



November 12, 2021

TO: Front Desk Guest Service Agents

SUBJECT: California PACE Tax

As of November 12, 2021, we are assessing a \$25 California PACE Tax on each occupied guest room. This fee will automatically be charged on each occupied guest room. This tax is designed to off-set the state mandated preservation requirements, including seismic retrofit requirements and the required green initiatives.

Hotel Cerro's contribution to the historic significance can be seen in the lobby, restaurant and Loft suites. The energy-savings material were used throughout the rest of the new construction of the hotel. Hotel Cerro has complied with the retrofit standards and charges a fee to offset a portion of the total cost as authorized by the State of California.

The State of California promotes its Architectural heritage by preserving historic structures. It mandates cities and counties through the entitlement process to save significant structures whenever possible as well as promoting California's green initiatives on energy savings by utilizing high efficiency appliances, higher insulation values, water savings devices and the like. The State helps these economic implications for new properties as well as redevelopment projects by providing low interest loans tied to the property taxes which are to be passed on to the public users of the affected property.

Section 19161 of California's Health and Safety Code authorizes each city and county or county to establish, by ordinance, building seismic retrofit standards applicable to the seismic retrofit of any buildings identified as being hazardous to life if an earthquake occurs. The law requires that seismic retrofits of such buildings to comply with a nationally recognized code. Every dollar spent on mitigation saves several dollars in future post-disaster expenditures, as well as lives.