



CITY COUNCIL STAFF REPORT

ITEM NO. 6.7

DATE: March 9, 2026
TO: Honorable Mayor and City Council
FROM: Brandon Cardwell, Innovation and Economic Development Director
SUBJECT: Resolution of Intent to Renew the Livermore Valley Wine Heritage District

RECOMMENDED ACTION

Staff recommends the City Council adopt a Resolution of Intent to Renew the Livermore Valley Wine Heritage District (District) for a five-year term beginning July 1, 2026. Adoption of this resolution would:

1. Initiate the renewal process for the District under the Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et seq.); and
2. Set the date, time, and location for the subsequent public meeting and public hearing as required by the Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et seq.)

DECISION TYPE

Legislative

SUMMARY

The California Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et seq.) 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.

Managed by the Livermore Valley Winegrowers Association (Winegrowers), the District generally funds marketing and brand awareness, advocacy, quality enhancement, and professional development and education efforts for South Livermore wineries.

The Winegrowers have requested renewal of the District for an additional five-year term beginning July 1, 2026. As required by state law, renewal petitions of wineries in the District representing more than fifty percent (50%) of the proposed total assessment value have been received and verified, allowing the Council to begin the renewal process, if desired. The proposed Management District Plan maintains the current boundaries, assessment, services, governance, and term, with a proposed minor adjustment to

the fee collected by the City for fiscal impacts associated with administering the District (City Collection Fee).

District renewal is not proposed as part of this Council item. Council adoption of the Resolution of Intent to Renew (Attachment 3) would instead initiate the renewal process and set dates for renewal proceedings as outlined in this report.

DISCUSSION

Background

A Business Improvement District (BID) is a financing mechanism in which local businesses within a defined district vote to enact a mandatory assessment to fund supplemental services that benefit the payers of the assessment. Services often include activities like marketing, security, maintenance, and general economic development. The California Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq., establishes California rules for BIDs and authorizes local jurisdictions to establish, manage, and renew BIDs. A local jurisdiction may contract assessment collection and district management services to other entities via agreement. A BID may only be formed or renewed if district businesses representing more than 50% of the district's proposed assessment consent through a formal and verified Petition Drive. A BID may cross local jurisdiction boundaries with consent of each jurisdiction's legislative body. A BID's boundaries and services must be identified in a formally adopted Management District Plan (Plan) that must be adhered to for the duration of its term.

On November 22, 2021, the City of Livermore (City) established a BID for South Livermore Valley wineries, called the Livermore Valley Wine Heritage District (District), for a five-year term ending on June 30, 2026, via Resolution No. 2021-198 (Attachment 1). Prior to the City establishing the District, Alameda County provided its consent for the City to assess wineries within the County's jurisdiction, as required by state law (Attachment 2). The District provides specific benefits to assessed wineries by funding marketing and sales promotion efforts with the goal of increasing winery sales in the area. The non-profit Livermore Valley Winegrowers Association (Winegrowers) manages the District.

Since its inception, the District has generated over \$500,000 each year to support marketing and brand awareness, advocacy, quality enhancement, professional development and education efforts, and other improvements and activities set forth in the District's Management District Plan (Attachment 5).

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 formal Petition Drive process with South Livermore wineries in the District boundaries. Staff received from the Winegrowers 21 signed petitions from wineries supporting District renewal. The petitions represent more than 50% of the proposed total assessment value, meeting statutory requirements for renewal under state law, as independently confirmed by tax consultant Hinderliter de Llamas & Associates, Inc. (HdL) analysis (Attachment 4), which allows the Council to initiate the renewal process.

Management District Plan

The Winegrowers and South Livermore wineries are proposing a continuation of the existing

Management District Plan, with minor administrative adjustments (Attachment 5). There are no proposed changes to any of the following:

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 (Attachment 2) applies to formation and renewals, and no further consent is required from Alameda 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. Service Plan. 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. The Council would consider a separate agreement with the Winegrowers together with a future adoption resolution in order to formalize the relationship between the City and Winegrowers. Tax consultant HdL would continue to process and manage assessment activities, with City oversight, as also approved by a separate agreement.
5. Term. The proposed renewal term remains at five years, beginning July 1, 2026, and ending June 30, 2031.

Staff recommends the following change to the Plan, 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 admin costs are covered by the District, and not by the 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 contingency funds, but would not decrease the amount of funds allocated to District services.

Renewal Process and Timeline

Pursuant to state law, staff is not recommending District renewal as part of this Council item. Instead, Council adoption of the Resolution of Intent to Renew (Attachment 3) the District would initiate the formal renewal process and establish dates for the required subsequent public meeting and public hearing. The proposed time and place of the public meeting and public hearing are contained in the Notice (Attachment 6) and described below. If the Council adopts the Resolution of Intent to Renew, the following process would occur, pursuant to the California Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 et seq.), with Council consideration of formal District renewal in June.

1. Resolution of Intent to Renew - March 9, 2026. City Council may declare the Petition Drive has succeeded, and that it intends to renew the District
2. Notice - March 10, 2026. City staff would mail written notices to the owners of all District wineries to be assessed. This begins a mandatory 45-day period in which assessed wineries may protest District renewal.
3. Public Meeting - April 27, 2026. City Council would allow public testimony on District renewal and

levy of assessments. No Council action required.

4. Final Public Hearing - June 8, 2026. Council may adopt the final Resolution of Renewal if majority protest does not occur.

FISCAL AND ADMINISTRATIVE IMPACTS

There are no significant fiscal or administrative impacts. 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 legal 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. Because District programs are intended to increase winery sales revenue for the Livermore Valley wineries within the District, stabilization of winery sales tax collections is anticipated.

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. Resolution Establishing the District
2. Alameda County Resolution of Consent
3. Resolution of Intent to Renew
4. Exhibit A - Petition Analysis and Signed Petitions
5. Exhibit B - Management District Plan (Plan)
6. Exhibit C - Notice

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Approved by:



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