

(R-92-853)

RESOLUTION NUMBER R- 279227

ADOPTED ON JAN 06 1992

WHEREAS, when the original Transient Occupancy Tax (TOT) Ordinance was adopted in 1964, basic formulas were established to provide the City Council with guidance on how to allocate TOT revenues for each fiscal year; and

WHEREAS, in the past several years, the ordinance has been amended and Council has adopted various policies to incorporate rate increases and to include detailed formulas for allocating portions of the TOT revenues to specific organizations; and

WHEREAS, at the March 6, 1991 meeting of the Public Services and Safety Committee, the City Manager was asked to prepare a comprehensive policy relating to the distribution of Transient Occupancy Tax revenues to include all existing Council Policies (100-03, 100-04, 100-11, 100-13) and portions of the San Diego Municipal Code (Chapter II, Article 6 and Chapter III, Article 5), which relate to the distribution of TOT funds; and

WHEREAS, the purpose of the consolidation is twofold: (1) to prepare one reference document which would include all the information relating to TOT funds distribution and (2) to document recent Council direction/action which, at this point, has not been recorded in a Council Policy; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that pursuant to the recommendation of the City Manager contained in City Manager Report No. 91-471, Transient Occupancy Tax Policy

Consolidation, which was approved by the Public Services and Safety Committee, as amended, on November 6, 1991, Council Policy 100-03, entitled "Transient Occupancy Tax" is hereby amended, as set forth in Attachment 1 hereto, to incorporate existing Council Policies 100-04, 100-11 and 100-13, and Council Policies 100-04, 100-11 and 100-13 are hereby rescinded.

BE IT FURTHER RESOLVED, that the City Clerk be and he is hereby directed to make the necessary changes to the Council Policy Manual, and publish and distribute the amended policy as may be necessary and required.

APPROVED: JOHN W. WITT, City Attorney

By Stuart H. Swett
Stuart H. Swett
Senior Chief Deputy

SHS:smm
12/09/91
Or.Dept:Fin.Mgmt.
R-92-853
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DRAFT COUNCIL POLICY - TRANSIENT OCCUPANCY TAX

PURPOSE

It is the intent of this policy to consolidate existing Council Policies which encompass Transient Occupancy Tax (TOT) allocation information as well as include information from the Municipal Code relative to TOT (Council Policies 100-03, 100-04, 100-11, 100-13 and Municipal Code Sections 26 and 35).

It is further the intent of the City Council to maintain the City of San Diego as a competitive tourist market and to support those programs which enhance and promote the City as a cultural, tourist, recreational and convention destination.

In addition, the purpose of this policy is to:

1. provide funding for promoting the City of San Diego, including the planning, construction, maintenance and operation of tourist-related cultural, recreational and convention facilities.
2. provide guidance to the City Manager in the preparation of the annual budget submittal to Council.
3. provide a set of uniform guidelines, conditions, and criteria governing the application for, and granting of, funds to private organizations for the purpose of supporting their ongoing operational expenses and/or their sponsorship of special events.
4. assure a local revenue source to be used as matching funds to qualify for State and Federal funding required to implement extension of the San Diego Trolley as called for in the Regional Transportation Plan.
5. provide for limitations on future Transient Occupancy Tax rate increases levied by the City of San Diego.
6. provide continual financial support per Municipal Code/Council Policy formulas for the following programs (see Attachment A):
 - A. Balboa Park/Mission Bay Park Improvements Program
 - B. Housing Trust Fund
 - C. San Diego Convention Center
 - D. San Diego Convention and Visitors Bureau (CONVIS)
 - E. Trolley Extension Project
 - F. Art in Public Places
 - G. Major Events Revolving Fund

7. ensure a local revenue source to be used to finance and promote the City's art and cultural organizations.
8. ensure a local revenue source to be used to finance and promote economic development in San Diego.

HISTORY OF TOT RATES

Ordinance Number	Effective Date	TOT Rate
0-9033	06/09/64	4%
0-9767	04/01/68	5%
0-11077	06/05/73	6%
0-16286	01/01/85	7%
0-17108	08/01/88	8%
0-17154	06/01/89	9%

UTILIZATION OF REVENUES

1. four-ninths (4/9) of the revenue collected may be used for promotion of the City and are deposited in the Transient Occupancy Tax Fund 10223;
2. one-ninth (1/9) may be expended for any purpose directed by Council and is deposited in the Transient Occupancy Tax Fund 10224;
3. four-ninths (4/9) is deposited in the General Fund for general government purposes.

POLICY

1. **Funding of Private Organizations for Operational Expenses or Sponsorship of Special Events**

Any package of community services includes elements which cannot be provided through governmental channels either because of a lack of resources or because government may not have the necessary expertise to provide the service. Such services, if they are to be offered, must be provided by private organizations with private funding. In areas where the public interest is sufficiently broad, local government can improve its level of service to the community by assisting such efforts financially. Some guidelines are needed to assist the Council in receiving and acting upon requests for funding by private organizations.

This policy applies to City funding of community programs or events operated by private organizations to which the City contributes in the form of City support services or allocations from the General Fund or Transient Occupancy Tax (TOT) Fund. Applicants for funding must comply with the requirements and conditions is Attachment B.

2. Allocation of Transient Occupancy Tax Funds to the Convention and Visitors Bureau

Since its formation in 1954, the San Diego Convention and Tourist Bureau (renamed the San Diego Convention and Visitors Bureau, CONVIS) has served to promote the City of San Diego as a destination for tourists and conventioners. In addition to general City promotion, CONVIS is also required to market the San Diego Convention Center and the Convention of Performing Arts Center. Recognizing the importance of this function, the City of San Diego has funded CONVIS since its inception, with general funds initially, and with Transient Occupancy Tax funds since 1964.

The allocation amount for CONVIS, per Municipal Code, shall be 20% of all revenue generated by the first six cents of TOT net of Navy Field revenue, administrative costs and the Housing Trust Fund. In addition, per this policy, an amount equivalent to 20% of all revenue generated by the seventh and eighth cents of TOT net of Navy Field revenue and administrative costs shall be allocated towards CONVIS, as indicated in 2B below.

- A. Every two to five years, CONVIS will submit to a performance audit which will be conducted by a contractor selected by the City and financed with Transient Occupancy Tax funds other than those allocated to CONVIS.
- B. Increases in the allocation to CONVIS for general promotion over and above the aforementioned formula for the first six cents may be granted by the City Council up to and possibly exceeding 20% of the seventh and eighth cents. The increase in allocation will be considered during the annual budget review and based on the above audit and justified requests from CONVIS.

