



## **Tourism Business Improvement District**

### **Frequently Asked Questions (FAQs)**

**July 15, 2015**

#### **What is a Tourism Business Improvement District?**

A Tourism Business Improvement District (TBID) is an organization of lodging businesses who work together to bring more visitors to their destination, especially during slower times of the year. The businesses pay an assessment based on room night sales. Funds raised are used on programs that drive room night sales.

#### **Are there other similar districts throughout California?**

Yes. There are now 91 successful TBIDS throughout the State of California and 136 TBIDs globally. These districts are also called Tourism Marketing Districts (TMDs) and Tourism Improvement Districts (TIDs).

#### **Why put a TBID in place in Oakland?**

Visit Oakland is currently funded by a dedicated hotel tax, Measure C, which was passed by voters in 2009. While this funding is useful it is not enough to effectively compete in the marketplace. Current average occupancy rate for lodging businesses is 75%. The goal of the OTBID is to raise additional funds which will be used to increase the average occupancy rate for lodging businesses by 3% within five years.

It takes money to compete against other better-funded destination marketing efforts in the Bay Area. Out of the eleven Convention & Visitors Bureaus (CVBs) in the San Francisco Bay Area, Visit Oakland is ranked as #10 in funding. The top five CVBs are listed below:

#### **Funding of Top Five Convention and Visitors**

##### **Bureaus in the San Francisco Bay Area**

San Francisco Travel	\$29,500,000
Monterey County CVB	\$6,313,000
Sonoma County	\$5,711,727
Visit Napa Valley	\$4,252,000
Team San Jose	\$4,500,000



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Oakland's current funding is inadequate and not competitive in the marketplace. Sales and advertising dollars are needed to reach the leisure visitor, business traveler and group planners (international tour, meeting, convention planners and sports planners).

#### **How will the funds be raised for the TBID?**

Funds will be raised through a small assessment (\$1.50 per night) on room sales of lodging businesses with 50 rooms or more. The assessment can be passed on to customers by the business and will be collected by the city at the same time as Transit Occupancy Tax (TOT). Funds are used to provide marketing and promotion to the businesses in the district that will benefit from them.

#### **How will the funds be spent?**

The funds will be spent as generally outlined in the Management District Plan and specifically detailed in the Sales and Marketing Plan. The majority of the funding will be spent on marketing and sales efforts to bring people to Oakland during slower times of the year.

Visit Oakland produces a complete strategic plan and annual report. All details on current marketing, sales and PR programs can be found at [visitoakland.org/partner](http://visitoakland.org/partner) .

#### **What are the benefits of creating a TBID in Oakland?**

1. It will allow Oakland to be competitive with other vacation destinations. Over 90 successful TBIDS have been formed throughout CA, including destinations such as San Francisco and San Diego.
2. It will create a secure tourism marketing funding source that cannot be diverted to other government programs.
3. It will create tourism-related jobs in Oakland.
4. It will improve the economic development opportunities for Oakland.
5. It will increase Transient Occupancy Taxes (TOT) for the City of Oakland.
6. It will increase overall direct visitor spending in the City of Oakland.
7. Increase room night sales and hotel occupancy.
8. Increase hotel revenue.