

HERMOSA BEACH GENERAL MUNICIPAL ELECTION – NOVEMBER 3, 2015

ARGUMENT IN FAVOR OF MEASURE TO INCREASE THE TRANSIENT OCCUPANCY TAX (HOTEL BED TAX) FROM 10% TO 12%

VOTE YES on Measure ___!

"Hermosa's Transient Occupancy Tax (aka "TOT" or "Hotel Bed Tax") **on guests who stay overnight** in our hotels, motels, and hostels has been 10% for twenty five years. This fee is one of the most direct ways for our City to collect revenues from visitors, which **helps pay their fair share** for City services."

Since 1990, the **average rate** of Hotel Bed Tax in our **nearby cities** and the **county** has increased to **12%**:

Santa Monica 14%
Inglewood 14%
City of Los Angeles 14%
LA County 12.6%
Redondo Beach 12%
Hawthorne 12%
Long Beach 12%

Supporting this measure would generate an estimated **additional \$440,000 in annual revenue** from existing hotel rooms for our General Fund. City Council can use this revenue to fund **capital improvements**, infrastructure maintenance and upgrades, fire, police, civil services, and beautification projects.

According to Dean Runyan Associates, tourism consultants to the State of California:

"Most leisure travelers do not choose their destination based on the Hotel Bed Tax. This small increase to 12% would have no measurable impact on occupancy rates since Hermosa Beach is not a convention/corporate destination, and this rate is in line with neighboring cities and the rest of Southern California."

This small increase would mean an additional \$2 per \$100 of nightly room rate, or an additional \$5 on a \$250 per night room. Since nearly all of those staying overnight in Hermosa's hotels are tourists, the fee will be paid mostly by **non-residents**.

Hotel Bed Tax is not paid by hotel owners – they **collect** it from their overnight guests.

VOTE YES on Measure ___ and help keep Hermosa the "Best Little Beach City"!

For more information, please visit www.hermosahoteltax.com or call 424-256-8548

GEORGE J. SCHMELTZER – Former Mayor – Hermosa Beach
HANY S. FANGARY – Hermosa Beach City Councilmember
J.R. REVICZKY – Former Mayor – Hermosa Beach
JANICE R. BRITTAIN – Public Works Commissioner
STACEY ARMATO – Former committee chairperson for Stop Hermosa Beach Oil

This argument was received in the City Clerk's Office on July 28, 2015 before the close of the 14-day filing period). No argument against the measure was submitted.