3. Allocation of Transient Occupancy Tax Funds to the Extension of the San Diego Trolley

The Downtown to Tijuana Line of the San Diego Trolley was completed with local source funding and has been successful since its inception. The Regional Transportation Plan established by the Metropolitan Transit Development Board recommends several extensions of the Trolley. Those extensions will require State and Federal funding. In order to qualify for that funding, the City must be able to provide necessary matching funds.

On October 1, 1984, the City Council adopted Ordinance No. 0-16286, which increased the Transient Occupancy Tax from 6 percent to 7 percent commencing on January 1, 1985. The Ordinance specifically provides that the additional 1 percent tax is to be deposited in the General Fund of the City to be

used for general governmental purposes as the City Council so designates.

The allocation amount, per this Policy, shall be those funds equivalent to 80% of one cent TOT, net of Navy Field revenue and administrative costs. Per Ordinance No. 0-16947, the City Council approved the issuance of \$31.2 million in revenue bonds to fund the Bayside Light Rail Transit project. Resolution No. R-271995, dated 9/26/88, was adopted to provide TOT funds to retire the MTDB debt service schedule of approximately \$3.0 million/year.

Each fiscal year, the City Council shall consider in the course of the budget review, the allocation of funds for the extension of the San Diego Trolley in accordance with the Regional Transportation Plan.

4. Allocation of Transient Occupancy Tax Funds to the Major Events Revolving Fund

The allocation amount, per this Policy, shall be at least \$100,000 per year for the purpose of bidding for and funding major events.

5. Allocation of Transient Occupancy Tax Fund to the Housing Trust Fund

On April 6, 1990, the City Council adopted Ordinance No. 0-17455, which provides for an annual allocation of TOT to establish and maintain a Housing Trust Fund. The allocation amount, per Municipal Code, shall be those funds equivalent to one-half of the increase in current year revenues over and above the amount of revenues collected in FY 1990 for the first six cents of TOT.

6. Allocation of Transient Occupancy Tax Funds to the San Diego Convention Center

The allocation amount, per Municipal Code, shall be those funds equivalent to the first six cents of TOT revenues generated from hotels on Navy Field net of a proportionate share of administrative costs and the Housing Trust Fund. In addition, per this Policy, an amount equivalent to the seventh, eighth and ninth cent of TOT revenues generated from hotels on Navy Field net of a proportionate share of administrative costs will be allocated to the San Diego Convention Center. These allocations shall be for the purpose of planning, promoting, operating and maintaining the San Diego Convention Center, subject to the provisions of paragraph 35.0128 (3) (e) of the Municipal Code.

7. Allocation of Transient Occupancy Tax Funds to the Art in Public Places Fund

The allocation amount, per Municipal Code, shall be an amount of money equivalent to 1% of the Capital Outlay Fund.

8. Allocation of Transient Occupancy Tax Fund to the Balboa Park/Mission Bay Park Improvements

The allocation amount, per this Policy, shall be those funds equivalent to all revenue generated by one cent of TOT. Per Resolution No. R-271992, the City Council approved the first phase of debt financing of \$45,000,000 over a 30 year period for capital improvements to Balboa Park/Mission Bay Park.

9. Transient Occupancy Tax Future Increases

The City Council shall limit the Transient Occupancy Tax to 9% for at least three years (through Fiscal Year 1992).

The City Council shall limit future increases in the Transient Occupancy Tax to a rate that is no greater than the average rate, at that time, of the 15 following major cities:

Atlanta, Boston, Chicago, Denver, Honolulu, Houston, Las Vegas, Los Angeles, Miami Beach, New Orleans, New York, San Francisco, Santa Fe, Seattle, Washington D.C.

The adoption of this policy is not intended to be and shall not constitute an irrevocable commitment by the Council to allocate monies for this purpose. Such a commitment may be made only at the time the annual budget ordinances are adopted.

Attachment A

Summary of TOT Municipal Code/Council Policy Formulas

Attachment B

General Requirements and Conditions

HISTORY OF COUNCIL POLICIES CONSOLIDATED IN THIS DOCUMENT

(Council Policy 100-03)

Adopted by Resolution R-183022 03/09/65
Amended by Resolution R-191654 09/21/67
Amended by Resolution R-211279 08/08/74
Amended by Resolution R-218061 04/05/77
Amended by Resolution R-220777 05/01/78
Amended by Resolution R-222451 12/19/78
Amended by Resolution R-254157 05/11/81
Amended by Resolution R-272990 03/06/89

(Council Policy 100-04)

Adopted by Resolution R-214497 10/15/76
Amended by Resolution R-220257 02/08/78
Appealed by Resolution R-250684 11/19/79
Adopted by Resolution R-261328 08/06/84
Amended by Resolution R-263886 08/19/85
Amended by Resolution R-271995 09/26/88

(Council Policy 100-11)

Adopted by Resolution R-261886 11/05/84
Amended by Resolution R-271995 09/26/88

(Council Policy 100-13)

Adopted by Resolution R-271994 09/26/88

**SUMMARY OF TRANSIENT OCCUPANCY TAX
MUNICIPAL CODE/COUNCIL POLICY FORMULAS**

Program: Balboa Park/Mission Bay Park Improvements

Funding Authorization: Council Policy

Funds equivalent to all revenue generated by one cent of TOT shall be allocated towards park improvements. This does not include any offset for allocations of Navy Field to the San Diego Convention Center.

Program: Housing Trust Fund

Funding Authorization: Municipal Code

An amount equal to one-half of the increase in current year revenues over and above the amount of revenues collected in Fiscal Year 1990 for the first six cents of TOT shall be allocated towards the Housing Trust Fund.

Program: San Diego Convention Center

Funding Authorization: Municipal Code

Funds equivalent to six cents of TOT revenue generated from hotels on Navy Field net of a proportionate share of administrative costs and the Housing Trust Fund shall be allocated towards the San Diego Convention Center for the purpose of planning, promoting, operating and maintaining the San Diego Convention Center.

Funding Authorization: Council Policy

Funds equivalent to the seventh, eighth and ninth cents of TOT revenue generated from hotels on Navy Field net of a proportionate share of administrative costs shall be allocated towards the San Diego Convention Center for the purpose of planning, promoting, operating and maintaining the San Diego Convention Center.

Program: San Diego Convention and Visitors Bureau (CONVIS)

Funding Authorization: Municipal Code

Funds equivalent to 20% of all revenue generated by the first six cents of TOT net of Navy Field revenue, administrative costs and the Housing Trust Fund shall be allocated towards the San Diego Convention and Visitors Bureau.

Funding Authorization: Council Policy

An amount equivalent to 20% of all revenue generated by the seventh and eighth cent of TOT net of Navy Field revenue and administrative costs shall be allocated towards the San Diego Convention and Visitors Bureau.

