

**Carlsbad Tourism and Business Improvement District (CTBID)
2021-2022 Annual Report**

Method of Assessment: The CTBID includes all hotel businesses located within the CTBID boundaries. The assessment shall be levied on all hotel businesses, existing and future, within the City of Carlsbad based upon a rate of 2% of gross short-term room revenue for all transient occupancies as defined in Section 3.12.020 of the Carlsbad Municipal Code. The amount of the assessment shall be separately stated from the amount of the rent and other taxes charged, and each transient shall receive a receipt for payment from the operator. The assessment will be remitted monthly, based on 2% of gross short-term room revenues for the previous month.

Assessment Funding Purpose: To administer marketing and visitor programs to promote the City of Carlsbad as a tourism visitor destination and to fund projects, programs, and activities, including appropriate administrative charges that benefit hotels within the boundaries of the District.

2020-21 Work Plan: Last fiscal year, the CTBID assessment generated approximately \$1,100,000 in revenue. The CTBID contracted with Carlsbad Convention and Visitors Bureau (dba Visit Carlsbad) to provide tourism marketing services for Carlsbad. In addition, \$30,000 in grants were awarded to fund events to increase the overnight stays in Carlsbad hotels.

The CTBID 2021-22 budget includes a funding level of \$3,000,000 for Visit Carlsbad. This increased funding level is the result of the increase in assessment revenue due to the modification of the assessment rate from \$1 per room night to 2% of gross short-term room revenue. This assessment increase was approved during Fiscal Year 2020-21 and went into effect on November 1, 2020. The services provided by Visit Carlsbad will focus on post COVID-19 marketing efforts. The majority of this will be done through promotional programs and group sales. Visit Carlsbad also has plans to hire a CEO/President during Fiscal Year 2021-22. The CEO will help develop a business plan for Visit Carlsbad's future. The Visit Carlsbad Board will also review the CTBID grant applicants, for which there is \$100,000 allocated this year, and make the funding recommendations to the CTBID Board.

Details of the 2021-22 budget are shown on the following page.

2020-21 Recommended CTBID Budget

Program Areas	Description	2017-18 Actuals	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Actuals as of 12/31/20	Projected 2020-21 Actuals	Recommended 2021-22 Budget
Carryover Fund Balance		\$722,331	\$696,716	\$640,318	\$617,139		617,139	1,033,139
<u>Revenues:</u>								
CTBID Assessment	2% of Room Revenue (was \$1 per room night prior to 11/1/20)	1,246,944	1,333,001	1,088,860	800,000	535,851	1,100,000	3,600,000
Interest Earnings		2,535	26,920	21,384		-7,006		
Total Estimated Revenues		1,249,479	1,359,921	1,110,244	800,000	528,845	1,100,000	3,600,000
<u>Expenditures:</u>								
2% Admin. Fee - City	2% of CTBID assessment revenue, for collection of CTBID assessment and accounting for CTBID	24,896	26,644	21,045	16,000	6,470	22,000	72,000
CCVB Payment	To operate visitor center, market and promote Carlsbad	1,130,216	1,244,575	1,040,326	800,000	266,667	600,000	3,000,000
Staff support	Staff support to the CTBID	16,972	15,649	20,438	16,000	8,963	20,000	50,000
Professional Services	Civitas Contract			32,960		12,000	12,000	
CTBID Grants	Grant program established by CTBID Board	103,011	129,451	18,654	75,000		30,000	100,000
Total Expenses		1,275,095	1,416,319	1,133,423	907,000	294,100	684,000	3,222,000
Ending Fund Balance	Contingency for Revenue shortfall	\$696,716	\$640,318	\$617,139	\$510,139		1,033,139	1,411,139