

2020-2025



MOBILE TOURISM IMPROVEMENT DISTRICT DISTRICT PLAN

*Prepared pursuant to the
Self-Help Business Improvement Districts in Class 2 Municipalities Law,
Ala. Code § 11-54B-40 et seq.*

March 9, 2020

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I. OVERVIEW

Developed by the Mobile Area Lodging Association, the Mobile Tourism Improvement District (MTID) is an assessment district proposed to provide specific benefits to payors, by funding targeted marketing and sales promotion efforts and capital improvements.

Location: The MTID includes all lodging businesses with 40 rooms or more located within the boundaries of the City of Mobile, as shown on the map in Section IV.

Services: The MTID is designed to provide benefits directly to assessed lodging businesses by increasing room night sales and revenue therefrom. MTID activities and improvements will increase overnight tourism and market assessed lodging businesses as tourist, meeting and event destinations, thereby increasing room night sales and revenue therefrom.

Budget: The total MTID budget for the first full year of its five (5) year operation is anticipated to be approximately \$1,480,000.

Cost: The annual assessment rate shall be \$1.00 per occupied room per night. Based on the benefit received, the assessment shall not be collected on:

- Continuous stays of 31 days or more (the first 30 days will be assessed);
- Stays at camps, conference centers, or similar facilities operated by nonprofit organizations primarily for the benefit of, and in connection with, recreational or educational programs for children, students, or members or guests of other nonprofit organizations during any calendar year;
- Stays at privately operated camps, conference centers, or similar facilities that provide lodging and recreational or educational programs exclusively for the benefit of children, students, or members or guests of nonprofit organizations during any calendar year;
- Stays at corporate housing facilities;

- Stays at campgrounds; and
- Complimentary room stays provided by the lodging business owner to a guest.

Collection: The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the MTID.

Duration: The MTID will have a five (5) year life, beginning June 1, 2020 through May 31, 2025. The MTID's fiscal year shall be aligned with the City of Mobile's fiscal year, October 1 through September 30. The first "year" of the MTID shall be a partial year starting June 1, 2020 through September 30, 2020. The following four fiscal years, October 1, 2020 through September 30, 2024, shall be preceded by an additional partial year lasting eight (8) months, October 1, 2024 through May 31, 2025.

Management: The Mobile Area Lodging Corporation will serve as the MTID's District Management Corporation. The District Management Corporation is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

II. IMPETUS

This District Management Plan has been created pursuant to the Self-Help Business Improvement Districts in Class 2 Municipalities Law, Ala. Code § 11-54B-40 et seq. (State Law) to guide the operations of the MTID for the period from May 1, 2020 through April 30, 2025. The State Law was amended in 2019 to specifically provide legislative authority for the creation of the proposed MTID. A copy of the State Law is provided in Appendix 1.

Purpose of the District

The purpose of the MTID is to promote economic growth in the Mobile lodging industry by providing sales, marketing, capital improvements, special events programming and support, and related administration programs designed to increase overnight visitation and room night sales at assessed lodging businesses.

