

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Thomas M. Miller, County Executive Officer
Submitted by: Jennifer Merchant, Principal Management Analyst

DATE: September 18, 2007

SUBJECT: Approve an agreement with the North Lake Tahoe Resort Association (NLTRA) in the amount of \$5,193,543 for Fiscal Year 2007-2008

Action Requested

Approve an agreement with the North Lake Tahoe Resort Association (NLTRA) in the amount of \$5,193,543 for Fiscal Year 2007-2008.

Background

The NLTRA was created in 1995 to help promote tourism and to recommend and fund infrastructure projects to enhance the built environment in North Lake Tahoe communities. The primary task of the NLTRA was to implement the 1995 North Lake Tahoe Tourism Development Master Plan (TDMP) and more recently its 2004 successor plan, the North Lake Tahoe Tourism and Community Investment Master Plan (TCIMP), through marketing, transportation and infrastructure development efforts. Each year the County negotiates an agreement with the NLTRA for disbursement and expenditure of Transient Occupancy Tax (TOT) dollars for these purposes.

In an effort to further strengthen elements of the NLTRA agreement, improve development of marketing activities through community and cooperative partnerships, and to set the stage for implementation of strategic initiatives over the remaining six years of accelerated TOT collections, a number of changes to the contract are proposed for the current fiscal year. These changes are also reflected in the attached Agreement Between the County of Placer and the North Lake Tahoe Resort Association and six attachments, including the Scope of Work, FY 2007-2008 Proposed Payment Schedule and FY 2007-2008 Tahoe TOT Budget, (Attachments A, B and C), as well as the new Community Marketing Program Grant Funding Criteria, Marketing Performance Review and Memorandum- Adopted by the NLTRA Board, February 2003, (Attachments D, E and F), which accompany the agreement. The recommended contract amount will fund administrative costs, direct marketing, program research, visitor information and support services and various infrastructure projects.

Issues

The FY 2007-2008 Contract has been amended through negotiations to address the areas of procurement and contract practices and procedures, community and cooperative marketing, transportation and infrastructure development strategies, and public participation. This contract reflects a comprehensive approach to continue tourism and infrastructure development while encouraging broad community participation.

Contract modifications have been made in seven key areas based on findings and recommendations in the "Independent Accountant's Report on Applying Agreed-Upon Procedures" completed by the County Auditor for Fiscal Year 2005-2006. Key areas targeted for improvement include General and Administrative Expense cost allocation, development of conflict of interest and procurement policies, reduction in cash holdings not insured by the FDIC, improvement Infrastructure Project tracking and other reporting systems, and increased promotion of lodging and conference facilities within Placer County.

This year's budget proposal and contract furthers acknowledges transit service improvements are key to growing the tourism economy. The agreement also continues to acknowledge a joint cooperative marketing effort with the Incline Village Crystal Bay Visitors Bureau in order to maximize marketing dollars and eliminate duplicative brand development efforts. It also requires final payment on aging loans from the Infrastructure Account to the Marketing Account that had been provided to maintain funding for marketing programs during FY 2003-2004 and 2004-2005.

The Resort Association continues work to develop a five-year (2007-2012), Matrix of Project Funding Needs that serves as a tool for prioritizing investment decisions through the life of the voter-approved two percent TOT increase. The prioritization document includes a mix of transportation and infrastructure projects and programs which have been established as priorities both in the Master Plan and through public workshops, and joint committee meetings with the NLTRA Board. Projects scheduled for review and funding consideration this year include development of a regional wayfinding signage program, Tahoe City Visitor Center expansion, analysis of a Performing Arts Center, bus shelter construction, design and engineering for a potential Squaw Valley Visitor Information Center, and development facilities associated with a Tahoe City Historic Walking Tour.

Fiscal Impact

The annual NLTRA contract is funded with a share of transient occupancy tax revenues generated in the North Tahoe TOT area along with any prior year Tahoe TOT fund balance carryover. For Fiscal Year 2007-2008, contract funding of \$5,193,543 is recommended in accordance with the approved TOT percentage. The contract final budget includes \$2,143,048 for marketing, \$1,015,500 for visitor support services/transportation and \$2,034,995 for capital improvements (infrastructure). Included in this contract amount is fund balance rollover from FY 2006-2007, in the

amount of \$936,457, and release of \$205,010 in reserves being held from FY 2001-2002. The fund balance consists of TOT revenue and interest collected in excess of the amount budgeted for that fiscal year.

- Attachments:
- A. Scope of Work with Placer County- FY 2007-2008
 - B. FY 2007-2008 Proposed Payment Schedule
 - C. FY 2007-2008 Tahoe TOT Budget
 - D. Community Marketing Program Grant Funding Criteria
 - E. Marketing Performance Reporting Document
 - F. Memorandum- Adopted by NLTRA Board, February 2003

**DESCRIPTION: AGREEMENT BETWEEN THE COUNTY OF PLACER AND THE
NORTH LAKE TAHOE RESORT ASSOCIATION**

**THIS AGREEMENT MADE AND ENTERED INTO THIS 18th DAY OF
SEPTEMBER, 2007 BY AND BETWEEN** the County of Placer, hereinafter referred to as
"COUNTY" and the North Lake Tahoe Resort Association, Inc., a California Nonprofit Public
Benefit Corporation, hereinafter referred to as "RESORT ASSOCIATION".

WHEREAS, the *1995 North Lake Tahoe Tourism Development Master Plan*
recommended the consolidation of the Tahoe North Visitors and Convention Bureau and the
North Lake Tahoe Chamber of Commerce into a Resort Association; and,

WHEREAS, the *North Lake Tahoe Tourism Development Master Plan* recommended a
Resort Association to oversee a full spectrum of tourism management functions, including
marketing and visitor services, and the development, planning, and implementation of
transportation and infrastructure projects; and,

WHEREAS, the COUNTY is desirous of obtaining certain services as recommended
by the *North Lake Tahoe Tourism Development Master Plan*, and its successor plan, the *North Lake
Tahoe Tourism and Community Investment Master Plan*, approved by the Placer County Board of
Supervisors on July 26, 2004; and,

WHEREAS, the NORTH LAKE TAHOE RESORT ASSOCIATION, Inc., a California
Nonprofit Public Benefit Corporation, has been organized under the Nonprofit Public Benefit
Corporation Law for public purposes, to promote, enhance, reinvigorate, coordinate, and
direct tourism for the economic betterment of the North Lake Tahoe, California region, and is
willing to perform certain services for the COUNTY to implement the *North Lake Tahoe
Tourism and Community Investment Master Plan*.

NOW, THEREFORE, for and in consideration of the mutual promises and
agreements herein contained, it is agreed by and between the parties hereto as follows:

I. SCOPE OF WORK

RESORT ASSOCIATION shall perform the Scope of Work as set forth in Attachment A,
attached hereto and incorporated herein by reference. Without restricting or otherwise
limiting the work to be performed as described in Attachment A, it is agreed the intent of
this Agreement is that the RESORT ASSOCIATION shall, in performing the work, do the
following: 1) provide a full spectrum of management activities for tourism marketing and
visitor services for the businesses of the North Lake Tahoe region; 2) undertake its

activities to implement in full the *North Lake Tahoe Tourism and Community Investment Master Plan*; and, 3) assist with the planning, development, and implementation of necessary public infrastructure improvements for the benefit of the North Lake Tahoe region.

The Scope of Work may be amended only upon written approval between the RESORT ASSOCIATION and the County Executive Officer; provided, however, that no such amendment shall increase the compensation paid hereunder without execution of a written amendment approved by the Board of Supervisors.

2. CONDUCT OF BUSINESS OF THE ASSOCIATION

- A. All board meetings of the RESORT ASSOCIATION shall be conducted in such a manner as to afford and encourage public attendance and participation. An agenda shall be prepared for each meeting of the board containing a brief general description of each item of business to be discussed or transacted at the meeting. No later than three (3) business days prior to the date of a meeting of the board, the agenda shall be posted at the meeting place and at other appropriate locations in the North Lake Tahoe community. The public shall be given an opportunity to attend each board meeting and to directly address the board on any item on the agenda and on the business of the RESORT ASSOCIATION generally.
- B. The RESORT ASSOCIATION need not discuss confidential matters involving litigation; attorney-client privileged matters, or personnel issues in public session. The RESORT ASSOCIATION shall make every effort to maximize public input into its decision-making process.
- C. To the extent monies received for projects and programs are expended by the RESORT ASSOCIATION or by a third party under grant from the RESORT ASSOCIATION for service and support in any amount greater than \$50,000, the RESORT ASSOCIATION shall utilize and require the third party to utilize a competitive bidding or procurement process. This process will ensure that the work is awarded in an impartial manner to the most responsive and best qualified contractor making certain that the projects and programs are accomplished in a cost-effective manner. This provision is not applicable to cooperative programs in which the RESORT ASSOCIATION is not a primary partner. Primary partner is defined as funding a 40 percent or greater share of service and support costs. This provision is also not applicable when service and support is being provided by a non-profit public benefit corporation that does not compete with other potential service providers. All service and support in an amount greater than \$50,000 must be accompanied by a scope of work and contract. This includes consecutive or phased projects and programs where services are provided by a single entity.
- D. Pursuant to findings and recommendations identified in the Independent Accountant's Report on Applying Agreed-Upon Procedures for the Fiscal Year Ended June 30, 2006, the following changes to operating procedures and policies shall be implemented by the Fiscal Year 2007-2008 deadlines identified below:

