

Sarah Mayer Public Comment - Group 1

From: Fabienne Massoneau <fabienne@innonsummerhill.com>
Sent: Thursday, May 23, 2024 8:08 AM
To: sbcob
Subject: [INN ON SUMMER HILL] Opposition to Proposed Transient Occupancy Tax Increase
Importance: High

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Dear Members of the Santa Barbara County Board of Supervisors,

My name is Fabienne Page, and I am the bookkeeper (amongst other operational tasks) for the **Inn on Summer Hill** located in Santa Barbara County. I am writing to express my concerns regarding the proposed increase in the TOT from 12% to 14%.

The proposed tax increase poses several significant challenges for our business and the broader hospitality sector in the county. Here are the key issues we foresee:

1. **Economic Impact on Business:** The hospitality industry in our region has already faced considerable challenges over the past year. Hotel rates in the unincorporated South Coast have fallen by 5.3%, An additional tax burden may exacerbate this decline, making it harder for businesses like ours to attract visitors and remain competitive, especially when neighboring counties have lower TOT rates.
2. **Competitive Disadvantage:** If this increase is implemented, Santa Barbara County's TOT would exceed that of Ventura, San Luis Obispo, and Monterey counties. This disparity could drive potential visitors to choose more affordable destinations, further reducing our occupancy rates and revenue.
3. **Impact of Short-Term Rentals:** The proliferation of Airbnb and other short-term rental platforms has already significantly impacted our occupancy rates. These platforms often offer lower prices and have become increasingly popular among travelers. Adding an additional tax on top of this existing competition could further disadvantage traditional hotels and inns, pushing even more potential guests towards short-term rentals.
4. **Broader Economic Consequences:** A decline in hotel occupancy can have a ripple effect on the local economy, negatively impacting restaurants, retail shops, and cultural organizations that depend on tourism. Furthermore, decreased visitor spending could result in lower sales tax receipts for the county, ironically counteracting the intended benefits of the tax increase.
5. **Lack of Direct Benefits to the Hospitality Industry:** While I recognize the county provides essential services, this tax increase is non-dedicated and does not offer targeted benefits to the hospitality industry or the visitors who would bear this additional cost. This disconnect makes it challenging to justify the increased financial burden on our guests.
6. **Need for an Economic Impact Study:** Prior to making any decisions, I hope the county conducts a comprehensive economic impact study. Understanding the full implications of this tax increase is relevant to making an informed decision that balances the county's fiscal needs with the viability of its hospitality sector.

I strongly believe that increasing the TOT without thorough consideration of its impacts could jeopardize the recovery and sustainability of our local tourism industry. We urge you to reconsider this proposal and explore alternative solutions that do not disproportionately burden the hospitality sector and its patrons.

Thank you for considering our/my perspective. I hope that the county will take into account the potential negative consequences of this tax increase on businesses like ours and the broader community.

Sincerely,

--

Fabienne

INN ON
Summer Hill

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Sarah Mayer

From: Tom Patton <tpatton@sbramada.com>
Sent: Thursday, May 23, 2024 4:21 PM
To: Steve Lavagnino; Das Williams; Laura Capps; Joan Hartmann; Bob Nelson
Cc: sbcob
Subject: Proposed Transient Occupancy Tax Increase

Follow Up Flag: Follow up
Flag Status: Completed

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Dear Chair Lavagnino, and members of the Board of Supervisors:

As an owner & operator of the locally owned Ramada by Wyndham Santa Barbara I am writing to express my strong opposition to the proposed increase in the transient occupancy tax (TOT) from 12% to 14% for hotels located in the unincorporated areas of Santa Barbara County. While I understand the need for generating additional revenue to support County services and infrastructure, I believe that this tax increase could have significant negative consequences on our local economy and the hospitality industry.

Increasing the TOT could dissuade tourists from choosing accommodations in the unincorporated areas of Santa Barbara County. With many travelers becoming increasingly cost-conscious, even a modest increase in lodging expenses can influence their choice of destination. Higher taxes may prompt potential visitors to seek more affordable alternatives in neighboring counties or cities with lower TOT rates. This could result in reduced revenue for local businesses, including restaurants, shops, and attractions, ultimately harming the broader economic ecosystem that relies heavily on a steady influx of tourists.

Moreover, our local hotels are already operating in a challenging market. The hospitality industry is still recovering from the severe impacts of the COVID-19 pandemic, and additional financial burdens could hinder their recovery efforts. Smaller, independently-owned hotels, in particular, may struggle to absorb the increased tax burden without passing the costs on to guests. This could lead to reduced occupancy rate & staff reductions, further weakening our local economy.

Additionally, the proposed increase could significantly impact group business, which is a crucial component of our local hospitality industry. Conferences, conventions, weddings, and other group events often bring substantial business to our hotels and the surrounding community. However, higher TOT rates could deter event organizers from choosing Santa Barbara County as their venue, as the increased costs might push them to select more affordable locations. This would not only reduce hotel revenues but also negatively affect numerous local businesses that benefit from group events, such as catering services, event planners, and transportation providers.

Given these potential negative impacts, I strongly urge the Board to conduct a comprehensive economic impact study before making any decisions regarding the TOT increase. Such a study would provide valuable insights into the potential effects of the tax hike on the local economy, businesses, and residents. It is essential to base decisions on solid data and a thorough understanding of the economic landscape to avoid unintended consequences that could outweigh the intended benefits.

In conclusion, while I recognize the need for adequate funding to support County services, I firmly believe that increasing the transient occupancy tax is not the right solution at this time. I respectfully request that the Board reconsider this proposal and prioritize conducting an economic impact study to ensure informed decision-making that fosters economic growth and stability for both residents and businesses in Santa Barbara County.

Thank you for your attention to this important matter.

Sincerely,

Tom Patton

Tom Patton, C.H.A.

General Manager/Partner

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