

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

A City Council Referral Item Submitted By  
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**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    | <b>\$1,612</b> | \$6,155 | \$4,320 | \$472       | \$1,918 |
| 2013                   | \$15,831 | \$5,562  | \$4,852    | \$1,006    | <b>\$1,396</b> | \$4,864 | \$3,705 | \$775       | \$1,418 |
| 2012                   | \$13,822 | \$4,918  | \$4,233    | \$828      | <b>\$1,295</b> | \$4,133 | \$3,323 | \$712       | \$1,466 |
| 2011                   | \$12,484 | \$4,165  | \$3,598    | \$591      | <b>\$1,119</b> | \$3,382 | \$2,785 | \$610       | \$1,253 |
| 2010                   | \$10,085 | \$3,648  | \$3,299    | \$442      | <b>\$1,085</b> | \$2,812 | \$2,331 | \$538       | \$1,141 |
| 2009                   | \$10,599 | \$3,513  | \$3,878    | \$602      | <b>\$1,179</b> | \$2,932 | \$2,574 | \$584       | \$1,326 |
| 2008                   | \$12,400 | \$3,578  | \$4,247    | \$808      | <b>\$1,088</b> | \$3,208 | \$3,326 | \$663       | \$1,565 |
| 2007                   | \$12,303 | \$3,261  | \$3,762    | \$681      | <b>\$991</b>   | \$2,862 | \$3,182 | \$621       | \$1,642 |
| 2006                   | \$11,690 | \$2,963  | \$3,236    | \$567      | <b>\$934</b>   | \$2,323 | \$2,775 | \$600       | \$1,363 |
| 2005                   | \$10,926 | \$2,684  | \$3,194    | \$395      | <b>\$813</b>   | \$2,007 | \$2,320 | \$606       | \$1,292 |
| 2004                   | \$9,364  | \$2,371  | \$3,023    | \$350      | <b>\$695</b>   | \$1,804 | \$2,170 | \$594       | \$1,143 |
| '09-'14 ann. per. chg. | 12%      | 12%      | 6%         | 18%        | <b>6%</b>      | 16%     | 11%     | -4%         | 8%      |
| '04-'09 ann. per. chg. | 3%       | 8%       | 5%         | 11%        | <b>11%</b>     | 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>)