Background

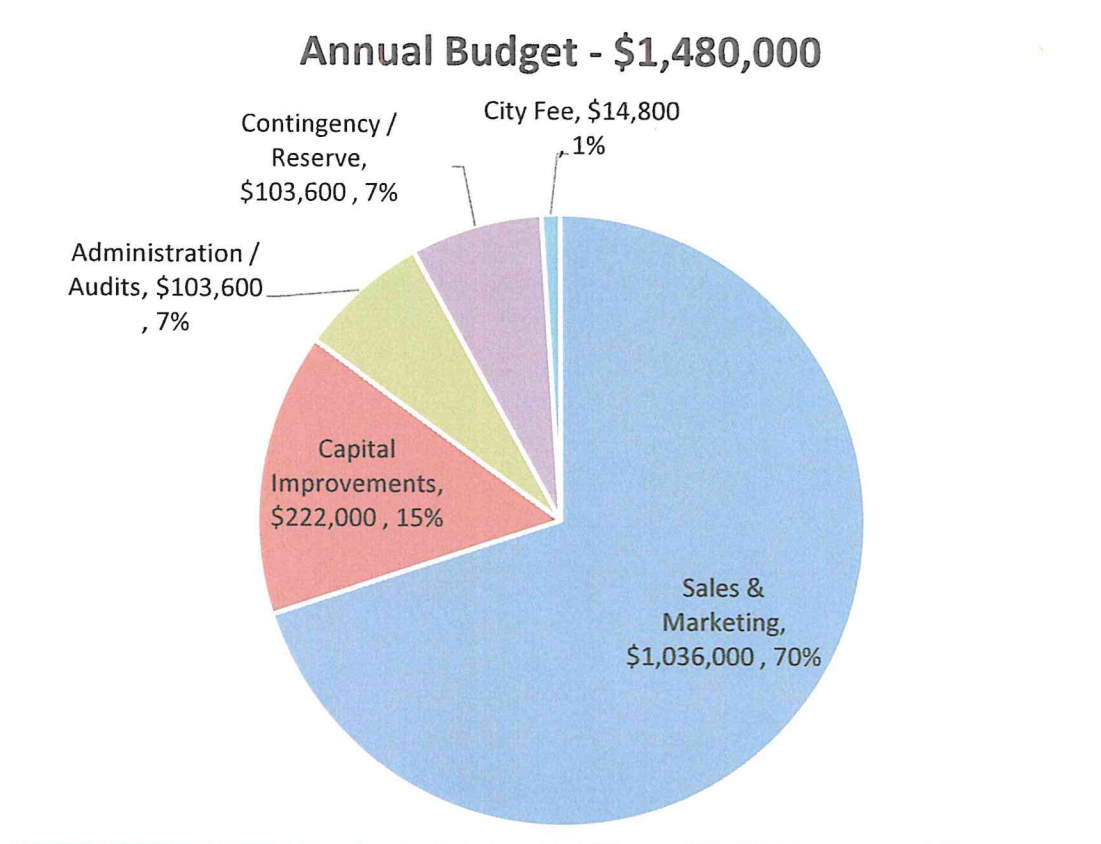
Tourism Improvement Districts (TIDs) are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over 170 United States destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.

TIDs nation-wide collectively raise over \$400 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Mobile lodging businesses invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase room night sales.

III. IMPROVEMENT AND ACTIVITY PLAN

The services and activities of the MTID are tailored to increase overnight visitation and room night sales at assessed lodging businesses. The total full year annual improvement and activity plan budget is projected to be \$1,480,000. The budget is made up of the components below:



Sales and Marketing

The sales and marketing program will help promote the assessed lodging businesses in Mobile as tourist, event, and recreation destinations. All program elements will be provided directly to and focused entirely on assessed lodging businesses to increase overnight stays, and may include the following activities:

- Production and distribution of tourist-related marketing collateral featuring assessed properties;
- Internet marketing efforts targeted directly at potential visitors to increase awareness and optimize internet presence;
- Print ads in magazines and newspapers targeted at potential visitors;

- Television ads targeted at potential visitors;
- Radio ads targeted at potential visitors;
- Development, marketing and maintenance of a website featuring assessed properties;
- Visitor Center and visitor touch point interaction;
- Mobile/smart phone interaction;
- Sponsorship of special events designed to attract visitors to assessed properties;
- Tillman's Corner/I-10 Corridor Campaign Specific Promotions;
- Uptown Shopping District/I-65 Corridor Campaign Specific Promotions;
- Downtown District Campaign Specific Promotions;
- Marketing and promotions programs designed to increase room night sales at assessed properties;
- Identifying new and additional trade shows to drive room night sales to assessed properties;
- Familiarization tours featuring assessed properties;
- Lead generation activities designed to attract tourists;
- Tourism related investments designed to increase room night sales at assessed properties; and
- Maintaining industry public relations and communications featuring assessed properties throughout the state and nation.