Program: Trolley Extension Project

Funding Authorization: Council Policy

An amount equivalent to 80% of one cent TOT net of Navy Field revenue and administrative costs shall be allocated towards the Trolley Extension Project.

Program: Art in Public Places

Funding Authorization: Municipal Code

An amount equivalent to 1% of the Capital Outlay Fund shall be allocated to the Art in Public Places Fund.

Program: Major Events Revolving Fund

Funding Authorization: Council Policy

At least \$100,000 shall be allocated annually towards the Major Events Revolving Fund.

General Requirements and Conditions

A. General

1. City funding support for private organization operational expenses and for special events will be established so as to contribute to a balance of community cultural, recreational, and promotional programs designed to enhance the well-being of the community.
2. The functions or services to be provided by a private organization must be of such nature that the interests of the City are better served by an agreement with a private organization than by the performance of the services or functions by the City.
3. Programs or special events supported by the City must be open to the public and be free of charge. Donations, however, are not prohibited.
4. It is the policy of the City to encourage similar organizations to operate in a coordinated and cooperative manner. If the City funds an "umbrella" organization for federated support of similar activities, then the City will not independently fund other organizations which should properly be part of the "umbrella" organization.
5. The City will only provide funding support to a legally constituted nonprofit corporation completely directing and in complete control of its own affairs through its own officers or members. Support for special events must also be directed to a sponsoring nonprofit corporation. It is the policy of the City to fund local community organizations only. A representative of the City designated by the City Manager shall conduct liaison with the corporation and shall be permitted to attend meetings of the board of directors of such organizations.
6. The City will not provide funding support to a private organization for the conduct of any religious or political activity.
7. The City will only provide funding support to a private organization that, in the conduct of its activities and affairs, adheres to the objectives of the City's Affirmative Action Program. The organization must not discriminate against any person because of sex, race,

color, creed, national origin, physical handicaps, or age.

8. The City Council retains the prerogative to waive any policy or requirement herein contained. The Council may also impose such other conditions on City support to private organizations as it deems appropriate.

B. Funding

1. Expenses must be both incurred and paid by an organization before the City will release funding to the organization, except as otherwise may be provided
2. Expenses must be incurred during the City's fiscal year (July 1 - June 30) for which the program is funded, except as otherwise may be provided.
3. City funds may not be used for travel, meals, lodging or entertainment expenses, except as otherwise may be provided.
4. City funds will be used only to assist an organization in its annual operating program or in its sponsorship of special events. City funding will not be used for capital or equipment outlay, for the purchase of awards, trophies, gifts, or uniforms, nor for the buildup of reserves.
5. Except as otherwise may be provided, funding for an operating program will be predicated on an organization matching every City funded dollar with at least three dollars from sources other than the City. Funding for a special event will be predicated on an organization matching every City funded dollar with at least one dollar from sources other than the City. Any support services provided by the City shall be considered as City funds. Donated services or products shall not be considered as matching funds.
6. Funding for private organization operational expenses and for sponsorship of special events may be allocated from the City's General Fund or from Transient Occupancy Tax Funds 10223 or 10224, except that, in order to qualify for 10223 funding, the organization's activities or the special event must be promotional in nature. "Promotion" is defined as a program designed to favorably publicize the City of San Diego; such publicity having as its principal audience persons residing outside the San Diego metropolitan area.

7. It is the Council's policy to not fund sports, athletic, or neighborhood events, unless they are of national or international significance, are held in San Diego, and are considered to have substantial promotional value to the City.
8. It is the Council's policy to not subsidize participation in events held outside the City of San Diego, by individuals, groups or teams, unless there is some unusual, compelling reason why substantial promotional value will accrue to the City because of such participation.

C. Request for Funds

1. It is the City's intent to provide advance notification of the annual application process to a wide distribution of potential organizations that may be eligible for funding. Requests by private organizations shall be submitted by the third Monday in December of each year for the fiscal year to follow and shall be supported by appropriate documentation prescribed by the City Manager and promulgated in a procedural guide.
2. One-time special event requests must be accompanied by the same documentation outlined in paragraph C.1. above, except that financial data may be confined to the special event. A disclosure of the full-year fiscal status of the sponsoring organization will not normally be required.
3. If an organization (through a waiver of A.3.) charges fees for admission to or participation in an event, the organization's request for funding must include a disclosure of all such fees.
4. Initial requests for funding must, additionally, be accompanied by documents which evidence the existence of the organization as a legal entity in good standing. Such documents shall be determined by the City Manager and promulgated in a procedural guide.

D. Evaluation of Requests

All requests for support by private organizations will be referred to the City Manager for analysis and subsequent recommendations to the City Council. All requests will be reviewed and evaluated in the light of the criteria of this Council Policy.

E. Agreements

1. No expenditure may be made out of any appropriation until a written agreement setting out the terms and obligations of the parties has been consummated. The agreement will specify in detail the services or functions to be performed, the nature of the payment or reimbursement schedule, and the financial reporting requirements.
2. All agreements will provide that the City may withhold funds from the contracting organization and terminate its entire obligation upon notice to the organization if the organization violates any of the terms of the agreement, or for other good cause shown not related to a violation of the terms of the agreement. The City Manager shall thereafter advise the City Council of the notification of termination made to the organization.
3. Compliance with the terms and conditions of agreements shall be determined by the City Manager.

F. Financial Disclosure

1. Financial disclosure information shall be required of all funding recipients. Organizations receiving "operational expense" funding shall provide the Contract Administrator, each year, copies of true, accurate and complete financial disclosure documentation evidencing the financial status of the organization's last complete fiscal year within ninety (90) days of the end of that fiscal year.

Organizations receiving "event" funding shall provide the Contract Administrator, within ninety (90) days following the event, copies of true, accurate and complete financial disclosure information with respect to all funds expended and received by the event. Such documents shall include the following:

- a. A statement of the expenditure of City funds by program to be identified in the same expenditure classifications as contained in the final budget and compared with budgeted amounts.
- b. A statement of compliance with the terms of the City's agreement.
- c. A statement of revenues and expenditures and a balance sheet of all funds received by the organization.

- d. If City funding is \$20,000 or greater, audited financial statements, including items a, b, and c above, must be prepared by an independent Certified Public Accountant.
2. An organization receiving funding support shall permit the City to inspect all books and records at any time and to perform or require audits the City reasonably desires.