- 1) **Amendment of Organizational Bylaws- January 1, 2008 deadline- The RESORT ASSOCIATION shall submit to its membership for approval consideration of the following bylaw amendments:**
 - a. **Board of Directors approval of a Conflict of Interest Policy consistent with sections 5230 through 5238 of the California Corporations Code;**
 - b. **Board of Directors approval of a Procurement Policy consistent with Contract Item 2. C).;**
 - c. **Identify and define existing Committees, including roles, responsibilities and membership.**

- 2) **Reduction of Infrastructure Fund Holdings Uninsured by FDIC- Starting July 1, 2007 and ongoing-**
 - a. **In order to reduce financial risks associated with currently uninsured Infrastructure Fund holdings, the RESORT ASSOCIATION shall draw down any and all Infrastructure Funds being held for incomplete or designated future projects prior to additional allocation of Infrastructure Funds from the County Treasury. The funds will be allocated consistent with policy set forth in Items B.2.) and B.4.) of this contract;**
 - b. **January 1, 2008 deadline- The RESORT ASSOCIATION shall develop and implement a plan to deposit Infrastructure Funds in an insured account until such time that the funds are depleted;**
 - c. **January 1, 2008 deadline- The Finance Committee shall review and recommend for approval all investment decisions.**

- 3) **Infrastructure Project Tracking System- January 1, 2008 deadline- The RESORT ASSOCIATION shall work to develop and implement a mutually agreed to systematic updating and spreadsheet tracking system that includes Infrastructure project, program and funding status.**

- 4) **Reporting Formats- October 14, 2007 deadline- The RESORT ASSOCIATION shall prepare all monthly, quarterly and annual financial statements and reports to the COUNTY in the County TOT Budget format, Attachment C to this contract. Other departmental reports contained within the Quarterly Report shall be submitted following the format requested by the COUNTY. The Infrastructure Project Tracking System identified in Item 2 above shall also be included in each Quarterly Report.**

- 5) **Lodging Promotion- October 14, 2007 deadline- The RESORT ASSOCIATION Board of Directors shall work with County Executive Office staff to develop and implement a policy that enables all lodging properties in eastern Placer County to be listed under the lodging section of any and all websites developed and maintained with Placer County Transient Occupancy Tax funds.**

- 6) Conference Marketing and Booking- January 1, 2008 deadline- The RESORT ASSOCIATION shall work with County Executive Office staff to develop a policy that prioritizes marketing and booking of Placer County lodging properties and conference and related facilities. Methods that should be considered include multi-level commission and fee structures.
- 7) Allocation of General and Administrative Expenses- January 1, 2008 deadline. The RESORT ASSOCIATION shall allocate all General and Administrative Expenses consistent with Generally Accepted Accounting Practices, as identified in the Independent Accountant's Findings and Recommendations Report.
- 8) Failure to complete the actions in this section by the deadline dates identified will result in penalties defined in Section 5. G. 2.)

3. TERM AND TIME OF COMPLETION

The term of this agreement is from July 1, 2007 through June 30, 2008, and may be extended from year to year thereafter as provided in Section 12. RESORT ASSOCIATION agrees to complete all tasks and submit all reports and other duties as outlined within said Scope of Work.

4. PROGRESS REPORTS

RESORT ASSOCIATION shall submit such progress reports and information as may be requested by COUNTY, including, but not limited to, the following requirements:

- A. The RESORT ASSOCIATION shall provide quarterly written reports to COUNTY describing in general narrative form the work performed during that previous quarter under each of the categories set forth in the Scope of Work, including a summary recap of the budget expenditures for each such category as set forth in the Final Budget and for projects and programs as defined in the Scope of Work, and Return on Investment indicator data as outlined in the Marketing Performance Review document. The report shall describe the need to revise the Scope of Work to achieve the desired program objectives, if required, explain any unanticipated difficulties in achieving program objectives, and propose amendments to this Agreement as may be necessary to achieve the objectives of the parties. The RESORT ASSOCIATION shall provide a completed quarterly report to the CEO Tahoe Office no later than 45 days following the last day of each quarter. The COUNTY may request additional information regarding the activities of the RESORT ASSOCIATION, which shall be promptly provided.
- B. No later than May 31, 2008, the RESORT ASSOCIATION shall submit a Scope of Work and an accompanying budget request for the succeeding fiscal year. The request shall

include any suggestions for improvement of the Scope of Work and program objectives, and identify the costs thereof, if any.

- C. Prior to submittal to the COUNTY, the proposed budget and Scope of Work shall be made available for public review and comment by the RESORT ASSOCIATION in public forums at the Board of Directors and the following committee meetings: Chamber of Commerce, Finance, Infrastructure, Marketing, and Transportation. All comments and any response shall accompany the submittal to the COUNTY. Any RESORT ASSOCIATION partners, both public and private, who could be impacted by funding proposed to be included or excluded in the proposed budget will be notified in advance of the review and comment process.
- D. The RESORT ASSOCIATION shall have an annual audit of assets and liabilities performed and shall provide the same to the COUNTY within thirty (30) days of its completion. The COUNTY shall have the right to perform an audit of the financial records of the RESORT ASSOCIATION at its own cost at any time to verify payments and expenditures made under this Agreement. Upon request of the COUNTY, the RESORT ASSOCIATION agrees to make its financial record available to the COUNTY for any such review within a reasonable period of time.

5. COMPENSATION

A. MAXIMUM LIMIT

The RESORT ASSOCIATION'S total compensation, as set forth in Attachment B, shall reflect the amount approved annually in the Board of Supervisors Final Budget for the current fiscal year, as well as any subsequent budget revisions approved by the Board of Supervisors, and shall be based on approved percentage formulas and funding availability, including transient occupancy tax revenues and fund balance carryover, which may be adjusted, either positively or negatively, to reflect actual prior year fund balance.

Funding availability is net of County services. The amount provided for County services shall be based on the FY 2004-2005 Final Budget (as approved by the Board of Supervisors in November of 2004). The allocation for County services will be increased each year by the Consumer Price Index for a period of 5 years (CPI adjustment will be applied beginning in FY 2005-2006).

The approved amount shall represent full compensation for those activities and tasks described in the "Scope of Work" set forth as Attachment A, as well as any approved amendments to the Scope of Work per Section 2 of this Agreement. All expenses of the RESORT ASSOCIATION, including any expert or professional assistance, any travel or per diem costs, any administrative services, and any capital expenditures necessary to complete the Scope of Work will be paid only from the money identified for each specific purpose, and within the limits set forth above.

B. INFRASTRUCTURE ACCOUNT

- 1) FY 2007-2008 charges for Overhead and Administration in the Infrastructure Account may be up to but not exceed \$150,000.
- 2) Other than Overhead and Administration expenses noted above, action by the Board of Supervisors is required for the expenditure of infrastructure funds based on recommendations of the NLTRA Infrastructure Committee to the Resort Association Board of Directors and approval of NLTRA recommendations by the Board of Supervisors. No infrastructure funds shall be expended by NLTRA until Board of Supervisors approval is granted.
- 3) The NLTRA Infrastructure Committee shall continue to consist of twelve (12) members, with six appointed by the Board of Directors of the Resort Association, and six (6) appointed by the Placer County Board of Supervisors. At the end of a two-year term, either the Resort Association or the Board of Supervisors may reappoint members.
- 4) All interest on funds earned in the RESORT ASSOCIATION Infrastructure Account shall be applied back to the Infrastructure Account, allocated only to Infrastructure projects and not applied to other activity accounts. Expenditure of interest and carryover funds in the Infrastructure Account shall be in accordance with the approval process illustrated in Section B. 2). Any carryover from the previous fiscal year shall be allocated to each activity account based on the agreed to formula and shall not be expended by any other activity account. Fund balance shall be allocated to the activity account in which it originated.
- 5) Expenditure of Research and Planning funds allocated to the Infrastructure Account does not require Board of Supervisors approval, but shall be limited to expenditure on Research and Planning Activities that provide advance studies, concept or preliminary planning, technical fact-finding or analysis, data collection, community workshops, and public opinion surveys that lead toward the advancement of projects eligible for funding from the Infrastructure Account as outlined in the TCIMP, and as specified in the annual budget. A list of potential Research and Planning fund activities being considered for FY 2007-2008 is included in the Scope of Work, Attachment A.
- 6) Beginning in Fiscal Year 2006-2007, the RESORT ASSOCIATION shall over a three year period set aside \$2 million in Infrastructure Funds, in addition to the \$1.35 million already set aside of which \$650,000 has been expended, for a total project commitment of \$3.35 million, for expenditure on the Kings Beach Commercial Core Improvement Project. The funds will accrue to the Infrastructure Fund Account currently retained by the COUNTY.

