



County of Santa Barbara

Annual Transient Occupancy Tax Report Fiscal Year Ended June 30, 2013

In 1963, local governments were granted the power to tax the privilege of occupying a room or other living space in a hotel, motel, inn, tourist home, or other lodging (such as campgrounds) for 30 days or less. Transient occupancy tax (TOT), calculated as a percentage of the daily rent, is collected by the operator and then remitted to a city finance department or County Treasurer-Tax Collector for unincorporated areas.

During fiscal year 2012-13 the transient occupancy tax rate was 10% for all unincorporated areas, the City of Santa Maria and the City of Lompoc; and 6% for the City of Guadalupe. During the year, TOT rates increased from 10% to 12% for the cities of Buellton, Carpinteria, Goleta, and Solvang as a result of voter approved ballot measures.

TOT Rates at 6/30/2013:

Santa Barbara	12%
Goleta	12%
Solvang	12%
Santa Maria	10%
Lompoc	10%
Carpinteria	12%
Buellton	12%
Guadalupe	6%
County	10%

¹ Summary of the County / City Revenue Neutrality Agreement for the City of Goleta:

- Agreement in effect from February 1, 2002 until June 30, 2012.
- 60% of TOT generated in the City of Goleta goes to the City and 40% goes to the County.
- For overnight hospitality establishments that opened after February 1, 2002, 100% of TOT generated in the City of Goleta goes to the City.

Annual Transient Occupancy Tax Summary

	<u>Fiscal Year</u> <u>2011-12</u>	<u>Fiscal Year</u> <u>2012-13</u>	<u>Change</u> <u>from Prior</u> <u>Year</u>
Cities:			
Santa Barbara	\$ 16,394,093	\$ 17,611,106	7.4%
Goleta - City Share ¹	2,688,710	5,604,278	108.4%
Solvang	2,682,707	2,998,807	11.8%
Santa Maria	2,440,981	2,531,982	3.7%
Lompoc	1,270,405	1,441,422	13.5%
Carpinteria	1,493,930	1,564,423	4.7%
Buellton	1,239,616	1,344,904	8.5%
Guadalupe	-	-	0.0%
Total Cities	\$ 28,210,441	\$ 33,096,922	17.3%
Unincorporated Areas:			
Montecito	\$ 4,086,364	\$ 4,227,452	3.5%
Goleta - County Share ¹	1,449,879	-	-100.0%
Goleta Valley	1,408,857	1,523,192	8.1%
Santa Ynez	504,192	620,647	23.1%
North County	110,417	153,474	39.0%
South County	208,420	255,725	22.7%
Total County	\$ 7,768,130	\$ 6,780,490	-12.7%
Countywide	\$ 35,978,571	\$ 39,877,412	10.8%

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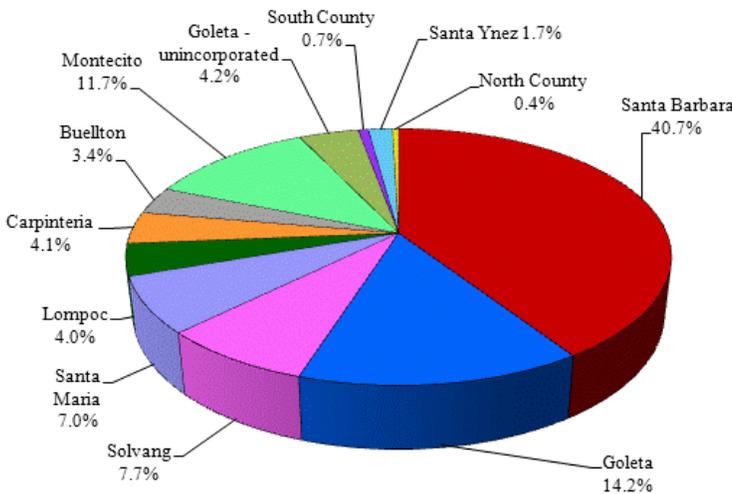
Transient occupancy tax reached \$39.88 million in fiscal year 2012-13, an increase of 10.8% from fiscal year 2011-12.

During the prior fiscal year 2011-12, the County received 40% of TOT generated in the City of Goleta, which amounted to \$1.45 million. Due to the termination of the revenue neutrality mitigation period, effective July 1, 2012, the County no longer receives a 40% share of the TOT. This created a significant shift of TOT revenues from the County to the City of Goleta.

