

Folsom City Council Staff Report

MEETING DATE:	5/28/2026
AGENDA SECTION:	Old Business
SUBJECT:	Resolution No. 11622 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement Between the City of Folsom and the Folsom Tourism Bureau Relative to the Folsom Tourism Business Improvement District and Appointing Two Councilmembers to Serve on the FTBID Capital Improvement Committee
FROM:	City Manager's Office

RECOMMENDATION / CITY COUNCIL ACTION

Staff Recommends the City Council adopt Resolution No. 11622 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement between the City of Folsom and the Folsom Tourism Bureau Relative to the Folsom Tourism Business Improvement District and Appointing Two Councilmembers to Serve on the FTBID Governance Committee.

BACKGROUND / ISSUE

TOURISM BUSINESS IMPROVEMENT DISTRICTS

Tourism Business Improvement Districts (TBIDs) utilize the efficiencies of private sector operation in the market-based promotion of tourism. These special assessment districts allow assessed business owners to organize their efforts to increase tourism. Business owners within the TBID fund the TBID, and those funds are used to provide services and facilities that are desired by and benefit the assessed businesses within the TBID.

Benefit assessment districts have been used successfully in Folsom as well as other destination areas throughout the state to improve tourism and drive additional room nights to assessed businesses.

TBID 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 and improvements, including, but not limited to, destination marketing, tourism promotion, and sales lead generation;
- They are designed, created, and governed by those who will pay the assessment with oversight by the city; and
- They provide a stable funding source for tourism promotion.

FOLSOM TOURISM BUSINESS IMPROVEMENT DISTRICT (FTBID)

The City of Folsom established the FTBID in 2012 via the adoption of Resolution No. 9071, pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highway Code § 36500 et seq.) (89 Law) and Ordinance No. 1171 (which codified Folsom Municipal Code Chapter 3.100). The FTBID is a benefit assessment district that provides specific benefit directly to the Folsom lodging businesses that are assessed that is not provided to those not paying the assessment. The boundaries of the FTBID are the boundaries of the City of Folsom. The FTBID includes all lodging businesses with twenty or more rooms, existing and in the future, within the boundaries of the City of Folsom.

Resolution No. 9071 established the FTBID with an assessment rate of 4% to be levied for a term of 20 years, commencing on January 1, 2013 and ending on December 13, 2032. Assessments are levied on lodging businesses with twenty or more rooms, on the basis of benefit.

2026 MODIFICATION

The FTBID Owners' Association recommended to the lodging business owners to pursue modification of the FTBID in order to expand a revenue source devoted to marketing Folsom as a tourist, meeting, and event destination and support facility-related investments such as infrastructure improvements.

The proposed modified assessment rate was eight percent (8%) of gross room rental revenue, increasing the previous rate of four percent (4%) of gross room rental revenue. The additional four percent (4%) assessment was designed to be dedicated to improvements, including but not limited to development of facilities that attract overnight visitation to businesses paying the TBID assessment, infrastructure improvements, and marketing and development efforts directly related to the facilities and associated visitor growth.

Based on feedback received from the lodging businesses subject to the increased assessment, the Owners Association must establish the FTBID Capital Improvement Committee (Committee) and adopt a Governance Policy (Attachment 3). The Committee shall be comprised of representatives from assessed hotels, TEDCorp, and the City of Folsom that shall direct use of the additional revenue from the supplemental four percent (4%) assessment.

An amendment to the agreement between the City and the Owners' Association is necessary to incorporate these requirements and ensure they are in place before the modified assessment is levied. This understanding was memorialized in Resolution No. 11539 adopting the modified assessment.

POLICY / RULE

City of Folsom Ordinance No. 1171, codified as Folsom Municipal Code Chapter 3.100, establishes procedures for forming, modifying, and governing parking and business improvement districts supplemental to the 89 Law.

Folsom Municipal Code section 2.36.080 contains the requirements for execution of contracts.

The existing agreement between the City and the Owners' Association requires that amendments be made in writing, executed by both parties.