C. MARKETING ACCOUNT

- 1) Beginning in Fiscal Year 2006-2007, the Marketing Account shall maintain a total 15 percent reserve of the total budgeted expenditures to provide for fluctuations in the Transient Occupancy Tax collected. The RESORT ASSOCIATION'S policy document on marketing reserve fund expenditure is included as Attachment F to this contract. If reserve funds are expended as called for in Attachment F, the funds will be reimbursed to the reserve account by the end of the following fiscal year.
- 2) Beginning in Fiscal Year 2006-2007, loans from the Infrastructure Account to the Marketing Account will be repaid to the Infrastructure Account only when account fund balance carryover funds from the previous fiscal year are available. If carryover funds are available, any remaining loan balance will be repaid. The parties agree that the \$159,015 loan balance are being withheld from FY 2006-2007 Fund Balance Carryover funds .
- 3) No Transient Occupancy Tax dollars shall be used for the purpose of operating or maintaining Central Reservations functions of the Central Reservations Department.
- 4) In order to meet the Tourism and Community Investment Master Plan goal of "conducting more direct marketing and sales in cooperation and coordination with its member businesses and constituents," and consistent with Attachment A, Scope of Work, a Community Marketing program shall allocate \$65,000 toward the development of special projects and programs that promote visitation to communities. The Community Marketing program will set aside \$50,000 to be allocated only after consensus recommendation of the RESORT ASSOCIATION'S Chamber Advisory Committee to the North Tahoe Business Association, Tahoe City Downtown Association, West Shore Association, Northstar Village Retailers Association and the Squaw Valley Business Association, based on pre-determined criteria. Attachment D to this contract includes the criteria list, as well as monitoring information required to determine ROI. The recommendation must then be approved by a majority vote of the RESORT ASSOCIATION Board of Directors. The remaining \$15,000 balance will be distributed through a similarly-approved Special Events mini-grant process. The Chamber Advisory Committee will consist of one representative each from the North Tahoe Business Association, Tahoe City Downtown Association, West Shore Association, Northstar Village Retailers Association, Squaw Valley Business Association, the COUNTY, and at a minimum, one representative from the RESORT ASSOCIATION/North Lake Tahoe Chamber of Commerce. As part of its consideration for continuation of this program, the RESORT ASSOCIATION agrees to codify this new committee in RESORT ASSOCIATION bylaws.
- 5) As identified in the Tourism and Community Investment Master Plan, the RESORT ASSOCIATION and PLACER COUNTY Executive Office Staff have developed and approved a mutually agreed upon set of Return on Investment indicators from the expenditure of all dollars expended by NLTRA for direct marketing promotion. The purpose of this requirement is to ascertain the effectiveness of the COUNTY'S investment in direct marketing and promotions services provided by the RESORT

ASSOCIATION. As recommended in the Master Plan, the specific set of ROI indicators developed shall use measurable objectives and tracking mechanisms, so that RESORT ASSOCIATION marketing program expenditures, as recommended in the TCIMP, can be "measured, tracked, and evaluated based on ROI." The resultant Marketing Performance Review Document is included as Attachment E to this document. An ROI data and analysis report will be provided to the Placer County Executive Office based on specifications agreed to by the Placer County Executive Office as part of the Bi-seasonal Marketing Collateral Reports. The summer report (April- September) is due no later than 45 days following the last day of the first quarter and the winter report (October- March) is due 45 days following the last day of the third quarter.

- 6) The RESORT ASSOCIATION has voted to enter into a Cooperative Marketing Agreement with the Incline Village Crystal Bay Visitors Bureau (IVCBVB). Consistent with the terms of the North Lake Tahoe Marketing Cooperative Participation Agreement between the RESORT ASSOCIATION and the IVCBVB, the following stipulations are also made part of this Agreement between the RESORT ASSOCIATION and the COUNTY.
 - a) No provision in the North Lake Tahoe Marketing Cooperative Participation Agreement shall be interpreted as to supersede or conflict with any provision of the current Agreement between the COUNTY and the RESORT ASSOCIATION as approved by the RESORT ASSOCIATION and the COUNTY.
 - b) The RESORT ASSOCIATION shall maintain and track a separate accounting of its Marketing and Administrative Expenditures as contributed to the Cooperative, along with an accounting of the combined Cooperative expenditures. Any and all administrative costs expended by the RESORT ASSOCIATION on behalf of the Cooperative and its partners shall be reimbursed to the RESORT ASSOCIATION by fair share allocation following review and approval by the COUNTY.
 - c) The RESORT ASSOCIATION shall include Marketing Performance Indicators based on the total annual expenditures of the North Lake Tahoe Marketing Cooperative as part of the RESORT ASSOCIATION'S adopted Marketing Performance Review Document, an updated copy of which shall be provided to Placer County as part of the RESORT ASSOCIATION'S Year End Report to Placer County.
 - d) Activities, including program oversight, and any decisions made by the Cooperative Marketing Committee, as defined in Section 8 of the North Lake Tahoe Marketing Cooperative Agreement, shall be consistent with the budget resources and marketing direction approved by the RESORT ASSOCIATION Board of Directors, in accordance with its approved Operating Procedures and Policies document.

D. VISITOR SUPPORT SERVICES ACCOUNT

- 1) Expenditure of Research and Planning funds allocated to the Visitor Support Services Account shall be limited to expenditure on Research and Planning Activities that provide advance studies, including plans, specifications and engineering, concept or preliminary planning, technical fact-finding or analysis, data collection, community workshops, and public opinion surveys that lead toward the advancement of projects eligible for funding from the Visitor Support Services Account as outlined in the TCIMP. A list of potential Research and Planning fund activities being considered for FY 2007-2008 is included in the Scope of Work, Attachment A.

E. PAYMENT SCHEDULE

- 1) Payments shall be made to the RESORT ASSOCIATION as set forth in Attachment B, entitled "Payment Schedule" for the term of this Agreement, predicated on the ongoing fulfillment of the terms of this Agreement, and based upon the receipt of progress reports as outlined in Section 4. The Payment Schedule for FY 2007-2008 will begin on September 15, 2007 or upon execution of this agreement. The Payment Schedule may be amended with the written approval of the County Executive Officer or his designee. Such amendment may include advance funding for administration, marketing, and transportation as mutually agreed upon by the parties; however, in no event shall such amendments create any additional liability to COUNTY, or additional compensation to RESORT ASSOCIATION without approval of the Board of Supervisors (i.e. any advance would be comprised of funds included within the NLTRA/Placer County budget and overall agreement amount).

Apportionment to the Infrastructure Account held by the COUNTY will occur at such time as the Placer County Board of Supervisors approves of the RESORT ASSOCIATION recommended infrastructure projects. Distribution to the RESORT ASSOCIATION shall be consistent with project progress as mutually agreed upon. Payments for new infrastructure projects recommended by the RESORT ASSOCIATION and approved by the Board of Supervisors shall first be funded with any existing TOT funds held by the RESORT ASSOCIATION in accordance with the requirement outlined in Section 2. D.2)a) prior to payments to the RESORT ASSOCIATION from the COUNTY infrastructure fund.

F. POLITICAL CONTRIBUTIONS

The RESORT ASSOCIATION shall not use any funds received under this Agreement for political contributions of any type. The RESORT ASSOCIATION may use budgeted funds received under this Agreement to obtain legislative advocacy services, so long as those services are exclusively utilized in a manner consistent with the intent and purpose of this Agreement and the duly adopted policies of the COUNTY regarding any issue for which such services are obtained by the RESORT ASSOCIATION. Such efforts may include advocacy for state and federal funding to implement identified infrastructure

projects, transit operations, and/or other legislative efforts consistent with the intent and purpose of this agreement that are allowable with respect to expenditure of public funds.

In the event that the RESORT ASSOCIATION engages in any other expenditures for legislative advocacy or political purposes utilizing its own funds, the RESORT ASSOCIATION shall certify upon the request of the COUNTY that all such expenditures are from funds other than those provided by this Agreement.

G. RIGHT TO WITHHOLD PROGRESS PAYMENTS

1. COUNTY, in its sole discretion, may withhold part or all of monthly payments, if the RESORT ASSOCIATION:
 - a) Does not comply with the requirements set forth in this Agreement; or,
 - b) Does not adhere to the Scope of Work, detailed work plans and key milestones for measuring progress; or,
 - c) Fails to take prompt and effective corrective action to remedy material variances from the Scope of Work, detailed work plans and key milestones for measuring progress.
2. In the event the RESORT ASSOCIATION fails to perform the following tasks in a timely manner, as prescribed below, the COUNTY will withhold a one (1) percent penalty of the total administration/overhead costs as outlined in the FY 2007-2008 budget, Attachment C, per occurrence.
 - a) Marketing Performance Indicator Data will be reported as part of the Bi-seasonal Marketing Collateral Reports, due to CEO Tahoe Office 45 days following the last day of the first (summer season) and third (winter season) quarters; and,
 - b) Quarterly Report due to CEO Tahoe Office no later than 45 days following the last day of each quarter; and,
 - c) Proposed Scope of Work for following fiscal year due to CEO Tahoe Office no later than May 31, 2008; and,
 - d) Proposed Budget for following fiscal year due to CEO Tahoe Office no later than May 31, 2008; and,
 - e) Actions completed by dates as identified in Section 2. D., Conduct of the Resort Association, in response to Findings and Recommendations resulting from the Independent Accountant's Report on Applying Agreed-Upon Procedures for the Fiscal Year Ended June 30, 2006.
3. Payments shall not be withheld unless and until COUNTY:

- a. Provides RESORT ASSOCIATION a written notice of intent to withhold payment; and,
- b. Allows RESORT ASSOCIATION fifteen (15) calendar days to respond and/or take corrective action(s).

6. RECORDS

A) RESORT ASSOCIATION shall maintain at all times separate, complete, detailed records of the funds with regard to work performed under this Agreement in a form acceptable to COUNTY, according to generally accepted accounting and internal control principles. COUNTY shall have the right to inspect such records at any reasonable time. Notwithstanding any other terms of this Agreement, no payments shall be made to RESORT ASSOCIATION until COUNTY is satisfied that work of such value has been rendered pursuant to this Agreement. Payments shall not be withheld unless and until COUNTY:

- 1) Provides RESORT ASSOCIATION a written notice of intent to withhold payment; and
- 2) Allows RESORT ASSOCIATION fifteen (15) calendar days to respond and/or take corrective action(s).

B) Records, progress reports, work papers, written or graphic material developed by RESORT ASSOCIATION in connection with its performance of services hereunder shall be, and shall remain after termination of this Agreement, the property of RESORT ASSOCIATION.

7. EMPLOYEES OF RESORT ASSOCIATION

All persons performing services for RESORT ASSOCIATION shall be independent contractors, or employees of RESORT ASSOCIATION and not employees of COUNTY. RESORT ASSOCIATION shall be solely responsible for the compensation of independent contractors and for the salaries and other applicable benefits, including Workers' Compensation, of all RESORT ASSOCIATION employees.

