will be funded by the
15 levy of the assessment. The revenue from the assessment levy shall not be used: to
16 provide activities that directly benefit businesses outside the OTMD; to provide
17 activities or improvements outside the OTMD; or for any purpose other than the
18 purposes specified in this ordinance, the Resolution of Intention, the Resolution of
19 Formation, and the Plan. Notwithstanding the foregoing, improvements and activities
20 that must be provided outside the OTMD boundaries to create a specific benefit to the
21 assessed businesses may be provided, but shall be limited to marketing or signage
22 pointing to the OTMD.
- 23 2. The Council finds as follows:
- 24 a. The activities funded by the assessment will provide a specific benefit to assessed
25 businesses within the OTMD that is not provided to those not paying the assessment.
 - 26 b. The assessment is a charge imposed for a specific benefit conferred or privilege
27 granted directly to the payor that is not provided to those not charged, and which
28 does not exceed the reasonable costs to the local government of conferring the
benefit or granting the privilege.
 - c. The assessment is a charge imposed for 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.
 - d. Assessments imposed pursuant to the OTMD are levied solely upon the assessed
business, and the business owner is solely responsible for payment of the assessment
when due. If the owner chooses to collect any portion of the assessment from a

transient or customer, that portion shall be specifically called out and identified for the transient or customer in any and all communications from the business owner as the “OTMD Assessment” or “Tourism Assessment” as specified in the Plan.

3. The assessments levied for the OTMD shall be applied toward marketing and sales promotion efforts, and other improvements and activities as set forth in the Plan.
4. Assessments levied on lodging businesses and vacation rental businesses pursuant to this ordinance shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on short term sleeping room rental revenue is the best measure of benefit.

Section 24A.040. Budget.

The assessments for the entire OTMD will total approximately \$3,600,000 in the first full fiscal year (July 1, 2025 – June 30, 2026). The initial “year” of operations will be a partial year consisting of (3) months, with an anticipated assessment budget of \$950,000.

Section 24A.050. Bonds

Bonds shall not be issued to fund the OTMD.

Section 24A.060. Boundaries.

The renewed OTMD includes all lodging businesses and vacation rental businesses, existing and in the future, available for public occupancy within the boundaries of the City of Oceanside as described in the Management District Plan.

Section 24A.070. Assessments.

1. The annual assessment rate for lodging businesses is two and one half of one percent (2.5%) of gross short-term sleeping room rental revenue. The annual assessment rate for vacation rental businesses is one and one half of one percent (1.5%) of gross short-term sleeping room rental revenue. Based on the benefit received, assessments will not be collected on domestic or international government employees on government business. For stays longer than thirty (30) days there shall be no assessment for the thirty-first (31st) day or any day thereafter. Stays by owners of vacation rental businesses in their own vacation rental business shall not be subject to the assessment.
2. The assessments shall be used for the purposes set forth herein and any funds remaining at the end of any year may be used in subsequent years in which the OTMD assessment is levied as long as they are used consistent with the requirements set forth herein.

Section 24A.080. Collections.

1 The City of Oceanside will be responsible for collecting the assessment on a monthly or
2 quarterly basis (including any delinquencies, interest, and overdue charges) from each lodging
3 business and vacation rental business located in the boundaries of the OTMD. The City shall
4 take all reasonable efforts to collect the assessments from each lodging business and vacation
5 rental business.

6 **Section 24A.090. Owners' Association.**

7 The Council through adoption of this ordinance and the Plan, has the right pursuant to Streets
8 and Highways Code §36651, to identify the body that shall implement the proposed program,
9 which shall be the Owners' Association of the OTMD as defined in Streets and Highways Code
10 §36612. The City Council has determined that the Visit Oceanside shall continue to be the
11 OTMD Owners' Association. Passage of this ordinance authorizes the City Council to contract
12 with Visit Oceanside to administer the OTMD.

13 **Section 24A.100. Annual Report.**

14 Visit Oceanside, pursuant to Streets and Highways Code §36650, shall cause to be prepared a
15 report for each fiscal year, except the first year, for which assessments are to be levied and
16 collected to pay the costs of the improvement and activities described in the report. The first
17 report shall be due after the first year of operation of the renewed OTMD.

18 **Section 24A.110. Amendments to Enabling Legislation.**

19 The OTMD renewed pursuant to this ordinance shall be subject to any amendments to the
20 Property and Business Improvement District Law of 1994 (California Streets and Highways
21 Code §36600 et. seq.).

22 SECTION 2. The City Clerk of the City of Oceanside is hereby directed to publish this
23 ordinance, or the title hereof, as a summary, pursuant to state statute, once within fifteen (15)
24 days after its passage in a newspaper of general circulation published in the City of Oceanside

25 SECTION 3. If any section, sentence, clause or phrase of this Ordinance is for any reason
26 held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such
27 decision shall not affect the validity of the remaining portions of this Ordinance. The City
28 Council hereby declares that it would have passed this Ordinance and adopted this Ordinance

1 and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or
2 more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

3 SECTION 3. This ordinance shall take effect and be in force on the thirtieth (30th) day
4 from and after its final passage.

5 INTRODUCED at a regular meeting of the City Council of the City of Oceanside,
6 California, held on the 24th day of January, 2024, and, thereafter,

7 PASSED AND ADOPTED at a regular meeting of the City Council of the City of
8 Oceanside California, held on the 28th of February 2024, by the following vote:

9 AYES: Sanchez, Keim, Joyce, Robinson, Weiss

10 NAYS: None

11 ABSENT: None

12 ABSTAIN: None

13 /s/ Esther C. Sanchez
14 MAYOR OF THE CITY OF OCEANSIDE

15 ATTEST:

APPROVED AS TO FORM:

16
17 /s/ Zeb Navarro
18 CITY CLERK

/s/ John Mullen
CITY ATTORNEY