



News from

Interim Mayor Todd Gloria

City of San Diego

NEWS RELEASE

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San Diego to Re-Launch Tourism Marketing

Council Approves Amended Agreement to Release Funds, Protect Taxpayers

SAN DIEGO, CA (November 21, 2013) – San Diego will soon be marketed as a visitor destination again, thanks to action taken today by the San Diego City Council. This afternoon, the City Council approved the second amendment to the Operating Agreement between the City and the San Diego Tourism Marketing District Corporation (SDTMD). The amendment allows the City to quickly disperse \$6 million of collected assessments to the SDTMD to re-launch marketing efforts and draw visitors to San Diego.

“The agreement balances the need to protect the City by building a litigation reserve with the need to again invest into marketing to bring visitors to San Diego,” said Interim Mayor Todd Gloria.

The City would then begin releasing District assessment funds to SDTMD on a monthly basis, but withhold funds from these monthly disbursements to ramp up to a reserve of \$30 million within four years. Once litigation concludes, those funds will be released. One lawsuit remains against the renewed SDTMD. The agreement includes a provision that would allow the City to always withhold funds should another suit be filed.

Assessments are now levied on all lodging businesses in the City at the rate of 2.0% on those businesses with 30 or more rooms/units and 0.55% on those businesses with fewer than 30 rooms/units.

Without marketing the destination, the City of San Diego would likely see a noticeable dip in TOT revenues, which directly impact the City’s General Fund.

Los Angeles, Orange County, and Northern California have all seen substantial increases in 2013 to their revenue per available room so far in 2013. Combining a region’s Average Daily Hotel Rate and its occupancy shows growth in Los Angeles of over 7%, in Orange County of close to 10%, and in Northern California of more than 10%. San Diego is not quite at 3% growth.

“These numbers demonstrate the good news that tourism industry itself is growing,” said Interim Mayor Gloria. **“The not-so-good-news is that San Diego is not pulling in our share of visitors. We’re leaving TOT on the table, and other cities are gladly eating it up.”**

For the current fiscal year, the City of San Diego projected 6% growth of TOT revenues. Through the first quarter, it has missed that target with only 5.7% growth.

According to the SDTMD, it expects to start its marketing efforts again in December.

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