Capital Improvements

The capital improvements program is designed to fund studies, consultation, and the initial set-up of capital improvements to create a visitor experience that will bring repeat visits to assessed lodging businesses. The capital improvements budget shall not be used for non-tourism related projects, including but not limited to, sidewalks and road improvements. Capital improvements may include:

- Sporting facility improvements;
- Gateway enhancements, to attract overnight visitors;
- Comprehensive and integrated wayfinding signage system including signage to parking decks and lots;
- Transportation program connecting hotels with downtown and other attractions, to increase room night sales;

- Art and cultural projects, to attract overnight visitors;
- Purchase of real property; and
- Enhancements to environmental experiences which attract overnight visitors.

Administration/Audits

In order to provide the improvements and activities, the District Management Corporation will incur various administrative costs, such as staffing, rent, tourism related advocacy, insurance, legal, and accounting fees. A portion of the budget will be allocated to cover the cost of an independent certified public accountant to audit the expenditure of MTID assessment funds.

Contingency/Reserve

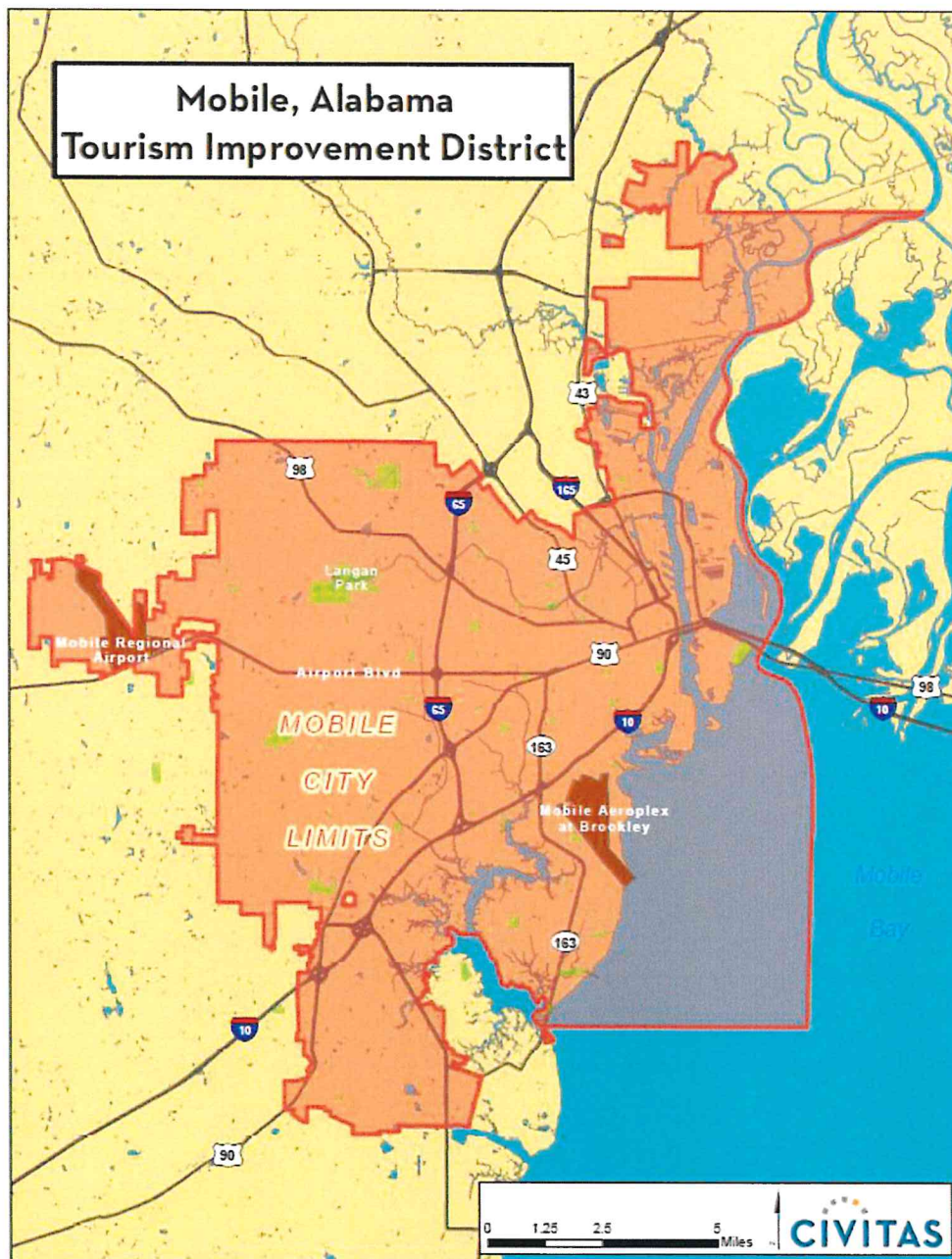
The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration, or renewal costs at the discretion of the District Management Corporation Board. Policies related to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the District Management Corporation Board. Contingency/reserve funds may be spent on program, administration, or renewal costs at the discretion of the District Management Corporation Board. The reserve fund may be used for the costs of renewing the MTID.

