



City of Desert Hot Springs

Spa Revitalization Information and Application

Spa Revitalization Incentive Program

The City of Desert Hot Springs recognizes the pivotal role that the tourism industry plays in our economic development. In our commitment to enhancing community appeal and preserving local assets, we have initiated the spa revitalization program.

Preserving and renovating our mineral spring spas is critical to maintaining the viability of the local industry.

This program is designed to encourage the renovation and preservation of our cherished mineral spring spas, ensuring their longevity, and contributing to the sustained growth of our vibrant local industry. We invite you to be part of this transformative initiative by completing the application below. Your commitment to the revitalization of our spas not only benefits your business but also strengthens the economic fabric of our city.

Operational Spa Properties

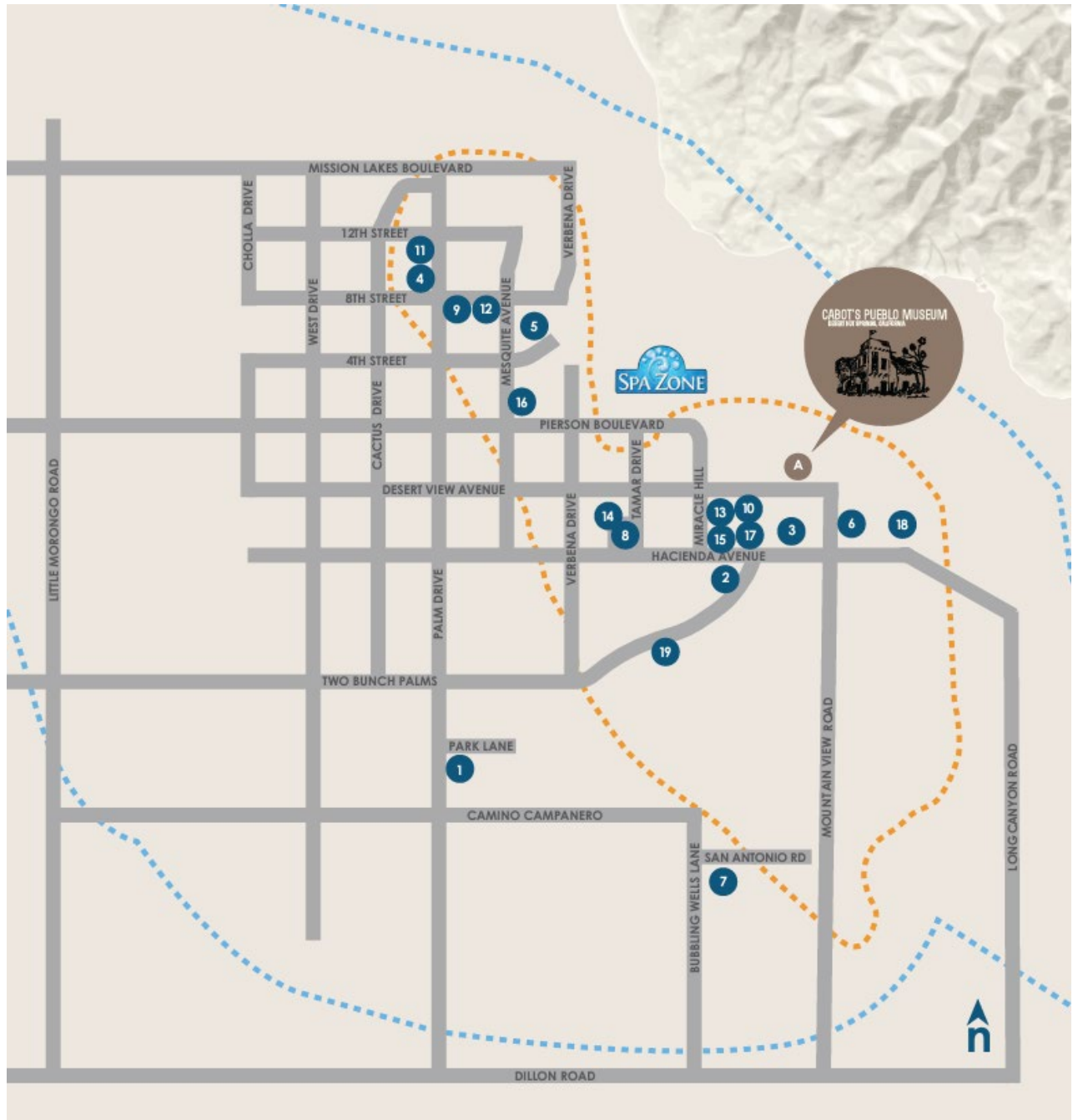
Operational spa properties that undergo renovations may apply to have 100% of the net increase in monthly Transient Occupancy Tax waived for up to 2 years, or in an amount not to exceed the cost of the renovation, whichever occurs first.