8. PERFORMANCE

The RESORT ASSOCIATION agrees that the performance of work and services pursuant to the requirements of this Agreement shall conform to high professional standards. Accordingly, RESORT ASSOCIATION, its agents and employees, shall not cause, through any oral or written statements, discredit to COUNTY, its officers, agents or employees.

9. HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

The RESORT ASSOCIATION hereby agrees to protect, defend, indemnify, and hold COUNTY free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character, including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by COUNTY arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the COUNTY) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the Agreement. The RESORT ASSOCIATION agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demands, or suits at the sole expense of RESORT ASSOCIATION. THE RESORT ASSOCIATION also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against the RESORT ASSOCIATION or the COUNTY, or to enlarge in any way the RESORT ASSOCIATION's liability, but is intended solely to provide for indemnification of COUNTY from liability for damages or injuries to third persons or property arising from RESORT ASSOCIATION's performance pursuant to this Agreement.

10. INSURANCE

RESORT ASSOCIATION shall file with COUNTY, concurrently herewith, a Certificate of Insurance, in companies acceptable to COUNTY, with a Best's Rating of no less than A: VII Showing.

A. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE

Consistent with Section 7, above, The RESORT ASSOCIATION shall provide Worker's Compensation insurance as required by applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 policy limit for bodily injury by disease, and \$1,000,000 each employee for bodily injury by disease.

If there is an exposure of injury to RESORT ASSOCIATION's employees under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Workers' Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to The County of Placer." RESORT ASSOCIATION shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

B. GENERAL LIABILITY INSURANCE

- 1) Comprehensive General Liability or Commercial General Liability Insurance covering all operations by or on behalf of RESORT ASSOCIATION, providing insurance for bodily injury and property damage liability for the limits of liability indicated below and including coverage for:
 - a) Contractual liability insuring the obligations assumed by the RESORT ASSOCIATION in this Agreement.
- 2) One of the following forms is required:
 - a) Comprehensive General Liability;
 - b) Commercial General Liability (occurrence); or
 - c) Commercial General Liability (claims made).
- 3) If RESORT ASSOCIATION carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:
 - One million dollars (\$1,000,000) each occurrence
 - One million dollars (\$1,000,000) aggregate
- 4) If RESORT ASSOCIATION carries a Comprehensive General Liability (Occurrence) Policy:
 - a) The limits of liability shall be not less than:
 - One million dollars (\$1,000,000) each occurrence (combined single Limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) for Products-Completed Operations
 - One million dollars (\$1,000,000) General Aggregate
 - b) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million (\$2,000,000).

C. SPECIAL CLAIMS MADE POLICY FORM PROVISIONS:

RESORT ASSOCIATION shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of COUNTY, which consent, if given, shall be subject to the following conditions:

- 1) The limits of liability shall not be less than:
 - One million dollars (\$1,000,000) each occurrence (Combined Single Limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) aggregate for Products Completed-Operations
 - One million dollars (\$1,000,000) General Aggregate
- 2) The insurance coverage provided by RESORT ASSOCIATION shall contain language providing coverage up to six (6) months following the completion of this Agreement in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

D. ENDORSEMENTS

Each Comprehensive or Commercial Liability policy shall be endorsed with the following specific language:

- 1) "The County of Placer, its officers, agents, employees and volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement between the Resort Association and the County of Placer."
- 2) "The insurance provided by the RESORT ASSOCIATION, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs mandated by the County of Placer and no insurance held or owned by the County of Placer shall be called upon to contribute to a loss."
- 3) "This policy shall not be canceled or materially changed without first giving thirty (30) days written notice to the County of Placer."

E. AUTOMOBILE LIABILITY INSURANCE

Automobile liability insurance covering bodily injury and property damage in an amount not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

II. CANCELLATION

This Agreement may be canceled by COUNTY or RESORT ASSOCIATION upon the giving of ninety (90) days advance written notice. Such notice shall be personally served or given by registered or certified United States Mail. In the event of cancellation by

COUNTY or RESORT ASSOCIATION, RESORT ASSOCIATION shall be paid for all work performed and all reasonable expenses incurred to date of cancellation with any remaining unexpended funds returned to COUNTY.

12. AMENDMENTS - YEAR-TO-YEAR EXTENSIONS

This Agreement may be amended in writing. It is contemplated by the parties that the COUNTY will continue to need the services such as those set forth in the Scope of Work to be performed for the benefit of the North Lake Tahoe area on a year-to-year basis, and that the RESORT ASSOCIATION will continue to be available, willing, and capable of providing such services on a year-to-year basis. In the event the parties are agreeable to extending this Agreement, the Agreement may be extended by amending Sections 1 and 5 to set forth a new Scope of Work and new compensation and payment schedule for each succeeding year.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

COUNTY OF PLACER, "COUNTY"

By: _____
Bruce Kranz
Chair, Board of Supervisors

Date: _____

**NORTH LAKE TAHOE RESORT ASSOCIATION,
"RESORT ASSOCIATION"**

By: _____
Roger Kahn, Chairman, Board of Directors
North Lake Tahoe Resort Association

Date: _____

Approved as to Form:

By: _____
County Counsel

Date: _____

List of Attachments:

- A- Scope of Work**
- B- Payment Schedule**
- C- FY 2007-2008 Budget**
- D- Community Marketing Program Eligibility Criteria**
- E- Marketing Performance Review Document**
- F- Marketing Reserve Account Policy**

**North Lake Tahoe Resort Association
Attachment A
Scope of Work with Placer County - FY 2007/2008**

Purpose

The adopted mission of the North Lake Tahoe Resort Association is to *"promote tourism and benefit business through efforts that enhance the economic, environmental, recreational and cultural climate of the area."* Specific to the agreement and contract between NLTRA and Placer County, the purposes of this Scope of Work are as follows: NLTRA shall 1) provide a full spectrum of management activities for tourism marketing and visitor services for the businesses of the North Lake Tahoe region; 2) maintain the commitments and implement the goals and objectives of the adopted NLTRA Strategic Business Plan; 3) undertake activities to implement in full the *North Lake Tahoe Tourism and Community Investment Master Plan* (approved by the NLTRA Board of Directors June 8, 2004 and by the Placer County Board of Supervisors July 26, 2004); and, 4) assist in the planning, development, funding and/or implementation of public transit and infrastructure improvements for the benefit of the North Lake Tahoe region, consistent with the Master Plan.

The Resort Association will implement this Scope of Work through the following functions and programs:

Resort Association Administration/Management Team

The purpose of NLTRA administration and its Management Team is to manage the full spectrum of Resort Association functions, including, but not limited to: marketing, advertising, group/conference marketing and sales, leisure sales, special projects, events and promotions, public and media relations, central reservations, marketing research and evaluation, visitor support services, visitor information services, economic development, infrastructure and transportation development. In addition, NLTRA administration is responsible for all the human resources, accounting and financial services, internal controls, budgets and forecasts, cash flow analysis, capital planning, and the accurate reporting required to support all of the NLTRA's functions and responsibilities. The NLTRA has an annual review of its Financial Statements and an Independent Auditors' Report prepared by Certified Public Accountants each year.

NLTRA Tourism Division: Marketing, Group/Conference Sales, Leisure Sales, Special Projects, Events & Promotions, Public and Media Relations, Central Reservations, and Visitor Information Services.

The mission of the NLTRA Tourism Division is *"to promote North Lake Tahoe as a travel destination with the purpose of increasing travel spending within the region, including year-round occupancy and length of stay, generating additional Transient Occupancy Tax (TOT) revenues, sales tax revenues and maximizing the exposure and promotion of North Lake Tahoe on a regional, national and international level."*

In the spring of 2007, the NLTRA prepared and adopted an update to its Three Year Marketing Strategy. This document (2007-2009) provides direction and focus for the NLTRA's tourism marketing strategies and investments. It also summarizes accomplishments associated with the previous Three Year Marketing Strategy (2005-2007).

Moving forward, the NLTRA will continue to aggressively promote tourism based on shared objectives among and between partners. This includes leveraging resources with local and regional partners, developing and executing coordinated marketing partnerships and programs in support of the North Lake Tahoe destination, and working in association with specific Community Marketing Partners to help promote the North Lake Tahoe region's individual neighborhoods, as defined in the "Neighborhoods of North Lake Tahoe" component of the *Pure Experiences* brand.

A core program in the NLTRA's marketing strategy is the North Lake Tahoe Marketing Cooperative (NLTMC), established in October 2006. Founding partners in this cooperative are the NLTRA and the Incline Village Crystal Bay Visitors and Convention Bureau (IVCBVB). The purpose and focus of the NLTMC is to promote the entire North Lake Tahoe region under one campaign umbrella. Marketing funds from both organizations are directed to a single, coordinated marketing effort, which includes Marketing and Advertising, Conference Sales, Leisure Sales, Public Relations and Web site Development programs. The goal of the NLTMC is to promote the North Lake Tahoe brand and further establish the unique identity of our region. This cooperative effort is planned and executed to set North Lake Tahoe apart from our competitors, create recognition and awareness for the destination, highlight the distinct personalities for each individual "neighborhood" within the region, and to encourage and capture visitor travel and return visitation, consistent with the adopted mission of the NLTRA Tourism Division.

The following is a summary of the focus and activities of each department within the Tourism Division:

Group/Conference Marketing & Sales

The purpose of this department and program is to attract group and conference business; specifically, to increase bookings to North Lake Tahoe from groups which come to the area for meetings, retreats, incentive trips and corporate conferences. A primary function is to identify and distribute group leads for lodging properties of all sizes to book group and conference business. Specific programs consist of an integrated media and marketing plan, trade show schedule, sales missions, and familiarization tours.

