

**Carlsbad Golf Lodging Business Improvement District (CGLBID)
2022-2023 Annual Report**

Method of Assessment: The CGLBID includes all hotel businesses in the City of Carlsbad that have elected to participate in the district. The assessment shall be levied on all hotel businesses that have elected to participate in the district within the City of Carlsbad based upon a flat fee of \$2.00 per occupied room per night 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 \$2.00 per occupied room per night in revenues for the previous month.

Assessment Funding Purpose: The proceeds of the CGLBID assessment shall be spent to promote golf-related tourism within the boundaries of the CGLBID, as well as marketing-related capital improvements such as golf-related signage, golf-related equipment and to pay for related administrative costs.

2022-23 Work Plan: The CGLBID was established in January 1, 2013. For the initial period the district, fiscal year 2012-2013 (1/1/13-6/30/13) and the next fiscal year 2013-14, three hotels – Sheraton Carlsbad, Park Hyatt Aviara and Grand Pacific Palisades Hotel – opted into the district. In fiscal year 2014-15 Carlsbad by the Sea Resort opted into the district, in fiscal year 2017-18 Omni La Costa Resort opted into the district, in 2018-19 Westin Carlsbad Resort opted into the district, and in 2020-21 Cape Rey Beach Hilton Resort and the Hilton Garden Inn opted into the district. These eight hotels are expected to collect a total of \$764,000 in CGLBID assessments in fiscal year 2021-22. Expenditures for fiscal year 2021-22 are estimated to be \$450,000.

Each assessed business determines how to spend the funds collected by their respective property provided the expenditures are for an approved golf-related expense. Reimbursement of these expenses are made quarterly upon approval from the advisory board up to the amount collected per property minus administrative fees. The administrative fees pay for the collection of assessments and administration of the district. Monies not spent by the end of the fiscal year will carry forward to the next fiscal year.

For fiscal year 2022-23, it is estimated that these eight hotels will collect a total of \$770,000 in CGLBID assessments. Based on this revenue estimate and the carryforward amounts from the previous fiscal year, the budgeted amount for reimbursement to the hotels is \$800,000. This amount will be available to the assessed hotels for reimbursement. Administrative fees and staff support for fiscal year 2022-23 are budgeted at \$30,800, which is 4% of the revenues.

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

2022-23 CGLBID Budget

Program Areas	Description	2019-20 Actual	2020-21 Actual	2021-22 Budget	Actuals as of 4/30/2022	Projected 2021-22	Recommended 2022-23 Budget
Carryover Fund Balance		\$291,861	\$172,432	\$307,491	307,491	307,491	597,411
<u>Revenues:</u>							
CGLBID Assessment *	\$2 per room night	534,264	335,402	650,000	617,500	764,000	770,000
Interest Earnings		6,154	1,544		1,088	1,200	0
Total Estimated Revenues		540,418	336,946	650,000	618,588	765,200	770,000
<u>Expenditures:</u>							
2% Admin. Fee - City	For collection of CGLBID assessment and accounting for CGLBID - 2% of CGLBID assessment revenue	10,685	7,108	13,000	12,350	15,280	15,400
Reimbursements	Reimbursement to member hotels for golf related expenditures	641,382	189,660	800,000	294,900	450,000	800,000
Staff support	Staff support to the CGLBID - 2% of CGLBID assessment revenue	7,780	5,119	13,000	5,661	10,000	15,400
Total Expenses		659,847	201,887	826,000	312,911	475,280	830,800
Ending Fund Balance	Contingency for Revenue shortfall	\$172,432	\$307,491	\$131,491	\$613,168	597,411	536,611

Member Hotels opting into the District:

* FY2014-15 - Sheraton Carlsbad, Park Hyatt Aviara, Grand Pacific Palisades, and Carlsbad by the Sea Resort.

* FY2017-18 - Omni La Costa Resort.

* FY2018-19 - Westin Carlsbad Resort.

* FY2020-21 - Hilton Garden Inn, and Cape Rey Beach Hilton Resort.