

On Raising the Transient Occupancy Tax To Fund Visitor-Serving Activities

A City Council Referral Item Submitted By
Alameda Councilmember Tony Daysog

July 7, 2015

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Transient Occupancy Tax

- Codified in Alameda Municipal Code “**3-61 - TRANSIENT OCCUPANCY TAX**” (<http://bit.ly/1HcTQlp>)
- 3-61.2 (definitions) : *Hotel* . . . includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment
- 3-61.2 (definitions) : *Operator* shall mean the person who is proprietor of the hotel, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, or any other capacity.
- **3-61.3: T.O.T. Rate: 10 percent**

Trends in T.O.T. Revenues ('000)

PLACE	Oakland	Berkeley	Emeryville	Union City	Alameda	Fremont	Newark	San Leandro	Hayward
T.O.T. RATES	14.0%	12.0%	12.0%	11.4%	10.0%	10.0%	10.0%	10.0%	8.5%
2014	\$18,468	\$6,246	\$5,277	\$1,379	\$1,612	\$6,155	\$4,320	\$472	\$1,918
2013	\$15,831	\$5,562	\$4,852	\$1,006	\$1,396	\$4,864	\$3,705	\$775	\$1,418
2012	\$13,822	\$4,918	\$4,233	\$828	\$1,295	\$4,133	\$3,323	\$712	\$1,466
2011	\$12,484	\$4,165	\$3,598	\$591	\$1,119	\$3,382	\$2,785	\$610	\$1,253
2010	\$10,085	\$3,648	\$3,299	\$442	\$1,085	\$2,812	\$2,331	\$538	\$1,141
2009	\$10,599	\$3,513	\$3,878	\$602	\$1,179	\$2,932	\$2,574	\$584	\$1,326
2008	\$12,400	\$3,578	\$4,247	\$808	\$1,088	\$3,208	\$3,326	\$663	\$1,565
2007	\$12,303	\$3,261	\$3,762	\$681	\$991	\$2,862	\$3,182	\$621	\$1,642
2006	\$11,690	\$2,963	\$3,236	\$567	\$934	\$2,323	\$2,775	\$600	\$1,363
2005	\$10,926	\$2,684	\$3,194	\$395	\$813	\$2,007	\$2,320	\$606	\$1,292
2004	\$9,364	\$2,371	\$3,023	\$350	\$695	\$1,804	\$2,170	\$594	\$1,143
'09-'14 ann. per. chg.	12%	12%	6%	18%	6%	16%	11%	-4%	8%
'04-'09 ann. per. chg.	3%	8%	5%	11%	11%	10%	3%	-0.3%	3%

Source: Tony Daysog, Alameda City Council, based on Dean Runyan Associates (<http://deanrunyan.com/index.php?fuseaction=Main.TravelstatsDetail&page=California>)