Leisure Marketing & Sales

This effort focuses on building regional, national and international tourism business for North Lake Tahoe through a variety of trade shows, familiarization trips, promotional programs, training for travel and reservation agents, and media and public relations.

This department serves as NLTRA's primary liaison with the cooperative tourism marketing programs available at the state level, and in cooperation with the California Travel and Tourism Commission, an industry advocacy and cooperative marketing organization. Leisure Sales also coordinates the marketing and sales of the NLTRA's increasingly popular Ski Tahoe North multi-resort Interchangeable Lift Ticket. During 2007/08, Leisure Sales will continue to build on the significant regional, national and international awareness and marketing momentum generated for the North Lake Tahoe destination through our success in hosting the 31st annual Mountain Travel Symposium at Squaw Valley/North Lake Tahoe in early April, 2006.

Special Projects, Events & Promotions

The function of the Special Projects Department is to develop and implement events, programs, and partnerships that drive increased visitation to North Lake Tahoe, with a focus, to the maximum extent possible, during "shoulder" and "off peak" seasons and times. Special Projects organizes and produces specific special events and promotions for which the NLTRA is the lead agency. The department also provides technical assistance and promotional support, as appropriate, to other special event producers in the community.

Special events produced and/or sponsored all or in part by the NLTRA include the Lake Tahoe Autumn Food and Wine Festival, the Fabulous Fall Festival, Learn to Ski Program, and the Big Blue Adventure Race. The Department Manager also serves as in-house NLTRA Web master, managing daily updates and maintenance for the NLTRA's Web Sites: www.GoTahoeNorth.com, www.onthesnow.com and www.mountaingetaways.com. The focus of the NLTRA's Web sites is to help brand and provide information about the North Lake Tahoe destination and vacation products, and drive sales opportunities, including bookings for lodging suppliers. Special Projects also actively manages information about North Lake Tahoe on the visitcaliforniasnow.com Web site (operated by the California Travel and Tourism Commission) and the visithighsierra.com site (operated by the High Sierra Visitors Council).

Public and Media Relations

This program focuses on efforts to increase public and media awareness of North Lake Tahoe as a premier year-round destination resort, to generate additional editorial coverage in national and regional publications, and to help expand the reach of NLTRA marketing and advertising campaigns. Press kits are assembled on CD and distributed twice a year - winter and summer. Various media familiarization trips are organized and supported throughout the year, and assistance is provided to writers on assignment. The Public Relations team also: 1) helps support the Media Center on www.GoTahoeNorth.com, to make it more useful to members of the media on assignment and/or those researching information about North Lake Tahoe; 2) provides input and support to the NLTRA's Video News Release (VNR) program and various other electronic media efforts to ensure a consistent and accurate depiction of North Lake Tahoe; and, 3) helps provide information regarding NLTRA and its programs and activities in the local community and surrounding areas.

Visitor Information Services

The NLTRA's goal with respect to Visitor Information Services is to provide high quality, comprehensive and convenient information services to area visitors. This information and the way in which it is presented is intended to enhance the experience of North Lake Tahoe and encourage longer stays and/or return visitation. The NLTRA employees knowledgeable staff and conducts detailed training as necessary for new or seasonal staff. The Tahoe City Visitors Center (open year-round) also provides referral services for NLTRA Chamber member businesses and gives members an opportunity to display their collateral. The Center serves as a "front counter" for Chamber membership services and provides a variety of public services, such the sale of ski tickets, concert tickets, and tickets for other area special events.

During the peak summer season, NLTRA operates a Visitor Information facility in Kings Beach located at North Tahoe Beach, near the intersection of highways 28 and 267 on property owned by the California Tahoe Conservancy.

Community Marketing Program

The purpose of the Community Marketing Program is to help coordinate with, and support the efforts of the NLTRA's community marketing partners and to improve the marketing and promotion of specific geographic areas within the region through the Neighborhoods of North Lake Tahoe component of the NLTRA's marketing efforts. Program goals include diversifying and promoting special events, promoting community vitality and hospitality, and helping to fund community marketing collateral and other projects as described in the adopted Community Marketing Program Grant Funding Criteria. A portion of the grant funds available is set aside to help support and promote regional special events. An important focus of the Community Marketing Program is to help ensure an enjoyable guest experience and stimulate return visitation to the area.

Support for Other Marketing Programs

Annually, by agreement with specific entities, the NLTRA provides financial support as a partner in several regional marketing programs. These include the Placer Lake Tahoe Film Office, North Tahoe Conference Center, Sierra Ski Marketing Council, Regional Marketing Committee, and the North Lake Tahoe Wedding and Honeymoon Association.

Visitor Support Services (Transportation) and Infrastructure Development

In the spring of 2007, the NLTRA completed and adopted the annual update of its Integrated Infrastructure and Transportation Work Plan and Long Range Funding Plan. The Integrated Work Plan is an "action plan" for FY-2007/08, which includes project priorities, descriptions, lead agencies and partners. It also estimates funding requirements, suggests times frames for project completion, and quantifies "flexible funding" requests for transportation projects. The Long Range Plan (2007-2012) is prepared as a tool to assist in budgeting, evaluating additional projects which may be proposed, and establishing longer-term investment priorities.

Visitor Support Services (Transportation)

The Visitor Support Services allocation provides the base funding for the NLTRA's funding contributions to Placer County's Tahoe Area Regional Transit (TART) system to provide additional transit services in the area, including added service during peak periods. During summer, this includes a comprehensive day and evening trolley service program. During winter, enhanced service is provided along the Highway 89, 28, and 267 corridors, with a particular focus on providing connectivity to ski areas for resort employees, skiers, other resort guests, and the general public.

Visitor Support Services also funds annual peak season traffic management programs - the "Tahoe City Three Lane Program" in winter, and the "Fanny Bridge Program" in summer. In FY-2007/08, a traffic management program for key intersections on Highway 28 in Kings Beach will be explored and may be implemented, if effectiveness is anticipated.

Infrastructure Development

Consistent with the direction and goals of the adopted *North Lake Tahoe Tourism and Community Investment Master Plan*, and projects specifically expressed in the 2007/2008 Integrated Infrastructure/Transportation Work Plan and Budget, this department will continue to initiate, participate, monitor and report on the progress and status of projects and programs funded through the Infrastructure Account.

Research and Planning

Annually, NLTRA engages in Research and Planning activities that provide advance studies, concept or preliminary planning for projects or programs, technical fact-finding or analysis, data collection public opinion surveys, community workshops, and partnership development that lead to the advancement of Infrastructure and Transportation Projects or other work projects/programs to further implementation of the adopted *North Lake Tahoe Tourism and Community Investment Master Plan*.

Other Services and Activities

PATHWAY Multi-Agency Regional and Community Based Planning Process

The NLTRA continues its active involvement in the PATHWAY planning process. The ultimate outcomes of this process are to include the preparation and adoption of a new 20 year TRPA Regional Plan, a new Tahoe Land and Resources Management Plan for the U.S. Forest Service, and new water quality standards and regulations based on development and implementation of a Tahoe Maximum Daily Load (TMDL) plan for Lake Tahoe. This is a planning process with significant ramifications and consequences for the NLTRA/North Lake Tahoe Chamber of Commerce membership and the NLTRA's many partners, including Placer County. The NLTRA Executive Director represents the NLTRA and the "community business" sector on the PATHWAY 2007 Forum. The NLTRA Director of Community Partnerships and Planning is active in support of Placer County/TRPA Place-Based planning efforts specific to Lake Tahoe communities within Placer County.

Maintaining & Developing Partnerships

NLTRA will continue to use staff time and resources to maintain, enhance and develop and new partnerships, so that NLTRA funds for infrastructure, transportation, and marketing projects and programs are leveraged with other funds to the maximum extent possible. For infrastructure and transportation projects, this effort involves working with a variety of local, regional, state, and federal agencies to help develop funding and implement projects. For marketing projects and programs, NLTRA's Tourism Division works with a variety of local, regional, and state partners to develop and deliver leveraged investments and opportunities.

Partnerships with Placer County

NLTRA is committed to continuously improving communications and the productivity of its partnerships with Placer County. These include work with the County Executive Office and the Board of Supervisors, Public Works and TART, the Placer County Redevelopment Agency, Office of Economic Development, Planning, Public Information, Facilities Services, Office of the Auditor/Controller; along with the Placer County Transportation Planning Agency, the Lake Tahoe Placer Film Office and the Placer County Visitor Council.

Other NLTRA Services Not Funded or Included in the NLTRA/Placer County Contract

Central Reservations

Central Reservations is a transaction conversion service designed to help convert marketing programs and expenditures into sales and revenue. Central Reservations provides visitor information and awareness of North Lake Tahoe as a destination resort region. It packages and sells ski tickets and other recreation attractions and services. It is anticipated that the manner in which such services are provided in the future will change during FY-2007/08.

North Lake Tahoe Chamber of Commerce

The North Lake Tahoe Chamber of Commerce is operated under the umbrella of the NLTRA, which provides management, fiscal governance and program and policy support. The Chamber's mission is *"to take specific actions to help improve the opportunity for local businesses to achieve and sustain success; to promote business, tourism, and the economic cultural and civic welfare of the greater North Lake Tahoe community."* Funding for the Chamber comes solely from memberships and program revenues. The Chamber promotes member business and helps support the NLTRA's mission to provide quality visitor information. Chamber programs and events include educational seminars and workshops, community forums, membership mixers, luncheon programs, and an annual job fair, business and community organization trade fair, and community awards dinner. A comprehensive set of Chamber objectives and actions in support of the objectives is set forth in the adopted Chamber of Commerce Business Plan.

