



# 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.*

December 12, 2024

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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 continue to provide specific benefits to payors, by funding targeted marketing & sales promotion efforts and capital improvements.

*Location:* The MTID includes all lodging businesses, existing and in the future, available for public occupancy, 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 fiscal year of its five (5) year operation is anticipated to be approximately \$2,246,000. A similar MTID budget is expected to apply to subsequent years, but this MTID budget is expected to fluctuate as room sales do, as businesses open and close, and as the assessment rate is increased over the duration of the MTID as detailed in Section V.

*Cost:* The assessment rate shall be set at one percent (1%) of gross short-term room rental revenue for the first five (5) months of the MTID term. Effective October 1, 2025, the assessment rate will automatically increase to one and one-half percent (1.5%) of gross short-term room rental revenue for the following one (1) year of the MTID term. Effective October 1, 2026, the assessment rate will increase to two percent (2%) of gross short-term room rental revenue for the final three (3) years and seven (7) months of the MTID term, as outlined in the table below and detailed in Section V.

Years	Assessment Rate
May 1, 2025 – September 30, 2025	1.0%
October 1, 2025 – September 30, 2026	1.5%
October 1, 2026 – April 30, 2030	2.0%

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 by 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 by 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;
- Complimentary room stays provided by the lodging business owner to a guest;

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

*Duration:* The MTID will have a five (5) year life, beginning May 1, 2025 or as soon as possible thereafter, and ending five (5) years from its start date. The MTID's fiscal year shall be aligned with the City's fiscal year, October 1 through September 30. The first "year" of the MTID shall be a partial year starting May 1, 2025 through September 30, 2025. The following four fiscal years, October 1, 2025 through September 30, 2029, shall be preceded by an additional partial year lasting seven (7) months, October 1, 2029 through April 30, 2030.

*Management:* The Mobile Area Lodging Corporation shall continue to 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, 2025 through April 30, 2030. 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 continue to promote economic growth in the Mobile lodging industry by providing sales & marketing, capital improvements, and related administration programs designed to increase overnight visitation and room night sales at assessed lodging businesses.

