

CITY COUNCIL RESOLUTION NO. 23-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, MODIFYING IN PART CITY COUNCIL RESOLUTION 02-152 AND UPDATING PROCEDURES AND PROCESSES GOVERNING THE DISTRIBUTION OF PROCEEDS FROM THE IRVINE HOTEL IMPROVEMENT DISTRICT

WHEREAS, on or about November 12, 2002 the City Council ("**City Council**") of the City of Irvine ("**City**") adopted Resolution 02-152, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE ESTABLISHING THE IRVINE HOTEL IMPROVEMENT DISTRICT AND LEVYING AN ASSESSMENT, which among other things authorized a two percent (2%) room rental assessment for all hotel room rentals in Irvine to fund programs designed to promote tourism within the City; to attract, recruit and retain businesses in the City; and to furnish cultural programs in public places in Irvine; and

WHEREAS, Resolution 02-152 divided funding from the two percent (2%) room rental assessment such that one and one half percent (1.5%) would be used to fund the Irvine Chamber of Commerce's Destination Irvine program to attract and recruit business and tourism to Irvine, and one half of one percent (0.5%) would be used to fund City of Irvine cultural programs; and

WHEREAS, while the purposes of uses of the assessment revenue will not change, the City, with input from hotel operators in the City of Irvine that are responsible for paying the two percent (2%) room rental assessment, desires to modify the processes by which it will distribute funding so that, in lieu of funding the Chamber of Commerce's Destination Irvine program, a seven (7) member City of Irvine Hotel Improvement District Operating Committee ("**HID Committee**") shall be created to control and direct the expenditure of the portion of those funds previously directed by the Chamber of Commerce's Destination Irvine program.

NOW, THEREFORE, the City Council of the City of Irvine DOES HEREBY RESOLVE as follows:

SECTION 1. Section 7 of Resolution 02-152 is hereby deleted in its entirety and superseded and replaced as set forth in Section 2 of this Resolution.

SECTION 2. From and after July 1, 2023, the City will fund the programs described in Section 6 of Resolution 02-152 by distributing the Irvine Hotel Improvement District assessment revenue as follows: (i) one and one half percent (1.5%), *i.e.*, three quarters (3/4) of the assessment revenue, to fund programs to attract and recruit business and tourism to Irvine ("**HID Directed Funding**") and (ii) one half of one percent (.5%), *i.e.*, one quarter (1/4) of the assessment revenue, to fund City of Irvine cultural programs ("**City Directed Funding**"). Collectively, the HID Directed Funding and the City Directed

Funding are referred to as the "Total Funding." Expenditure of the HID Directed Funding shall be made pursuant to the direction of the HID Committee (as defined in, and subject to the limitations and requirements found in, Section 3 of this Resolution). Except where funds are otherwise available, the assessment will fund all activities as specified in Section 6 of Resolution 02-152, in the Irvine Hotel Improvement District.

SECTION 3. There is hereby created the City of Irvine Hotel Improvement District Operating Committee. The charge of the HID Committee is to direct HID Directed Funding distribution and identify programs designed to promote tourism within the City; attract, recruit and retain businesses within the City. The committee shall be comprised of seven members, as follows:

- Four (4) members selected from the Irvine HID Hotels by the Irvine Hotel General Managers group; provided, however, that if an HID Committee member ceases to be associated with the hotel they were associated with when selected, they shall be deemed to have resigned, and a replacement will be selected by the Hotel General Managers Group; and
- Three (3) members selected by the City Council, comprised of one (1) City Council member, the City Manager or his/her designee, and an additional City staff member designated by the City Manager.
- The chairperson of the HID Committee shall be the appointed City Council member
- Term lengths for each HID Committee member shall be two (2) years; provided, however, that initial terms shall expire on July 1, 2025.

SECTION 4. Each year, the HID Committee shall include in its disbursement to the City a portion of the HID Directed Funding to pay for the City's costs and expenses incurred (or forecast to be incurred) in (i) auditing and administering the assessment and staffing costs associated therewith, and (ii) in providing and staffing tourism and economic development programs, in an amount not to exceed eighteen percent (18%) of the Full Funding, which amount shall be paid from the HID Directed Funding.

SECTION 5. Each year, independent of the activities and expenditures of the HID Committee, the City shall identify and expend the City Directed Funding on City of Irvine cultural programs.

SECTION 6. Sections 9, 11 and 12 of Resolution 02-152 are hereby deleted.

SECTION 7. Section 13 of Resolution 02-152 is amended and replaced in its entirety to read as follows: "No later than September 30 of each year, the HID Committee will provide to the City, in a form required by the City, a report detailing the assessments received and its expenditures of the HID Directed Funding on program expenditures for tourism and economic development for the past fiscal year. The HID shall conduct an annual audit of the assessment revenues received and expended, and shall provide the audit to the City within thirty (30) days after its completion, together with any additional information that the City may request in its sole and absolute discretion.

SECTION 8. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED by the City Council of the City of Irvine at an adjourned regular meeting held on the 14th day of March 2023.


MAYOR OF THE CITY OF IRVINE

ATTEST:


CITY CLERK OF THE CITY OF IRVINE

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF IRVINE)

I, CARL PETERSEN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing resolution was duly adopted at an adjourned regular meeting of the City Council of the City of Irvine, held on the 14th day of March 2023.

AYES:	5	COUNCILMEMBERS:	Agran, Carroll, Kim, Treseder, and Khan
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None


CITY CLERK OF THE CITY OF IRVINE