ATTACHMENT B

FY 2007-2008 Payment Schedule

PAYMENT #	PAYMENT DUE DATE	PAYMENT TO NLTRA	PAYMENT TO COUNTY INFRASTRUCTURE ACCOUNT
1.	Oct. 1, 2007	559,758	305,835
2.	Nov. 1, 2007	279,879	152,916
3.	Dec. 1, 2007	279,879	152,916
4.	Jan. 1, 2008	279,879	152,916
5.	Feb. 1, 2008	279,879	152,916
6.	March 1, 2008	279,879	152,916
7.	April 1, 2008	279,879	152,916
8.	May 1, 2008	279,879	152,916
9.	June 1, 2008	279,879	152,916
10.	July 1, 2008	279,879	152,916
11.	Aug. 1, 2008	279,879	152,916
Totals		\$3,358,548	\$1,834,995
(1) (2)			(3) (4)

- (1) FY 2007-08 Proposed Budget includes a total of \$5,193,543 for the NLTRA contract.
- (2) Payment Schedule is predicated upon receipt of Transient Occupancy Tax funds at the budgeted level and will be adjusted to reflect the FY 2007-2008 Final Budget.
- (3) Apportionment to Infrastructure Account held by Placer County until such time as the Placer County Board of Supervisors approves of NLTRA recommended infrastructure projects.
- (4) Payments for projects funded from the Infrastructure Account shall be consistent with project progress as mutually agreed upon. Payments for new infrastructure projects recommended by the Resort Association and approved by the Board of Supervisors shall first be funded with undesignated TOT funds currently held by the Resort Association prior to payments to the Resort Association from the County Infrastructure fund.

FY 2007-2008 TAHOE TOT PROPOSED BUDGET

MARKETING	PROPOSED BUDGET	VISITOR SUPPORT SERVICES	PROPOSED BUDGET	TAHOE CAPITAL IMPROVEMENTS	PROPOSED BUDGET	PROPOSED TOTALS
RESORT ASSOCIATION CONTRACT:						
Personnel/Overhead - Direct Costs	798,822	Personnel/Overhead - Direct Costs	94,000	Personnel/Overhead - Direct Costs	160,000	1,098,822
Direct Marketing/Programs	793,464	Research and Planning	26,000	Research & Planning	40,000	98,000
Conference Marketing (VCS)		Membership	6,000	Membership	10,000	16,000
Flicer Co Film	34,400	Transportation/Transit Programs	847,500	Capital Improvements - Requires BOS Approval	1,834,996	847,500
Community Marketing Fund	66,000	Traffic Management Program	44,000	(County retains until BOS Approval)		44,000
Unallocated Marketing Funds	204,722					204,722
SUBTOTAL - RESORT ASSOC CONTRACT	2,143,948	SUBTOTAL - RESORT ASSOC CONTRACT	1,978,600	SUBTOTAL - RESORT ASSOC CONTRACT	2,034,996	5,193,643
		Reserve	0		0	0
SUBTOTAL - COUNTY SERVICES	26,898	SUBTOTAL - COUNTY SERVICES	109,327	SUBTOTAL - COUNTY SERVICES	212,899	347,924
TOTAL FUNDING USES	2,188,746	TOTAL FUNDING USES	1,123,927	TOTAL FUNDING USES	2,247,894	8,841,467
HOTEL/MOTEL TAX REVENUE:						
Tahoe Share of 8% TOT	1,648,924	Tahoe Share of 8% TOT	464,242	Tahoe Share of 9% TOT	601,634	2,834,800
Tahoe Share of 2% TOT	0	Tahoe Share of 2% TOT	0	Tahoe Share of 2% TOT	1,488,200	1,488,200
SUBTOTAL - HOTEL/MOTEL TAX	1,648,924	SUBTOTAL - HOTEL/MOTEL TAX	464,242	SUBTOTAL - HOTEL/MOTEL TAX	2,099,834	4,400,000
INTEREST EARNINGS	0	INTEREST EARNINGS	0	INTEREST EARNINGS	0	0
Fund Balance Carryover 01-02	86,106	Fund Balance Carryover 01-02	23,680	Fund Balance Carryover 01-02	96,380	208,000
Fund Balance Carryover 06-07	204,722	Fund Balance Carryover 06-07	87,371	Fund Balance Carryover 06-07 (incl. mktg. loan pymt.)	834,374	938,487
(Amount in less final repayment of loan to Infrastructure Fund)		Flex funding from Infrastructure (county-approved transit services)	519,864	FLEX TO VSS ACCT (county-approved transit services)	(619,864)	0
Flex funding from Infrastructure (100% for community marketing)	30,000		0	FLEX TO MARKETING ACCT (community marketing)	(30,000)	0
TOTAL FUNDING SOURCES	2,189,746	TOTAL FUNDING SOURCES	1,123,927	TOTAL FUNDING SOURCES	2,247,894	5,641,467
NET COUNTY COST	0	NET COUNTY COST	0	NET COUNTY COST	0	0
						31-Aug-07

Community Marketing Program Grant Funding Criteria

The North Lake Tahoe Resort Association (NLTRA) has adopted criteria by which an application for funding from the NLTRA Community Marketing Program is considered for approval.

To ensure your application qualifies for the review process, please carefully profile your proposal against the criteria set forth below prior to submitting your application.

Program Purpose

The North Lake Tahoe Resort Association Community Marketing Program has been established to help provide marketing and promotional support to business organizations in the North Lake Tahoe area of eastern Placer County for purposes which coordinate with the NLTRA's overall marketing strategy and programs for the region. It is recognized that the marketing and promotional activities of community based business organization are an essential component and marketing and promotional efforts designed to encourage both new and returning visitation. The vitality and hospitality generated by North Lake Tahoe's community business organizations are also important to these efforts

Eligibility Criteria

To establish eligibility for consideration, one or more of the following criteria shall apply:

- The request is to help support marketing collateral, promotional activities, or advertising which enhances and promotes the commercial/geographic area of the requesting organization. Such collateral, promotional activities or advertising shall be consistent and coordinated with the "brand advertising" for the North Lake Tahoe as approved and supported by the NLTRA.

- The request is to help develop a unique theme and/or logo/identity for the commercial/geographic area of the requesting organization.

Such collateral, promotional activities, advertising or themes/identities may include, but not necessarily be limited to the following: maps, brochures, local business directories, banners, flags or similar promotional devices or products, special events, logos, media or direct consumer advertising, and web site development.

Eligible applications shall also be consistent with the following:

- The request is matched or otherwise leveraged with other funds raised by the requesting organization.
- The request is consistent with the adopted mission or purpose of the organization which is making the application.
- The Product or activity funded with the Grant is consistent and coordinated with the "brand advertising" for North Lake Tahoe as approved and supported by the NLTRA.

Note: The responsibility for review, consideration and recommendations for approval of funding applications submitted to the NLTRA's Community Marketing Program shall rest with the North Lake Tahoe Chamber of Commerce Advisory Committee. Committee recommendations shall be submitted to the NLTRA Board of Directors for final approval.

Required Documentation

The following documentation must be submitted with all grant applications. Applications submitted with incomplete information or documentation will NOT be reviewed.

To be considered complete, an application form must include the information requested below:

- 1) a detailed description of the proposed project, its purpose, how it is consistent with the organization's mission or purpose and how it is consistent with the *North Lake Tahoe Tourism and Community Investment Master Plan*.
- 2) a copy of overall Project Budget, with percentage of funding being requested from the NLTRA Community Marketing Program and the source(s) of other funding to support the Project Budget.
- 3) a description of how the success of the project will be measured. (if applicable, for example, if the request is funding for a special event or other project the results of which can be measured).

Community Marketing Program Special Event Grant Funding Criteria

If the Community Marketing Program application is for a special event, the following additional information must be provided to complete the application process. To ensure your application qualifies for the review process, please carefully profile your proposal against the eligibility criteria as listed in the Community Marketing Program Grant Funding Application Form as well as the Special Event Criteria as listed below.

- The event must be held in the North Lake Tahoe area, as further defined by the service area of the requesting organization.
- The timing of the event shall be consistent with the following principle as set forth in the *North Lake Tahoe Tourism and Community Investment Master Plan*:

"To the maximum extent possible, publicly funded marketing efforts should focus on encouraging visitation during other than peak periods when our area's social and physical infrastructure is challenged."

- Events that generate local and regional exposure and public relations value will be given primary consideration.

Required Documentation

The following documentation must be submitted with all grant applications for special events. Applications submitted with incomplete information or documentation will NOT be reviewed.

To be considered complete, a special event application form must include all information requested above, under the Community Marketing Program Eligibility Criteria and Required Documentation, plus the additional information requested below:

- 1) An event budget which includes (if applicable) projected revenues, expenses and net profit, if any.
- 2) A clear, defined written event promotional plan.
- 3) A certificate of event insurance, if applicable, submitted to the NLTRA prior to the event. On a case by case basis, the NLTRA may require that it be named as an "Additional Insured".

Multi-Year Events and On-Going Funding

In addition to the documentation required above, multi-year events must submit a detailed plan of how the event will become self-sustaining after three years.

General Criteria

- Producer must reapply for funding each year.
- Funding is limited to a maximum of three years for any given event.
- Events will be evaluated for fulfillment of original criteria to qualify for a recommendation of on-going funding.
- The opportunity for on-going funding will be subject to the availability of budget resources in the NLTRA Community Marketing Program.

