

ATTACHMENT 3

City of Merced
678 W 18th Street.
Merced, ca 95340

February 20, 2024

Dear Mayor Matthew Serratto and City Councilmembers.

Subject: TBID Proposal for Merced Tourism.

Congratulations on the Downtown PBID! As a wholistic approach to improving and investing in Merced, we'd like to reengage the efforts of forming the Tourism Business Improvement District ("TBID") it's the perfect opportunity to reimagine Merced as a growing regional destination. The Merced Hotel and Lodging Association ("MHLA") is a willing partner in making that happen.

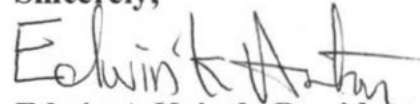
The MHLA has been working tirelessly to attract tourists and their spending to Merced. Our efforts have been focused on vitalizing the hospitality industry, increasing overnight stays, and promoting our properties as destinations for visitors, events, and commerce. However, for Merced to remain competitive as a destination, additional resources are needed to create dedicated and consistent marketing and promotional activities. As a solution, lodging owners have joined efforts to develop the City of Merced TBID.

A TBID is a public private initiative that allows lodging owners within the City of Merced to pool resources for agreed upon services intended to stimulate Merced's tourism economy. The Merced Hotel and Lodging Association includes 16 properties – all agreeing to participate in the TBID.

Funding for the TBID is designed to be shared: members of the MHLA have agreed to assess themselves 1% of the Daily Room Rate, and request the city contribute with a 2.0% allocation from the existing Transient Occupancy Tax (TOT). Dedicated funding will support an enhanced effort to: create an expanded marketing and branding campaign; partner with the wine industry, festivals, events, and UC Merced, and offer late night security giving our guests added comfort – all resulting in increased visitation, occupancy and spending at Merced businesses.

Until 2019, the City contributed 2.0% of the TOT to tourism, marketing and the California Welcome Center. We respectfully request that the City now support the formation of the TBID reallocate 2.0% of the TOT to the TBID. We look forward to collaborating with the City on elevating the presence of our hotels and motels, and Merced as a premier destination, which will result in increased occupancies, additional spending, and ultimately increased revenues for the City of Merced.

Sincerely,



Edwin A Kainth, President
Merced Hotel & Lodging Association
(MHLA) A NON-PROFIT Organization

