



CITY COUNCIL STAFF REPORT

ITEM NO. 7.3

DATE: June 8, 2026
TO: Honorable Mayor and City Council
FROM: Brandon Cardwell, Innovation and Economic Development Director
SUBJECT: Public Hearing and Resolution of Renewal of the Livermore Valley Wine Heritage District.

RECOMMENDED ACTION

Staff recommends the City Council hold the Public Hearing and adopt the Resolution of Renewal of the Livermore Valley Wine Heritage District (District), if a Majority Protest does not occur. Adoption of the Resolution of Renewal would:

1. Renew the District for a five-year term beginning July 1, 2026;
2. Approve the Management District Plan; and
3. Authorize the City Manager to execute the Agreement for Services (Agreement) with the Livermore Valley Winegrowers Association (Winegrowers) to perform District services, as prescribed by the California Property and Business Improvement Law of 1994, Streets and Highways Code § 36651.

SUMMARY

The California Property and Business Improvement District Law of 1994, Streets and Highways Code § 36600 et seq. (State law) authorizes cities to establish and renew business improvement districts to enhance economic activity. The City of Livermore (City) established the Livermore Valley Wine Heritage District (District) in 2021 for a five-year term ending June 30, 2026.

Earlier this year, the Winegrowers successfully completed a Petition Drive for District renewal, and on March 9, 2026, the City Council adopted a Resolution of Intention to Renew the District, initializing the renewal process and establishing the required public meeting and public hearing dates. The City Council subsequently held a public meeting on April 27, 2026, and received one public comment and one written protest from a winery owner.

This public hearing is the final step in the renewal process and provides an additional opportunity for public comment and written protests from assessed wineries. Staff recommends the City Council adopt the Resolution of Renewal to ensure a continuation of District assessments and wine country marketing and branding efforts. Adoption of the Resolution of Renewal would:

1. Renew the District for a five-year term beginning July 1, 2026 to allow continued revenue generation for the District;
2. Approve the Management District Plan to allow continuity of the services and programs that benefit the assessed wineries; and
3. Authorize the City Manager to execute the Agreement prescribed by State law.

DISCUSSION

Background

State Law

A Business Improvement District (BID) is a financing mechanism in which businesses within a defined area adopt a mandatory assessment to fund supplemental services that directly benefit the assessed businesses. Services often include marketing, security, maintenance, and economic development activities. State law authorizes local jurisdictions to establish, manage, and renew BIDs and to contract with outside entities for assessment collection and district management. A BID may be formed or renewed only when businesses representing more than 50 percent of the proposed assessment support the effort through a formal, verified petition process. BID boundaries and services must be defined in an adopted Management District Plan (Plan) and adhered to for the duration of the district.

Initial Formation

In 2021, the City of Livermore adopted Resolution No. 2021-198 establishing a BID for South Livermore Valley wineries, called the Livermore Valley Wine Heritage District (District), which included a five-year term ending on June 30, 2026. Prior to establishing the District, Alameda County provided its consent for the City to assess wineries located within the County's jurisdiction. The Resolution Granting Consent applies to formation and renewals. Since its inception, the District has generated more than \$500,000 annually to support marketing and brand awareness, advocacy, quality enhancement, professional development, education and other activities identified in the Plan.

Petition Drive

On November 12, 2025, the Winegrowers submitted to the City Council its required annual report, a formal request to renew the District, and initiated the petition drive process with South Livermore wineries in the District boundaries. Staff received from the Winegrowers signed petitions representing more than 50 percent of the proposed total assessment, meeting statutory requirements for the renewal of the District. The Winegrowers also worked with staff to finalize the proposed minor administrative adjustments to the Plan, as well as the proposed Agreement prescribed by State law.

Previous Actions and Process

In March and April of this year, the City Council adopted a Resolution of Intention to Renew the District, which formally started the renewal process, and held a public meeting to collect public comment and receive formal written protests, as described in the *Public Comment and Formal Protest* section of this report. The renewal process consists of four components, as outlined below:

- Intent to Renew [COMPLETED March 9, 2026] - Verified petition drive success and declared the City's intent to renew the District.
- Notice [COMPLETED March 10, 2026] - Noticed all businesses to be assessed of public meeting and public hearing dates.
- Public Meeting [COMPLETED April 27, 2026] - Held a public meeting to collect written protests and public comment.
- Final Public Hearing - The purpose of this agenda item. If approved, would formally renew the District.