Post-Event Reporting to the NLTRA

All events must submit the following documentation within 60 days after the event to the NLTRA/Chamber of Commerce Advisory Committee:

- Complete and verifiable event financing and accounting.
- Complete documentation of how the Grant Funds were spent.
- Complete promotional recap.
- Samples of all collateral, advertising, public relations and any other promotional materials. Note that such materials should acknowledge the support of the NLTRA, and may include the NLTRA logo, if appropriate.
- Event Evaluation, including an updated plan of how the event will become self-sustaining within the time limits (three years total) as outlined above.

Multi-year events may apply for continued funding by submitting a new application which includes the "Post Event" information as required above.

Note: Applications for the Community Marketing Program and any invoices for payment based on an approved application, shall be sent to the NLTRA as follows:

Ms. Kym Fabel, Manager
North Lake Tahoe Chamber of Commerce
PO Box 884
380 North Lake Boulevard
Tahoe City, CA 96145
530-581-8764
kym@PureTahoeNorth.com



North Lake Tahoe Resort Association
Tourism Division

Marketing Performance
Reporting Document

Marketing Performance Reporting Document

Introduction

The purpose of this document is to guide the North Lake Tahoe Resort Association (NLTRA) through the process necessary to implement actionable and credible performance reporting. Throughout the implementation process, two questions are asked on a regular basis: "Are we measuring the right things? Are we measuring things right?"

The basis of this document has been derived from the International Association of Convention and Visitor Bureaus (IACVB) *Recommended Standard CVB Performance Document* (February 2005), a culmination of intensive, industry-wide efforts providing a systematic, business minded approach to internal performance assessments.

Definition of Terms

Activity: A physical action taken by the NLTRA Tourism Division that ultimately supports its mission.

Performance Measure: A measure that helps to define and quantify the results of an NLTRA activity. Implementation of this system of measures will yield actionable tools that NLTRA staff can use for short- and long-term program and expenditure improvements.

Productivity Metric: A metric that illustrates the relationship between the NLTRA performance measure and its resources.

It is important to clearly delineate the difference between a *Performance Indicator* and a *Performance Measure* as these two terms are often used interchangeably. A *Performance Indicator* is a number that illustrates the performance of the travel and tourism industry or one of its industry sectors: hotel occupancy, airport arrivals, attraction attendance, and restaurant (tourism?) employment. A *Performance Measure* is a number that measures the results of NLTRA activities.

The IACVB recommends that Productivity Metrics be designed with the intent to establish a benchmark year and recalculate these metrics regularly (e.g., quarter end, year-end). By examining these metrics over time, the NLTRA will be able to monitor its progress toward achieving the desired resource efficiencies.

Marketing & Communications Performance Reporting

Fundamental Mission of the Marketing & Communications Function

"To increase visitor volume, visitor spending and economic impact for the destination by developing awareness and preference."

Marketing & Communications Definitions

The following are standard definitions for key marketing activities and measures:

Advertising (source: American Association of Advertising Agencies)

Frequency: Average number of times households or persons viewed a given program, station or advertisement during a specific time period. This number is derived by dividing the Gross Rating Points (GRP) by the Reach.

Gross Rating Points (GRP): A unit of measurement of audience size. It is used to measure the exposure to one or more programs or commercials, without regard to multiple exposures of the same advertising to individuals. One GRP = 1% of TV households.

Reach: Unduplicated number of individuals or households exposed to an advertising medium at least once during the average week for a reported time period.

Gross Impressions: Sum of audience, in terms of people or households viewing, where there is exposure to the same commercial or program on multiple occasions. Two gross impressions could mean the same person was in the audience on two occasions or that two different people had been exposed only once.

Public Relations (source: Institute for Public Relations)

Advertising Equivalency: A means of converting editorial space in the media into advertising costs, by measuring the amount of editorial coverage and then calculating what it would have cost to buy that space, if it had been advertising.

Circulation: The number of those who might have had the opportunity to be exposed to a story that appeared in the media. Sometimes referred to as "opportunity to see". An "impression" usually refers to the total audited circulation of a publication or the audience reach of a broadcast.

Internet/Web Site (sources: Interactive Advertising Bureau; Jupitermedia)

Ad Click: Number of times users click on an ad banner.

Ad Views (Impressions): Number of times an ad banner is seen by visitors.

Banner: An ad on a web page that is usually "hot linked" to the advertiser's web site.

Click Through: Percentage of ad views that result in an ad click.

Jump Page: A jump page, also known as a splash page, is a special web page set up for visitors who click on a link in an advertisement. Jump pages can be used to promote special offers or to measure a response to an advertisement.

Hot Link: An electronic connection between two web sites.

Page Views: Number of times a user requests a web page that may contain a particular ad.

Unique Visit: Number of different individuals who visit a web site within a specific time period.

Performance Measurements

Advertising/Promotions

- Total Reach
- Total Frequency
- Gross Impressions
- Total value of Media Placed
 - Paid Media
 - Coop Media
 - In Kind/Barter Media
 - Unpaid Media
- Number of Coop Partners
- Number of new entries in consumer database

Inquiries/Conversion

- Number of brochures requested (online and phone)
- Number of consumer calls handled via Lake Tahoe Central Reservations
- Number of consumers registering on web site to receive information
- Number of opt-in email addresses

Online Activity

- Number of Pay Per Click keywords purchased
- Time spent on consumer website
- Number of web pages of content developed
- Number of user sessions
- Number of unique users
- Number of repeat visits
- Search engine referrals
- Search engine results
- Email open rate
- Email click-through rate
- Page views to packages page

Media/Public Relations

- **Media Trade shows**
 - Number of Trade shows attended
 - Number of appointments
 - Number of qualified media in attendance
- **Media Missions**
 - Number of media missions
 - Number of coop partners
 - Number of media contacts
- **Media Familiarization Tours (FAMs)**
 - Number of FAMs
 - Number of qualified media participating
 - Number of publications represented
- **Press Releases**
 - Number of press releases issued
 - Number of press releases downloaded from web site
- **Number of Media Inquiries**
- **Number of Media Interviews**
- **Placements**
 - Total number of placements
 - Regional vs. National
 - Domestic vs. International
- **Number of impressions**
- **Advertising equivalency**

Bookings

- **Lake Tahoe Central Reservations/Online**
 - Number of room nights booked
 - Revenue per room night
 - Average length of stay
 - Agent conversion rate
 - Packages purchased via phone and online
- **Online Ticket Sales**
 - Tickets sold online
 - Ticket revenue
 - Ticket commission

Event Marketing

- **Number of events supported**
- **Number of events produced**

VCB Convention Sales Performance Reporting

Fundamental Mission of the Convention Sales Function

"To generate visitors (delegates), visitor (delegate) spending and economic impact for the destination by booking events at the destination's lodging and convention facilities."

APEX Convention Industry Definitions (Source: APEX or Accepted Practice Exchange, is a Convention Industry Council initiative whose mission is to *bring together all stakeholders in the development and implementation of industry-wide accepted practices which create and enhance efficiencies throughout the meeting, convention and exhibition industry.*)

The following are standard definitions for key marketing activities and measures:

VCB Convention Sales Industry Definitions

The following are standard definitions for key marketing activities and measures:

Convention: An event where the primary activity of the attendees is to attend educational sessions, participate in meetings/discussions, socialize, or attend other organized events. There is a secondary exhibit component.

Meetings: An event where the primary activity of the attendees is to attend educational sessions, participate in meetings/discussions, socialize, or attend organized events. There is no exhibit component to this event.

Trade Show/Exhibition: An event where the primary activity of the attendees is to visit exhibits on the show floor. These events focus primarily on business to business relationships.

Site Inspections: Personal, carefully investigation of a property, facility, or area.

Citywide (or Area-wide) Event: An event that requires the use of a convention center or event complex and multiple lodging properties in the host city (or area).

Attendees: A combination of delegates, exhibitors, media, speakers, and guests/companions who attend an event.

Delegates: Individuals who attend an event to primarily visit the exhibits or attend meetings and /or conference sessions. This excludes exhibitors, media, speakers, and companions.

Exhibitors: Those who attend an event to staff an exhibit.

Peak: Referring to the night during an event when most rooms are occupied by those in attendance.

Additional Convention Industry Definitions (Source: Travel Industry Association of America)

Direct Spending: All expenditures associated with an event that flow into the host destination's local economy. Direct spending includes attendee spending, exhibitor spending and event organizer spending.

Economic Impact: Events generate secondary spending (indirect and induced) on the host destination's local economy over and above the original direct spending. These secondary impacts, when combined with the original direct spending, results in the economic impact of an event.

Indirect Spending: Spending by the host destination's travel industry businesses on goods and services from local suppliers on behalf of the specified event.

Induced Spending: Employees in the host destination's travel industry and its suppliers spend their wages in the local economy.

Economic Multiplier: Calculated as the total economic impact divided by the direct spending.

Leads: When an event inquiry by a corporation/association/organization/independent meeting planner that includes a request for a minimum of 10 sleeping rooms per night (peak rooms) over a specific set/range of dates is forwarded by the VCB sales staff to participating lodging and associate participants.

Bid: Proposal submitted by the VCB and/or hotel(s) to a planner that includes defined dates and room blocks.

Tentative: Status assigned to a group/event after the bid has been submitted to the meeting planner and the destination is waiting for a decision.

Booking:

- a. **Hotel Booking:** A future event contracted in writing by the event organization with the hotel. The VCB should receive a copy of the contract or a written communication from the authorized agent of the hotel that a contract has been signed.
- b. **Associate Member Bookings:** A future event contracted in writing by the event organization with VCB Associate Member participants.

Lost Opportunity: A potential event in the lead or tentative stage that was subsequently lost by the destination. This does not include venue changes within the destination. The VCB should track the number of estimated room nights, attendance and attendee spending and the reason associated with the lost opportunity.

