
Fw: Public Comment Submission – Council Agenda Item 3.4 (Feb 10, 2026) – Transient Occupancy Tax (TOT)

From City Clerk <city.clerk@sanjoseca.gov>
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To Agendadesk <Agendadesk@sanjoseca.gov>

 1 attachment (210 KB)

Supplemental Implementation Guardrails (3 Pillars) — 4 pages.pdf;

Office of the City Clerk | City of San José

200 E. Santa Clara St., Tower 14th Floor
San Jose, CA 95113
Main: 408-535-1260
Fax: 408-292-6207

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From: Shyam Panchal <[REDACTED]>
Sent: Wednesday, February 11, 2026 10:57 PM
To: City Clerk <city.clerk@sanjoseca.gov>
Subject: Public Comment Submission – Council Agenda Item 3.4 (Feb 10, 2026) – Transient Occupancy Tax (TOT)

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City Clerk's Office,

Please accept this email and the attached document(s) as public comment / Letters from the Public for the San José City Council meeting dated February 10, 2026, regarding Agenda Item 3.4 (Transient Occupancy Tax – June 2026 Ballot Measure).

The attached materials include a supplemental policy proposal outlining implementation guardrails related to:

- Geographic equity / mitigation considerations
- Citywide demand generation and revenue resilience

- Transparency and annual reporting framework

Thank you for including this submission in the official record for this item.

Respectfully,

S.N. Panchal

First Maganson Holdings, Incorporated

Financial & Operations Officer

Clarion in Silicon Valley – South San José

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Shyam "Sean" Panchal

Financial Officer, First Maganson Holdings, Inc.

Silicon Valley: North & South San Jose, Cupertino, Monterey Bay California

Dear Mayor Mahan

I spent some personal time building a neutral model for Item 3.4, highlighting a 3-pillar approach that fosters equity mitigation, inspires citywide demand generation, and shows the benefits of citywide efforts.

RE: Equity / Mitigation Framework

Concept based on the City of Monterey – I had the privilege to be a part of that process.

- Maintains revenue neutrality
- Aligns assessment burden with convention proximity benefit
- Protects corridor hotels that do not experience compression
- Inspires event competitiveness citywide!

San José Tiered CCFD Model – Data-Driven Briefing

This briefing provides a structured option to improve geographic equity in San José’s Convention Center Facilities District (CCFD) by aligning the rate with proximity-based benefit from downtown convention activity. Based on the publicly available Team San José hotel inventory map list, create a property-by-property inventory, including room counts and stated distance from the Convention Center. Each property is assigned to a tier based on distance. Why this structure: Downtown hotels receive the strongest convention compression and walkable advantage; Outer corridors serve neighborhood and value-driven demand, with limited convention spillover; **Aligns burden with benefit WITHOUT reducing overall CCFD revenue.**

Tier	Definition	Hotels (count)*	Rooms (sum)*	Proposed CCFD Ra
Tier 1	0–0.5 miles (Downtown core / walkable)	8	2413	5.20%
Tier 2	0.5–4 miles (adjacent / airport / near-downtown)	23	2538	4.10%
Tier 3	4+ miles (outer corridors incl. Monterey corridor)	28	3449	2.87%

Brand-Class Room Count & ADR Assumptions

Brand Class	Hotels	Rooms
Economy/Budget	13	582
Extended Stay	10	1269
Luxury/Upper Upscale (Full Service)	2	1020
Midscale/Upper Midscale (Limited Service)	8	905
Other	15	1803

Upscale (Select Service)	2	409
Upscale/Upper Upscale (Full Service)	9	2412

To estimate revenue impacts, we apply segment-based ADR assumptions by brand class and uniform occupancy assumption. These assumptions can be replaced with actual ADR/occupancy data if available via City reporting, STR, or operator submissions.