City Fee

The City of Mobile shall retain one percent (1%) of the amount of assessment funds collected to cover its costs of collection and administration and costs incurred in pursuing payment of delinquent assessments.

IV. BOUNDARY

The MTID consists of all lodging businesses with 40 rooms or more, existing or in the future, within the City of Mobile. The boundary, as shown below, currently includes 65 lodging businesses with 40 rooms or more. A complete listing of lodging businesses with 40 rooms or more within the MTID can be found in Appendix 2.



V. ASSESSMENT

A. Assessment Methodology

The annual assessment rate shall be \$1.00 per occupied room per night. Based on the benefit received, the following stays will not be assessed:

- A continuous stay of 31 days or more (the first 30 days will be assessed);
- Stays at camps, conference centers, or similar facilities operated by nonprofit organizations primarily for the benefit of, and in connection with, recreational or educational programs for children, students, or members or guests of other nonprofit organizations during any calendar year;
- Stays at privately operated camps, conference centers, or similar facilities that provide lodging and recreational or educational programs exclusively for the benefit of children, students, or members or guests of nonprofit organizations during any calendar year;
- Stays at corporate housing facilities;
- Stays at campgrounds; and
- Complimentary room stays provided by the lodging business owner to a guest.

B. Annual Budgets

Budgets and assessments will be reviewed each year of the MTID term by the District Management Corporation Board. Prior to approval by the Board, each annual budget will be publicly advertised and a public hearing on the budget will be held as provided for in State Law. Over the MTID's five (5) year term, budgets may vary on an annual basis, without a change in the assessment rate, due to fluctuations in visitation. Any annual budget surplus or deficit will be rolled into the following year's budget.

C. Penalties and Interest

The MTID shall reimburse the City for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent MTID assessment are sought to be recovered in the same collection action by the City, the MTID shall bear its pro rata share of such collection costs. Assessed lodging businesses which are delinquent in paying the assessment shall be responsible for paying:

1. Failure to Timely File: Any lodging business that files a return after the due date is subject to a penalty equal to the greater of ten percent (10%) of the assessment required to be paid or \$50.00.

2. Failure to Timely Pay: Any lodging business that submits a payment after the due date is subject to a penalty of ten percent (10%) of the delinquent assessment.
3. Interest: In addition to other penalties, if a lodging business fails to timely pay the City any assessment due, there shall be added as interest one percent (1%) of the total amount due if the delinquency is not for more than one month, with an additional one percent (1%) for each additional month or fraction thereof under which the delinquency continues.
4. Penalties Merged with Assessment: Every penalty imposed and such interest as accrues shall become part of the assessment herein required to be paid.

