

ATTACHMENT A

CITY OF SEBASTOPOL  
CITY POLICY

Annual Reporting of Barlow Hotel Transient Occupancy Tax (TOT)  
Rebate Marketing Expenditures

**1. Purpose**

The purpose of this Policy is to establish a clear, consistent administrative process for the City of Sebastopol to request and receive annual documentation of how Transient Occupancy Tax (TOT) rebate funds paid under the amended Development Agreement for the Barlow Hotel are used for advertisement of tourism in the City of Sebastopol, and to ensure that such documentation is presented to the City Council on a predictable annual schedule.

**2. Authority**

This Policy is adopted pursuant to the City's authority under Section 7.5.5 (Uniform Transient Occupancy Tax Rebate of the amended Development Agreement for the Barlow Hotel (Exhibit A of Ordinance No. 1167, adopted August 4, 2026). That Section provides that the City may request, and the payee of the tax shall provide, at least annually, documentation of how the remitted tax funds were spent for tourism advertising purposes.

**3. Definitions**

A. "Developer" means Highway Partners LLC, Sebastopol Industrial Park LLC, Barlow Star LLC, or any Successor thereto under the Development Agreement.

B. "Rebate Period" means the period of ten (10) years commencing upon occupancy of the Barlow Hotel during which the City rebates 50% of the 12% Uniform Transient Occupancy Tax collected from the Project, as provided in Section 7.5.5 of the amended Development Agreement.

C. "Marketing Report" means the annual documentation of how remitted TOT rebate funds were spent on advertisement of tourism in the City of Sebastopol, including the Barlow Hotel as a destination.

**4. Annual Request by Staff**

No later than March 1 of each calendar year during the Rebate Period (and any extension or successor period), the Planning Department shall formally request in writing from the Developer (or the payee of the tax) the Marketing Report covering the preceding calendar year (or such other 12-month period as the parties may agree). The request shall reference Section 7.5.5 of the amended Development Agreement and this Policy.

**5. Content of the Marketing Report**

The Marketing Report shall include, at a minimum:

- A. A summary of total TOT rebate funds used during the reporting period;
- B. A detailed description of the tourism advertising and marketing activities funded with the rebate, including media, campaigns, events, or other promotional efforts;
- C. Amounts expended on major categories of advertising or promotion; and
- D. Any other information requested by the City Manager, including but not limited to, invoices or contracts to validate expenditure amounts.
- E. Any other information the Developer elects to provide regarding the use of the funds for tourism promotion.

**6. Presentation to City Council**

City staff shall place the Marketing Report, or summary thereof, on the agenda for presentation to the City Council at a regular meeting no later than the first regular meeting in June of the same calendar year. The item shall occur before, or at the same meeting, as the annual update for the Barlow Development Agreement.

## 7. Duration and Survival

This Policy shall remain in effect for the entire Rebate Period under the amended Development Agreement. The Policy shall automatically expire at the end of the Rebate Period unless extended or modified by the City Council.

Adopted by the City Council of the City of Sebastopol on this 1<sup>st</sup> day of September, 2026.

Signed by:  
APPROVED: Jill McLewis  
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Mayor Jill McLewis

Date: 9/4/2026

Signed by:  
ATTEST: Mary Gourley  
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Mary Gourley, City Manager

Date: 9/4/2026

Signed by:  
APPROVED AS TO FORM: Alex Mog  
66BDB79D572A4EB...

Alex Mog, City Attorney

Date: 9/4/2026