ANALYSIS

The FTBID modification was approved by City Council in Resolution No. 11539 on April 28, 2026, subject to the requirements that:

1. The FTBID Owners' Association shall establish the FTBID Capital Improvement Committee, a committee of representatives from assessed hotels, TEDCorp, and the City that directs use of the additional revenue from the supplemental four percent (4%) assessment in conformity with the terms of the Governance Policy.
2. The existing agreement between the City and the Owners' Association shall be amended to incorporate requirements that the Owners' Association establish the Committee and conform operations of the FTBID to the Governance Policy with respect to the increased assessment.
3. The increased assessment shall not be levied until the Committee has been established and the contract amendment described above has become effective.

The attached resolution authorizes the City Manager to execute an amendment to the existing agreement with the Owners Association to implement requirements 1-3 above.

With the attached resolution, the Council also appoints two Councilmembers to the Committee as City representatives. Councilmembers Leary and Aquino specifically expressed interest in serving on the Committee, so staff is proposing their appointment, subject to the will of the Council. Pursuant to the terms of the TBID Governance Policy, the City Manager is also a member of the Committee.

The attached resolution also clarifies that future appointments to the Committee do not need to be made by resolution and may instead follow the Council's standard practice for appointments to boards and commissions.

FINANCIAL IMPACT

The contract amendment and Committee appointments described in this report will have no direct financial impact upon the City. The anticipated financial impact of the TBID modification

is described in the staff report associated with Resolution No. 11539, adopted at the April 28, 2026 Council Meeting.

ENVIRONMENTAL REVIEW

This action is not subject to the California Environmental Quality Act (CEQA) because it is not considered a project pursuant to CEQA Guidelines sections 15378(b)(4) and (5). See also CEQA Guidelines section 15002(d).

ATTACHMENTS

1. Resolution No. 11622 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement Between the City of Folsom and the Folsom Tourism Bureau Relative to the Folsom Tourism Business Improvement District and Appointing Two Councilmembers to Serve on the FTBID Capital Improvement Committee
2. Agreement Between the City of Folsom and the Folsom Tourism Bureau Relative to the Folsom Tourism Business Improvement District
3. FTBID Capital Improvement Committee Governance Policy

Submitted,
Bryan Whitemyer
City Manager

Attachment 1

RESOLUTION NO. 11622

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF FOLSOM AND THE FOLSOM TOURISM BUREAU RELATIVE TO THE FOLSOM TOURISM BUSINESS IMPROVEMENT DISTRICT AND APPOINTING TWO COUNCILMEMBERS TO SERVE ON THE FTBID CAPITAL IMPROVEMENT COMMITTEE

WHEREAS, the Parking and Business Improvement Area Law of 1989, Streets and Highways Code §36500 et seq., (1989 Law) authorizes cities and counties to establish parking and business improvement districts for the purpose of promoting tourism; and

WHEREAS, the City of Folsom (“the City”) adopted Ordinance No. 1171, codified as Folsom Municipal Code Chapter 3.100, which establishes procedures for forming parking and business improvement districts supplemental to the 1989 Law; and

WHEREAS, the City Council established the Folsom Tourism Business Improvement District (“FTBID”) on October 23, 2012, by Resolution No. 9071; and

WHEREAS, Folsom Municipal Code § 3.100.090 authorizes the FTBID Owners’ Association at any time to recommend the City modify the FTBID; and

WHEREAS, the FTBID Owners’ Association facilitated a request to modify the FTBID; and

WHEREAS, the City complied with the notice and majority protest proceeding requirements contained in state law as modified by the Folsom Municipal Code with respect to the proposed TBID modification; and

WHEREAS, a majority protest is defined as written protests received from owners of businesses in the modified FTBID which would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each assessed business; and

WHEREAS, the City Clerk determined that a conditional majority protest existed, to the effect that owners of businesses in the modified FTBID which would pay fifty percent (50%) or more of the assessments proposed to be levied submitted written protests stating that they support the proposed modification contingent upon the governance of the FTBID conforming to a governance policy prepared by the assessed business owners and agreed to by the Owners’ Association (“Governance Policy”) which includes a requirement for the Owners’ Association to establish the FTBID Capital Improvement Committee, a committee of representatives from assessed hotels, TEDCorp, and the City to direct use of the additional revenue from the supplemental four percent (4%) assessment consistent with the terms of the Governance Policy (“the Committee”); and

