

**Carlsbad Golf Lodging Business Improvement District (CGLBID)**  
**Annual Report**  
**2016-2017**

**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.

**2016-17 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; the Sheraton Carlsbad, the Park Hyatt Aviara and the Grand Pacific Palisades Hotel, opted into the district. In 2015-16 the Carlsbad by the Sea Resort opted into the district. These four hotels are expected to collect a total of \$440,000 in CGLBID Assessments in Fiscal Year 2015-16. 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 2016-17, no additional hotels have elected to participate in the district so the district will include the same four hotels as Fiscal Year 2015-16. It is estimated that these four hotels will collect a total of \$450,000 in CGLBID assessments. Based on this revenue estimate, the budgeted amount for reimbursement to the hotels is \$432,000. This amount plus any carry forwards from the previous fiscal year will be available to the assessed hotels for reimbursement. Administrative fees for Fiscal Year 2016-17 are budgeted at \$18,000, which is 4% of the revenues.

Detail of the 2016-17 budget is shown on the following page.

2016-17 CGLBID Budget

| Program Areas              | Description   | 2012-13 Actuals | 2013-14 Actuals | 2014-15 Actuals | 2015-16 Budget | Actuals as of 5/31/2016 | Projected 2015-16 Actuals | Recommended 2016-17 Budget |
|----------------------------|---|-----------------|-----------------|-----------------|----------------|-------------------------|---------------------------|----------------------------|
| Carryover Fund Balance     |   | \$0             | \$7,900         | \$158,637       | \$149,264      | 149,264                 | 149,264                   | 179,664                    |
| Revenues:                  |   |                 |                 |                 |                |                         |                           |                            |
| CGLBID Assessment *        | \$2 per room night  | 135,156         | 354,525         | 440,239         | 450,000        | 395,323                 | 440,000                   | 450,000                    |
| Interest Earnings          |   | -66             | 1,348           | 1,043           |                | 1,222                   |                           | 0                          |
| Total Estimated Revenues   |   | 135,090         | 355,873         | 441,282         | 450,000        | 396,545                 | 440,000                   | 450,000                    |
| Expenditures:              |   |                 |                 |                 |                |                         |                           |                            |
| 2% Admin. Fee - City       | For collection of CGLBID assessment and accounting for CGLBID - 2% of CGLBID assessment revenue | 2,703           | 7,090           | 8,804           | 9,000          | 7,906                   | 8,800                     | 9,000                      |
| Reimbursements             | Reimbursement to member hotels for golf related expenditures                                    | 121,651         | 192,095         | 433,447         | 432,000        | 372,911                 | 392,000                   | 432,000                    |
| Staff support              | Staff support to the CGLBID - 2% of CGLBID assessment revenue                                   | 2,836           | 5,951           | 8,404           | 9,000          | 8,889                   | 8,800                     | 9,000                      |
| Total Expenses             |   | 127,190         | 205,136         | 450,655         | 450,000        | 389,706                 | 409,600                   | 450,000                    |
| <b>Ending Fund Balance</b> | Contingency for Revenue shortfall   | \$7,900         | \$158,637       | \$149,264       | \$149,264      | \$156,103               | 179,664                   | 179,664                    |

\* Member hotels for FY2012-13 and FY 2013-14 include Sheraton Carlsbad, Park Hyatt Aviara and Grand Pacific Palisades.

\* Member hotels for FY2014-15 and FY 2015-16 include Sheraton Carlsbad, Park Hyatt Aviara, Grand Pacific Palisades, and Carlsbad by the Sea Resort.