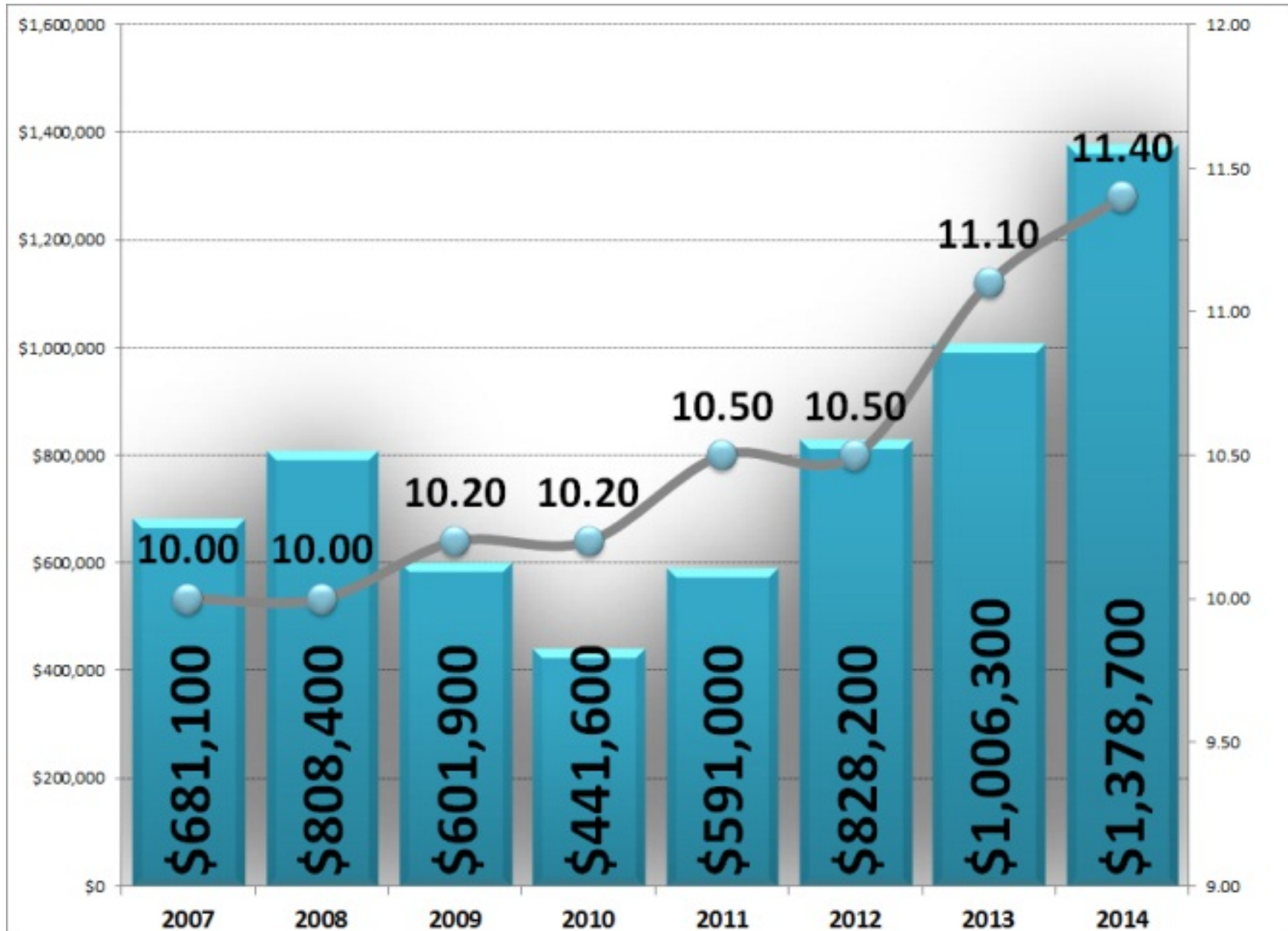
# Estimated Incremental Revenues

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

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

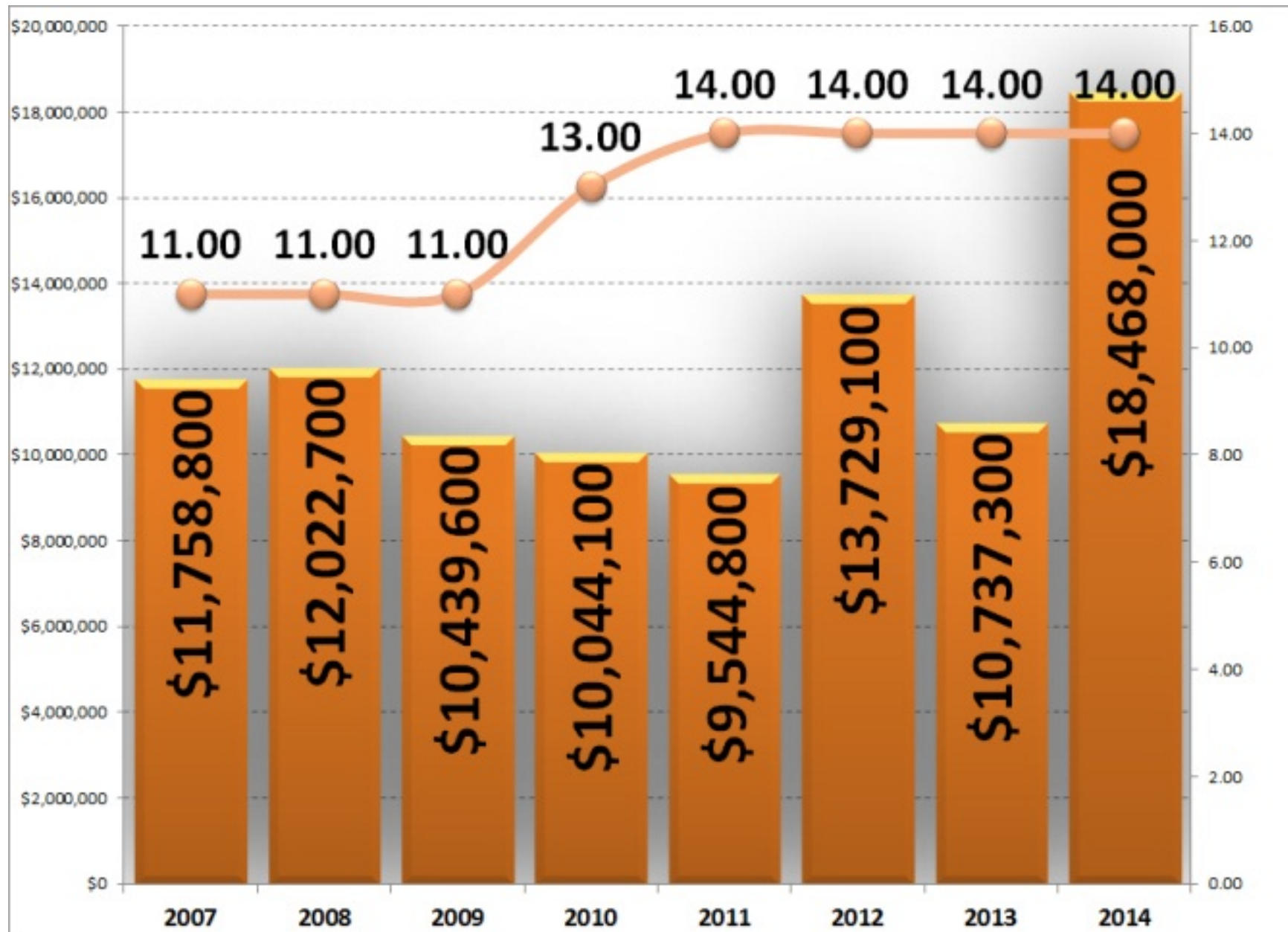
*Step 3* 
$$\text{"x" new only} = \$161,230$$

# 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.**