### **Background**

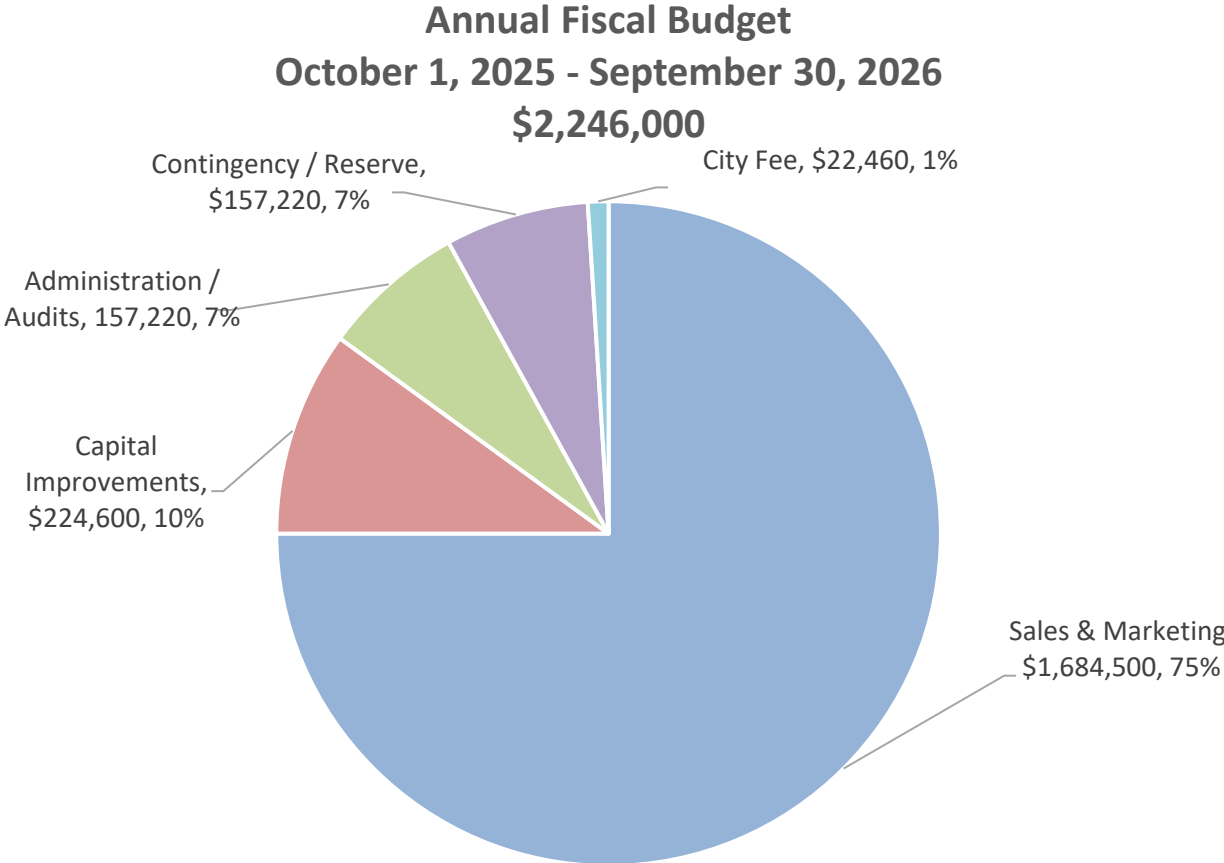
Tourism Improvement Districts (TIDs) are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over 200 United States destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas, Louisiana, Illinois, and Minnesota 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 \$550 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 annual improvement and activity plan budget for the first full fiscal year, covering the period between October 1, 2025 to September 30, 2026, is estimated to be \$2,246,000. These activities and budget percent allocations will also apply in subsequent years. The budget is made up of the components below:



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the Mobile Area Lodging Corporation board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years.

**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 businesses;
- 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 businesses;
- Visitor Center and visitor touch point interaction;
- Mobile/smart phone interaction;
- Sponsorship of special events designed to attract visitors to assessed businesses;
- 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 businesses;
- Identifying new and established trade shows, and promoting the destinations at said trade shows, to drive room night sales to assessed businesses;
- Familiarization tours featuring assessed businesses;
- Lead generation activities designed to attract tourists;
- Tourism related investments designed to increase room night sales at assessed businesses;
- Maintaining industry public relations and communications featuring assessed businesses throughout the state and nation; and
- Convention and meetings incentives, as well as marketing and promotions to solicit meetings to drive room night sales to assessed businesses.

### **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. MTID assessment funds not spent within the Administration/Audits may be reallocated to other budget categories, subject to approval by the District Management Corporation Board.