R-279227

CITY OF SAN DIEGO, CALIFORNIA

COUNCIL POLICY

SUBJECT FUNDING OF PRIVATE ORGANIZATION FOR OPERATIONAL EXPENSES OR SPONSORSHIP OF SPECIAL EVENTS	POLICY NUMBER	100-03
	EFFECTIVE DATE	03/06/89

BACKGROUND

Any package of community services includes elements which cannot be provided through governmental channels either because of a lack of resources or because government may not have the necessary expertise to provide the service. Such services, if they are to be offered, must be provided by private organizations with private funding. In areas where the public interest is sufficiently broad, local government can improve its level of service to the community by assisting such efforts financially. Some guidelines are needed to assist the Council in receiving and acting upon requests for funding by private organizations.

PURPOSE

The purpose of this policy is to provide a set of uniform guidelines, conditions, and criteria governing the application for, and granting of, funds to private organizations for the purpose of supporting their ongoing operational expenses and/or their sponsorship of special events. The guidelines will assist the City Council in its consideration of requests for funding submitted by private organizations.

This policy applies to City funding of community programs or events operated by private organizations to which the City contributes in the form of City support services or allocations from the General Fund or Transient Occupancy Tax (T.O.T.) Fund. The T.O.T. Fund is a special fund established in 1964 which uses hotel/motel room taxes for the primary purpose of promoting the City of San Diego. The specific use of this fund is determined by the City Council, and is included in the Municipal Code.

POLICYA. General

1. City funding support for private organization operational expenses and for special events will be established so as to contribute to a balance of community cultural, recreational, and promotional programs designed to enhance the well-being of the community.

COUNCIL POLICY

SUBJECT

FUNDING OF PRIVATE ORGANIZATION FOR
OPERATIONAL EXPENSES OR SPONSORSHIP OF
SPECIAL EVENTS

POLICY
NUMBER

100-03

EFFECTIVE
DATE

03/06/89

2. The functions or services to be provided by a private organization must be of such nature that the interests of the City are better served by an agreement with a private organization than by the performance of the services or functions by the City.
3. Programs or special events supported by the City must be open to the public and be free of charge. Donations, however, are not prohibited.
4. It is the policy of the City to encourage similar organizations to operate in a coordinated and cooperative manner. If the City funds an "umbrella" organization for federated support of similar activities, then the City will not independently fund other organizations which should properly be part of the "umbrella" organization.
5. The City will only provide funding support to a legally constituted nonprofit corporation completely directing and in complete control of its own affairs through its own officers or members. Support for special events must also be directed to a sponsoring nonprofit corporation. It is the policy of the City to fund local community organizations only. A representative of the City designated by the City Manager shall conduct liaison with the corporation and shall be permitted to attend meetings of the board of directors of such organizations.
6. The City will not provide funding support to a private organization for the conduct of any religious or political activity.
7. The City will only provide funding support to a private organization that, in the conduct of its activities and affairs, adheres to the objectives of the City's Affirmative Action Program. The organization must not discriminate against any person because of sex, race, color, creed, national origin, physical handicaps, or age.
8. The City Council retains the prerogative to waive any policy or requirement herein contained. The Council may also impose such other conditions on City support to private organizations as it deems appropriate.

COUNCIL POLICY

SUBJECT FUNDING OF PRIVATE ORGANIZATION FOR OPERATIONAL EXPENSES OR SPONSORSHIP OF SPECIAL EVENTS	POLICY NUMBER	100-03
	EFFECTIVE DATE	03/06/89

B. Funding

1. Expenses must be both incurred and paid by an organization before the City will release funding to the organization, except as otherwise may be provided.
2. Expenses must be incurred during the City's fiscal year (July 1 - June 30) for which the program is funded, except as otherwise may be provided.
3. City funds may not be used for travel, meals, lodging or entertainment expenses, except as otherwise may be provided.
4. City funds will be used only to assist an organization in its annual operating program or in its sponsorship of special events. City funding will not be used for capital or equipment outlay, for the purchase of awards, trophies, gifts, or uniforms, nor for the buildup of reserves.
5. Except as otherwise may be provided, funding for an operating program will be predicated on organization matching every City funded dollar with at least three dollars from sources other than the City. Funding for a special event will be predicated on organization matching every City funded dollar with at least one dollar from sources other than the City. Any support services provided by the City shall be considered as City funds. Donated services or products shall not be considered as matching funds.
6. Funding for private organization operational expenses and for sponsorship of special events may be allocated from the City's General Fund or from Transient Occupancy Tax Funds 10223 or 10224, except that, in order to qualify for 10223 funding, the organization's activities or the special event must be promotional in nature. "Promotion" is defined as a program designed to favorably publicize the City of San Diego; such publicity having as its principal audience persons residing outside the San Diego metropolitan area.
7. It is the Council's policy not to fund sports, athletic, or neighborhood events, unless they are of national or international significance, are held in San Diego, and are considered to have substantial promotional value to the City.

COUNCIL POLICY

SUBJECT	FUNDING OF PRIVATE ORGANIZATION FOR OPERATIONAL EXPENSES OR SPONSORSHIP OF SPECIAL EVENTS	POLICY NUMBER	100-03
		EFFECTIVE DATE	03/06/89

8. It is the Council's policy not to subsidize participation in events held outside the City of San Diego, by individuals, groups or teams, unless there is some unusual, compelling reason why substantial promotional value will accrue to the City because of such participation.

C. Request for Funds

1. It is the City's intent to provide advance notification of the annual application process to a wide distribution of potential organizations that may be eligible for funding: Requests by private organizations shall be submitted by the third Monday in December of each year for the fiscal year to follow and shall be supported by appropriate documentation prescribed by the City Manager and promulgated in a procedural guide.
2. One-time special event requests must be accompanied by the same documentation outlined in paragraph C.1. above, except that financial data may be confined to the special event. A disclosure of the full-year fiscal status of the sponsoring organization will not normally be required.
3. If an organization (through a waiver of A.3) charges fees for admission to or participation in an event, the organization's request for funding must include a disclosure of all such fees.
4. Initial requests for funding must, additionally, be accompanied by documents which evidence the existence of the organization as a legal entity in good standing. Such documents shall be determined by the City Manager and promulgated in a procedural guide.

D. Evaluation of Requests

All requests for support by private organizations will be referred to the City Manager for analysis and subsequent recommendations to the City Council. All requests will be reviewed and evaluated in the light of the criteria of this Council Policy.

COUNCIL POLICY

SUBJECT FUNDING OF PRIVATE ORGANIZATION FOR OPERATIONAL EXPENSES OR SPONSORSHIP OF SPECIAL EVENTS	POLICY NUMBER	100-03
	EFFECTIVE DATE	03/06/89

E. Agreements

1. No expenditure may be made out of any appropriation until a written agreement setting out the terms and obligations of the parties has been consummated. The agreement will specify in detail the services or functions to be performed, the nature of the payment or reimbursement schedule, and the financial reporting requirements.
2. All agreements will provide that the City may withhold funds from the contracting organization and terminate its entire obligation upon notice to the organization if the organization violates any of the terms of the agreement, or for other good cause shown not related to a violation of the terms of the agreement. The City Manager shall thereafter advise the City Council of the notification of termination made to the organization.
3. Compliance with the terms and conditions of agreements shall be determined by the City Manager.