Public Hearing and Renewal

The Public Hearing is the last step in the BID renewal process. If the City Council approves the Resolution of Renewal (Attachment 2), then the District would be formally renewed, all businesses in the District boundary (Attachment 3, Page 7) would continue to be assessed, and all assessment funds would continue to be used by the Winegrowers for marketing and other activities to support local wineries. The renewal primarily consists of three parts, as described below.

Extension of Term

The existing District term would be extended an additional five years, beginning July 1, 2026, and ending on June 30, 2031. The City Council could consider future renewals beyond June 30, 2031.

Management District Plan

The Winegrowers and participating South Livermore Valley wineries propose continuing the existing Plan with minor administrative clarifications and updates (Attachment 3). Staff recommends the following Collection Fee modification, as agreed to by the Winegrowers:

1. City Collection Fee. The current City Collection Fee is 2% of the collected assessment. The Collection Fee is intended to ensure that all District administration costs are covered by the District, and not by City General Fund. Given tax consultant HdL's increased collection costs, staff recommends the City Collection Fee be increased to 2.5%. This would ensure tax consultant and City oversight costs would remain covered by the District. The increase in collection fees would be offset by a reduction in District administration fees or contingency funds, but would not decrease the amount of funds allocated to District services.

The following primary components of the Plan would remain unchanged:

1. District Boundary. The boundary would remain as is, including all existing and future wineries in the City of Livermore and east Alameda County. The Alameda County Resolution Granting Consent applies to formation and renewals, and no further consent is required from the County.
2. Assessment. All wineries in the District would continue to be assessed two percent (2%) of total gross direct-to-consumer sales revenue on winery sales, which has created a District annual budget of \$500,000+.
3. Services. The existing services would continue, which primarily include marketing and brand awareness, advocacy, quality enhancement, and professional development and education efforts.
4. Means of Governance. The Winegrowers would continue to manage the District and receive and expend assessment dollars in accordance with the Plan. As prescribed by State law, the City shall

enter into an Agreement with the designated owners' association as described in the *Agreement for Services* section of this report. The City's tax consultant HdL would continue to process and manage assessment activities, with City oversight.

5. Term. The proposed renewal term remains at five years.

Agreement for Services

State law requires the City to contract with the nonprofit owners' association designated in a BID Management District Plan to provide district services. The existing Plan designates the Winegrowers as the District's owners' association and identifies the Winegrowers as responsible for all District services, including marketing, brand awareness, and advocacy. To comply with State law and formalize this relationship, staff recommends that the City Council authorize the City Manager to execute the Agreement for Services with the Winegrowers (Attachment 4). The Agreement does not change the services currently provided under the Plan. The Winegrowers have agreed to all provisions and have executed the Agreement

FORMAL PROTEST AND PUBLIC COMMENT

State BID law requires majority support for district formation and renewal, and creates a formal protest mechanism whereby businesses can object to a new or renewed assessment. If a majority protests district formation or renewal, a local legislative body shall not form or renew a BID. State law defines a Majority Protest as follows: written protests submitted by businesses within the district boundaries representing fifty (50) percent or more of the assessments to be levied, weighted by each business' proposed assessment. Therefore, the greater each business' revenues, the more votes each receives to support or protest a district.

In order to be valid, a protest must be received in writing prior to the conclusion of the Final Public Hearing. As of the publication of this report, staff has received one written protest that does not constitute a Majority Protest. Staff has also received one public comment in opposition to District renewal. The City Clerk will provide a final count of the written protests received, and confirm whether a Majority Protest exists, at the Final Public Hearing.

FISCAL AND ADMINISTRATIVE IMPACTS

There are no significant fiscal or administrative impacts associated with the final renewal of the District. District revenues are wholly derived from private business assessments. District administration activities conducted by City staff and its contractor Hinderliter de Llamas & Associates, Inc. (HdL) would be offset by the City Collection Fee of two and a half percent (2.5%) of the collected assessment. Pursuant to the Plan, the City would bill the Winegrowers for any additional one-time costs that are not included in the scope of City collection services, such as petition processing and verification and outside counsel renewal services. No General or Special Fund dollars would be used for ongoing District management. General staff time allocated to preparing the renewal staff reports and approval documents are covered by existing Department budgets.

COMMUNITY PILLAR

- 2: Economy that prospers

GOAL

2: Lead efforts in collaboration with other City departments and outside partners, to maintain and enhance the diversity and resilience of Livermore's economy.

ATTACHMENTS

1. Public Meeting Staff Report
2. Resolution of Renewal
3. Exhibit A - Management District Plan
4. Exhibit B - Agreement for Services

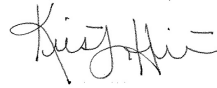
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