WHEREAS, to effectuate the will of business owners in the modified FTBID which would pay fifty percent (50%) or more of the assessments proposed to be levied as stated in the conditional majority protest, the agreement between the City and the Owners' Association must be amended to incorporate requirements that the Owners' Association establish the Committee and conform operations of the FTBID to the Governance Policy with respect to the increased assessment; and

WHEREAS, on April 28, 2026, the Council declared the results of the majority protest proceedings and adopted Resolution No. 11539, modifying the assessment rate of the Folsom Tourism Business Improvement District from a rate of four percent (4%) to eight percent (8%), contingent upon governance of the FTBID conforming to the Governance Policy with respect to the increased assessment; and

WHEREAS, Resolution No. 11539 included a requirement that the FTBID Owners' Association establish the Committee; and

WHEREAS, Resolution No. 11539 included a requirement that the existing agreement between the City and the Owners' Association be amended to incorporate requirements that the Owners' Association establish the Committee and conform operations of the FTBID to the Governance Policy with respect to the increased assessment; and

WHEREAS, Resolution No. 11539 included a requirement that the increased assessment not be levied until the Committee has been established and the associated contract amendment has become effective; and

WHEREAS, pursuant to Folsom Municipal Code §3.100.110, business owners subject to the assessment may request disestablishment; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute Amendment No. 1 to the Agreement between the City of Folsom and the Folsom Tourism Bureau relative to the Folsom Tourism Business Improvement District; and

BE IT FURTHER RESOLVED that the City Council appoints the following Councilmembers as City Council representatives to the FTBID Capital Improvement Committee for the initial term:

1. Councilmember Aquino
2. Councilmember Leary

BE IT FURTHER RESOLVED that the City Council may appoint City Council representatives to the FTBID Capital Improvement Committee for subsequent terms through the

Council's typical process for updating appointment of City Council representatives to regional boards and commissions without a formal resolution approving the appointment(s).

PASSED AND ADOPTED this 26th day of May 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

ATTACHMENT 2

**AGREEMENT BETWEEN THE CITY OF FOLSOM AND
THE FOLSOM TOURISM BUREAU RELATIVE TO THE
FOLSOM TOURISM BUSINESS IMPROVEMENT DISTRICT**

This Agreement, dated for reference purposes only as of ~~NOVEMBER 27~~, 2012, is entered into by and between the CITY OF FOLSOM, a municipal corporation (hereinafter "City") and the FOLSOM TOURISM BUREAU, a nonprofit corporation (hereinafter "FTB"), relative to the Folsom Tourism Business Improvement District (hereinafter "District" or "FTBID").

RECITALS

WHEREAS, the City and the FTB recognize that it is in their best interests to jointly pursue and promote tourism broadly in the City for the benefit of the participants in the District; and

WHEREAS, as a charter city, the City of Folsom has the authority to establish special districts for the purpose of improving economic activity of participants within a district; and

WHEREAS, on July 26, 2012, the City Council adopted Ordinance 1171 reenacting Chapter 3.100 of the Folsom Municipal Code to provide a process for renewing the District; and

WHEREAS, the City Council adopted Resolution No. 9055, a Resolution of Intention to form the FTBID and to designate the FTB as the Owners' Association which shall enter into a contract approved by the City Council; and

WHEREAS, the City Council adopted Resolution No. 9071 a Resolution Declaring Results of Majority Protest Proceedings and Establishing the District effective January 1, 2013, which named the FTB as the Owners' Association;

WHEREAS, the District is to be administered by the FTB; and

WHEREAS, the FTB as the Owners' Association represents a large number of hotel owners within the District and possesses the capacity to provide the District improvements and activities as described in the Resolutions, Ordinance, and this Agreement; and

WHEREAS, the City and FTB desire to enter into this Agreement to set forth the roles and responsibilities of the parties with respect to the FTB providing services to the City as the Owners' Association according to the terms set forth herein.



NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS. Certain terms are defined in the heading and recitals to this Agreement. In addition to those terms, the following definitions shall apply:
 - A. District Services. The activities or services to be provided for and within the District by the FTB as described in Resolution 9055, Resolution No. 9071 and Ordinance 1171.
 - B. FTB. Refers to the Folsom Tourism Bureau, a nonprofit 501(c)(6) corporation.
 - C. Ordinance. Refers to reenacted Chapter 3.100 or as thereafter amended.
 - D. Resolution of Intention. Refers to Resolution No. 9055 adopted by the City Council.
 - E. Resolution of Formation. Refers to Resolution 9071 adopted by the City Council.
 - F. Resolutions. Collectively refers to the Resolution of Intention and Resolution of Formation.
2. FTB OBLIGATIONS. The FTB's obligations under this Agreement shall be as follows:
 - A. Provide District Services. The FTB shall provide, manage, and administer all District Services, in the manner and of the quality described in the Resolutions, Ordinance, this Agreement and annual District Report for the term of this Agreement. The FTB shall be fully responsible for developing, implementing, directing and operating the District programs as described in this Agreement and the above referenced Resolutions and Ordinance.
 - B. Annual Reports. The FTB shall prepare and submit to the City Manager, for submission to the City Council, a report for each fiscal year for which assessments are to be levied and collected. The report shall be prepared in accordance with all provisions of the Resolutions, Ordinance, and this Agreement. The first report will cover the period of July 1, 2012 through July 1, 2013, which includes the last six months on the previous contract and the first six months of this new agreement and annually thereafter. The report shall be submitted to the City Manager on or before September 1 of each year for presentation to the City Council thereafter.
 1. In addition to the information required in Folsom Municipal Code section 3.100.100, the following information and detail shall be provided:
 - (a) A detailed description of the activities to be pursued by the FTB with FTBID funds for the coming fiscal year.
 - (b) A detailed breakdown of expenses for the prior fiscal year by program type and administrative expenses and costs.
 - (c) A copy of the bi-annual audited financial report (described below) for the FTBID.

2. The report shall be accompanied by the following documents, which shall not be a part of the report.
 - (a) A copy of the Form 990 for the most recent tax year.
 - (b) Insurance certificates as detailed in Section 2J herein.
 - (c) The business listing as detailed in Section 2H herein.
- C. Audited Financial Report. Bi-annually, commencing July 1, 2014, the FTB shall cause to be performed an audited financial report for District funds by a licensed CPA in accordance with generally accepted accounting standards for non-profit corporations. The audit shall examine revenue received and expenses incurred. The audit shall include a balance sheet, a statement of revenue and expenses, and changes in fund balances for the prior two (2) years. The cost of the audit shall be an administrative expense of the FTBID. The City may request additional District program and financial information during or outside of the audit process.
- D. Open Meetings. The FTB Board of Directors shall regularly hold meetings related to FTBID business, which meetings shall be open to the public, except those portions which deal with personnel or litigation matters. The FTB shall permit two people designated by the Folsom City Manager to sit on the FTB Board of Directors.
- E. Good Standing. The FTB will at all times remain in good standing and in compliance with California and Federal law relating to its status as a 501(c)(6) organization. The FTB must make all required filings with governmental agencies, including annual completion of Form 990, a copy of which must be provided with the annual report to the City. The FTB shall comply with all applicable State and City laws and regulations.
- F. Subcontracts. The FTB shall administer all subcontracts necessary for providing the District Services. The FTB assumes responsibility for the contracting of, and payment for, all support services as may be required.
- G. Programs.
 1. The FTB will continue to look for ways to improve hotel room occupancy within the District and enhance business opportunities for all District hotels.
 2. The FTB will work with the Arts, Sports (youth and adult), and Cycling communities in the City to examine programs beneficial to the FTBID participants in these areas.
 3. The FTB will work with the City to assist in the promotion/sponsorship of the Amgen Tour of California if the City is selected as a start or finish City in a manner beneficial to the FTBID participants.
- H. Assessment Records. The FTB shall maintain a complete database, current to the most recent tax year available, of all hotels within the District. The database shall contain the following information for each hotel: the address of the hotel; the name and address of the owner of the hotel; the amount of assessment; and, the

assessment calculations for each hotel, including all variables used in the calculation of the assessment. The database shall be updated at least once each year during District operations to reflect changed conditions and to accurately reflect the status of the hotels. The parties recognize that certain information regarding revenues of each hotel is proprietary and this information is not to be made public, unless otherwise required by law. The City shall provide assistance in compiling information relative to hotels in the District. The FTB shall provide a copy of the database to the City annually at the time of the Annual Report, but the information shall not be included in the report.