F. Financial Disclosure

1. Financial disclosure information shall be required of all funding recipients. Organizations receiving "operational expense" funding shall provide the Contract Administrator each year copies of true, accurate and complete financial disclosure documentation evidencing the financial status of the organization's last complete fiscal year within ninety (90) days of the end of that fiscal year. Organizations receiving "event" funding shall provide the Contract Administrator within ninety (90) days following the event copies of true, accurate and complete financial disclosure information with respect to all funds expended and received by the event. Such documents shall include the following:
 - a. A statement of the expenditure of City funds by program to be identified in the same expenditure classifications as contained in the final budget and compared with budgeted amounts.
 - b. A statement of compliance with the terms of the City's agreement.

COUNCIL POLICY

SUBJECT	FUNDING OF PRIVATE ORGANIZATION FOR OPERATIONAL EXPENSES OR SPONSORSHIP OF SPECIAL EVENTS	POLICY NUMBER	100-03
		EFFECTIVE DATE	03/06/89

- c. A statement of revenues and expenditures and a balance sheet of all funds received by the organization.
 - d. If City funding is \$20,000 or greater, audited financial statements including items a, b and c above, must be prepared by an independent Certified Public Accountant.
2. An organization receiving funding support shall:
- a. Permit the City to inspect all books and records at any time, and to perform or require audits the City reasonably desires.

HISTORY

Adopted by Resolution R-183022 03/09/65
 Amended by Resolution R-191654 09/21/67
 Amended by Resolution R-211279 08/08/74
 Amended by Resolution R-218061 04/05/77
 Amended by Resolution R-220777 05/01/78
 Amended by Resolution R-222451 12/19/78
 Amended by Resolution R-254157 05/11/81
 Amended by Resolution R-272990 03/06/89

CITY OF SAN DIEGO, CALIFORNIA

COUNCIL POLICY

SUBJECT ALLOCATION OF TRANSIENT OCCUPANCY TAX FUNDS TO THE CONVENTION AND VISITORS BUREAU	POLICY NUMBER	100-04
	EFFECTIVE DATE	09/26/88

BACKGROUND

Since its formation in 1954, the San Diego Convention and Tourist Bureau (renamed the San Diego Convention and Visitors Bureau, CONVIS) has served to promote the City of San Diego as a destination for tourists and conventioners. Recognizing the importance of this function, the City of San Diego has funded CONVIS since their inception, with general funds initially, and with Transient Occupancy Tax funds since 1964.

On October 1, 1984 the City Council adopted ordinances increasing the Transient Occupancy Tax to 7 percent and amending Chapter III, Article 5, Section 35.0116 of the Municipal Code to provide that CONVIS shall receive 20 percent of 6 percent of the Transient Occupancy Tax net of administration costs and Navy Field revenue.

PURPOSE

It is the purpose of this policy to give policy guidance to the City Manager for preparation of the annual budget submittal to Council to provide for further financial support to CONVIS to promote the City of San Diego.

POLICY

1. Each fiscal year the City Council shall consider in the course of the budget review, the allocation of funds for additional promotional activities which shall be added to the City's minimum annual contribution to the San Diego Convention and Visitors Bureau as presently provided for in Section 35.0116A(d) (1) and (2) of the Municipal Code. This amount shall be equal to the portion of the total annual revenues derived by the Transient Occupancy Tax which represents 2/10 of one percent tax, less proceeds from hotels on Navy Field and administrative costs.
2. The City Manager shall include such allocations in the annual proposed budget for City Council consideration.
3. The adoption of this policy is not intended to be and shall not constitute an irrevocable commitment by the Council to allocate monies for this purpose. Such a commitment may be made only at the time the annual budget ordinances are adopted.

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

SUBJECT ALLOCATION OF TRANSIENT OCCUPANCY TAX FUNDS TO THE CONVENTION AND VISITORS BUREAU	POLICY NUMBER	100-04
	EFFECTIVE DATE	09/26/88

4. Allocations to CONVIS for other than general promotion are not affected by this policy and continued funding and/or increases will be considered on their own merits.
5. Every two to five years CONVIS will submit to a performance audit which will be conducted by a contractor selected by the City and financed with Transient Occupancy Tax funds other than those allocated to CONVIS.
6. Increases in the allocation to CONVIS for general promotion over and above the aforementioned formula may be granted by the City Council based on the above audit and justified requests from CONVIS.

HISTORY

(Formerly titled "Cooperative Funding of Cultural Institutions with the County of San Diego")

Adopted by	Resolution R-214497	10/15/76
Amended by	Resolution R-220257	02/08/78
Repealed by	Resolution R-250684	11/19/79
Adopted by	Resolution R-261328	08/06/84
Amended by	Resolution R-263886	08/19/85
Amended by	Resolution R-271995	09/26/88

CITY OF SAN DIEGO, CALIFORNIA

COUNCIL POLICY

SUBJECT ALLOCATION OF FUNDS TO THE EXTENSION OF THE SAN DIEGO TROLLEY	POLICY NUMBER	100-11
	EFFECTIVE DATE	09/26/88

BACKGROUND

The Downtown to Tijuana Line of the San Diego Trolley was completed with local source funding and has been successful since its inception. The Regional Transportation Plan established by the Metropolitan Transit Development Board recommends several extensions of the Trolley. Those extensions will require State and Federal funding. In order to qualify for that funding, the City must be able to provide necessary matching funds.

On October 1, 1984, the City Council adopted Ordinance No. 0-16286 which increased the Transient Occupancy Tax from 6 percent to 7 percent commencing on January 1, 1985. The ordinance specifically provides that the additional 1 percent tax is to be deposited in the General Fund of the City to be used for general government purposes as the City Council so designates.

PURPOSE

It is the intent of the City Council to provide financial support for the extension of the San Diego Trolley. The purpose of this policy is to assure a local revenue source to be used as matching funds to qualify for State and Federal funding required to implement extension of the San Diego Trolley as called for in the Regional Transportation Plan. It is also the purpose of this policy to provide policy guidance to the City Manager for preparation of the annual budget submittal to Council.

POLICY

1. Each fiscal year, the City Council shall consider in the course of the budget review, the allocation of funds for the extension of the San Diego Trolley in accordance with the Regional Transportation Plan. This amount shall be that portion of the total annual revenues derived by the Transient Occupancy Tax which represents 8/10 of the additional one percent tax, less proceeds from hotels on Navy Field and administrative costs.
2. The City Manager shall include such an allocation in the annual proposed budget for City Council consideration.

