

TOURISM BUSINESS IMPROVEMENT DISTRICTS

What is a tourism business improvement district (tbid)?

A TBID is an organization of businesses (typically hotels/motels and similar businesses) who work together to bring more customers to their destination. Funds raised through a small assessment on certain sales are used to provide services desired by the businesses in the district which directly benefit them.

What does a TBID do?

TBIDs can have many functions, all of which are aimed at increasing tourism. The beauty of a TBID is that its operations are determined by the businesses funding the TBID. TBID activities can include print and internet advertising, visitors center operations and many other significant marketing and promotion efforts.

Who manages a TBID?

A new non-profit corporation can be formed to manage district funds, or an existing corporation (such as a chamber of commerce) can fill this role. The businesses forming the TBID decide how the corporation will be structured and who will manage it.

How is a TBID funded?

TBIDs are funded through a small assessment on certain types of sales. The amount of the assessment is determined by the business owners at the formation of the district, within particular legal guidelines. Certain types of sales can be exempt from the assessment if they are not procured as a result of district activities. Funds raised through the assessment must be spent within the district for the benefit of the businesses paying the assessment. Funds raised through the TBID cannot be diverted to government programs, thus they are not subject to changing political considerations.

Why should I support forming a TBID?

As the economy struggles, marketing efforts are an increasingly important aspect of maintaining a popular destination. TBIDs provide stable funding for the necessary marketing to keep a destination competitive in a difficult economy. As cities and counties are forced to sacrifice tourism promotion funds, TBIDs provide funding to supplement or replace those monies. Because TBID funds are not controlled by a government entity, they cannot be subjected to the budget cuts municipalities have been forced to make.

What are the advantages of a TBID?

- ◆ They provide a stable funding source for tourism promotion
- ◆ They are designed and created by those who pay the assessment
- ◆ They are governed by those who pay the assessment
- ◆ Funds cannot be diverted for other government programs



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DO YOU WANT TO:

- ◆ **Have a stable funding source for tourism promotion?**
- ◆ **Bring more customers to your destination?**
- ◆ **Make improvements to your destination which your City cannot fund?**

Forming a TBID may be the solution you've been looking for! For more information on forming a TBID for your destination, contact Civitas at **(800)999-7781**, or visit us at **www.civitasadvisors.com**.

About TBIDs:

- ◆ There are currently 39 TBIDs operating in California
- ◆ TBIDs are formed for up to five years and can be renewed for up to ten years; in charter cities this can even be longer
- ◆ TBIDs are created and managed by the businesses providing funding
- ◆ In California, TBIDs are created under the "Property and Business Improvement District Act of 1994" or the "Parking and Business Improvement Area Law of 1989"

About Civitas:

- ◆ Civitas has served as consultant in the formation of 23 of California's 39 TBIDs
- ◆ Civitas has been working with and forming special districts in California since 1994
- ◆ Civitas has been operating special districts in California since 2000
- ◆ Civitas' founder and President, John Lambeth, authored the Property and Business Improvement District Act of 1994
- ◆ Civitas has a wide range of experience in forming TBIDs – large and small, rural and urban, counties and cities – Civitas has the experience and expertise you need to make your district a success

TBIDs Formed by Civitas:

Carlsbad
Chula Vista
Dana Point
Danville
Folsom
Lodi
Long Beach
Marin County
Mariposa County
Mendocino County
Monterey County
Newport Beach
Placer Valley
Redding
Sacramento
San Diego
San Jose
San Luis Obispo
South Lake Tahoe
Stockton
Temecula
Tri-Valley
Vallejo



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