

*City of Brisbane*  
*Agenda Report*

**TO:** Honorable Mayor and City Council

**FROM:** Caroline Cheng via Clay Holstine, City Manager

**DATE:** Meeting of July 13, 2009

**SUBJECT:** Updated Argument in Favor for Increasing Brisbane's Transient Occupancy Tax

**PURPOSE:** To provide the Council an updated copy of the measure in favor with their change recommendations.

**RECOMMENDATION:**

Discuss and approve the argument in favor or increasing Brisbane's Transient Occupancy Tax (TOT).

**BACKGROUND:**

The Council has submitted recommended changes to the measure in favor, which will be published in the ballot pamphlet mailed to the voters in September for the November 3, 2009 election, where their vote will determine whether Brisbane's TOT is increased.

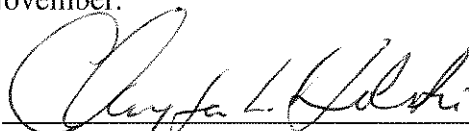
**FISCAL IMPACT/FINANCING ISSUES:**

The proposed change in the TOT would increase revenues to the City's General Fund by approximately \$200,000.

**MEASURE OF SUCCESS:**

That the increase would be passed by the voters in November.

  
\_\_\_\_\_  
Administrative Management Analyst

  
\_\_\_\_\_  
City Manager

**ATTACHMENTS:**

Attachment A - Redline version of the measure in favor showing the Council's recommended changes.

**Argument for Ballot Measure Increasing Transient Occupancy Tax**  
*Showing Council's Recommended Changes*

Brisbane's Transient Occupancy Tax (TOT), commonly called the "hotel tax", is paid by visitors who rent hotel rooms in Brisbane. The current hotel room TOT rate is 10%. This measure would raise the hotel room tax to 12%. At current room and occupancy rates, this measure is estimated to contribute \$200,000 per year to the General Fund.

The City's General Fund pays for city services such as public safety and emergency services, park and field maintenance, road repair, recreation, and open space acquisition and management.

Brisbane's General Fund has been impacted by decreasing property values and the associated recession. Current 2009/2010 fiscal year projections are for General Fund revenues to decrease by several hundred thousand dollars. One of the ways to ensure these services continue is to increase the Transient Occupancy Tax. This new source of approximately \$200,000 a year to the City's General Fund will increase the likelihood that Brisbane's police, fire, street maintenance, parks and recreation, and environmental programs are maintained.

If this measure is approved, Brisbane's TOT tax rate would remain comparable to that of other cities near the airport.

The City Council seeks revenues to provide the services and programs the community expects. The TOT is a beneficial way to produce new revenue from tourists, visitors, and business travelers who use City services. Please help ensure the revenue that's raised here, stays here – vote YES on Measure \_\_\_!

**Argument for Ballot Measure Increasing Transient Occupancy Tax**  
*Clean copy with above changes approved*

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Brisbane's General Fund has been impacted by decreasing property values and the associated recession. Current 2009/2010 fiscal year projections are for General Fund revenues to decrease by several hundred thousand dollars. One of the ways to insure continued City services is to increase the Transient Occupancy Tax. This new source of approximately \$200,000 a year to the City's General Fund will increase the likelihood that Brisbane's police, fire, street maintenance, parks and recreation, and environmental programs are maintained.

If this measure is approved, Brisbane's TOT tax rate would remain comparable to that of other cities near the airport.

- Deleted:** or TOT
- Deleted:** It is NOT paid by Brisbane residents. Raising the tax from 10% to 12% would bring the City's tax up to a rate comparable with most of the cities around the airport
- Deleted:** Increasing the TOT will bring in approximately \$200,000 to the City, which will help offset the recent impact on sales tax revenues the City has suffered as a result of the recession, in addition to the recent loss of \$150,000 in proceeds from the existing hotel tax.
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- Deleted:** Maintaining City services such as public safety and emergency services, landscaping and improving our parks and fields, keeping our roads properly maintained, providing opportunities for the youth of our community to grow and learn in a safe environment, and increasing open space for the public to enjoy has always been a top priority.
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