

Meeting Minutes
September 21, 2108

The Mayor and Board of Commissioners of the City of Sweetwater met in a called meeting on Friday, September 21, 2018 at 11 a.m. Mayor Lowe called the meeting to order with Commissioners present being: Lamar Hughes, Sam Moser, Billy G. West, and Bill W. Stockton. A quorum was present.

A collection of local hotel owners were present to discuss the proposed occupancy tax. Mr. Nilesh Mistry of the Quality Inn spoke to oppose the tax. He made several points, including that their current occupancy is down 10% from last year. The hotels in Sweetwater employ 60-70 people and almost 500 rooms. He noted Sweetwater is a stopover location. He said we did not get corporate clients, which tend to go to Athens and Lenoir City so they can have better bars and restaurants open later at night. He noted that in years past, they would receive traffic off the Bristol race and off the UT games, but they now stopped in surrounding areas. He noted he had recently invested \$60,000 for sewer at the new restaurant because there was not enough sewer extended and no gas, so they had to buy a 1,000 gallon tank. This tax would put us in the higher end of the state in total taxes on hotel stays. Kevin Mistry with the Rodeway Inn noted that our hotels are mostly economy class and people are looking for the bottom line rates and a \$5 tax would make a difference. He noted Sweetwater's lack of bars and restaurants, saying he believes people sometimes choose other city's lodging that have more to do.

Mayor Lowe interjected that the city had spent considerable effort last year at the Eclipse to attract visitors. He noted it was important that everyone understand the purpose of this tax is to bring more tourism and hopefully staff a visitor's center, attract tour groups, add billboards, and increase tournaments. He noted the high mast lighting, which costs monthly electricity. The Mayor said he did not believe \$1.50 to \$3 on a room would deter someone to a neighboring city.

Commissioner West noted that the county lodging tax was 5%, asking them what they got for it- they replied nothing. He said he would like to see a tourism board for the city with hotel owners serving on it. He noted the street department had picked up many truckloads of brush at no extra charge and they certainly should agree that they get services provided by the city. He noted he was a senior and didn't agree that seniors would drive further and spend more in gas for a \$5 savings. He suggested working with the city and ask the county if they are willing to lower the county tax to match whatever the city passes.

Mr. Nilesh Mistry noted that if a 5% tax passes, Sweetwater would be the highest at 19.75% in the state. He noted that sports teams help the hotel business in Sweetwater and he would like to see events like reunions and car shows and conventions. He asked the board to find money another way and let them visit the county to encourage them spend more of the funding for Sweetwater instead of Madisonville and Tellico Plains.

Commissioner West noted he felt we should go ahead with the second reading and pass a rate, form a tourism advisory committee, and then approach the county and ask for a match.

Commissioner Hughes agreed the tax was needed and felt the board would vote to add it, so he stated he wanted to work with the owners and appreciated them. He requested they meet together and come up with a rate they could live with and come back Monday with that request.

Mr. Nilesh Mistry requested the board add a new tax to every business, not just hotels.

Commissioner Moser noted he would be willing to table the action to give the owners time to talk to the county. Mayor Lowe agreed that we would have the public hearing on October 1, 2018 as advertised and then they board could table the second reading if they wished. He supported the idea of an advisory board. He noted the upcoming bluegrass festival in May and the property at the interstate as some of the good things coming in the future.

Commissioner Stockton noted he would like to meet with the hotel owners and brainstorm about getting more restaurants to town. Mayor Lowe reiterated the city wants to enhance tourism and increase occupancy rates.

He adjourned the meeting at 12:15 pm.

This the 21st day of September, 2018

MAYOR

ATTEST:

RECORDER