

**Welcome!**

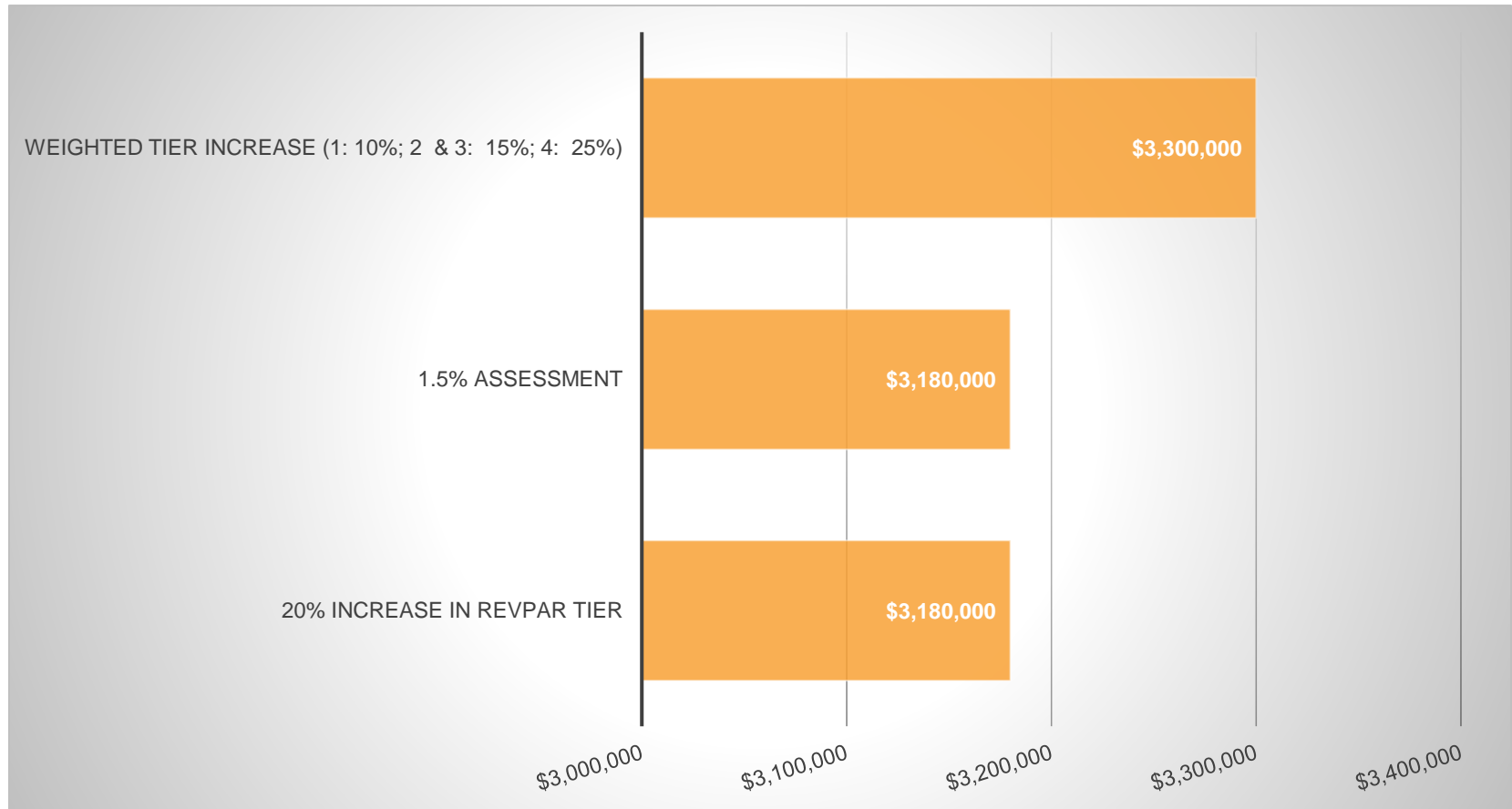
**Santa Cruz County  
Tourism Marketing District  
Renewal Task Force  
Meeting #6**

**March 11, 2021**

## PROS/CONS OF TMD ASSESSMENT TYPES

ASSESSMENT OPTIONS	PROS	CONS
Current Model (RevPAR Tiers)	<ul style="list-style-type: none"> <li>• Allows for flexible fee amounts for each property type based on their RevPAR</li> <li>• Comfort level with what is a known entity/system</li> <li>• Compromise of other levels</li> </ul>	<ul style="list-style-type: none"> <li>• Challenging for staff to gather individual property information from various jurisdictions</li> <li>• May not allow for growth in budget over time</li> <li>• Migration downward in tier levels due to economic conditions</li> <li>• CPI use for increase-not well received by some properties</li> </ul>
Percentage	<ul style="list-style-type: none"> <li>• Allows for natural growth in budget over time</li> <li>• Ease of calculation for collection and reporting purposes</li> <li>• Put on similar level with competitors</li> </ul>	<ul style="list-style-type: none"> <li>• High ADR properties could be impacted with large increase in rate</li> <li>• COVID challenges impacting group business</li> <li>• Decrease when there is a significant downturn in the economy</li> <li>• How the amount collected from the vacation rentals will be calculated-challenging</li> </ul>

## TMD Revenue Scenarios



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<b>Tier</b>	<b>RevPAR</b>	<b>Current Rate</b>	<b>Proposed Increase 2022/2023</b>	<b>New Rate 2022/2023</b>
<b>1 (62)</b>	<b>Less Than \$50</b>	<b>\$1.90</b>	<b>10 %</b>	<b>2.10</b>
<b>2 (23)</b>	<b>\$50 - \$74.99</b>	<b>\$2.40</b>	<b>15%</b>	<b>\$2.75</b>
<b>3 (12)</b>	<b>\$75 - \$99</b>	<b>\$2.70</b>	<b>15%</b>	<b>\$3.10</b>
<b>4 (21)</b>	<b>\$100+</b>	<b>\$3.20</b>	<b>25%</b>	<b>\$4.00</b>

\*Rounded off to the nearest \$0.05

## DMO TMD/TBID Comparison Data

<i>Destination</i>	<i>TMD/TBID Fee Structure</i>	<i>TMD/TBID Fee</i>	<i>Projected TMD Revenue</i>	<i>Current TOT Rate</i>	<i>Add'l Fees</i>
San Francisco (City/County)	Percentage	1%-1.5%	\$27 million+	14.00%	Yes
San Mateo (City)	Tiers	\$0.15-\$1.00	\$2 million +	14.00%	Yes
Monterey (City)	See Monterey County	See Monterey County	See Monterey County	12.00%	No
Monterey (County)	Flat Rate	\$0.50-\$2.50	\$3.5 million	10.50%	Yes
San Jose	Tiers	\$1.00-\$3.00	\$2 million +	10.00%	Yes
Santa Clara	Flat Rate	\$1.00	\$600,000	9.50%	Yes
Santa Cruz County	Tiers	\$1.90-\$3.20	\$2 million +	11.0% - 12%	No