D. Time and Manner for Collecting Assessments

The MTID assessment will be implemented beginning June 1, 2020 through May 31, 2025. The assessment is levied upon and is a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of the assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the lodging business. The assessment shall be disclosed as the "Tourism Assessment." The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of lodging taxes.

All assessed lodging businesses, on or before the twentieth day of the month next succeeding the month in which the lodging business carried on business, shall make a verified report, on a form provided by the City, to the Revenue Department of the City showing the total number of assessable rooms rented during the preceding month, and shall, at the time of making such report, pay to the Revenue Department the amount of the assessment for the number of assessable rooms rented. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each assessed lodging business. The City shall take all reasonable efforts to collect the assessment from each lodging business. The City shall forward the assessments collected to the District Management Corporation within thirty (30) days of receipt.

E. Sunset Provision

Within 90 days after the adoption and approval of the fifth annual budget, the City, as set forth in State Law, shall set a hearing to determine whether the MTID should be continued, modified, or terminated.

F. Eminent Domain

As per State Law, "No self-help business improvement district or district management corporation shall have the power of eminent domain."

VI. GOVERNANCE

A. District Management Corporation

The Mobile Area Lodging Corporation a nonprofit corporation, incorporated under the Alabama Nonprofit Corporation Act, Chapter 3A of Title 10, Code of Alabama 1975 is designated by ordinance of the City to manage the day-to-day operations of the MTID. The board of directors of the District Management Corporation, made up of MTID property owners, is responsible for setting the goals, policies, procedures and annual budget for the MTID and overseeing their fulfillment. The bylaws and certificate of formation of the Mobile Area Lodging Corporation are included as Appendix 3.

B. Continuation of City Services

Throughout the process to establish the MTID, business and property owners have voiced concerns that the City maintains funding for Visit Mobile at verifiable “baseline” levels. The baseline level of funding for tourism promotion services provided by the City shall be a minimum of \$2,650,000 for fiscal year 2019/2020. For each of the subsequent MTID’s fiscal years following fiscal year 2019/2020, the baseline level of funding provided by the City shall be 33.5% of the lodging tax receipts received in the previous fiscal year, at the City Lodging Tax Rate of 8%. As provided by State law, the City, the District Management Corporation and Visit Mobile (MCVC) shall enter into a contract requiring that the City continue the level of services in the MTID during the five years commencing with fiscal year 2019/2020 and defining the baseline level of service and the future level of support as set forth in the previous sentence.

C. Annual Report

Within 90 days after the close of each fiscal year, the District Management Corporation shall make an annual report of its activities for the preceding fiscal year to the City Council. Each annual report shall include, at a minimum:

- A financial statement for the preceding year, including a balance sheet, statement of income and loss, and such other information as is reasonably necessary to reflect the District Management Corporation’s actual performance, certified by the Treasurer of the District Management Corporation; and

- The budget for the current fiscal year.

A copy of the annual report shall be sent to the Mayor, the City Council, and to all assessed lodging business owners of the MTID, by first class mail or by personal delivery.

D. Annual Audit

Within 90 days after the close of each fiscal year, the District Management Corporation shall cause an annual audit of its books, accounts, and financial transactions to be made and filed with the City and for that purpose the District Management Corporation shall employ a certified public accountant. The annual audit shall be completed and filed with the City Council within four months after the close of the fiscal year of the District Management Corporation and a certified duplicate copy of the audit shall be filed with the mayor and finance director of the City.

