



CALISTOGA
CHAMBER OF COMMERCE

March 10, 2010

Jim McCann
City Manager
City of Calistoga
1232 Washington Street
Calistoga, CA 94515

Dear Jim:

I am sending this letter to update you on the local TBID petition process. All Calistoga based lodging properties, which currently pay TOT to the City of Calistoga, were issued the attached documents for their review.

The documents include the actual petition for those that are in support of the plan to sign and return. While the Countywide deadline is April 9, 2010, I have requested that Calistoga properties return their petitions by March 16th if possible. This would give us the opportunity to share with the Council early results and interest for this plan for consideration of their ratification of the Management District Plan on the March 16th City Council agenda.

Based upon an in-depth information session and dozens of individual conversations, the Chamber feels that there will be enough support from our lodging industry for the TBID to pass locally. As we have discussed previously, this is an important endeavor, which will secure appropriate and greatly needed funding for destination marketing of Calistoga and the entire County.

It is important to understand that the TBID funds generated locally should be considered a supplement to the funding that the City already provides for the marketing of Calistoga as a world class destination. This form of funding should not be considered a replacement for the support the City has been providing from revenues generated by traditional TOT.

I look forward to the discussions at the City Council meeting on the 16th.

Sincerely,

Chris Canning
Executive Director

1133 Washington Street, Calistoga, CA 94515
(707) 942-6333 FAX (707) 942-9287



CALISTOGA
CHAMBER OF COMMERCE

To: Calistoga Based Lodging Properties
From: Chris Canning, Executive Director
Date: March 9, 2010
Subject: **Petition to Napa County for the Creation of a
Tourism Improvement District (TBID)**

Enclosed you will find a Petition to the County of Napa to form the Napa Valley Tourism Improvement District (NVTID). There is an overview of the plan attached to the petition for your review and consideration.

I have also included the detailed Management District Plan so that you will not need to specifically request it as is suggested in the petition. It is being provided so that you have all of the information necessary for you to make an informed decision on this endeavor.

All petitions must be returned no later than April 9, 2010. Ideally, we would like to receive the Calistoga petitions by March 16, 2010 if possible. This would give us the opportunity to update the Calistoga City Council on our lodging industry's position on this matter.

If you are in favor of this plan, you must sign the petition as outlined. If you are not in favor of the plan, there is no need to take any action, as the enclosed document is a petition of support and not a ballot for voting.

Please contact me with any questions you may have.

chris@calistogachamber.net

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**PETITION TO THE COUNTY OF NAPA
TO FORM THE NAPA VALLEY TOURISM IMPROVEMENT DISTRICT**

We petition you to initiate special assessment proceedings to form a Tourism Improvement District in accordance with the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 et seq., for the purpose of undertaking and implementing the Tourism BID as described in the attached summary of the Management District Plan attached hereto as Exhibit A.

Napa Valley Tourism Improvement District formation requires submittal of petitions from lodging businesses within the proposed district boundaries representing more than 50% of the total annual assessment. Specifically, each lodging establishment's petition will be weighted by the total gross room rental revenue (less any local, State or Federal sales taxes or transient occupancy taxes) of that lodging establishment. If written petitions representing more than 50% of the total assessment revenue (each revenue dollar represents one petition vote) support formation, the petitions will be forwarded to the Napa County Board of Supervisors for a public meeting and a public hearing, and an opportunity for a written protest. The assessed lodging business owners will receive notice of the public hearings by mail.

Lodging Establishment

Business Owner

Authorized Owner Representative/Owner Name (printed)

