

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: April 12, 2011

SUBJECT: Contract Amendment—North Lake Tahoe Resort Association

Action Requested

Approve the First Amendment to the FY 2010-2011 North Lake Tahoe Resort Association contract to allocate \$914,794 in FY 2008-2009 and FY 2009-2010 Transient Occupancy Tax Fund balance.

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 is to implement 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.

Issues

The Resort Association's annual TOT budget is produced utilizing County revenue estimates based on prior year's collections, analysis of various economic indicators, assessment of future year growth potential, and input from the Resort Association. North Lake Tahoe area collections in excess of the projected budget, plus unspent County services and interest accrued to the account, called fund balance carryover, are available to supplement funding for services provided by the NLTRA. The FY 2010-2011 contract budget approved by your Board in September 2010 was \$4,177,215. Fund balance being recommended for carryover into this fiscal year's contract includes \$439,187 from FY 2008-2009 and \$475,607 from FY 2009-2010, totaling \$914,794. The purpose of this amendment is to direct the allocation of available prior year fund balance carryover to allow NLTRA to provide additional Marketing and Infrastructure Development services. No changes are recommended for expenditures in the Visitor Support/Transportation Account. All allocations will be spent by the Resort Association consistent with the amended Scope of Work outlined in Attachment A3 – Amendment #1.

Fund balance allocations will be made to the NLTRA accounts as follows:

- Marketing Account- \$199,755
- Infrastructure Account- \$715,039

The Marketing Account allocation of \$199,755 will be made in a single lump sum payment to the Resort Association. This payment will be added to the regular monthly payment due on May 1, 2011 of \$255,130, for a total May 2011 payment of \$454,885.

The remaining fund balance allocation of \$715,039 will be added to the regular May 1, 2011 payment of \$92,971 for County Infrastructure and Operations. A total payment of \$808,010 will accrue to the Infrastructure Account held in the Placer County Treasury to be allocated for future projects approved by your Board.

Fiscal Impact

The FY 2008-2009 and FY 2009-2010 fund balance of \$914,794 is revenue in excess of that budgeted to fund implementation of the FY 2010-2011 North Lake Tahoe Resort Association contract and will be allocated from North Lake Tahoe area TOT funds currently being held by the County.

- Attachments:** FY 2010-2011 Agreement – Amendment #1
- A-3 FY 2010-2011 Scope of Work – Amendment #1
 - B FY 2010-2011 Payment Schedule – Amendment #1
 - C FY 2010-2011 Tahoe TOT Budget – Amendment #1

FIRST AMENDMENT

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

The **FIRST AMENDMENT** to the original agreement entered September 14, 2010 (Contract No. 12945) is made at Auburn, California as of **APRIL 12, 2011** 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", who agree as follows:

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 September 14, 2010; 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 amends the original agreement as follows:

I. SCOPE OF WORK

RESORT ASSOCIATION shall perform the Scope of Work as **amended and set forth in Attachment A3- Amendment #1**, as attached to this agreement. All other provisions and/or agreements in this section shall continue as set forth and established in the original contract dated September 14, 2010.

2. CONDUCT OF BUSINESS OF THE ASSOCIATION

All board meetings of the RESORT ASSOCIATION shall be conducted in such a manner as set forth and established in the original contract dated September 14, 2010.

3. TERM AND TIME OF COMPLETION

The term of this amended agreement is from April 12, 2011 through June 30, 2011. RESORT ASSOCIATION agrees to complete all tasks and submit all reports and other duties as outlined in the original contract dated September 14, 2010.

4. PROGRESS REPORTS

RESORT ASSOCIATION shall submit such progress reports and information as may be requested by COUNTY, including, but not limited to, the requirements as outlined in the original contract dated September 14, 2010.

5. COMPENSATION

A. MAXIMUM LIMIT

The RESORT ASSOCIATION'S total compensation is **amended and set forth in Attachment C - Amendment #1**, as attached to this agreement. All other provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

B. INFRASTRUCTURE ACCOUNT

All additional funds allocated to the Infrastructure Account **as amended and set forth in Attachment C - Amendment #1** shall be allocated as set forth and established in the original contract date September 14, 2010. All funds held in reserve as set forth and established in the original contract date September 14, 2010 are hereby released and available for allocation as set forth and established in the original contract date September 14, 2010. All other provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

C. MARKETING ACCOUNT

All additional funds allocated to the Marketing Account **as amended and set forth in Attachment C - Amendment #1** shall be allocated as prescribed **as amended and set forth in Attachment A - Amendment #1**. All other provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

D. VISITOR SUPPORT SERVICES ACCOUNT

No additional funds were allocated to the Visitor Support Services Account **in Attachment C - Amendment #1**. All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

E. PAYMENT SCHEDULE

Payments shall be made to the RESORT ASSOCIATION as **amended and set forth in Attachment B - Amendment #1**, as attached to this agreement. All other provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

F. POLITICAL CONTRIBUTIONS

All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

G. RIGHT TO WITHHOLD PROGRESS PAYMENTS

All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

6. RECORDS

All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

7. EMPLOYEES OF RESORT ASSOCIATION

All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

8. PERFORMANCE

The RESORT ASSOCIATION agrees that the performance of work and services pursuant to the requirements of amendment #1 of the original agreement dated September 14, 2010 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

All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

10. INSURANCE

All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

11. CANCELLATION

All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

12. AMENDMENTS - YEAR-TO-YEAR EXTENSIONS

All provisions and/or agreements in this section shall continue as set forth and established in the original contract date September 14, 2010.

