



## Tourism Business Improvement District Renewal Frequently Asked Questions (FAQs)

### **What is a Tourism Business Improvement District?**

A Tourism Business Improvement District (TBID) is a collaboration of businesses working together to bring more visitors to their destination, especially during historically slower times of the year by providing additional funding for destination marketing efforts.

### **Are there other TBIDs throughout California?**

Yes. Currently 101 successful TBIDS are in place throughout the state of California. These districts are also called Tourism Marketing Districts (TMDs) and Tourism Improvement Districts (TIDs). While a TBID is not a unique concept, the Mammoth Lakes TBID was, and still is, the first of its kind in that it expanded the district from just lodging properties to include other tourism centric sales including dining, retail and ski area lift tickets.

### **Why put a TBID in place in Mammoth Lakes?**

The Mammoth Lakes community has one industry - tourism. More than 73 percent of the Town of Mammoth Lakes' general fund (operating budget) comes from Transient Occupancy Tax (TOT) and sales tax. With competition from other vacation destinations within California and beyond, Mammoth Lakes must employ a collaborative marketing effort that includes all stakeholders in order to give the town an opportunity to prosper.

### **How are TBID funds raised?**

An assessment on gross revenue will be collected from Mammoth Lakes' tourism related businesses. Funds generated by the assessment will be spent on programs and activities that directly benefit the businesses paying into the TBID. These services will be designed to increase visitation, generating more revenue for tourism-focused businesses, growing the TBID fund and allowing the town to prosper. (See the next question for details)

### **What are the details of the proposed Mammoth Lakes TBID?**

The TBID will include all lodging, restaurants, retail and Mammoth Mountain lift and ski school sales.

**Tier 1** All Lodging and Ski Resort businesses as well as retail and restaurants doing at least \$150,000 in annual gross revenue and more than 50% of those revenues coming from visitors (non-93546 zip code residents)

1.0%	Lodging	(Annual Estimate	\$1,100,000)
1.5%	Retail	(Annual Estimate	\$1,100,000)
1.5%	Restaurant	(Annual Estimate	\$1,000,000)
2.0%	Ski resort lift tickets and ski school	(Annual Estimate	\$1,300,000)

**Tier 2** A business with gross annual revenues between \$50,000 - \$149,999 OR with more than 50 percent of its annual revenue derived from local customers (annual appeal required) will be assessed a once-annual \$500 fee.

**Tier 3** A business with gross annual revenues of \$49,999 and less (annual appeal is required) will be assessed a once-annual \$50 fee.

The estimated annual revenue collected by the TBID assessment will be approximately \$4,500,000

The term of the renewed TBID will be in place for five (5) years from September 1, 2018 through August 31, 2023. The Mammoth Lakes TBID is being renewed under the Property and Business Improvement District Law of 1994. The TBID is reviewed annually and may be repealed if businesses representing more than 50 percent of the revenues generated by the assessment decide the TBID is not providing the expected benefits. When the 5-year term expires in 2023, the TBID may be renewed again for another 5 or 10 year cycle or discontinued.

#### **When will collections begin?**

The current TBID and all procedures related to this cycle will continue to run through August 31, 2023. Businesses will collect the assessment from customers under the new guidelines beginning September 1, 2018.

#### **How does a business appeal to be in Tier 2 or 3?**

Businesses may appeal their tier status beginning September 1, 2018. All appeals will be heard by the ad hoc three member appeal panel made up of Mammoth Lakes Tourism board of directors. More information regarding appeals will be available on [www.MLTBID.com](http://www.MLTBID.com). Businesses will be able to appeal between September 1<sup>st</sup> and October 31<sup>st</sup> annually for reclassification or to maintain their previously appealed Tier status.

#### **How did you determine the proposed assessments of gross revenue in each business segment?**

A steering committee comprised of lodging, retail, and restaurant owners/managers arrived at these assessment amounts after careful evaluation of the most effective methods to promote visitation to Mammoth Lakes, and what funds Mammoth Lakes Tourism would be need to achieve these objectives.

#### **Who is going to manage the TBID funds?**

The Mammoth Lakes Tourism organization will administer the TBID funds with oversight and direction by the nine-member Mammoth Lakes Tourism board of directors. The board is comprised of lodging (two board seats), retail and restaurant owners/managers as well as one representative from each; Town Council, Mammoth Mountain Ski Area and the Chamber of Commerce respectively and two at-large board members.

#### **How will the funds be spent?**

The funds will be spent as generally outlined in the Management District Plan and specifically detailed in the annual Marketing and Sales Plan. A high level breakdown is listed on the TBID one-sheet (available on [www.MLTBID.com](http://www.MLTBID.com)). The majority of the funding will be spent on marketing and sales efforts to bring people to Mammoth Lakes during historically slower times of the year (midweek winter, spring and fall shoulder seasons

July 1, 2018

and summer) as well as to maintain air service through paying air service minimum revenue guarantees (subsidies).

**Will Mammoth Mountain Ski Area still maintain a strong marketing budget to compliment the TBID?**

Mammoth Mountain will continue to maintain their own marketing budgets as well as their focus on increasing visitation. Mammoth Mountain will also participate in all categories (lodging, restaurant, retail and ski lift tickets) of the TBID and are estimated to contribute between \$2.0M and \$2.5M of the total funds for TBID annually.

**What are the benefits of creating a TBID in Mammoth Lakes?**

1. It will allow Mammoth Lakes to be competitive with other vacation destinations. More than 101 successful TBIDs have been formed in California vacation destinations, such as Los Angeles, Newport Beach, Napa Valley, Lake Tahoe, San Francisco and San Diego.
2. It will create a secure source of tourism marketing funding outside of direct government control.
3. It will create tourism-related jobs in Mammoth Lakes.
4. It will improve the economic development opportunities for Mammoth Lakes
5. It will increase Transient Occupancy Taxes (TOT) for the Town of Mammoth Lakes.
6. It will increase sales tax revenues to the Town of Mammoth Lakes.
7. It will increase overall direct visitor spending at assessed businesses in Mammoth Lakes.
8. It will help reduce shoulder seasons by increasing off-peak visitation

**For more information please visit [www.MLTBID.com](http://www.MLTBID.com) or to ask specific TBID questions please contact John Urdi directly at 760-934-2712 x1259 [JUrdi@VisitMammoth.com](mailto:JUrdi@VisitMammoth.com)**