- I. Indemnification and Hold Harmless. To the fullest extent permitted by law, the FTB shall defend, indemnify, and hold harmless the City, its officers, employees, and agents from and against all losses and expenses (including reasonable attorneys' fees) incurred by reason of liability imposed by law upon the City for economic damages, property damage, personal injury, or bodily injury, including death, at any time resulting therefrom, sustained by any person or persons on account of damage to person or property, including loss of use thereof, arising out of or in the consequence of the performance of this Agreement, provided such injuries to persons or damage to property are due to the negligent acts or omissions of the FTB, its officers, employees, agents, volunteers, or any other persons under the FTB's direct supervision and control, or of its subcontractors, or any one directly or indirectly employed by either of them.

To the fullest extent permitted by law, the City shall defend, indemnify, and hold harmless the FTB, its officers, employees, and agents from and against all losses and expenses (including reasonable attorneys' fees) incurred by reason of liability imposed by law upon the FTB for economic damages, property damage, personal injury, or bodily injury, including death, at any time resulting therefrom, sustained by any person or persons on account of damage to person or property, including loss of use thereof, arising out of or in consequence of the performance of this Agreement, provided such injuries to persons or damage to property are due to the negligent acts or omissions of the City, its officers, employees, agents, volunteers, or any other persons under the City's direct supervision and control, or of its subcontractors, or any one directly or indirectly employed by either of them.

- J. Insurance Requirements. During the term of this Agreement, the FTB shall maintain the following minimum insurance requirements:

[INTENTIONALLY LEFT BLANK]

<u>Coverage</u>	<u>Minimum Limit of Insurance</u>
Broad Form Comprehensive or Commercial General Liability	\$1,000,000.00
Business Automobile Liability and Employer's Non-Owned Automobile Liability (Symbol 1 Coverage of the Corporation own vehicles)	\$1,000,000.00
Worker's Compensation and Employer's Liability	Statutory

The FTB shall be required to provide Workers' Compensation Insurance for all employees. In addition, the FTB is required to provide a property loss policy of \$250,000 and a general liability policy of \$1,000,000.

1. Other Insurance Provisions. The insurance policies required to be maintained by the FTB shall be endorsed to contain the following provisions. General Liability and Automobile Liability Coverages:
 - (a) The City, its officials, employees, and volunteers are to be covered as additional insured with respect to liability arising out of activities or services performed by or on behalf of the FTB pursuant to this Agreement, including liability for products and completed operations of the FTB, premises owned, leased, or used by the FTB, or automobiles owned, leased, hired, or borrowed by the FTB. Such coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees, or volunteers.
 - (b) With respect to the services and activities performed pursuant to this Agreement, the FTB's insurance coverage shall be primary with respect to the City, its officials, employees, and volunteers to the extent the City, its officials, employees, and volunteers, are covered as additional insureds. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers shall be in excess of the FTB's insurance and shall not be contributory.
 - (c) The insurance coverage maintained by the FTB shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limit of liability maintained by the FTB through its insurance policies.

- (d) Each insurance policy required by this Agreement shall be endorsed to state that such coverage shall not be suspended, voided, canceled, or otherwise reduced in coverage or limits, except after providing thirty (30) days prior written notice sent by certified mail, return receipt requested to the City. A copy of the policy shall be provided annually at the time of the annual report.
 - (e) All insurance maintained pursuant to this Agreement shall be placed with insurers who maintain a Best rating of A:VII or better.
 - (f) The FTB shall furnish the City with certificates of insurance and with original endorsements effecting coverage required by this section. Certificates of insurance and endorsements shall be furnished prior to or contemporaneously with the execution of this Agreement by the FTB. The Certificates and Endorsements are to be on forms acceptable to the City Attorney.
- K. Corporation Status. The FTB shall perform its obligations under this Agreement and shall be responsible for any federal, state, and local taxes and fees applicable to payments made to the FTB hereunder. The FTB shall take all actions necessary to maintain itself as a corporation in good standing with the State of California.
- L. Assignment. This Agreement is not assignable, except as provided herein. The FTB covenants and agrees that it will not assign or transfer its rights or obligations under this Agreement, either in whole or part, without first obtaining the written consent of the City; such consent must be granted or denied at the sole discretion of the City. Any attempt by the FTB to assign or transfer its rights or obligations without such written consent shall be null and void.
- M. Assets of the District. Pursuant to State law and the Ordinance, in the event that the District is disestablished or otherwise discontinued, then the existing assets shall only be used: (1) to pay the City any outstanding sums due to it from the District; and, (2) be dispersed only to the owners of assessed hotels in the District, in amounts proportionate to the amounts of assessments paid.
- N. Independent Contractor. It is understood and agreed that the FTB and its staff and employees are independent contractors of the City and that no relationship of employer-employee exists between the parties hereto; and specifically between the City and the FTB staff. Acting in the capacity of an independent contractor, the FTB's employees and subcontractors are not City employees and are not entitled to or eligible for any benefits provided by the City.