### Contingency/Reserve

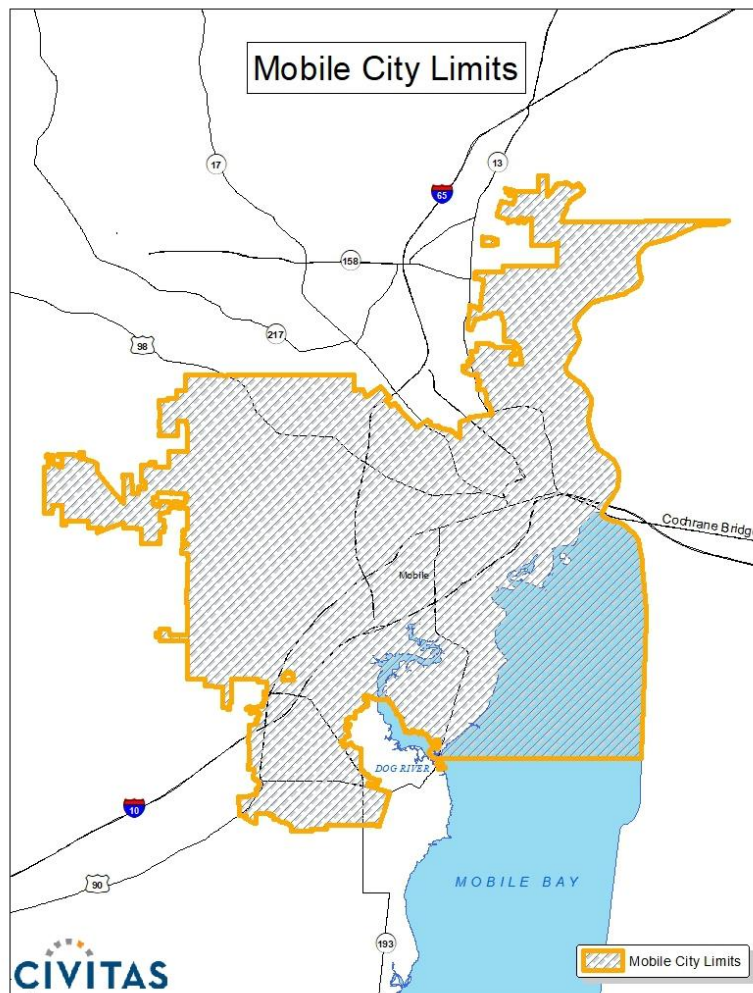
The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration, or renewal costs at the discretion of the District Management Corporation Board. Policies 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 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, existing and in the future, available for public occupancy, with 40 rooms or more located within the City of Mobile. The boundary, as shown below, currently includes 63 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 1.





## V. ASSESSMENT

### A. Assessment Rate & Methodology

The assessment rate shall be set at one percent (1%) of gross short-term room rental revenue for the first five (5) months of the MTID term. Effective October 1, 2025, the assessment rate will automatically increase to one and one-half percent (1.5%) of gross short-term room rental revenue for the following one (1) year of the MTID term. Effective October 1, 2026, the assessment rate will increase to two percent (2%) of gross short-term room rental revenue for the final three (3) years and seven (7) months of the MTID term. 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 by 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 by 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;
- Complimentary room stays provided by the lodging business owner to a guest;

The term “gross short-term room rental revenue” means the full retail price paid by the guest for an accommodation, including any accommodations fee and any other fees or charges. This includes the charge for use or rental of personal property and services furnished in the room or accommodation.

### B. Annual Costs

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. The chart below displays the fiscal budgets for each full year of the MTID (October 1 through September 30 of the following year) as well as the budgets for any partial “years” within the MTID’s term.

Year	Assessment Rate	Sales & Marketing	Capital Improvements	Administration/ Audits	Contingency/ Reserve	City Fee	Total
2025	1.00%	\$440,625	\$58,750	\$41,125	\$41,125	\$5,875	<b>\$587,500</b>
2025-2026	1.50%	\$1,684,500	\$224,600	\$157,220	\$157,220	\$22,460	<b>\$2,246,000</b>

2026-2027	2.00%	\$2,439,750	\$325,300	\$227,710	\$227,710	\$32,530	<b>\$3,253,000</b>
2027-2028	2.00%	\$2,628,750	\$350,500	\$245,350	\$245,350	\$35,050	<b>\$3,505,000</b>
2028-2029	2.00%	\$2,844,750	\$379,300	\$265,510	\$265,510	\$37,930	<b>\$3,793,000</b>
2029-2030	2.00%	\$1,350,000	\$180,000	\$126,000	\$126,000	\$18,000	<b>\$1,800,000</b>
<b>Total</b>		<b>\$11,388,375</b>	<b>\$1,518,450</b>	<b>\$1,062,915</b>	<b>\$1,062,915</b>	<b>\$151,845</b>	<b>\$15,184,500</b>

