



CITY COUNCIL STAFF REPORT

ITEM NO. 6.9

DATE: November 24, 2025

TO: Honorable Mayor and City Council

FROM: Brandon Cardwell, Innovation and Economic Development Director

SUBJECT: Resolution accepting the Livermore Valley Wine Heritage District 2024-2025 Annual Report.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution accepting the Livermore Valley Wine Heritage District 2024-2025 Annual Report.

DECISION TYPE

Administrative

SUMMARY

On November 22, 2021, the City Council adopted Resolution 2021-198 establishing the Livermore Valley Wine Heritage District (the District). The District is a Business Improvement District for Livermore Valley wineries, whose assessments are used for wine country marketing and education. The District is managed by the Livermore Valley Winegrowers Association Board of Directors and expires June 30, 2026. State law requires the Winegrowers Association to deliver an annual report to the City Council identifying the past year's District revenues and activities. This item satisfies the requirement. In addition, the Winegrowers Association has provided the City Council a letter indicating their desire to renew the District. If the private renewal petition drive is successful, the Council would consider the formal District renewal in the Spring of 2026.

DISCUSSION

On November 22, 2021, the City Council adopted Resolution 2021-198 establishing the Livermore Valley Wine Heritage District, including area boundaries and a Management District Plan (Management Plan). The District was approved for a five-year term beginning July 1, 2021, and ending June 30, 2026. The District is a Business Improvement District for wineries in the South Livermore Valley (as shown in Exhibit B of Resolution 2021-198) and is managed by the Livermore Valley Winegrowers Association Board of Directors. The District collects an assessment from each participating winery, pools the

revenues, then funds marketing, programs, and other activities that support and promote wineries in the District. Allowed activities and uses of assessment funds is identified in the Management District Plan, as summarized below:

- Marketing and Brand Awareness
- Community and Industry Advocacy
- Quality Enhancement and Education; and
- Professional Development and Education

As authorized by the City Council, assessment revenues may only be used for wineries located within the District and may only be used for purposes specified in the Management Plan.

The winery assessments began January 1, 2022. Each District winery is required to report quarterly gross sales revenue and is then assessed at a rate of two percent of gross direct-to-consumer winery sales. The assessment collection is administered by the City's tax consultant HDL (Hinderliter De Llamas & Associates). The District's total annual revenue for the past four fiscal years is summarized below:

Fiscal Year	Annual Revenue
FY 2021-22	\$123,640
FY 2022-23	\$567,620
FY 2023-24	\$567,830
FY 2024-25	\$514,714

FY 2021-22 collections represent only a partial year, while succeeding reports cover the full fiscal year.

The California Streets and Highways Code Section 36650 and the District Management Plan require the District to prepare annual reports showing the District's assessments, operations, activities, and expenditures for the previous fiscal year, and present them to the City Council. A representative of the Livermore Valley Winegrowers Association delivers the report.

The report is statutorily required to include the following:

1. Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district
2. The improvements and activities to be provided for that fiscal year
3. An estimate of the cost of providing the improvements and activities to be provided for that fiscal year
4. The method and basis for levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year
5. The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year
6. The estimated amount of any contributions to be made from sources other than the assessments levied

The report also includes the following:

1. Actual revenues received
2. Revenue uses
3. Retrospective look of activities completed

4. Prospective outlook
5. District operations details

The Livermore Valley Winegrowers Association has submitted a letter (Attachment 1) expressing the Board of Directors' desire to renew the District after its termination on June 30, 2026, and requesting the City to continue serving as the lead agency in the event that the District is renewed. The Board of Directors will begin the petition drive in November to gauge winery interest in renewing the District. If the petition drive process is successful, City staff would return to the City Council in the spring of 2026 for the Council's consideration of renewal.

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 are offset by an administration fee equal to two percent (2%) of the total collected assessment value.

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. Livermore Valley Wine Heritage District Letter
2. Resolution
3. Exhibit A - Livermore Valley Wine Heritage District 2024-2025 Annual Report

Prepared by: Theresa de la Vega
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Approved by:



Marianna A. Burch
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Fiscal Review by:



Tina Olson
Administrative Services Director