

ROMAN SPA

Hot Springs Resort

CITY OF CALISTOGA

MAY 31 2011

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CITY MANAGER

Dear Mayor Gingles and distinguished City Council,

Less than one year ago I stood before you discussing the funding for the Chamber of Commerce and how a reduction in the budget would be a disservice to this town. At that time the Council agreed that funding should not be reduced. I am here again to plead the benefits of our local Chamber and to keep its current funding.

As a tourist town; Calistoga depends upon the revenues of our overnight guests, which currently accounts for over 50% of the entire City general fund. Revenue generation for this town is dependent upon the success of the hospitality industry. It is impossible for each individual property owner to make the impact required to effectively market and advertise the special place that makes up Calistoga. The Chamber is our outreach, our tourism voice, and the pulse of the town; without proper funding we will not be able to keep pace with other destinations that outspend us and lure potential visitors to Sonoma, Monterey, and even Livermore!

In this fiscal year TOT has increased \$130,000, without the current funding level these dollars would not have been realized. Additionally, Calistoga is seeing better TOT revenue percentages than some of our neighboring towns. It is critical that in order for our town to remain healthy we need to continue the revenue stream that brings in the largest percentage of dollars. Any reduction (and especially 15% as purposed) will further reduce revenues to the City and send us in a downward spiral.

As members of the City Council, please ask yourself how much TOT are you willing to risk for this town? If a reduction in funding for the Chamber causes a \$50,000 to \$100,000 loss of TOT, are you willing to accept that and what that will mean to the entire community?

The hospitality industry in Calistoga employs a large number of local citizens: declines in occupancy reduce the hours these employees work which also impacts the viability of our town. This is not the time to put our town in jeopardy by reducing the positive impact of our Chamber.

I fully recognize that balancing a budget is a very difficult and challenging task requiring hard decisions. However, the Chamber must receive the same funding in order to continue its efforts so that hospitality, the economic engine of this town can have every advantage needed to increase occupancy as well as average daily rate that adds to the vitality of this town.

Thank you for your consideration,


Kathy Quast
Roman Spa Resort