APPENDIX 1 – ASSESSED LODGING BUSINESSES

LODGING BUSINESS	ADDRESS	CITY	STATE	ZIP	APN
Americas Best Value Inn Mobile Airport	162 W I-65 Service Rd S	Mobile	AL	36608	R022806244000004.012
Americas Best Value Inn Mobile Tillmans Corner	5480 Inn Rd	Mobile	AL	36619	R023308272000021.001
Ashbury Hotel & Suites	600 W I-65 Service Rd S	Mobile	AL	36608	R022806244000004.001
Bama Motel	4012 Government Blvd	Mobile	AL	36693	R023301024001011.
Baymont Mobile	930 W I-65 Service Rd S	Mobile	AL	36609	R022807251000010.005
Baymont Mobile Tillmans Corner	5634 Tillmans Corner Pkwy	Mobile	AL	36619	R023308272000022.002
Beverly Motel	4384 Government Blvd	Mobile	AL	36693	R023301113002026.
Budget Inn	555 Government St	Mobile	AL	36602	R022906400010219.001
Budgetel Mobile	156 W I-65 Service Rd S	Mobile	AL	36608	R022806244000004.011
Candlewood Suites Mobile Downtown	121 N Royal St	Mobile	AL	36602	R022906400002086.
Comfort Inn Mobile	180 W I-65 Service Rd S	Mobile	AL	36608	R022806244000004.12
Comfort Suites Mobile	5660 Tillmans Corner Pkwy	Mobile	AL	36619	R023308272000021.006.
Courtyard Mobile	1000 W I-65 Service Rd S	Mobile	AL	36609	R022807251000010.008
Curio Collection The Admiral Hotel Mobile	251 Government St	Mobile	AL	36602	R022906400011115.
Days Inn & Suites Mobile	5472 Inn Rd	Mobile	AL	39919	R023308272000020.001
Days Inn North Mobile	7688 Moffett Rd.	Mobile	AL	36618	R022309302000032.002
Drury Inn Mobile	824 W I-65 Service Rd S	Mobile	AL	36609	R022807251000008.002
Extend A Suites Mobile Tillmans Corner	5450 Coca Cola Rd	Mobile	AL	36619	R023308272000004.001
Extended Suites	33 E I-65 Service Rd S	Mobile	AL	36608	R022806371001001.004
Extended Stay America Mobile Spring Hill	508 Springhill Plaza Ct	Mobile	AL	36608	R022806241000005.002
Fairfield Inn & Suites Mobile	950 W I-65 Service Rd S	Mobile	AL	36609	R022807251000010.012
Family Inn Mobile	900 W I 65 Service Rd S	Mobile	AL	36608	R022807251000010.001
Hampton Inn Mobile I 10 Bellingrath Gardens	5478 Inn Rd,	Mobile	AL	36619	R023308272000021.01

LODGING BUSINESS	ADDRESS	CITY	STATE	ZIP	APN
Hampton Inn Suites Mobile Downtown Historic Dist	62 S Royal St	Mobile	AL	36602	R022906400011003.
Hampton Inn Suites Mobile I 65 @ Airport Blvd	1028 W I-65 Service Rd S	Mobile	AL	36609	R022807251000010.009
Hampton Inn Suites Mobile Providence Park Airport	525 Providence Park Dr E	Mobile	AL	36695	R022804203000010.005
Hilton Garden Inn Mobile Downtown	15 N Conception St	Mobile	AL	36602	R022906400002211.
Hilton Garden Inn Mobile West I 65 Airport Boulevard	828 W I-65 Service Rd S	Mobile	AL	36609	R022807251000008.04
Holiday Inn Express & Suites Mobile (USA Campus)	109 Long St	Mobile	AL	36608	R022805211000084.
Holiday Inn Express & Suites Mobile West I 10	5190 Motel Ct	Mobile	AL	36619	R023308272000005.003
Holiday Inn Express & Suites Mobile West I 65	80 Springdale Blvd	Mobile	AL	36606	R022806241000005.007
Holiday Inn Mobile Airport	3630 Springhill Memorial Dr S	Mobile	AL	36608	R022806244000004.016
Holiday Inn Mobile Downtown Historic District	301 Government St	Mobile	AL	36602	R022906400011114.
Holiday Inn Mobile West I 10	5465 Hwy 90 W	Mobile	AL	36619	R023308272000004.02
Home2 Suites Mobile West I 10 Tillmans Corner	5460 Inn Rd.	Mobile	AL	36619	R022909510012006.009.
Home2 Suites by Hilton Mobile I-65 Government Blvd.	1485 Satchel Paige Dr	Mobile	AL	36606	R023308272000022.001
Homewood Suites Mobile	530 Providence Park Dr E	Mobile	AL	36695	R022804203000008.038
Homewood Suites Mobile I 65 Airport Boulevard	1388 W I-65 Service Rd S	Mobile	AL	36609	R022807254000025.007 and R022807390001009.
InTown Suites Mobile	1116 W I-65 Service Rd S	Mobile	AL	36609	R022807254000006.002

