



EIGHTEENTH ANNUAL REPORT OF THE ADVISORY BOARD **LAGUNA BEACH BUSINESS IMPROVEMENT DISTRICT**

Effective July 1, 2001, the City levied an assessment on all of the hotels and motels in the community. The fee is equal to 2% of gross room revenues as defined by the Transient Occupancy Tax Ordinance of the City. The assessment will expire on June 30, 2019, unless the City Council agrees to continue the District.

The Council has appointed an Advisory Board consisting of the Mayor, Mayor Pro Tem, City Manager, and four members appointed by Visit Laguna Beach. Under the State enabling statute, we are charged with preparing an annual report delineating the activities of the District. This report is in response to that State mandate. The report encompasses proposed activities for FY 2019-20 and reports on activities in FY 2018-19 and FY 2017-18, based on the information presently available.

FY 2019-20

For the upcoming fiscal year the Advisory Board does not propose any changes in the boundaries of the District.

The Advisory Board is recommending that the present assessment be continued for another 12 months, i.e., July 1, 2019, through June 30, 2020. We are also recommending that the distribution of funds in Exhibit A delineates the nature of the assessment and the distribution of those funds.

The estimated receipts in the Business Improvement District are recommended to be allocated as follows:

Visit Laguna Beach	\$1,360,000
Laguna College of Art and Design	\$ 272,000
Laguna Playhouse	\$ 272,000
Laguna Art Museum	\$ 272,000
Arts Commission Programs	\$ 272,000
Cultural Arts Funding	<u>\$ 272,000</u>
TOTAL	\$2,720,000

In a separate report to the City Council in June 2019, the Arts Commission will submit its recommendations for funding of Arts Commission Programs and Cultural Arts Funding during FY 2019-20. The Council will act on those recommendations in conjunction with the adoption of change to the City budget

in June. Based on receipts for the last twelve months of the assessment, it is estimated that \$259,000 will be available for Arts Commission Programs and \$259,000 will be available for Cultural Arts Funding.

Several monikers have been used to describe or refer to the Business Improvement District. The Advisory Board continues to recommend that the program be known formally as the Laguna Beach Business Improvement District and that all applications and other materials related to this program use that nomenclature.

The Advisory Board continues to recommend that the grants, which are distributed to art agencies, require that any written materials produced by those agencies for dissemination to their patrons, customers, residents or visitors reflects that *“funds for this program are provided by the lodging establishments and the City of Laguna Beach.”* The City staff has incorporated that language into grant materials.

FY 2018-19

The estimate of revenue to be received in the current year is proposed to be \$2,589,000. The funds will be distributed as follows: Visit Laguna Beach (50%), Laguna College of Art and Design (10%), Laguna Playhouse (10%), Laguna Art Museum (10%), Arts Commission Programs (10%), Cultural Arts Funding (10%). Allocations to the Arts Commission Programs and the Cultural Arts Funding will be adjusted by any prior year shortfalls or unspent funds.

The distribution of the allocation for Arts Commission programs and Cultural Arts Funding was determined in June of 2018.

FY 2017-18

In FY 2017-2018, revenues were estimated to be \$2,525,000. The funds were distributed as follows: Visit Laguna Beach (50%), Laguna College of Art and Design (10%), Laguna Playhouse (10%), Laguna Art Museum (10%), Arts Commission Programs (10%), Cultural Arts Funding (10%). Allocations to the Arts Commission Programs and the Cultural Arts Funding are adjusted by any prior year shortfalls or unspent funds.

The distribution of the allocation for Arts Commission programs and Cultural Arts Funding was determined in June of 2017.

Attachments