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**From:** S. PERRY [mailto:limon@msn.com]

**Sent:** Wednesday, July 14, 2010 10:59 AM

**To:** Schneider, Helene; House, Grant; Francisco, Dale; Hotchkiss, Frank; Self, Michael; White, Harwood "Bendy" A.; Williams, Das

**Subject:** Proposed SB T.B.I.D. concerns

Mayor Schneider, and the City Council Members;

I operate 2 Hotels in Santa Barbara, and we are asking the City Council to reconsider it's support of the proposed Tourism Improvement District. The accumulation-petition process used to achieve an majority of hotel operators' support for this new Quasi-Tax has completely ignored the opponents to it, and is unfair to the small independent properties.

It has taken several years of petitioning and arm-bending to achieve a majority. The primary support for this new tax comes from the large hotel operations that already have large advertising budgets. This tax unfairly impacts the smaller properties that cannot simply reduce their advertising spending to make up for the cost of the tax.

Our guests are already aggressively protesting the current 12% TOT Tax we are charging at check-out time. The tax is viewed by our European and Australian/Zealander Guests as outright gouging.

The other unfair aspect of this new surtax is charging only Hotels/Motels. The ENTIRE Tourism industry should support this district, not just the Hotels/Motels. Hotels pay 12% Tax already, which is head-and-shoulders above every other sector of the economy, it leaves a horrible taste in the mouth of our guests just as they depart our beautiful city, and gives the remaining spectrum of tourist enterprises a free-ride.

Other TBIDs in California apply the mandatory surtax on only the large hotels that have expansive enough Ad budgets to pay for this tax. We urge the City Council to restrict the mandatory participation in this program to only properties over 150 room keys. Basing the graduated fee schedule only on room rate will restrict hotel owners from making improvements to all the smaller properties that are so vital to the experience of visitors to Santa Barbara.

Another consideration we urge the Council to look at is broadening the types of business subjected to the surtax. Tourism businesses that are members of the SBVCB should all be looked at as business types that should support, and who directly benefit from, the cost of this surtax-paid advertising and promotion of Santa Barbara Tourism businesses. It is obscenely unfair for the small independent Hotel/Motel properties in the city to be the only ones saddled with ever growing Tourism Taxes.

Our current T.O.T. is not being collected from all the vacation rentals in Santa Barbara. This revenue alone would capture enough tax to finance a return towards the original TOT mandate. At it's inception the City contribution to Tourism Promotion was 50% of the TOT receipts. The vacation rentals are already included in the TOT tax code currently, but the code is not being enforced...and the tax goes uncollected.

The independent hoteliers in Santa Barbara are in dire need of assistance, commandeering our advertising dollars and further taxing our guests are a huge mistake in any economy. The 20% increase in TOT via Measure B to clean up the creeks has been a huge burden to Hospitality, please delay this TBID until it can be properly modified.

Thank you,  
Scott Perry  
Lemon Tree Inn  
Orange Tree Inn