



# TULARE WEIGHS TOT INCREASE TO SUPPORT INDOOR RECREATION FACILITY



TULARE — City leaders are weighing a proposal to increase Tulare's Transient Occupancy Tax (TOT) as a possible funding source for a long-discussed indoor sports and recreation facility, which could serve both residents and visiting youth sports teams.

The concept was presented at the March 21 strategic planning session, where City Manager Marc Mondell laid out the early framework for a funding mechanism that would rely on hotel guests rather than local taxpayers.

"If we built a facility that way, that means we are not using your tax dollars to do it. We are using everybody else's tax dollars to do it. Oh, but guess what? Our residents get to use it," Mondell said.

### **Indoor Sports, Paid for by Visitors**

Mondell said the idea would involve working with <u>local hotel operators to support</u> a modest TOT increase. The additional revenue generated from out-of-town visitors, including teams and families attending tournaments, would be earmarked for financing construction and operations of a future indoor sports complex.

"Hey, would you be willing to add an additional TOT tax or hotel occupancy tax rate to your bill? And we will use that money. We will build an indoor sports recreation facility that will





attract tournaments to this area," Mondell explained.

The goal, he said, is to bring regional tournaments to <u>Tulare</u> and boost hotel stays, dining, and local spending while providing residents with a facility for community use.

### **Modeling a Regional Success Story**

Mondell pointed to a proven example from his prior role in Placer County, where a TOT increase across Rocklin, Roseville, and Lincoln generated enough funding for a 32 million dollar indoor sports facility.

The funding source for that was the TOT tax revenue between the cities of Rocklin, Roseville, and Lincoln," he said, adding that the <u>center there has become a major</u> anchor for youth tournaments and tourism.

#### **Consultant Projects Strong Economic Return**

Economic consultant Brian Connolly of Victus Advisors echoed the potential, citing feasibility data that shows a well-designed facility could generate up to 3,000 hotel nights in a single tournament weekend.

"If you are going to try to tap into TOT, we really think something like this indoor sports center is a requirement," Connolly said.

His firm is conducting a second-phase study to identify acreage needs, potential locations, and developer interest. Initial estimates suggest the proposed indoor facility could drive 850,000 dollars in new TOT revenue per year, particularly if Tulare becomes a host site for multi-day regional tournaments.

## **Next Steps and Public Input**

While the council did not take a formal vote, members responded positively to the concept and directed staff to continue refining the proposal. Councilmember Jose Sigala framed the project as an investment in the city's future.



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"We are not trying to find ways to spend money. What we are doing is taking steps for the advancement of the community," Sigala said.

Any TOT increase would eventually require voter approval. City staff indicated that future <u>discussions will include potential</u> ballot timing, public outreach, and legal considerations.

For now, the idea remains in the planning stage, but city officials are optimistic that using other people's money to fund a much-needed indoor facility could become a winning strategy for Tulare's growth.