Room Sales - FY 2012-13

INCORPORATED CITIES		% of total	
	<u>Room Sales</u>	<u>TOT</u>	
South			
Santa Barbara	\$ 146,759,217		40.7%
Goleta	51,236,305		14.2%
Carpinteria	14,600,005		4.1%
Total South	\$ 212,595,527		
North			
Santa Maria	\$ 25,319,822		7.0%
Lompoc	14,414,223		4.0%
Buellton	12,428,005		3.4%
Solvang	27,744,423		7.7%
Guadalupe	-		0.0%
Total North	\$ 79,906,474		
Total Cities	\$ 292,502,000		

UNINCORPORATED AREAS			
	<u>Room Sales</u>		
South			
Montecito	\$ 42,274,522		11.7%
Goleta Unincorporated	15,231,922		4.2%
South County	2,557,245		0.7%
Total South	\$ 60,063,689		
North			
Santa Ynez	\$ 6,206,469		1.7%
North County	1,534,738		0.4%
Total North	\$ 7,741,207		
Total Unincorporated	\$ 67,804,896		
Total Countywide	\$ 360,306,896		100%



During fiscal year 2012-13, the lodging industry brought in \$360.3 million in room sales across all cities and County unincorporated areas. This is an increase of 7.9% over FY 2011-12 room sales of \$333.8 million.

Northern Santa Barbara County generated \$79.9 million in the incorporated cities and an additional \$7.7 million in the unincorporated areas. Southern Santa Barbara County generated \$212.6 million in the incorporated areas and an additional \$60.1 million in the unincorporated areas.

The City of Santa Barbara generated the most significant portion of room sales of \$146.8 million - approximately 41% of total countywide sales.

The City of Goleta generated \$51.2 million, 14% of the countywide total.

A significant portion of room sales were also generated in the unincorporated area of Montecito at \$42.3 million, 12% of the countywide total.

The unincorporated area of Goleta generated \$15.2 million, 4%, of total room sales countywide.

Other Economic Benefits of the Hospitality Industry

The data below provides information about various other economic benefits generated as a result of the lodging/overnight accommodations industry in Santa Barbara County. This includes property tax revenue from hotels/motels, sales tax revenue generated on accommodations and restaurants, and employment (# jobs provided) within the accommodations sector for fiscal years 2011-12 and 2012-13.

	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>%</u>	
Property Tax	\$ 11,727,524	\$12,001,013	2%	[3]
Sales Tax [1][2]	\$ 5,910,847	\$ 6,358,041	14%	[4]
Employment				
# Jobs	4,500	4,600	2%	[5]

[1] Includes both Restaurants & Accomodations.

[2] Represents 0.75% local sales tax.

[3] Ratio of property tax generated on hotel/motel/accomodations to total property taxes countywide.

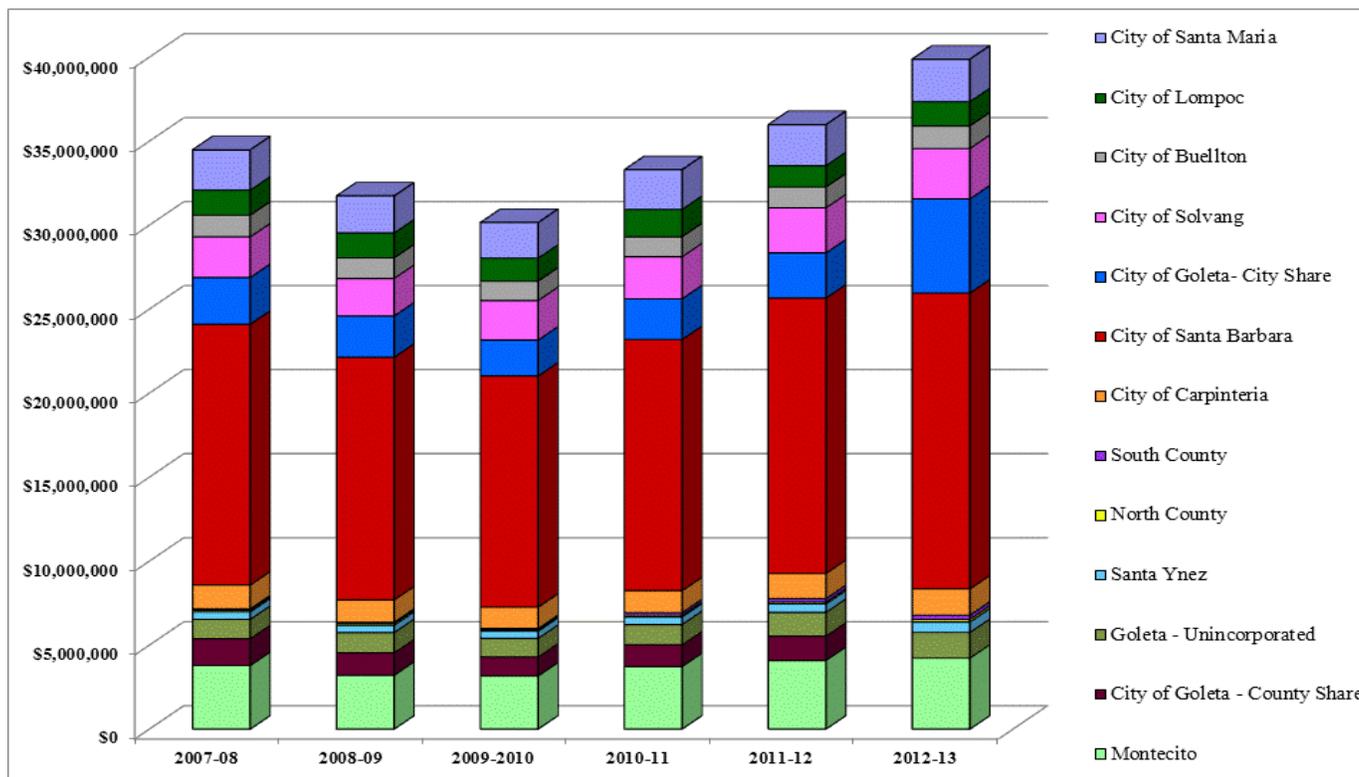
[4] Ratio of 0.75% sales tax generated in the hotel/accomodations industry to total 0.75% sales tax countywide.