The City is not required to make any deductions or withholdings from the compensation payable to the FTB under the provisions of this Agreement and is

not required to issue W-2 Forms for income and employment tax purposes for any of the FTBs' assigned personnel.

The FTB hereby indemnifies and holds the City harmless from any and all claims that may be made against the City based on any contention by a third party that an employer-employee relationship exists by reason of this agreement.

- O. FTB Not Agent of the City. Neither the FTB nor any of the FTB's employees, agents, representatives, or subcontractors are or shall be considered to be agents of the City in connection with the performance of the FTB's obligations under this Agreement, or for any other purpose.
 - P. Conflicts of Interest. The FTB and its President/Chief Executive Officer certify that as of the date of execution of this Agreement, they do not have any actual, apparent, or potential conflicts of interest relative to the services to be provided pursuant to this Agreement. The FTB and its President/Chief Executive Officer agree to advise the City of any actual, apparent, or potential conflicts of interest that may develop subsequent to the date of execution of this Agreement.
 - Q. Nondiscrimination. In the performance of this Agreement, the FTB shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, medical condition, or other protected status under California law.
3. CITY OBLIGATIONS. The City's obligations under this agreement shall be as follows:
- A. The City shall effect the timely collection of the annual assessment; provide general assistance, clarification, or information to the FTB, the assessed parties and the public at large; maintain an ongoing liaison with the FTB, including the coordination of services from various City departments; authorize supplemental assessments, adjusted assessments, exemptions, reductions or refunds to be issued by the City; and, direct the disbursement of assessment funds to be made to the FTB. The City may, but shall have no obligation to the FTB to pursue the collection of delinquent or late assessments. The City will assist the FTB in collection efforts and any costs associated with collection efforts shall be an expense of the FTBID.
 - B. Billings and Collections. The City will coordinate the annual levy, placement and collection of all assessments for the District and will maintain liaison activities with other public agencies.
 - C. Disbursements to FTB. The City shall disburse any assessments received from the District, less any allowable expenses to the FTB quarterly (April 15, July 15, October 15 and January 15), less the administrative costs incurred by City relative

to the performance of its functions under the Resolutions, Ordinance, and this Agreement. The City shall notify the FTB in advance of administrative costs and expenses to be deducted with a breakdown of the costs and expenses.

4. GENERAL PROVISIONS

- A. General Fund Not Liable. Neither the General Fund of the City nor any other fund or monies of the City, except for the actual District assessment revenue received, shall be liable for payment of any obligations arising from the Agreement. Said obligations are not debts of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon its income, receipt or revenues. This Agreement embodies all of the FTB's reimbursement rights and no further note or other document shall be required to be executed by the City.
- B. Notices. Any notice, tender, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given when delivered or mailed in the manner provided in this paragraph to the following persons:

City: Folsom City Clerk
50 Natoma Street
Folsom, CA 95630

Corporation: Joe Gagliardi
President/Chief Executive Officer
Folsom Tourism Bureau
200 Wool Street
Folsom, CA 95630

Any party may change that party's address for these purposes by giving written notice of the change to the other party in the manner provided in this section. If sent by mail, any notice or other communication shall be effective 48 hours after it has been deposited in the United States mail, with postage prepaid, and addressed as set forth above.

