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# Sonoma County Tourism Business Improvement Area

## Administrative Agreement / Remittance of Assessment Funds

City Council – February 14, 2017

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Planning & Economic Development Department



# City Resolution / County Ordinance

## City of Santa Rosa

### Resolution No. 25954

- Passed on May 4, 2004
- Consents to the inclusion of the City of Santa Rosa within the proposed Sonoma County Tourism Business Improvement Area (SCTBIA)

## County of Sonoma

### Ordinance No. 5525 / Sonoma County Code Chapter 33

- Passed on November 2, 2004
- Established the SCTBIA
- Participating jurisdictions:
  - Unincorporated Sonoma County
  - All incorporated cities in Sonoma County *except* Healdsburg and Sonoma

## The SCTBIA allows for:

### A 2% levy

- Of rent charged by lodging operators
- Assessed on those operators generating total gross rent greater than \$350,000/FY

### For the purpose of

- Marketing activities designed to increase overnight visits to the area



# History: Administrative Agreements

## Agreement 1

- December 2004 to November 2006

## Agreement 2

- November 2006 to June 2009

## Agreement 3

- August 2009 to June 2012

## Agreement 4

- November 2012 to June 2015

## Agreement 5 - Proposed

- February 2017 to June 2019

## Out of Contract Remittances

- **\$870,735.49** – Assessments collected and remitted between July 2015 - March 2016

## Assessments Held in Trust

- **\$740,191.94** – Assessments collected but not remitted between April 2016 - September 2016



# History of Assessments Collected

	<b>TOTAL SCTBIA</b>	<b>2% Admin Fee</b>	<b>NET SCTBIA</b>
<b>YTD 2016</b>	\$1,181,656.31	\$23,633.13	\$1,158,023.18
<b>CY 2015</b>	\$1,166,437.60	\$23,328.75	\$1,143,108.85
<b>CY 2014</b>	\$1,056,094.85	\$21,121.90	\$1,034,972.95
<b>CY 2013</b>	\$946,910.50	\$18,938.21	\$927,972.29
<b>CY 2012</b>	\$828,964.40	\$16,579.29	\$812,385.11
<b>CY 2011</b>	\$724,945.34	\$14,498.91	\$710,446.43
<b>CY 2010</b>	\$684,921.47	\$13,698.43	\$671,223.04
<b>CY 2009</b>	\$648,520.98	\$12,970.42	\$635,550.56
<b>CY 2008</b>	\$800,166.30	\$16,003.33	\$784,162.97
<b>CY 2007</b>	\$837,462.19	\$16,749.24	\$820,712.95
<b>CY 2006</b>	\$795,401.56	\$15,908.03	\$779,493.53
<b>CY 2005</b>	\$725,942.25	\$14,518.85	\$711,423.41

## Tourism Revenue Streams:

- Transient Occupancy Tax (TOT)
- Sales Tax
- Santa Rosa Tourism Business Improvement Area Assessment

## 2016 Tourism Data Points

- **Destination spending, TOT receipts, industry earnings and local and state tax receipts** are the highest Sonoma County has seen in a decade
- Leisure and hospitality **employment** is approximately 25% higher than the prerecession peak
- **Average daily rates** for Sonoma County hotels rose 14% in 2014, 9% in 2015 and a further 6% in the first few months of 2016
- **Average occupancy rates** are approximately 75%
- In 2014 **Santa Rosa captured 16%** of the County's \$28m TOT revenue

# Santa Rosa Tourism Assessments and Taxes

## Taxes and assessments on overnight visitors

**9%** Transient Occupancy Tax

**2%** Sonoma County Tourism Business Improvement Area Assessment

**3%** Santa Rosa Tourism Business Improvement Area Assessment

**Total: 14%**

It is recommended by the Planning and Economic Development Department that the Council, by resolution,

- Approve a retroactive agreement for collection of assessments on Santa Rosa lodging establishments resulting from Santa Rosa's participation in the Sonoma County Tourism Business Improvement Area (SRTBIA) per Resolution Number 25954.

It is further recommended that the Council, by resolution,

- Authorize the remittance of any assessment funds collected but not remitted between June 30, 2015, and the signing of a new agreement.