Title

Signature

Date

EXHIBIT A

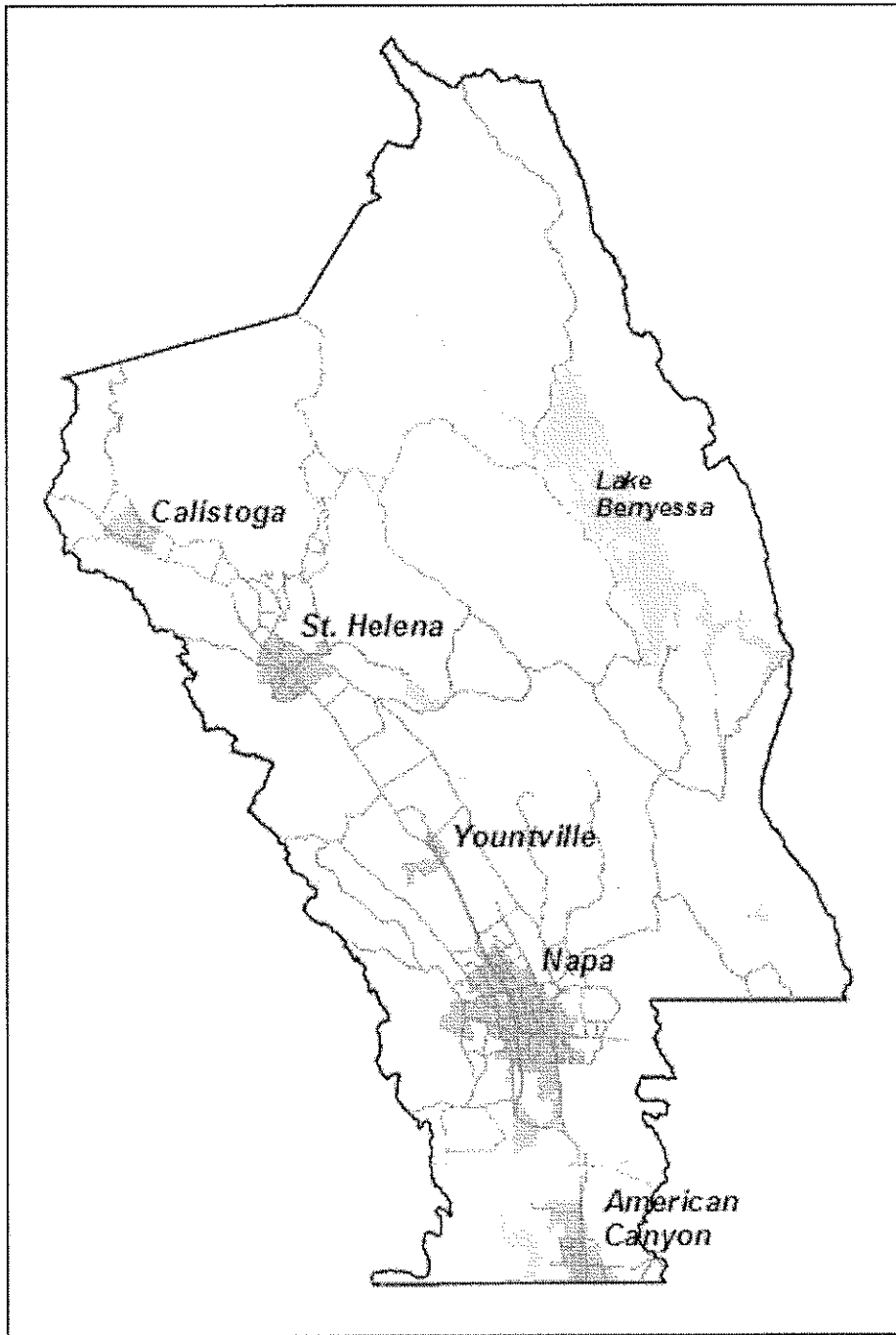
MANAGEMENT DISTRICT PLAN SUMMARY

- Location:** The proposed NVTID includes all lodging businesses (hotels, motels, inns, or any other structure or portion thereof occupied, intended, or designed for occupancy by transients as defined in the municipality's municipal code) located within the cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville, and the unincorporated areas of Napa County. The NVTID does not include vacation rentals, campgrounds, or traditional space-rental only r.v. parks, which shall each be defined as specified in each municipality's municipal code.
- Services:** Marketing, sales promotions and other tourist serving activities to increase tourism and to market Napa Valley as a tourist, meeting and event destination.
- Budget:** The total NVTID annual budget for each year of its five (5) year operation is anticipated to be approximately \$4,000,000. Of that amount, approximately \$2,220,000 will be allocated to Valley-wide marketing efforts, \$1,000,000 to individual destination promotional efforts, \$500,000 to operational expenses, \$200,000 to a contingency fund, and \$80,000 to municipal administrative costs. The annual budget is expected to fluctuate based on market conditions, however, expenditures shall generally remain proportionally the same.
- Cost:** Annual assessment rates are 2.0% of gross short term (stays of 30 days or less) room rental revenue on lodging businesses. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. Stays by government employees on government business shall not be subject to assessment. "Government employee" shall mean foreign or domestic government employees subject to exemption from transient occupancy tax pursuant to each municipality's municipal code.
- Duration:** The proposed NVTID will have a five (5) year life. The NVTID assessment will be implemented beginning July 1, 2010. Once per year beginning on the anniversary of the formation of the district there is a 30 day period in which owners paying more than 50% of the assessment may protest and terminate the district.

A complete copy of the Management District Plan will be furnished upon request. Requests for a complete copy of the Management District Plan should be made to:

Mr. Clay Gregory
Napa Valley Destination Council
1310 Napa Town Center
Napa, CA 95449
(707)226-5813

DISTRICT BOUNDARY MAP



The boundaries of the NVTID will be the boundaries of the County of Napa.