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Esperanza Colio Warren

COUNTY COUNSEL:
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Vanessa Delgado

**Agenda Item
Regular Meeting of the
Board of Supervisors
Tuesday, September 23,
2025**

Item Number: 2.4

MEETING DATE: 09/23/2025

DEPARTMENT: COUNTY ADMINISTRATION OFFICE

AGENDA ITEM PREPARER: Gracie Rodriguez

DEPT HEAD/DIRECTOR: Esperanza Colio Warren

SUBJECT:

BOARD OF SUPERVISORS

Discuss proposed Transient Occupancy Tax incentive program for Hospitality Development as recommended by the Tourism Advisory Committee and provide staff direction as desired.

SBC FILE NUMBER: 119

AGENDA SECTION:

REGULAR AGENDA

BACKGROUND/SUMMARY:

Summary:

Staff presents for the Board's consideration a proposed Transient Occupancy Tax (TOT) Incentive Program for Hospitality Development, as recommended by the Tourism Advisory Committee. This item is intended for preliminary discussion, with a request for Board feedback and direction on the proposed framework.

Background:

On February 26, 2025, the Tourism Advisory Committee received and held a preliminary discussion on a potential Hotel Incentive Program. During this meeting, staff provided an overview of the City of Hollister's Hotel Incentive Program, established by Resolution 2017-223 on September 5, 2017. The City's program was designed to support the operation and maintenance of quality hotels, encourage the rehabilitation of existing lodging facilities, and enhance the overall tourism and hospitality experience for visitors and residents.

Under the City of Hollister's program, the City may reimburse hotel operators a percentage of the annual Transient Occupancy Tax (TOT) collected, based on the hotel type and subject to a defined Subsidy Cap. The incentive is available for a period of ten (10) years, with a possible five (5) year extension at the discretion of the City Council, during which the City may continue to reimburse 33% of the TOT until the Subsidy Cap is reached. Subsidy cap may be extended for five years by a resolution of the City Council with a subsidy of 33% of the annual TOT.

On May 28, 2025, the Tourism Advisory Committee formed a working group to explore the development of a similar incentive program for the County. The working group includes Supervisor Zanger, Christian Pillsbury (representing the wine industry), and Jill Pagaran (representing the tourism industry). The group met on June 19, 2025, to begin outlining a potential Hospitality Development Incentive Program, and has continued to research best practices and models from other jurisdictions (City of Placerville, City of Palm Springs, City of Soledad, etc.).

Updates on the working group's progress were presented to the Committee on June 25, 2025, and again on August 27, 2025, at which time the Committee recommended that the proposed program be brought forward to the Board of Supervisors for further consideration and input.

Attached is the preliminary draft of the proposed TOT Incentive Program for your review.

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

Discuss proposed Transient Occupancy Tax incentive program for Hospitality Development as recommended by the Tourism Advisory Committee and provide staff direction as desired.

ATTACHMENTS:

[Board Agenda Fact Sheet - Presentation on Transient Occupancy Tax incentive program for Hospitality Development](#)

[TOT Incentive Program For Hospitality Development](#)

[City of Hollister Hotel Incentive Program - Example](#)