

**2013 -  
2014**

**Santa Barbara  
South Coast  
Tourism Business  
Improvement  
District**

VISIT  
**SANTA BARBARA**  
THE AMERICAN RIVIERA®



## **[ANNUAL REPORT]**

Presented to the County of Santa Barbara and cities of Carpinteria, Goleta, and Santa Barbara, by Visit Santa Barbara, pursuant to Streets and Highways Code section 36650.

# Annual Report

For the Fiscal Year July 2013 – June 2014

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## Boundaries

No changes to the district boundaries or business classifications are proposed. The District includes the cities of Santa Barbara, Carpinteria, and Goleta, and portions of unincorporated southern Santa Barbara County. The district boundaries are Refugio Road on the west, the Santa Barbara / Ventura County line on the east, the Pacific Ocean on the south, and Camino Cielo / Juncal Road on the north, as shown on the map below.

Businesses continue to be classified based upon their average daily rate. Average daily rates for individual hotels were updated by the businesses effective January 1, 2013 and will again be updated in January 2014.



## Activities

The District will continue to provide marketing and sales promotions to increase tourism and to market the commercial lodging properties located in the SBSCTBID as tourist, meeting and event destinations. These services are designed to provide a specific benefit to commercial lodging businesses within the SBSCTBID boundaries, increasing room night sales.

Further information on the marketing activities can be found in the attached marketing plan.

## Cost of Activities

The estimated cost for activities by category for fiscal year 2013 - 2014 is shown in the table below. The proposed allocations are within the guidelines of the Management District Plan and do not exceed the 15% adjustment limitation. This cost includes the amount of surplus from the previous year.

Service	Jan 2011 – June 2011	July 2011 – June 2012	July 2012 – June 2013
Total Collections	\$ 424,199	\$1,869,211*	\$1,728,227
City of SB	\$ 262,775	\$1,164,490	\$1,059,532
County of SB	\$ 139,570	\$ 589,978	\$ 229,419
Goleta	\$ 0	\$ 0	\$ 342,954
Carpinteria	\$ 21,854	\$ 114,810	\$ 96,322
Expenses	\$72,007	\$1,178,660	\$1,951,861
Fund Balance	\$352,192	\$1,042,743 (of which \$223,634 was used in FY 2012-2013)	\$819,109 (of which \$495,000 will be used in the 2013-2014 budget)
*Fiscal year 2011-2012 was reported on a cash basis initially, there are 14 months of revenue included in the total.			

Service	Jan 2011 – Jun 2011	Jul 2011 – Jun 2012	Jul 2012 – Jun 2013
Sales and Marketing	0	149,980	220,487
Advertising and Communication	63,892	848,091	1,446,748
Administration and Advocacy	0	37,680	101,400
Local Destination Marketing	0	100,000	100,000
Contingency and Renewal	0	0	43,386
Collection Administration Fees	8,115	42,909	39,841
<b>Total</b>	<b>72,007</b>	<b>1,178,660</b>	<b>1,951,861</b>

The total collected amount collected from July 2012 – June 2013 was \$1,728,227. The estimated budget for 2013– 2014 is \$2,246,159, which includes a surplus of \$495,000 and projected collections of \$1,751,159. Detailed annual budgets are attached.

2013 – 2014 Budget	% of budget	\$ amount
Sales and Marketing	12.76%	\$286,735
Advertising and Communication	73.19%	\$1,643,889
Administration and Advocacy	4.27%	\$95,870
Local Destination Marketing	4.45%	\$100,000
Contingency and Renewal	3.51%	\$78,802
Collection Administration Fees	1.82%	\$40,863
<b>Total</b>	<b>100%</b>	<b>\$2,246,159</b>

## Assessment

No changes in the assessment rate are proposed. The annual assessment rate is as follows: lodging businesses with an average daily rate (ADR) of under \$100 shall be assessed \$0.50 per occupied room per night, lodging businesses with an ADR between \$100 and \$150 shall be assessed \$1.00 per occupied room per night, lodging businesses with an ADR over \$150 and up to \$200 shall be assessed \$1.50 per occupied room per night and lodging businesses with an ADR over \$200 shall be assessed \$2.00 per occupied room per night. Lodging properties with 3 or less units shall be exempt from the assessment. Based on the benefit received, assessments will not be collected on lodging stays of more than 30 consecutive days, federal government employees on government business, stays at time shares, and stays booked or contracted for and paid for prior to January 1, 2011.