[5] Ratio of the # of jobs in accomodations industry to total # of jobs countywide.

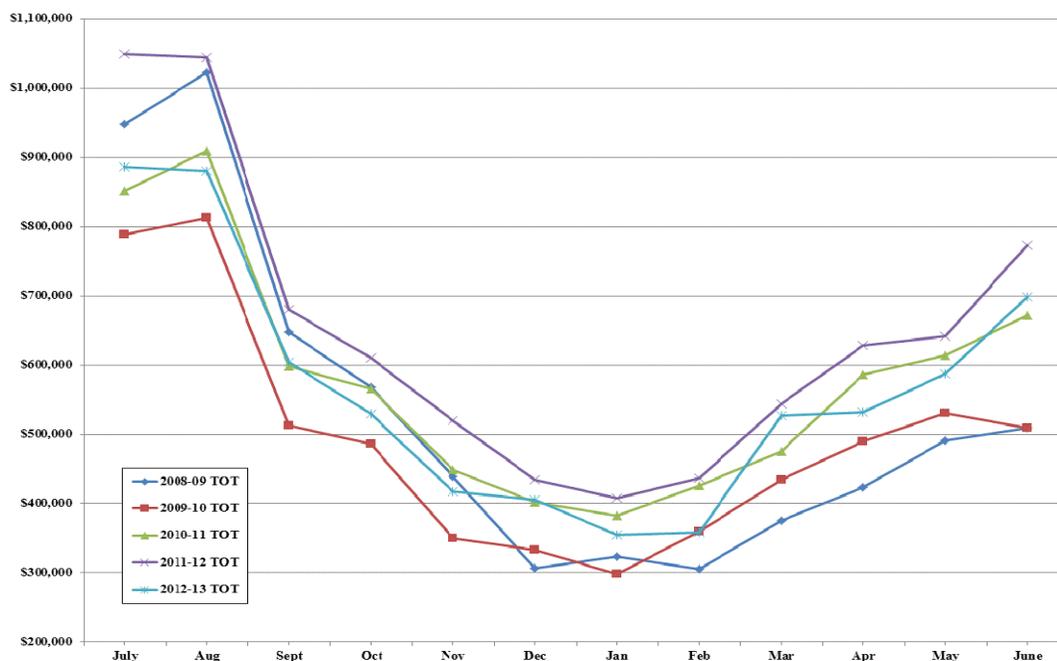
ANNUAL TRANSIENT OCCUPANCY TAX REPORT JUNE 30, 2013

6 Year Annual TOT Revenue Trend—Incorporated and Unincorporated Areas

The economy peaked in December 2007 and over the next 2 years fell to an all time low in FY 2009-10 as a result of the recession. Within Santa Barbara County, the tourism/hospitality industry trended in direct correlation with this economic cycle. Countywide, transient occupancy tax in FY 2007-08 reached \$34.5 million and dropped to \$30.1 million in FY 2009-10 a 5.1% decrease. However, since FY 2009-10, TOT has increased steadily each year, reaching an all time high of \$39.9 million in FY 2012-13, an increase of 10.8% over FY 2011-12.



5 Year Monthly Revenue Trend — Unincorporated Areas and Economic Forecast



This chart demonstrates the cyclical nature of TOT revenues in Santa Barbara County. High season for TOT revenues begins in June, increases further in July and peaks in the month of August.

Looking forward to future years, when considering the recovery over the past 3 years, our expectation is that revenues will continue to increase annually by 4%.