LODGING BUSINESS	ADDRESS	CITY	STATE	ZIP	APN
InTown Suites Mobile West	5498 Inn Rd	Mobile	AL	36619	R023308281000136. and R023308272000021.003
Jameson Inn Mobile	70 Springdale Blvd	Mobile	AL	36609	R022806241000005.005
LaQuinta Inns & Suites I-65 Airport Mobile	3650 Airport Blvd	Mobile	AL	36608	R022807251000008.03
La Quinta Inns & Suites Mobile	816 W I 65 Service Rd S	Mobile	AL	36609	R023308272000005.004
La Quinta Inns & Suites Mobile Tillman's Corner	5170 Motel Ct	Mobile	AL	36619	R022806244000007
Marriott Mobile	3101 Airport Blvd	Mobile	AL	36608	R022909302000008.
Motel 6 North	400 W. I-65 Service Rd	Mobile	AL	36608	R023308272000023.
Motel 6 Mobile	5686 Tillman's Corner Pkwy	Mobile	AL	36619	R023308272000023.
Port City Inn	1520 Matzenger Dr	Mobile	AL	36605	R023202370002008.
Quality Inn & Suites Mobile	150 W I 65 Service Rd S	Mobile	AL	36608	R022806244000004.008
Quality Inn Downtown Historic District Mobile	255 Church St	Mobile	AL	36602	R022906400011165.
Quality Inn Mobile	5650 Tillmans Corner Pkwy	Mobile	AL	36619	R023308272000021.
Red Roof Inn & Suites Mobile Tillman's Corner	5635 Tillmans Corner Pkwy	Mobile	AL	36619	R023308272000023.01
Red Roof Inn Mobile	1 E I-65 Service Rd S	Mobile	AL	36606	R022806241000005.001
Renaissance Mobile Riverview Plaza Hotel	64 S Water St	Mobile	AL	36602	R022906400002291.
Renaissance The Battle House Mobile Hotel & Spa	26 N Royal St	Mobile	AL	36602	R022906400002195.
Residence Inn Mobile	950 W I-65 Service Rd S	Mobile	AL	36609	R022807251000010.011
Rodeway Inn	5488 Inn Rd	Mobile	AL	36619	R023308281000136.05 and R023308272000021.002
Springhill Suites Mobile	3655 Springhill Memorial Dr N	Mobile	AL	36608	R022806244000004.015
Super 8 Mobile Highway 98	3759 Moffett Rd	Mobile	AL	36618	R022801124000049.

LODGING BUSINESS	ADDRESS	CITY	STATE	ZIP	APN
Super 8 Mobile Tillmans Corner Area	5676 Tillmans Corner Pkwy	Mobile	AL	36619	R023308272000023.002
Taylor Motel	2598 Government Blvd	Mobile	AL	36606	R022909293002122.
TownePlace Suites Mobile	1075 Montlimar Dr	Mobile	AL	36609	R022807252000022.010
Tru By Hilton Hotel – Satchel Paige	1492 Satchel Paige Dr.	Mobile	AL	36606	R023202370006001.004
Wingate By Wyndham Mobile	516 Springhill Plaza Ct	Mobile	AL	36608	R022801124000091.002
WoodSpring Suites Mobile	1350 W I-65 Service Rd S	Mobile	AL	36609	R022807254000025.005

APPENDIX 2 – LAW