

**Carlsbad Tourism and Business Improvement District (CTBID)
2022-2023 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(7) of the Carlsbad Municipal Code. The amount of 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.

2021-22 Work Plan: Last fiscal year, the CTBID assessment generated approximately \$5,600,000 in revenue. The CTBID contracted with Carlsbad Convention and Visitors Bureau (dba Visit Carlsbad) to provide tourism marketing services for Carlsbad. In addition, \$80,000 in grants were awarded to fund events to increase the overnight stays in Carlsbad hotels.

The CTBID 2022-23 budget includes a funding level of \$5,114,000 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 as well as a post pandemic rebound in the tourism economy. The services provided by Visit Carlsbad will focus on marketing efforts. The majority of this will be done by through promotional programs and group sales. Visit Carlsbad also has plans to hire a Finance and Administration Manager, Business Development Coordinator, Marketing/ Communications Coordinator, and an administrative assistant during Fiscal Year 2022-23. 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 \$1,500,000 allocated this year, and make the funding recommendations to the CTBID Board.

Detail of the 2022-23 budget is shown on the following page.

2022-23 Recommended CTBID Budget

Program Areas	Description	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Actuals as of 2/28/22	Projected 2021-22 Actuals	Recommended 2022-23 Budget
Carryover Fund Balance	Fund Balance	\$640,318	\$617,139	\$1,840,227	1,840,227	1,840,227	4,173,227
Revenues:							
CTBID Assessment	2% of Room Revenue (was \$1 per room night prior to 11/1/20)	1,088,860	1,867,248	3,600,000	3,938,526	5,600,000	5,700,000
Interest Earnings		21,384	17,327				
Total Estimated Revenues		1,110,244	1,884,575	3,600,000	3,938,526	5,600,000	5,700,000
Expenditures:							
2% Admin. Fee - City	2% of CTBID assessment revenue, for collection of CTBID assessment and accounting for CTBID	21,045	37,344	72,000	72,401	112,000	114,000
CCVB Payment	To operate visitor center, market and promote Carlsbad	1,040,326	576,425	3,000,000	1,222,080	3,000,000	5,114,170
Staff support	Staff support to the CTBID	20,438	17,718	50,000	10,996	25,000	50,000
Professional Services	Civitas Contract	32,960		50,000		50,000	
CTBID Grants	Grant program established by CTBID Board	18,654	30,000	100,000		80,000	1,500,000
Total Expenses		1,133,423	661,487	3,272,000	1,305,477	3,267,000	6,778,170
Ending Fund Balance	Contingency for Revenue shortfall	\$617,139	\$1,840,227	\$2,168,227	\$4,473,276	4,173,227	3,095,057