COUNCIL POLICY

SUBJECT ALLOCATION OF FUNDS TO THE EXTENSION OF THE SAN DIEGO TROLLEY	POLICY NUMBER	100-11
	EFFECTIVE DATE	09/26/88

3. The adoption of this policy is not intended to be and shall not constitute an irrevocable commitment by the Council to allocate monies for this purpose. Such a commitment may be made only at the time the annual budget ordinances are adopted.

HISTORY

Adopted by Resolution R-261886 11/05/84
Amended by Resolution R-271995 09/26/88

CITY OF SAN DIEGO, CALIFORNIA

COUNCIL POLICY

SUBJECT TRANSIENT OCCUPANCY TAX FUNDS	POLICY NUMBER	100-13
	EFFECTIVE DATE	09/26/88

BACKGROUND

On June 21, 1988, the City Council adopted Ordinance No. O-17108 N.S. increasing the Transient Occupancy Tax from 7% to 8% effective August 1, 1988. The ordinance specifically provides that the additional 1% tax is to be deposited in the General Fund of the City to be used for general government purposes as the City Council so designates.

On October 10, 1988, the City Council adopted Ordinance No. O-17154 N.S. increasing the Transient Occupancy Tax from 8% to 9% effective June 1, 1989. The ordinance specifically provides that the additional 1% tax is to be deposited in the General Fund of the City to be used for general government purposes as the City Council so designates.

PURPOSE

It is the intent of the City Council to maintain the City of San Diego as a competitive tourist market and to support those programs which enhance and promote the City as a cultural, tourist and convention destination. The purpose of this policy is to provide for limitations on future Transient Occupancy Tax rate increases levied by the City of San Diego. It is also the purpose of this policy to provide policy guidance to the City Manager for preparation of the annual budget submittal to Council.

POLICY

1. The City Council shall limit the Transient Occupancy Tax to 9% for at least three years (through FY 1992).
2. The City Council shall limit future increases in the Transient Occupancy Tax to a rate that is no greater than the average rate, at that time, of the 15 major cities listed in Attachment 1.
3. Each fiscal year, the City Council shall consider in the course of the budget review, the allocation of funds for those programs which enhance and promote the City as a cultural, tourist and convention destination. The amount shall be equivalent to that portion of the annual revenues derived from the Transient Occupancy Tax which represents two percent.

COUNCIL POLICY

SUBJECT

TRANSIENT OCCUPANCY TAX FUNDS

POLICY
NUMBER

100-13

EFFECTIVE
DATE

09/26/88

ALLOCATION OF FUNDS

PURPOSE	FY 1990 AMOUNT	FUTURE INCREASES
Marketing - New Convention Center, Arts and Culture Programs and support of tourism	\$ 820,000	equivalent of 20% of 1 percent
Promotional Programs	480,000	inflation *
Arts and Cultural Organizations	800,000	inflation *
Art/Cultural Festivals and new art/cultural programs	2,200,000	inflation *
Balboa Park-Maintenance and Improvements	3,800,000	equivalent of 1 percent **
Major Event Trust Fund	100,000	constant
Total TOT available from 2 percent increase	\$ 8,200,000	

* Inflation rates to be determined annually by the City Manager

** Is not equivalent to 1% until approximately FY 1994

The \$3.8 million recommended in FY 1990 would increase annually as revenue growth allows, to the point where it would be equivalent to 1% percent (approximately FY 1994).

HISTORY

Adopted by Resolution R-271994 09/26/88

COUNCIL POLICY

SUBJECT

TRANSIENT OCCUPANCY TAX FUNDS

POLICY
NUMBER

100-13

EFFECTIVE
DATE

09/26/88

Attachment 1

A comparison of the following 15 major cities published in the New York Times on July 17, 1988.

CITY	TAX PERCENT
Atlanta	11.0
Boston	9.7
Chicago	12.5
Denver	11.8
Honolulu	9.5
Houston	14.0
Las Vegas	7.0
Los Angeles	12.0
Miami Beach	11.0
New Orleans	11.0 plus \$2 per person per night
San Francisco	11.0
Santa Fe	10.4
New York	13.3 plus \$2 per person per night
Seattle	10.1
Washington	10.0 plus \$1 per person per night

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Whenever in this division, the following words and phrases are used, they shall mean:

A. "Commission" means the City of San Diego Commission for Arts and Culture.

B. "Council" means the Mayor and City Council of the City of San Diego.

C. "Art in Public Places" includes physical art that may be an integral part of a building, attached to a building or placed within or outside of a building. Said art may include, but shall not be limited to, paintings, sculpture, engravings, carvings, frescoes, mobiles, murals, collages, mosaics, bas-reliefs, tapestries, photographs, drawings, and landscape items, including the artistic placement of natural material objects, calligraphy, prints, crafts, both decorative and utilitarian, in clay, fiber, textiles, wood, metal, glass, plastics and other material. Works of art may be portable as well as permanent. The media arts (e.g., film and video), literary arts and performing arts are not included.

D. "Artist" means an artist generally recognized by critics and his/her peers as a professional and who produces high quality work on a regular basis.

E. "Fund for Public Art" means a separate fund established in the City Treasury into which shall be deposited funds appropriated under Section 26.0706 of this ordinance. Disbursements from such a fund shall be made in connection with projects approved by the Council.

F. "Supplemental Funds" means those funds contributed by individuals, corporations, foundations, or government grants, and placed in the Fund for Public Art in addition to those funds made available under Section 26.0706 of this ordinance which shall be used for implementing the purposes of the Percent for Art Ordinance and other public art projects recommended by the Commission for Arts and Culture and approved by the Council.

G. "Eligible Funds" means the total amount of all funding sources that comprise the Capital Outlay Fund. The amount of eligible funds will serve as the measurement in checking the amount to be deposited in the Fund for Public Art in accordance with Section 26.0706 of this ordinance.

H. "Public exhibition of the visual, literary, film/video arts" shall mean paintings, lithographs, reproductions, photographs, murals, handcrafted arts, stained glass, statues, sculptures and other forms of media arts.

I. "Public performances" shall mean individual and group presentations of music, dance, theatre, opera, literary, film/video and other forms of art generally recognized.

J. "Public places" shall mean land and buildings owned by the City exclusive of City-owned performance facilities, e.g., Civic Theatre.

K. "Works of art" shall mean paintings, reproductions, photographs, murals, handcrafted arts, stained glass, statues, or other sculptures, monuments, fountains, arches and other structures of a permanent or temporary nature intended for ornament or commemoration.