Canceled Business: An event that was booked for the destination that subsequently did not take place, either because the event itself was cancelled or left the destination before taking place. The VCB should track the estimated number of room nights, attendee and attendee spending and the reason associated with the cancellation.

Activity Measures

1. Number of bids
2. Tradeshows attended/exhibited
 - a. Number of tradeshows
 - b. Number of coop partners participating
 - c. Coop dollars generated
3. Sales missions
 - a. Number of sales missions
 - b. Number of coop partners participating
 - c. Coop dollars generated
4. Familiarization (FAM) tours
 - a. Number of FAM tours
 - b. Number of participants (event organizers only)
 - c. Number of accounts
 - d. Number of coop partners participating
 - e. Coop dollars generated
5. Number of sales calls
6. Number of client inspections
7. Client events
 - a. Number of client events
 - b. Number of participants (event organizers only)
 - c. Number of accounts
 - d. Number of coop partners participating
 - e. Coop dollars generated
8. Number of accounts with activity

Performance Measures

1. Leads
 - Number of leads
 - Lead room nights (estimate)
2. Bookings
 - Number of bookings

- Booked room nights (estimate)
- Booked attendance (estimate)
- Booked attendee spending (estimate)

- 3. Lost opportunities
 - Number of lost opportunities
 - Reason for lost opportunities
 - Lost room nights (estimate)
 - Lost attendance (estimate)
 - Lost attendee spending (estimate)

- 4. Cancellations
 - Number of cancellations
 - Reason for cancellation
 - Cancelled room nights (estimate)
 - Cancelled attendance (estimate)
 - Cancelled attendee spending (estimate)

- 5. Number of leads per tradeshow attended/exhibited by VCB sales staff

- 6. By-year production
 - By-year production measures the VCB's event bookings in terms of when the events will occur (regardless when the booking was generated).
 - 1. Number of bookings
 - 2. Number of booked room nights (estimate)
 - 3. Number of booked attendees (estimate)
 - 4. Booked attendees spending (estimate)

- 7. Post-event measures
 - 1. Room night pick-up (estimate)
 - 2. Total attendance

- 8. Tentatives
 - 1. Number of tentatives
 - 2. Tentative room nights (estimated)

- 9. Personnel productivity metrics
 - 1. Number of leads per sales person
 - 2. Number of bookings per sales person
 - 3. Number of booked room nights per sales person

VCB Travel Trade Sales Performance Reporting

Fundamental Mission of the Convention Sales Function

"To increase leisure visitor volumes, visitor spending and economic impact for the destination through the promotion and distribution of the destinations' travel products to the travel trade."

VCB Travel Industry Definitions (Source: National Tour Association and the Travel Industry Association of America)

The following are standard definitions for key marketing activities and measures:

Packaged Travel: A package in combination of two or more types of tour components into a product which is produced, assembled, promoted and sold as a package by a tour operator for an all-inclusive price.

Tour Series/Tour Program: Multiple departures to the same destination throughout the year.

Group Tour: A travel package for an assembly of travelers that has a common itinerary, travel date, and transportation. Group tours are usually prearranged, prepaid, and include transportation, lodging, dining, and attraction admissions.

Independent Travel: A custom-designed, prepaid travel package with many individualized arrangements. ITs are unescorted and usually have no formal itinerary. Sometimes referred to as FIT.

Travel Trade: Any individual or company that creates and/or markets tour and/or IT packages. Travel trade includes but is not limited to tour operators, travel agents, individual travel planners, and online travel companies.

Tour Catalog: A publication by tour wholesalers listing their tour offerings. Catalogs are distributed to retail agents who make them available to their customers.

FAM (Familiarization) Tour: A free or reduced-rate trip offered to travel professionals to acquaint them with what a destination, attraction, or supplier has to offer. FAMs should be considered a sales effort, more than just an educational trip for the travel trade.

Itinerary: A recommended schedule of visitor-oriented activities, usually including the destination's cultural institutions and attractions, dining establishments, entertainment and recreational venues, retail stores and often highlighting unique, one-of-a-kind offerings. Itineraries are often themed.

Visitor Spending: (number of visitors) x (spending per person per day) x (length of stay)

Direct Spending: All expenditures associated with an event that flow into the host destination's local economy. Direct spending includes attendee spending, exhibitor spending and event organizer spending.

Economic Impact: Events generate secondary spending (indirect and induced) on the host destination's local economy over and above the original direct spending. These secondary impacts, when combined with the original direct spending, results in the economic impact of an event.

Indirect Spending: Spending by the host destination's travel industry businesses on goods and services from local suppliers on behalf of the specified event.

Induced Spending: Employees in the host destination's travel industry and its suppliers spend their wages in the local economy.

Economic Multiplier: Calculated as the total economic impact divided by the direct

Leads:

1. **Hotel Lead:** When a group tour or independent tour program inquiry from the travel trade that includes a request for hotel rooms over a specific set/range of dates is forwarded by the VCB sales staff to participating lodging participants.
2. **Non-hotel Lead:** When an inquiry for a group tour or independent tour program not requiring hotel rooms from the travel trade over a specific set/range of dates is forwarded by the VCB sales staff to non-hotel tourism industry participants.

Booking:

1. **Booking from a Hotel Lead:** A booking confirmed in writing from the authorized agent or by documenting the tour/program's presence in the travel trade's distribution channels such as brochure, website or special sales/marketing programs. The booking must be the result of a VCB-generated lead. VCBs should include information on the room nights, total visitors and associated visitor spending.
2. **Booking from a Non-hotel Lead:** A booking confirmed in either writing from an authorized agent or by documenting the tour/program's presence in the travel trade's distribution channels such as brochure, website or special sales/marketing programs. The booking must be the result of a VCB-generated lead. VCBs should include information on the room nights, total visitors and associated visitor spending.

Activity Measures

1. Tradeshow attended/exhibited
 - a. Number of tradeshow

- b. Number of coop partners participating
 - c. Coop dollars generated
- 2. Number of accounts with activity
- 3. Familiarization (FAM) tours
 - a. Number of FAM tours
 - b. Number of participants (travel trade only)
 - c. Number of accounts
 - d. Number of coop partners participating
 - e. Coop dollars generated
- 4. Sales missions (with industry partners)
 - a. Number of sales missions
 - b. Number of coop partners participating
 - c. Coop dollars generated
- 5. Number of sales calls
- 6. Client events
 - a. Number of client events
 - b. Number of participation (travel trade only)
 - c. Number of accounts
 - d. Number of coop partners participating
 - e. Coop dollars generated
- 7. Number of client site inspections
- 8. Number of developed suggested itineraries
- 9. Number of packages developed
- 10. Advertising equivalency for presence in the travel trade's distribution channels such as brochure, website or special sales/marketing programs.

Performance Measures

- 1. Leads
 - a) Number of hotel leads
 - b) Lead room nights (estimate)
 - c) Number of visitors (estimate)
 - d) Visitor spending (estimate)
 - e) Number of non-hotel leads
 - f) Number of non-hotel leads by member category
 - g) Number of visitor (estimate)
 - h) Visitor spending (estimate)

2. Bookings
 - a) Number of bookings from hotel leads
 - b) Booked room nights (estimate)
 - c) Booked visitors (estimate)
 - d) Booked visitor spending (estimate)
 - e) Number of bookings from non-hotel leads
 - f) Booked visitors (estimate)
 - g) Booked visitor spending (estimate)

3. Personnel productivity metrics
 - a) Number of leads per sales person
 - b) Number of bookings per sales person
 - c) Number of room nights per sales person

Attachment F
Memorandum – Adopted by the NLTRA Board, February 2003

SITUATION

1. Both the County and NLTRA have agreed that a "marketing reserve" should be created. The objective is to eventually accumulate a fund representing 15% of the average annual marketing budget, over several years. Based on a \$1,700,000 budget, the 15% target is \$255,000. About 5% (\$80,000) has been earmarked for this purpose and is included as part of the 2002 – 2003 budget.
2. The County has been clear that it does not intend to control the use of these funds, but will leave it to the discretion of NLTRA.

RECOMMENDATION

1. The Marketing Reserve will be treated as an "internal reserve" (as per the definition proposed in #7 below).
2. The NLTRA Tourism/Executive Directors, may not expend these funds, except with the formal approval of the NLTRA Board, preferably with preview and approval of both Finance and Marketing Committees.
3. The criteria for the appropriate use of these funds is when NLTRA and its member businesses are experiencing a distinct shortfall in tourism business, due to unusual, economic, market or weather conditions, that would benefit from extra marketing efforts.
4. Any request for such funds from staff, should include the rationale, a targeted result, and be followed with an assessment of the actual results achieved.
5. NLTRA Accounting will need to track and report these funds, in such as way as to segregate them from normal operating funds.
6. Any Reserved funds that are accumulated, will automatically be rolled over into subsequent year's budgets and will accumulate without limit, until an amount is achieved equal to 15% of normal annual marketing budget.
7. Any funds depleted as a result of the above actions will be replenished, as soon as practical. The manner of replenishment will be:
 - a. First from any external or internal marketing carry forward, from previous years, then:
 - b. as part of the normal budgeting process each year.
 - c. Any replenishment of the marketing reserve, (once established) would come from the same mechanism that the county and NLTRA are using to guarantee a consistent marketing operating budget going forward.
8. Recommended definitions for funds:
 - County Services: NLTRA funds earmarked by the county, for a specific designated purpose, and not available to either NLTRA Board or staff.
 - Internal Reserve: NLTRA funds earmarked, either by the County or NLTRA, available for expenditure by the NLTRA board, but not staff.
 - Contingency: NLTRA funds, within a specific departmental budget, not earmarked for any specific purpose, and available to be spent at the discretion of the supervising Director.