- C. Term, Termination and Amendments. The term of this Agreement shall be from the date of execution first noted through December 31, 2017. The FTB may request extensions of the Agreement for additional five (5) year terms during the FTBID term, which extensions shall be made upon approval by the City Council. The request for an extension shall be made in the last fiscal year of the Agreement term and shall be approved by the City Council after receipt of the annual report in the final year of the agreement. Failure of the FTB to comply with the terms of this Agreement, the Resolutions, or the provisions of Chapter 3.100 shall be grounds for termination of this Agreement by the City Council. A failure to

object to a breach of this Agreement shall not constitute an amendment thereof, nor shall it waive any future breach of this Agreement.

This Agreement may only be amended in writing executed by both of the parties.

- D. Attorneys Fees. If the services of any attorney are required by any party to secure the performance of this Agreement, or otherwise upon the breach or default of either party, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to reasonable attorney fees, costs and other expenses, in addition to any other relief to which such party may be entitled. It is understood that for purposes of calculating reasonable attorney fees for the City, that the City Attorney's billing rates shall be calculated at the prevailing rate.
- E. Governing Law and Venue. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California and any action shall be venued in the Superior Court of Sacramento County.
- F. Waiver. The waiver by any party to this Agreement of breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.
- G. Entire Agreement. This document, including the Resolutions and Ordinance, contains the entire Agreement between the parties and supercedes whatever oral or written understanding they may have had prior to the execution of this Agreement. In the event of a conflict regarding the obligations of the parties between the Resolutions, Ordinance, and this Agreement, then this Agreement shall prevail.
- H. Severability. If any portion of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.
- I. Counterpart. This agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties at such time as all of the signatories hereto have signed a counterpart of this Agreement. All counterparts so executed shall constitute one Agreement binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart.

END OF TEXT – SIGNATURE PAGE IMMEDIATELY FOLLOWS

IN WITNESS WHEREOF, this Agreement is executed by the CITY OF FOLSOM and the FOLSOM TOURISM BUREAU. The City Manager of the City of Folsom and the President/Chief Executive Officer of the FTB declare that they are authorized to execute this Agreement on behalf of the parties to the Agreement.

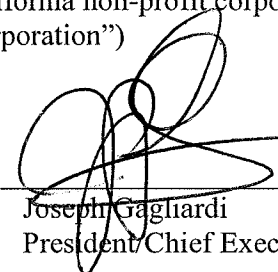
Date: 11/27/2012

CITY OF FOLSOM
A Municipal Corporation ("City")

By: 
Evert Palmer
City Manager

Date: 11/08/12

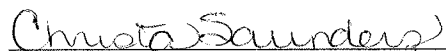
FOLSOM TOURISM BUREAU
a California non-profit corporation
("Corporation")

By: 
Joseph Gagliardi
President/Chief Executive Officer

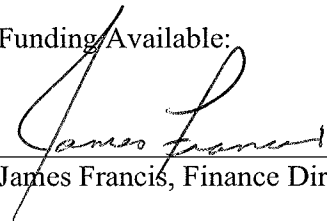
Approved As To Form:

 11/11/12
Bruce C. Cline, City Attorney Date

Attest:


Christa Saunders, City Clerk 11/29/12

Funding Available:


James Francis, Finance Director

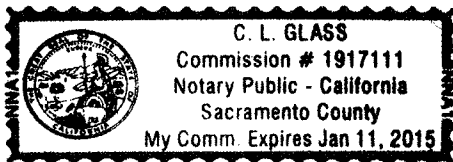
CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California
County of Sacramento }

On November 8, 2012, before me, C.L. Glass, Notary Public, personally
appeared Joseph Gagliardi

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same
in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing
paragraph is true and correct.



WITNESS my hand and official seal.

SIGNATURE

C. L. Glass

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: Agreement Between the City of Folsom and the Folsom Tourism
Bureau Relative to the Folsom Tourism Business Improvement District

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

Attachment 3

Attachment 3

Folsom TBID Capital Improvement Committee Governance Policy

1. Purpose

The Folsom TBID Capital Improvement Committee (the “Committee”) is established as a formal committee of TEDCorp/Folsom Tourism Bureau. The Committee shall operate within TEDCorp’s governance structure and function in accordance with all applicable laws, including those governing Tourism Business Improvement Districts (TBIDs).