(Renumbered and Amended from Old Sec. 26.07 to New Sec. 26.0701—26.0707 by O-17298 N.S. 5-15-89 by O-17298 N.S.)

§ 26.0706 Funds for Art in Public Places

The City Manager shall include in the annual budget proposal an amount of money equivalent to 1% of the eligible funds to be deposited in the Fund for Public Art. Eligible funds, for the purpose of this ordinance, include all funding sources that comprise the Capital Outlay Fund.

(Renumbered and Amended from Old Sec. 26.07 to New Sec. 26.0701—26.0707 by O-17298 N.S. 5-15-89 by O-17298 N.S.)

§ 26.0707 Procedures

To carry out the Commission for Arts and Culture's duties, the Commission shall:

A. Receive and accept applications for Transient Occupancy Tax funding, and using objective criteria will evaluate the applications and recommend to the City Council the allocation of that funding.

B. Prepare and recommend for the City Council's review a Public Arts Plan and guidelines to carry out the City's art program, which shall include, but not be limited to, a method or methods for selection of artists or works of art and for the placement of works of art. Public hearings shall be held by the Commission during the preparation of the Plan and any amendments thereto.

C. Advise the City Council regarding the possible purchase of works of art or commissioning the design, execution and/or placement of works of art. The Commission shall work with the City Manager regarding the design, execution and/or placement of a work of art in connection with construction projects.

D. In the placement of art in the City, give special attention to the placement of appropriate art in the neighborhoods.

E. Receive input from the City Manager regarding operation and maintenance expenses associated with a work of art. If the City Manager finds that a proposed work of art requires extraordinary operation or maintenance expenses, the Commission shall either select another work of art, or submit with its recommendation to the City Manager and City Council a statement of overriding consideration of why the work of art should be utilized notwithstanding its extraordinary operation or maintenance expense.

F. In cooperation with the City Manager, promulgate for City Council appropriate guidelines consistent with this ordinance to facilitate the implementation of the responsibilities of the Commission and City Manager hereunder.

G. In instances of art work to be placed in new construction projects to achieve a greater degree of artistic harmony, artists should be recommended by the Commission and confirmed by the Manager before City approval of the architect's schematic

audit to be conducted, is guilty of a misdemeanor.

c. The commencement of criminal proceedings shall neither preclude nor abate administrative or civil actions to collect taxes due under this Article.

d. Violations under this section are continuing violations and each day the violation continues constitutes a separate misdemeanor.

e. Any operator violating any of the other mandatory provisions of this Article shall be guilty of a misdemeanor.

f. Violations shall be punishable as misdemeanors by a fine of not more than one thousand dollars (\$1,000) or by imprisonment in the County jail for a period of not more than six (6) months or by both such fine and imprisonment.

g. Non-defense. It shall not be a defense to violations of this Article that the operator, including a resident manager, had forwarded any return due or tax collected to its principal or corporate headquarters, nor that any failure to file or remit taxes was based on the direction or inaction of such principal or corporate headquarters.

(Renumbered and Amended 4-17-89 by O-17278 N.S.)

§ 35.0125 Reserved for future use

(Reserved for future use 4-17-89 by O-17278 N.S.)

§ 35.0126 Reserved for future use

(Reserved for future use 4-17-89 by O-17278 N.S.)

§ 35.0127 Severability

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Article or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Article or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional.

(Renumbered 4-17-89 by O-17278 N.S.)

§ 35.0128 Utilization of Revenues

A. The tax imposed shall be utilized as follows:

(a) Two-thirds (2/3) of all revenues collected by the City under Section 35.0103 of this Article and remaining after payment of two-thirds (2/3) of the costs incurred in the administration of this Article shall be used solely for the purpose of promoting The City of San Diego. Revenues available under this subparagraph (a) shall be used to support any program including but not limited to programs of the San Diego Convention and Visitors Bureau, designed to promote the City, as the Council may direct in accordance with Section 35.0128(d) below.

(b) One-sixth (1/6) of all revenue collected by the City under Section 35.0103 of this Article and remaining after payment of one-sixth (1/6) of the costs in the administration of this Article, shall be deposited to the Transient Occupancy Tax Unappropriated Reserve Fund (Fund No. 224), which is hereby created. Money shall be expended from this fund only by an ordinance appropriating part or all of the fund for such purpose or purposes as the Council may direct. Such purpose or purposes may include but not be limited to promotion of the City. Notwithstanding the provisions of paragraph A regarding utilization of revenues, the revenues allocated in this Section under paragraph A, subparagraphs (a), (b), (c), (d) and (e) shall be limited to the amounts collected under Section 35.0103 in the Base Year plus an amount equal to one half of the amount of the increment over and above the amount collected in the Base Year. For purposes of this Section, fiscal year 1990 will serve as the Base Year.

(c) One-sixth (1/6) of all revenue collected by the City under Section 35.0103 of this Article and remaining after payment of one-sixth (1/6) of the costs in the administration of this Article, shall be deposited to the General Fund (Fund No. 100). An amount equal to one half of the increment over and above the amount of revenues collected by the City under Section 35.0103 in the Base Year shall be deposited in the Housing Trust Fund of the City (Fund No. 10420).

(d) Subject to the City Council's annual review of the budget of the San Diego Convention and Visitors Bureau and five year work program as set forth below, the City's minimum annual contribution to the San Diego Convention and Visitors Bureau for general promotion purposes shall be determined as follows:

(1) From the total of all revenues collected under Section 35.0103 of this Article subtract all costs incurred in the administration of this Article, and an amount equal to all revenues collected by the City under Section 35.0103 of this Article from hotels within the Navy Field Complex.

(2) Multiply the remaining amount computed in subparagraph (d) (1) immediately preceding by one-fifth (1/5). The resulting figure is the minimum annual contribution; provided however, that if the City Council in its sole discretion for any year, formally disapproves by resolution the San Diego Convention and Visitors Bureau's annual budget and five year work program, the City's annual contribution to the San Diego Convention and Visitors Bureau may be established by the City Council based upon the Council's determination of any appropriate funding level.

(3) To substantiate its proposed five year work program, the San Diego Convention and Visitors Bureau shall, each year, timely submit to the City Council a copy of its proposed work program, an annual proposed budget, quantified performance

indicators which are descriptive of the level of effort and success of previous years' promotion efforts, and a full narrative description of past years' accomplishments.

