



AGENDA SUMMARY REPORT

SUBJECT: Discussion and Consideration of Adoption of Resolution in Support of a Ballot Measure Increasing the Transient Occupancy Tax (TOT) by Three Percent (3%); Requesting the County Clerk to Consolidate the Election of Said Measure on the Ballot with the Statewide General Election of November 5, 2024; and Directing Staff to Develop and Submit the Associated Ballot Items.

DEPARTMENT: City Manager /
Admin

PREPARED BY: Shannon Riley, Deputy City Manager

PRESENTER: Shannon Riley, Deputy City Manager

ATTACHMENTS:

1. TOT ASR and combined documents
2. Ballot Argument 2024 _ad hoc
3. Proposed Resolution

Summary: Council will consider adopting a resolution in support of a ballot measure increasing the Transient Occupancy Tax (TOT) by three percent (3%); requesting the County Clerk to consolidate the election of said measure on the ballot with the Statewide General Election of November 5, 2024; and directing Staff to develop and submit the associated ballot items.

Background: At their July 17, 2024, meeting, the City Council directed Staff to place a 3% increase to the Transient Occupancy Tax (TOT, or “room tax”) rate in Ukiah, and created an ad hoc committee of Councilmembers Rodin and Sher to assist with the development of ballot materials. The July 17 staff report is provided for additional information as Attachment 1.

The ad hoc committee has met, and the recommended argument in support of the measure is provided as Attachment 2.

If passed, the 3% increase would generate roughly \$420,000 for the General Fund, helping to support increased tourism promotion, code enforcement and public safety, park development and maintenance, and City Recreation program scholarships.

Transient Occupancy Taxes are collected by lodging establishments in the city limits; however, the entire tax is paid by the visitors of the room. Therefore, this tax helps ensure that visitors who use Ukiah’s streets, parks and services help pay for their fair share.

The proposed increase would put the total TOT in Ukiah at 13%, which is commensurate or lower than many of the surrounding areas.

Discussion: Staff, with the direction of the ad hoc, is recommending that Council adopt the resolution (Attachment 3) in support of a ballot measure increasing the Transient Occupancy Tax (TOT) by three percent (3%), and requesting the County Clerk to consolidate the election of said measure on the ballot with the Statewide General Election of November 5, 2024. Following adoption of the resolution, Staff will develop and submit the associated ballot documents.

Recommended Action: Adopt resolution in support of a ballot measure increasing the Transient Occupancy Tax (TOT) by three percent (3%); requesting the County Clerk to consolidate the election of said measure on the ballot with the Statewide General Election of November 5, 2024; and directing Staff to develop and submit the associated ballot items.

BUDGET AMENDMENT REQUIRED: n/a

CURRENT BUDGET AMOUNT: n/a

PROPOSED BUDGET AMOUNT: n/a

FINANCING SOURCE: n/a

PREVIOUS CONTRACT/PURCHASE ORDER NO.: n/a

COORDINATED WITH: TOT Ballot Measure Ad Hoc Committee

DIVERSITY-EQUITY INITIATIVES (DEI): n/a

CLIMATE INITIATIVES (CI): n/a

Approved: 
Sage Sangiacomo, City Manager