The Committee is established to direct and oversee the use of funds generated by the additional 4% TBID assessment dedicated for capital improvements. The Committee ensures these funds support projects that:

- Increase overnight hotel stays in Folsom
- Enhance tourism-related infrastructure and amenities
- Improve visitor experiences
- Strengthen Folsom’s competitiveness as a regional destination

2. Committee Name

FTBID Capital Improvement Committee

3. Authority & Relationship to Existing Organizations

The Committee shall have the authority to review, prioritize, and approve the use of funds generated by the additional 4% TBID assessment. No funds generated by the additional 4% TBID assessment shall be expended without prior approval of the Committee.

The TEDCorp Board retains ultimate fiduciary responsibility, contracting authority, legal and financial oversight and shall ensure compliance with all governing laws and agreements. The committee shall be subject to the same audit, accounting, reporting, and legal requirements as TEDCorp. The expenses associated with these requirements shall come from the additional 4% TBID assessment. The committee shall not have authority to approve, authorize or commit TEDCorp to any indebtedness, borrowing, guarantee, or financial obligation without approval of the Board of Directors.

4. Control of Funds

All funds generated by the additional 4% TBID assessment shall be treated as restricted funds. These funds shall not be commingled or used outside the Committee’s authority.

The Committee shall have sole authority to approve allocation of these funds, subject only to the authority of the TEDCorp Board to accept or reject the allocation.

5. Responsibility of the Committee

Each year the Committee will:

1. Review tourism trends and hotel performance
2. Establish annual spending priorities
3. Identify high-impact tourism investments
4. Consider projects for funding approval

6. Project Eligibility & Evaluation Criteria

Funds shall be used exclusively for projects and initiatives reasonably expected to generate overnight hotel stays and increase visitation.

Eligible uses include:

- Tourism-related infrastructure, including sports tourism
- Event attraction
- Destination-driving events, programming and marketing
- Capital improvements supporting overnight visitation
- Strategic demand-generating investments

Projects must demonstrate a clear nexus to overnight stays, visitor demand, or economic impact.

In evaluating projects, the Committee shall prioritize projects and programs that:

- increase measurable room night generation
- increase midweek and shoulder season demand
- have long-term economic impact
- leverage funding or include public private partnerships
- strategically align with TEDCorp's Tourism Strategy

7. Committee Composition & Voting Structure

To ensure balanced representation, the Committee will consist of eleven (11) members nominated as described below. Each member shall have one (1) vote. Proxy voting is not permitted.

Hotel Industry Representatives (6 seats)

- Six representatives from hotels paying into the FTBID

Appointments shall be by participating hoteliers.

TEDCorp Representatives (2 seats)

- Two members of the TEDCorp Board of Directors

Appointments shall be by TEDCorp Board of Directors and shall not be a City representative.

City Representatives (3 seats)

- Two members of the Folsom City Council
- City Manager

City Council appointments shall be by the City Council.

8. Member Terms

Terms shall be five (5) years and may be staggered initially for continuity with the exception of City Council Representatives, which will be appointed each year by the City Council.

Members may serve up to two consecutive terms.

Hotel representatives must remain active operators of a hotel subject to the FTBID assessment.

9. Leadership

The Committee shall elect a Chair and Vice Chair from the hotel industry representatives. The Chair, in coordination with the TEDCorp CEO, shall set agendas, facilitate meetings, and serve as liaison to the TEDCorp Board.

The Vice Chair shall perform these duties in the absence of the Chair.

10. Meetings & Compliance

The Committee shall meet as needed and maintain records of all actions. Meetings shall comply with applicable laws and governance requirements including the Brown Act. TEDCorp shall form the Committee by Board resolution, pursuant to the California Corporations Code and the TEDCorp Bylaws. The resolution should establish the Committee's authority, composition, and purpose as required by Cal. Corp. Code § 7212(a)(6).

The Committee's initial meeting shall be scheduled and agendaized in compliance with Brown Act notice requirements (Cal. Gov. Code § 54954.2). The agenda for the initial meeting should include:

- Dissemination of Brown Act requirements to all Committee members
- Election of Committee officers
- Adoption of policies for the conduct of Committee business
- Establishment of a regular Committee meeting schedule

11. Accountability & Reporting

Pursuant to TEDCorp Bylaw's, staff shall provide an annual report on fund use and project outcomes, including impacts on hotel occupancy and visitation each year.