(e) Notwithstanding the provisions of subparagraphs (a), (b), (c) and (d) of this section regarding utilization of revenues, an amount equal to all revenues collected by the City under Section 35.0103 of this Article from hotels within the Navy Field Complex remaining after payment of a proportionate share of the costs in the administration of this Article, shall first be allocated for the purpose of planning, promoting, operating and maintaining the San Diego Convention Center, including a contingency reserve (for these same purposes), by a transfer to the existing Transient Occupancy Tax New Convention Facility Fund. Money remaining under this section, after providing for the planning, promotion, operation and maintenance of the San Diego Convention Center, including a contingency reserve, may be expended for such legal purpose or purposes as the Council may direct.

(f) When the tax imposed pursuant to this Article was eight percent (8%), one-fourth ($\frac{1}{4}$) of all revenue collected during said period, less administrative costs, was deposited in the Transient Occupancy Tax New Convention Facility Fund. These monies may be expended for such legal purpose or purposes as the Council may direct.

(Amended 4-16-90 by O-17455 N.S.)

§ 35.0129 Utilization of Revenues from Additional Tax Imposed by Section 35.0104

All revenues collected by the City under Section 35.0104 shall be deposited to the General Fund of the City (Fund No. 100) and be used for general governmental purposes as the City Council may from time to time provide in accordance with the City Charter of the City of San Diego and its appropriation ordinances.

(Renumbered and Amended 4-17-89 by O-17278 N.S.)

§ 35.0130 Utilization of Revenues from Additional Tax Imposed by Section 35.0105

All revenues collected by the City under Section 35.0105 shall be deposited to the General Fund of the City (Fund No. 100) and be used for general governmental purposes as the City Council may from time to time provide in accordance with the City Charter of the City of San Diego and its appropriation ordinances.

(Renumbered and Amended 4-17-89 by O-17278 N.S.)

§ 35.0131 Utilization of Revenues from Additional Tax Imposed by Section 35.0106

All revenues collected by the City under Section 35.0106 shall be deposited to the General Fund of the City (Fund No. 100) and be used for general governmental purposes as the City Council may

from time to time provide in accordance with the City Charter of the City of San Diego and its appropriation ordinances.

(Renumbered and Amended 4-17-89 by O-17278 N.S.)

§ 35.0132 Utilization of Revenues From Tax Imposed by Section 35.0107

All revenues collected by the City under Section 35.0107 shall be deposited to the General Fund of the City (Fund No. 100) and be used for general governmental purposes as the City Council may from time to time provide in accordance with the City Charter of The City of San Diego and its appropriation ordinances.

(Added 8-6-90 by O-17508 N.S.)

§ 35.0133 Reserved for future use

(Reserved for future use 4-17-89 by O-17278 N.S.)

§ 35.0134 Reserved for future use

(Reserved for future use 4-17-89 by O-17278 N.S.)

§ 35.0135 Reserved for future use

(Reserved for future use 4-17-89 by O-17278 N.S.)

§ 35.0136 Treasurer's Regulations and Enforcement Authority

The City Treasurer may promulgate reasonable rules, interpretations and regulations to implement and enforce the provisions of this Article. Designated agents of the City Treasurer shall have the authority to arrest without a warrant any violator of a misdemeanor provision of this Article and to issue notices to appear pursuant to the provisions of Penal Code section 836.5.

(Renumbered and Amended 4-17-89 by O-17278 N.S.)

§ 35.0137 Duty of Successor of Operator

If an operator who is liable for any tax or penalties under this Article sells or otherwise disposes of his business, his successor shall notify the City Treasurer of the date of sale at least thirty (30) days before the date of sale or, if the decision to sell was made less than thirty (30) days prior to the actual sale, then immediately and shall withhold a sufficient portion of the purchase price to equal the amount of such tax or penalty until the selling operator produces a receipt from the Treasurer showing that the tax or penalty has been paid or a tax clearance certificate from the City Treasurer stating that no tax or penalty is due. If the seller does not present a receipt or tax clearance certificate within thirty (30) days after such successor commences to conduct business, the successor shall deposit the withheld amount with the City Treasurer pending



The City of San Diego

MANAGER'S REPORT

DATE ISSUED: December 31, 1991
ATTENTION: Public Services and Safety Committee, Agenda of November 6, 1991
SUBJECT: Transient Occupancy Tax Policy Consolidation

REVISED
REPORT NO. 91-471

SUMMARY

Issue: Should the City Council adopt a Council Policy which is a consolidation of existing Council Policies and Municipal Code and repeal Council Policies 100-03, 100-04, 100-11 and 100-13 relative to the allocation of Transient Occupancy Tax funds?

Manager's Recommendation: Adopt the consolidated Council Policy and repeal the aforementioned existing policies.

Other Recommendation: None.

Fiscal Impact: None.

BACKGROUND

When the original Transient Occupancy Tax (TOT) Ordinance was adopted in 1964, basic formulas were established to provide the City Council with guidance on how to allocate TOT revenues for each fiscal year. In the past several years, the Ordinance has been amended and Council has adopted various policies to incorporate rate increases and to include detailed formulas for allocating portions of the TOT revenues to specific organizations.

DISCUSSION

At the March 6, 1991 meeting of the PS&S Committee, the City Manager was asked to prepare a comprehensive policy relating to the distribution of Transient Occupancy Tax revenues. The policy was to include all existing Council Policies (100-03, 100-04, 100-11,

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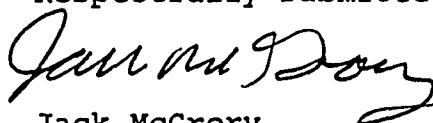
100-13) and portions of the Municipal Code (Sections 26 and 35), which relate to the distribution of TOT funds.

The purpose of the consolidation is twofold: 1) to prepare one reference document which would include all the information relating to TOT funds distribution and 2) to document recent Council direction/action which at this point has not been recorded in a Council Policy.

CONCLUSION

The City Manager recommends the Council Policy consolidation which encompasses existing Council Policies, Municipal Code and all Council direction. The new Council Policy will provide an easy reference while at the same time streamline documents governing the distribution of TOT funds. By streamlining the number of documents applicable to TOT allocations it is expected to alleviate the often cumbersome process of referencing multiple documents for one sole purpose.

Respectfully submitted,



Jack McGrory
City Manager

Frazier:CL

Attachment #1

Draft Council Policy - Transient Occupancy Tax

Attachment #2

Council Policy 100-03

Attachment #3

Council Policy 100-04

Attachment #4

Council Policy 100-11

Attachment #5

Council Policy 100-13

Attachment #6

Municipal Code Section 26.0706

Attachment #7

Municipal Code Sections 35.0128, 35.0129, 35.0130, 35.0131, 35.0132

#133

Passed and adopted by the Council of The City of San Diego on.....
by the following vote:

JAN 06 1992

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
George Stevens	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Behr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Valerie Stallings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(Seal)

By *Linda Lugano*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number *R 279227* Adopted.....

JAN 06 1992

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