



Contra
Costa
County

To: Board of Supervisors
From: Diane Burgis, District III Supervisor
Date: October 5, 2021

Subject: LIVERMORE VALLEY WINE HERITAGE DISTRICT

RECOMMENDATION(S):

ADOPT Resolution No. 2021/292 consenting to including certain unincorporated territory of Contra Costa County in the Livermore Valley Wine Heritage District formed by the City of Livermore.

FISCAL IMPACT:

None immediately. Because the LVWHD programs are intended to increase winery sales revenue for Livermore Valley wineries within the LVWHD, there may be an increase in sales tax collections.

BACKGROUND:

The City of Livermore is working with the Livermore Valley Wine Association and local winery businesses to form the LVWHD pursuant to the Property and Business Improvement District Law of 1994 (94 Law). The City of Livermore (City) has requested by resolution (Attachment 1) the inclusion of the County of Contra Costa in the LVWHD. The LVWHD Management District Plan (Plan) sets forth the assessment rate.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **10/05/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor

Candace Andersen, District II
Supervisor

Diane Burgis, District III Supervisor

Karen Mitchoff, District IV
Supervisor

Federal D. Glover, District V
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 5, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Alicia Nuchols,
925-252-4500

cc:

The annual assessment rate is two percent (2%) of gross direct to consumer sales revenue on winery sales. Based on the benefit received, assessments will not be collected on purchases made outside of the state of California. In order to form the LVWHD, a majority of the businesses paying the assessment must petition the City for LVWHD formation (by amount paid).

The 94 Law allows for the formation of multi-jurisdictional Business Improvement Districts (BIDs), with consent of the included jurisdictions being granted to one “lead” jurisdiction. The City of Livermore has requested consent to act as the lead jurisdiction in the formation of the LVWHD, as shown in the Plan (Attachment 2). Adopting this resolution will give the City of Livermore authority to include areas of the County of Contra Costa in the proposed LVWHD. To form the LVWHD, the City of Livermore will follow the formation proceedings specified in the 94 Law, including accepting petitions, adopting a resolution declaring its intention to form the LVWHD, holding a public meeting and public hearing to allow for comments, and adopting a resolution establishing the LVWHD.

BACKGROUND: (CONT'D)

WINE HERITAGE DISTRICTS

Wine Heritage Districts (WHDs) are an evolution of the traditional Business Improvement District (BID). BIDs allow business owners to organize their efforts to increase sales and promotional efforts. Business owners within the district fund a BID, and those funds are used to provide services that the businesses desire and benefit the businesses within the district.

BID benefits:

- Funds cannot be diverted for other government programs;
- They are customized to fit the needs of each destination;
- They allow for a wide range of services; including: marketing programs, business promotion activities, and infrastructure improvements;
- They are designed, created and governed by those who will pay the assessment; and
- They provide a stable funding source for business promotion.

In California, BIDs are primarily formed pursuant to the Property and Business Improvement District Law of 1994 (94 Law). This law allows for the creation of a special benefit assessment districts to raise funds within a specific geographic area. The key difference between BIDs and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the BID.

MANAGEMENT DISTRICT PLAN

The Management District Plan (Attachment 1) includes the proposed boundary of the LVWHD, a service plan and budget and a proposed means of governance. The LVWHD includes wineries located within the boundaries of the Counties of Alameda and Contra Costa, and the cities of Danville, Livermore, Dublin, and Sunol, as shown on the map in Attachment 2.

The established LVWHD will have a five (5) year term, beginning July 1, 2021 and ending on June 30, 2026. The assessment will be implemented beginning July 1, 2021. Once per year beginning on the anniversary of LVWHD establishment there is a thirty (30) day period in which winery owners paying fifty percent (50%) or more of the assessment may protest and begin proceedings to terminate the LVWHD.

The annual assessment rate is two percent (2%) of gross sales revenue on winery sales. Based on the benefit received, assessments will not be collected on purchases made outside of the state of California. If formed, the LVWHD would generate approximately \$693,000 on an annual basis for marketing & brand awareness, community & industry advocacy, quality enhancement & education, and professional development & education efforts will promote assessed wineries in the LVWHD to increase winery sales revenue.

The City of Livermore (City) or a third-party collection agency shall be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties and interest) from each winery located in the boundaries of the LVWHD. The City or the third-party collection agency shall take all reasonable efforts to collect the assessments from each winery.

LVWHD ESTABLISHMENT PROCESS

September 13, 2021- RESOLUTION OF INTENTION HEARING

Upon the submission of a written petition, signed by the winery owners in the established district who will pay more than fifty percent (50%) of the assessments proposed to be levied, the Livermore City Council (Council) may initiate proceedings to establish a district by the adoption of a resolution expressing its intention to establish a district.

Petition Status: Petitions in favor of LVWHD establishment were submitted by 24 wineries, which represent greater than 50% of the total LVWHD assessment. This majority petition allows the Council to initiate proceedings for LVWHD establishment at the September 13, 2021 meeting.

September 2021- RESOLUTION REQUESTING CONSENT

Upon adoption of the Resolution of Intention, the City Council must request consent from the Counties of Alameda and Contra Costa (counties), and the cities of Danville and Dublin (cities) to be included in the proposed LVWHD. Consent must be received from the counties and the cities prior to the final public hearing for their jurisdiction to be included in the established LVWHD.

September 2021- NOTICE

The 94 Law requires the City to mail written notice to the owners of all wineries proposed to be within the LVWHD. Mailing the notice begins a mandatory forty-five (45) day period in which owners may protest LVWHD establishment.

October 11, 2021- PUBLIC MEETING

Allow public testimony on the establishment of the LVWHD and levy of assessments. No Council action required.

November 8, 2021- FINAL PUBLIC HEARING

If written protests are received from the owners of wineries in the established LVWHD which will pay more than fifty percent (50%) of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than fifty percent (50%), no further proceedings to levy the proposed assessment against such wineries shall be taken for a period of one (1) year from the date of the finding of a majority protest by the Council.

At the conclusion of the public hearing to establish the LVWHD, the Council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them.

If the Council, following the public hearing, decides to establish the LVWHD, the Council shall adopt a resolution of formation.

The recommended action to adopt of the attached resolution granting consent to the City of Livermore to form the Livermore Valley Wine Heritage District (LVWHD) and include the County of Contra Costa in the LVWHD will enable the City of Livermore and the Livermore Valley Winegrowers Association (LVWA) to move forward with the LVWHD formation process. Upon successful formation, the LVWHD will be governed by the City of Livermore and the Livermore Valley Winegrowers Association.

CONSEQUENCE OF NEGATIVE ACTION:

The Board of Supervisors could choose not to adopt the resolution, which would result in the County not participating in the LVWHD. District III does not recommend this option.

ATTACHMENTS

Resolution 2021/292

Attachment 1: Management District Plan

Attachment 2: Proposed District Map

Attachment 3: City of Livermore Resolution No. 2021-159