COUNTYWIDE LISTING OF LODGING PROVIDERS

UNINCORPORATED AREAS

Montecito

Four Seasons Biltmore
Pacific Graduate Institute
San Ysidro Ranch
Westmont College

Goleta Valley

Circle Bar B Ranch Resort
El Capitan Campground
Extended Stay America
Friendship Manor
Ramada Limited
Tropicana Gardens
Tropicana Del Norte
Villas at Tropicana

Santa Ynez

Ballard Inn
Fess Parker's Wine Country Inn
For Friends Inn
Meadowlark Inn
Sanja Cota Motel
Santa Ynez Inn
Zaca Lake Foundation

North County

Alamo Motel
Rancho Oso
Skyview Motel
Union Hotel
Victorian Mansion
White Oaks Hotel

South County

Summerland Inn
Inn on Summer Hill

...Plus 269 Vacation Rentals in the Unincorporated Areas

CITY OF GOLETA

Bacara Resort & Spa
Hampton Inn
Holiday Inn
Marriott Courtyard
Motel 6
Pacifica Suites
South Coast Inn
Super 8 Motel

CITY OF CARPINTERIA

Best Western
Carpinteria Shores

Casa Del Sol
Holiday Inn Express
Eugenia Motel
La Cabana
Motel 6 (2)
Sandyland Reef Inn
Solimar Sands
Sunset Shores
Sea Shells Apartments
...Plus 3 Bed and Breakfasts & 63 Vacation Rentals

CITY OF SANTA BARBARA

Agave Inn
Ala Mar Motel
Avania Inn
Bath Street Inn
Beach House Motel
Best Western Inn
Blue Sands Motel
Brisas del Mar
Cabrillo Inn
Canary Hotel
Casa Del Mar
Castillo Inn
Cheshire Cat Inn
Coast Village Inn
Days Inn
Days Inn & Suites
Doubletree Resort
Eagle Inn
El Encanto Hotel
Encina Motor Lodge
Fiesta Inn
Franciscan Motel
Hacienda Motel
Harbor House
Harbor View Inn
Holiday Inn Express
Holiday Lodge
Hotel Indigo Santa Barbara
Hotel Santa Barbara
Hyatt Santa Barbara
Inn at East Beach
Inn by the Harbor
Spanish Garden Inn
James House
Lavender Garden Inn by the Sea
Lemon Tree Inn
Marina Beach Motel
Mason Beach Inn
Montecito Inn
Motel 6 #1
Motel 6 #2

Oasis Inn & Suites
Oceana Hotel
Old Yacht Club
Orange Tree Inn
Pacific Crest Inn by the Sea
Parkside Inn
Pepper Tree
Presidio Motel
Quality Inn
Sandman Inn
Sandpiper Lodge
Santa Barbara Inn
Santa Barbara Tourist Hostel
Secret Garden Inn
Simpson House Inn
Sunset Motel
The Inn in Santa Barbara
The Orchid Inn
Tiffany Inn
Town & Country Inn
Upham Hotel
Villa Elegante
Villa Rosa
West Beach Inn
White Jasmine Inn
...Plus 136 Vacation Rentals

CITY OF SANTA MARIA

Big America Hotel
Buckboard Motor Lodge
Budget Inn
Candlewood Suites
Colonial Motel
Days Inn
Deville Motel
Economy Inn
Fairfield Inn & Suites
Fountain Motel
Guest House Inn
Historic Santa Maria Inn
Holiday Inn
Holiday Motel
Laura Lodge
Mission Hotel
Motel 6
Palms Motor Motel
Plaza Motel
Radisson Hotel
Restwell Motel
Rodeway Inn
Rose Garden Inn
Santa Maria Cottages
Santa Maria Quality Inn
The North Broadway

Town & Country Motel
Valley Motel
Villa Motel
Western Motel

CITY OF LOMPOC

1890 House
Roadway Inn
Budget Inn
Days Inn
Embassy Suites
Holiday Inn Express
Lompoc Motel
Motel 6
O' Cairns Inn & Suites
Comfort Inn
Red Roof Inn
Star Motel
Travel Lodge

CITY OF BUELLTON

A Country Lane
Andersen's Best Western Inn
Days Inn
Farmhouse Motel
Flying Flags Travel Park
Motel 6
Quality Inn
Red Rose Court
San Marcos Motel
Santa Ynez Valley Marriott
Sleepy Hollow Motel
...Plus 1 Vacation Rental

CITY OF SOLVANG

Alisal Guest Ranch
Hadsten House Inn
Hamlet Motel
Holiday Inn Express
Hotel Corque
King Fredrick
Kronborg Inn
Mirabelle
Petersen Village
Royal Copenhagen
Solvang Gardens
Solvang Inn & Cottages
Svendsgaard Lodge
Viking Motel
Wine Valley Inn
Worldmark Club

