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2/18/2020	1	City Council	discussed	
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2020 SDSU Visitor Promotional Fund

Summary:

The 2020 SDSU Visitor Promotional Fund was decreased to \$10,000 from the historical \$50,000 level. City Council requested an evaluation of 2019 3B revenues to potentially increase the SDSU Visitor Promotional Fund. 2019 revenues were greater than expected mostly due to a onetime increase, which led to surplus funds. That said, Council can determine an increase to the SDSU Visitor Promotional Fund if desired.

Background:

Three B is a one percent tax charged on bed, booze, and board. The Pillow Tax is a \$2 charge on hotel rooms within a Business Improvement District. These revenues provide city funding for various outside visitor and economic agencies. Some agencies have increased their overall dependency over time; however, the revenue source that funds these agencies has not kept up with demand. This unsustainable funding has been augmented with revenues from the Liquor Store through a transfer.

The future recommended funding levels need to mirror the revenue received from the 3B and Pillow Tax in order to be sustainable. The annual increase in these revenue sources has been minimal. Additionally, Liquor Store revenues assist in funding the General Fund. The 2020 projected budget does not provide revenue necessary to fund all prior agency requests at historical levels. Therefore, many programs were reduced or eliminated within the 2020 budget while trying to maintain little or no impact on service delivery.

The SDSU Visitor Promotional Fund expended \$17,500 in 2017, \$42,000 in 2018, and assumed \$50,000 in 2019. The 2020 SDSU Promotional Fund is budgeted at \$10,000. Council requested a review of the funding allocation after the 3B revenues for 2019 were received and provide a true up if revenues allowed.

Attachments:

Memo
Presentation