Average Daily Rate	Per Night Assessment
0 - 99.99	.50
100.00 – 150.00	1.00
150.01 – 200.00	1.50
200.01 +	2.00

## Surplus/Deficit

A surplus of \$819,109 is available at the end of June 30, 2013. These funds were accumulated during the first year and a half of the TBID when the program was in its start-up phase. Half of these funds were budgeted to be used in the 2013-2014 fiscal year.

## Contributions

The TBID funds are supplemented by funding from the County, City, private sources, and TBID destination funds. The total additional revenue to programs is \$1,794,034. City funds are expected to total \$1,349,534. County funds are expected to total \$79,000. Private source funds are expected to total \$315,500. Destination funds are expected to total \$50,000.

## Attachment 1 – ADR Update Letter

Dear South Coast Lodging Community,

December 31<sup>st</sup> marks the end of year three for the South Coast Tourism Business Improvement District (TBID) operations. Extensive efforts and a constant pursuit of new opportunities have produced positive results. The current return on investment for the TBID is \$6.00 for every tourism dollar spent. The funding has allowed for a 60% increase in the communities' tourism marketing budget. This increase has been allocated toward a variety of cohesive endeavors aimed at elevating the Santa Barbara South Coast tourism marketing message to top-of-mind at a state, national, and global level. Initiatives include:

1. A comprehensive advertising plan that targets key audiences and generates new leads.
2. Promotional programming that encourages off-season visitation.
3. A far-reaching social media strategy that engages audiences and inspires travelers across multiple channels.
4. Public relations press outreach, hosted press trips for media influencers, and desk-side meetings with journalists and editors throughout the year.
5. Marketing representation in the United Kingdom, Australia, and France to increase visitation from these important and influential markets.
6. Sales missions to key markets, both domestically and abroad.
7. Familiarization trips and site visits for meeting planners and travel professionals.
8. Attendance at additional trade shows to develop the conference and small meetings markets.
9. Key alliances with producers and film executives to encourage the Santa Barbara South Coast as a preferred location for film and commercial activities.

For a complete list of 2013/2014's marketing initiatives, please [click here](#) to view the Strategic Marketing Plan. We regularly report the results of these initiatives at Marketing Committee Meetings, Director of Sales Meetings, and in the monthly marketing updates, quarterly reports, and annual reports. All of these meetings are open to the public; please feel free to attend at your convenience.

As we near a new year of operation, I want to remind you of potential changes for the 2014 assessments.

### **Exemptions**

*For those lodging businesses in Carpinteria and Santa Barbara, the City Treasurer has asked us to remind you of the following policies:*

If exemption deductions are reflected on the monthly TOT/TBID remittance form then the hotel must provide the appropriate documentation to support the exemption amounts deducted on the form.

**Over 30 days.** After a customer has occupied a room for 30 consecutive days, beginning with the 31st day and continuing subsequent days, the customer is exempt from paying the tax. Additionally, when a customer has made advance reservations and executed a written contract for a successive or uninterrupted stay exceeding 30 days, the customer is exempt from the tax for the entire stay.

**U.S. Government (when payment is made directly by the U.S. Government on a purchase order or the individual pays for lodging with a credit card issued by the U.S. Government.)**

Only federal agencies are exempt -- not state or municipal. Even if the individual claims he/she is a member of a federal agency and is travelling on official business, if the lodging is paid for with a personal credit card or cash/check, the individual must pay the tax and submit a claim for refund (see below) directly to the City.

**Assessment Changes**

Your assessment rate needs to be evaluated annually and any changes are effective **January 1<sup>st</sup>** of each year. Remember that the assessment is based on the **annual average daily rate**.

Beginning in January 2014, your assessment rate will be based on the **annual average daily rate in 2012**. Here are the categories.

<b>Average Daily Rate</b>	<b>Assessment Rate Per Night</b>
Less than \$100	\$0.50
\$100 - \$150	\$1.00
Over \$150 - \$200	\$1.50
Over \$200	\$2.00

Attached is a form that needs to be signed and remitted to the City by **Friday, January 10**. Please either email it to [bcraig@santabarbaraca.gov](mailto:bcraig@santabarbaraca.gov) or mail it to City of Santa Barbara, P.O. Box 1990, Santa Barbara, CA 93102-1990. This form notes your 2014 assessment amount. It can also be found on the City of Santa Barbara website [here](#).

As part of our agreement with government agencies, audits on lodging properties can be done at any time. We appreciate your cooperation in making accurate, timely payments to the jurisdiction that you respond to.

Many thanks for your cooperation!  
Best,

Tom Patton  
Chair, Santa Barbara South Coast TBID