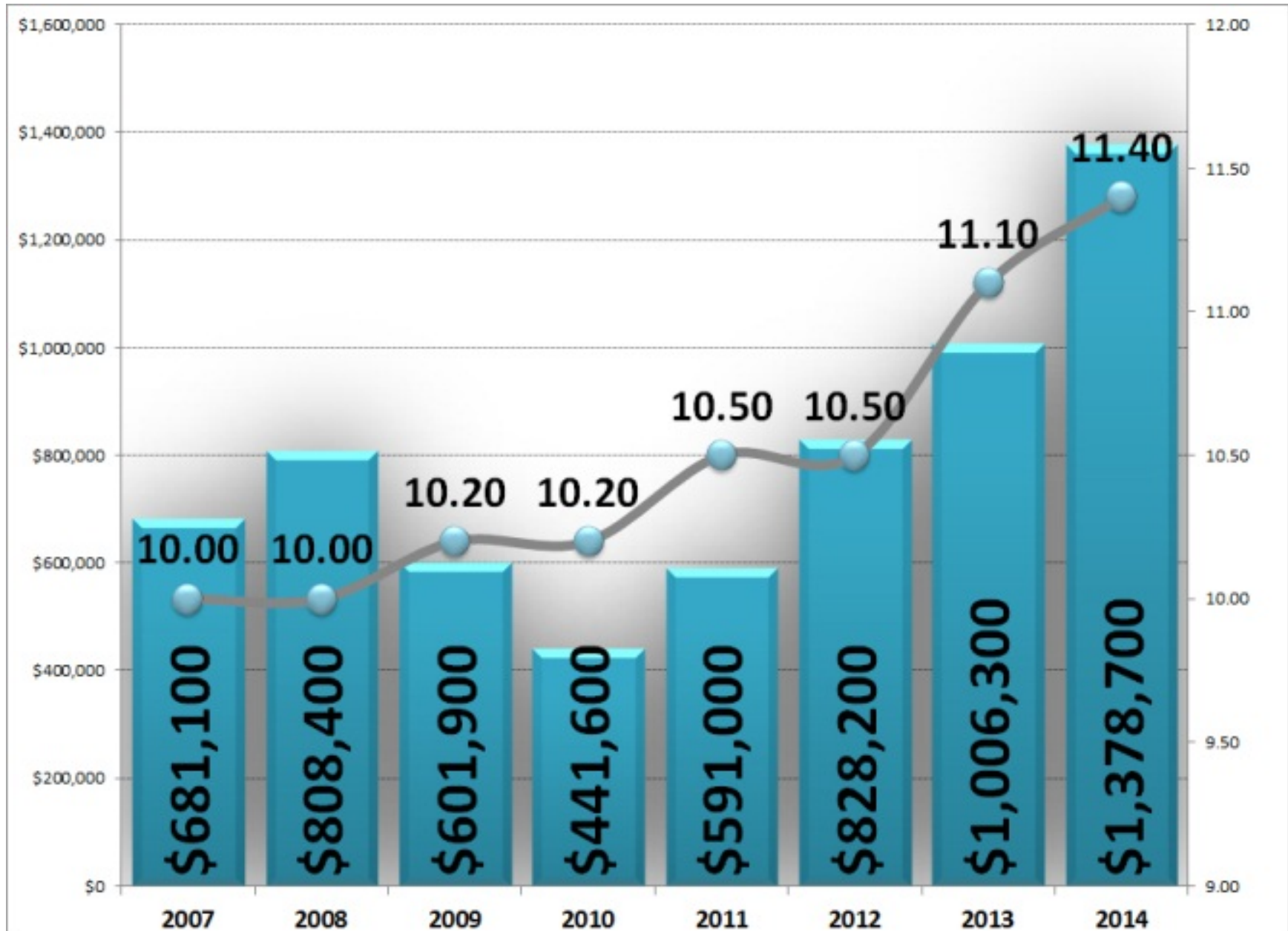
Estimated Incremental Revenues

Step 1.
$$\frac{10.00\%}{\$1,612,300} = \frac{11.00\%}{\text{solve for "x"}}$$

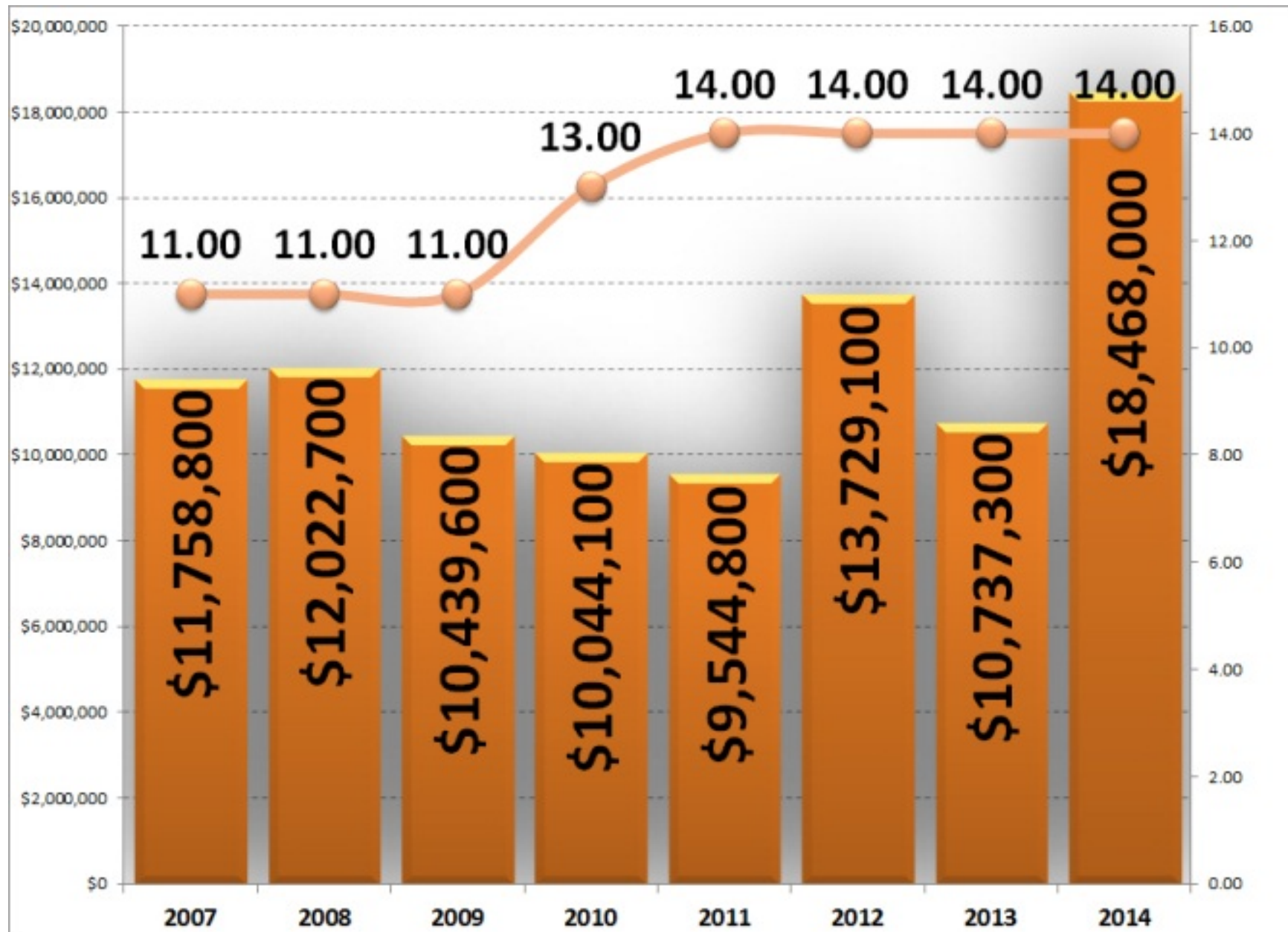
Step 2
$$\text{solve for "x"} = \$1,773,530$$

Step 3
$$\text{"x" new only} = \$161,230$$

Union City: T.O.T. Rates and Revenues



Oakland: T.O.T. Rates and Revenues



Alameda Visitor-Serving Destinations

Architectural Digest names “Antiques By the Bay” one of the best in the nation in July 2015



Alameda Visitor-Serving Destinations!

Sunset



*“Sunset Magazine has named ‘**Spirits Alley**’ one of **five finalists** in its inaugural Sunset Travel Awards Contest for the category ‘Best Municipal Makeovers.’”*

*-- February 3, 2015
Press Release*

Concluding Remarks

- **Goal (draft): expanding the capacity of local government (or the private sector) to leverage local assets in an effort to attract even more business travelers, persons visiting family and friends in Alameda, and tourists enjoying activities and sites in the region with the specific intention of getting visitors to spend more money in the City of Alameda.**