Non-Operational Spa Properties that are renovated after being purchased.

Non-operational spa properties that are renovated after being purchased may apply to have 100% of total TOT waived for a two-year period in an amount not to exceed the amount of renovation investment.

Location: Must be located on the water aquifer. See Exhibit 1.

Exhibit 1 (Water Aquifer Maps)



Use: Rooms are designed and intended as transient occupancy accommodations.

Status: Property must be clear of code compliance cases and all permits for renovations must have been obtained during the renovation process.

Qualified Renovation Program

Any improvement to the hotel qualifies. There is no minimum investment, minimum number of rooms, or type of investment.

Incentive Program Period

Two years or shorter. Incentive Program ceases before two years if the amount of the renovation investment is reached prior to the end of the two-year period or if there is a change in the majority ownership of the hotel.

Net Increase in TOT Calculation

Renovation must reasonably result in a measurable change in Transient Occupancy Tax.

Operational Hotels (renovated during or after being in operation):

Measurable change is defined as a measurable change in the amount of monthly Transit Occupancy Tax collected after renovations are completed. Qualifying properties may apply to have 100% of the net increase in monthly Transient Occupancy Tax waived for up to 2 years, or in an amount not to exceed the cost of the renovation, whichever occurs first.

Net Increase Calculation:

Total TOT collected during a single month PRIOR to renovations less
Total TOT collected during a single similar month FOLLOWING renovations
=
Net increase in TOT Amount and timing of distribution

Qualifying properties may apply to have 100% of the net increase in monthly Transient Occupancy Tax waived for up to 2 years, or in an amount not to exceed the cost of the renovation, whichever occurs first. Spa Properties must remit monthly reports to the Finance Department documenting TOT collected for tracking of waived TOT up to the cost of renovations.

Non-Operational Hotels (renovated after being closed or recently purchased)

Waive 100% of total TOT for a two-year period or in an amount not to exceed the amount of original renovation investment, whichever occurs first.

SPA Revitalization Application		
Last Name	First Name	MI
Applicant Email Address	Applicant Cell Phone	Applicant Home Phone
Resort Name	Resort Phone	Resort Fax
Resort Street Address	Resort Email	Number or Rooms
City	State	Zip Code
When did you purchase the property:		
Date you started renovations:	Date you completed renovations:	

List of Documentation Needed for Submittal:

- Receipts for all expenses.
- Photos of before and after of each renovation.
- Building Permits for all work (if applicable).
- Confirm that all TOT is paid up to date.
- Verify you have no outstanding code compliance issues or citations.
- Verify your business license is up to date.
- Validation of payment for the cost of renovation is required.
- Qualifying Spa Properties with TOT waivers in an amount not to exceed \$100,000.00 will be approved by the City Manager or his/her designee.
- Qualifying Spa Properties with TOT waivers in an amount exceeding \$100,000.00 will require an *Economic Subsidy Report* and attendance at a Public Hearing, prior to City Council approval.
- ***Program will terminate upon sale of a property or at any point in which a spa hotel receiving the benefit ceases to operate as a hotel.***

List of Improvements (Attach Receipts)

Type of Improvement	Date Completed	Total Cost
Exterior Improvements / Upgrades:		
Enter Description Here:		
Interior Improvements / Upgrades:		
Enter Description Here:		
Guest Room Improvements / Upgrades:		
Enter Description Here:		
Meeting/ Event Space Improvements:		
Enter Description Here:		
Add up all of the total expense for each of the improvements. Please attach all receipts and ensure that the receipts match what is submitted.		*Total Improvement Cost:

**Add all improvement costs together and ensure you have all receipts to validate the improvement costs.*

For more information, please contact Erick Becerril, Housing and Community Programs Manager, at (760) 329-6411, ext. 116 or Ebecerril@cityofdhs.org