### C. Overdue Charges 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 an overdue charge 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 an overdue charge of ten percent (10%) of the delinquent assessment.
3. Interest: In addition to other overdue charges, 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. Overdue Charges Merged with Assessment: Every overdue charge 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 May 1, 2025, or as soon as possible thereafter, and ending five (5) years from its start date. 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 assessable revenue collected from occupied 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 revenue collected for revenue from occupied rooms rented. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, overdue charges and interest) from each assessed lodging business. The City shall take all reasonable efforts to collect the assessment from each assessed 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, whose board seats are comprised of a majority of MTID lodging businessowners, and/or their representatives, 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 owners have voiced concerns that the City maintains funding for Visit Mobile at verifiable “baseline” levels. The baseline level of funding provided by the City shall be 37.5% of the total lodging tax receipts collected in the previous fiscal year. The City shall not increase the City Lodging Tax Rate by more than 2 percentage points above the current 8% during the MTID's term. Prior to any increase above 8% during the MTID term, the City shall impose and collect a tax on short-term rentals. 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 2024/2025 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

Property Name
Renaissance Mobile Riverview Plaza Hotel
The Battle House Renaissance Mobile Hotel
Mobile Marriott
Hampton by Hilton Inn & Suites Mobile- Downtown Historic District
Holiday Inn Mobile Downtown Historic District
Homewood Suites by Hilton Mobile I 65 Airport Boulevard
Home2 Suites by Hilton Mobile West I 10 Tillmans Corner
Tru by Hilton Mobile
Hampton Inn & Suites Mobile I-65@ Airport Blvd
Holiday Inn Mobile West I 10
Holiday Inn Mobile Airport
SpringHill Suites Mobile
Hampton Inn & Suites Mobile Providence Park/Airport
TownePlace Suites Mobile
Hilton Garden Inn Mobile West I 65 Airport Boulevard
Holiday Inn Express Mobile I-65
Hilton Garden Inn Mobile Downtown
Candlewood Suites Mobile Downtown
Holiday Inn Express & Suites Mobile - University Area
Homewood Suites by Hilton Mobile Airport-University Area
The Admiral Hotel
Family Inns of America - Mobile
Fairfield Inn & Suites Mobile
Residence Inn Mobile
Hampton by Hilton Inn Mobile - I-10/Bellingrath Gardens
Extended Stay America Mobile - Spring Hill
La Quinta Inns & Suites by Wyndham Mobile
Extended Stay America Mobile
Comfort Suites Mobile West Tillman's Corner
La Quinta Inns & Suites Mobile - Tillman's Corner
Courtyard Mobile
InTown Suites Mobile
Quality Inn Downtown Historic District Mobile
Quality Inn & Suites At Airport Blvd I-65
Bama Motel
InTown Suites Mobile West
Springdale Inn & Suites "COMFORT SUITES MOBILE"
Baymont Inn & Suites Mobile
Super 8 Mobile
Super Inn
Super 8 Tillmans Corner Parkway
Taylor Motel
Extended Stay Motel "AFFORDABLE HOUSING MOBILE LLC"
Home2 Suites by Hilton Mobile I-65 Government Boulevard
Drury Inn & Suites Mobile
Holiday Inn Express & Suites Mobile West I 10
SureStay Plus by Best Western Mobile I-65
Days Inn & Suites by Wyndham Mobile

Best Western Plus Mobile Inn & Suites
OYO Hotel Mobile, AL I-65 at Airport Blvd
Red Roof Inn Mobile
Motel 6 Mobile, AL – Airport Blvd
Fairview Inn & Suites
Quality Inn Mobile West Tillmans Corner
Beverly Motel
Econo Lodge Mobile
Budget Inn Downtown Mobile
Baymont Inn & Suites Mobile/Tillman's Corner
Red Roof Inn & Suites - Mobile SW I-10
Motel 6 Mobile
Days Inn by Wyndham Mobile I-65
Super 8 by Wyndham Mobile I-65
Days Inn North Mobile

**APPENDIX 2 – LAW**



**APPENDIX 3 – MOBILE AREA LODGING CORPORATION BYLAWS AND  
CERTIFICATE OF FORMATION**