Per-Property Impact

Largest modeled relief (outer corridors)				
Hotel	Tier	Rooms	Miles	Δ \$ (Proposed-Current)
DoubleTree by Hilton Hotel San Jose	T3 (4+ mi)	505	4.1	-379,651
Hotel Valencia Santana Row	T3 (4+ mi)	215	4.4	-198,934
Holiday Inn San Jose - Silicon Valley	T3 (4+ mi)	354	4.4	-174,009
Dolce Hayes Mansion	T3 (4+ mi)	214	6.4	-160,882
Courtyard by Marriott at San Jose North	T3 (4+ mi)	157	8.8	-118,030
Aloft Hotel Santa Clara	T3 (4+ mi)	175	9.0	-111,322
Four Points by Sheraton San Jose Airport	T3 (4+ mi)	196	4.5	-96,344
Residence Inn San Jose South	T3 (4+ mi)	150	11.5	-82,407
Largest modeled increases (downtown / near-downtown)				
Hotel	Tier	Rooms	Miles	Δ \$ (Proposed-Current)
Fairmont San Jose	T1 (0-0.5 mi)	805	0.1	789,802
San Jose Marriott	T1 (0-0.5 mi)	506	0.0	403,363
Hilton San Jose	T1 (0-0.5 mi)	353	0.0	281,397
Hyatt Place San Jose Downtown	T1 (0-0.5 mi)	234	0.1	157,838
The Westin San Jose	T1 (0-0.5 mi)	171	0.1	136,314
Fairfield Inn and Suites San Jose Airport	T1 (0-0.5 mi)	186	0.1	96,947
Four Points by Sheraton San Jose Downtown	T1 (0-0.5 mi)	86	0.5	44,825
Pacific Moter Inn	T1 (0-0.5 mi)	72	0.3	28,698

My thoughts on the Tiered CCFD Model: Mayor Matt, you can see, based on theoretical values alone, that there is a tremendous benefit from the CCFD improvements and General Fund Marketing, which directly benefit walkable-proximity hotels (table: per-property impact).

Why Should Council Re-Tier? 1. Assessments should correlate to measurable benefit – Powerful driver of competition within the tier to keep the foot on the gas pedal! (Sales, Marketing, Activations, and Repeatability) 2. Over-concentration increases volatility risk – Beat the Repeat Deficits 3. Those with the highest direct infrastructure benefit can bear the higher share. Ultimately, this will put the “drivers” in the driver's seat. Why now? Mega events create spikes, not foundations — which is why a repeatable demand strategy matters. The Three Pillars will encourage repeat behavior – stay tuned below.

We are modernizing allocation based on measurable benefit and long-term fiscal resilience

RE: Citywide Demand Generation Commitment = Revenue Resilience

A council commitment to strategize, stabilize, and grow TOT receipts over time by diversifying the demand base beyond convention-driven downtown occupancy. A citywide strategy could leverage existing corridor activation partnerships and arts stakeholders already working across multiple districts

A citywide strategy should include:

- Support for distributed event programming beyond the downtown core
- Sports and weekend visitation strategies that activate corridor submarkets
- Citywide marketing and itinerary development that benefits multiple hotel clusters
- Targeted reinvestment in visitor-facing improvements that support demand citywide

2026 shouldn't be a one-time sugar rush. Why did we raise taxes again?

RE: Transparency, Annual Reporting, and Measurable Outcomes

Layered as three tax buckets, General, Special, and CCFD Tax, we understand that the City Council must retain full discretion over budgeting decisions. However, the City's long-term credibility — and its ability to sustain voter trust — will depend on clear transparency and annual reporting that demonstrate outcomes. This would give powerful insight into week-to-week “activity”. Simply add a section to TOT Reporting to include prescribed periods for hotel statistics. Additionally, create a separate eTool to capture Demand, Distribution vs Investment and Expenses: Policing, Maintenance, Homeless response, Congestion Mitigation, Parking Management, etc. **Protect Council from competing claims and ensure decisions remain evidence-based- Right now, different groups are saying: “Arts is the engine,” “Downtown is the engine,” “Team San José is the engine,” “Convention Center is the engine,” “Visitors fund essential services,” “This is a general fund measure.”**

Without reporting, Council has no way to answer: “What actually worked?”

TOT DEMAND ROI Dashboard:

Revenue

- Total TOT collected
- TOT trend (3-year)
- % variance vs forecast

Demand

- Citywide occupancy trend
- Room nights (citywide)
- Convention vs non-convention mix

Distribution

- Submarket occupancy performance
- Submarket TOT contribution estimate

Investment

- High-level allocation categories
- Major funded initiatives

Expenses:

- Policing
- Maintenance
- Homeless response
- Congestion Mitigation
- Parking Management

Outcomes

- Top 5 measurable outcomes
- Top 5 risks / headwinds

Best Regards,

Shyam “Sean“ Panchal

San José Hotel Owner-Operator

San Jose, California