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

COUNTY OF PLACER, "COUNTY"

By: _____
Robert Weygandt
Chair, Board of Supervisors

Date: _____

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

By: _____
Ron McIntyre, President, Board of Directors
North Lake Tahoe Resort Association

Date: _____

Approved as to Form:

By: _____
County Counsel

Date: _____

List of Attachments:

- Attachment A3, Amendment #1–FY 2010-2011 Amended Scope of Work
- Attachment B, Amendment #1– FY 2010-2011 Amended Payment Schedule
- Attachment C, Amendment #1– FY 2010-2011 Amended Budget

Attachment A3



North Lake Tahoe Resort Association FY 2010-2011 Scope of Work – Amendment #1

Background

The purpose of the Amended Scope of Work is to summarize investment expenditures that are proposed for the use of FY 2008-2009 and FY 2009-2010 Placer County Transient Occupancy Tax fund balance allocated to the North Lake Tahoe Resort Association.

Marketing- \$199,755

Additional funds allocated to the Marketing Account by the attached FY 2010-2011 Contract Amendment will be used to bolster marketing support for the Amgen Tour of California Bike Race, defend market share by expanding consumer direct marketing in the Northern California Bay Area for the remainder of winter and spring seasons, additional support of programs such as High Notes and extended social media efforts, and providing an allocation to the Marketing Reserve Account, consistent with County contract requirements.

Visitor Support/Transportation- \$0

The FY 2010-2011 Contract Amendment does not propose any changes to transit services as originally outlined in Transportation Programs and Services, Scope of Work Attachment A-4.

Infrastructure Development- \$715,039

All fund balance allocated to the Infrastructure Account through the attached FY 2010-2011 Contract Amendment will be held in the County Treasury until carried forward by recommendation from the Infrastructure Committee and Resort Association Board of Directors and allocated only following approval by the Placer County Board of Supervisors.

ATTACHMENT B- Amendment #1
FY 2010-2011 Payment Schedule

<u>PAYMENT NUMBER</u>	<u>PAYMENT DUE DATE</u>	<u>PAYMENT TO NLTRA</u>	<u>PAYMENT TO COUNTY</u>
1.	Oct. 1, 2010	\$510,260	\$185,942
2.	Nov. 1, 2010	255,130	92,971
3.	Dec. 1, 2010	255,130	92,971
4.	Jan. 1, 2011	255,130	92,971
5.	Feb. 1, 2011	255,130	92,971
6.	March 1, 2011	255,130	92,971
7.	April 1, 2011	255,130	92,971
8.	May 1, 2011	454,885	808,010
9.	June 1, 2011	255,130	92,971
10.	July 1, 2011	255,130	92,971
11.	Aug. 1, 2011	<u>255,130</u>	<u>92,974</u>
Totals		\$3,261,315	\$1,830,691
(1) (2)			(3) (4) (5)

- (1) Amended FY 2010-2011 Final Budget includes a total of \$5,092,009 for the NLTRA contract.
- (2) Payment Schedule is predicated upon receipt of Transient Occupancy Tax funds at the budgeted level.
- (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) Distribution of funds for Infrastructure projects shall occur once per quarter based on anticipated project expenditures, and only after receipt and acceptance of a statement inclusive of previous project invoices, expenditures and balances in a format agreed to the County Executive Office. Distribution shall be consistent with project progress as mutually agreed upon. Payments for new infrastructure projects shall first be funded with any existing TOT funds held by the RESORT ASSOCIATION prior to additional payments from the infrastructure fund.
- (5) Transit services provided by Placer County and funded with NLTRA TOT funds will be allocated to and paid from the County Treasury through a journal transfer process.

FY 2010-2011 TAHOE TOT PROPOSED BUDGET
ATTACHMENT C

MARKETING	PROPOSED BUDGET	VISITOR SUPPORT SERVICES	PROPOSED BUDGET	TAHOE CAPITAL IMPROVEMENTS	PROPOSED BUDGET	PROPOSED TOTALS
RESORT ASSOCIATION CONTRACT:		RESORT ASSOCIATION CONTRACT:		RESORT ASSOCIATION CONTRACT:		
Personnel/Overhead Cap - Direct Costs	511,000	Personnel/Overhead Cap - Direct Costs	77,000	Personnel/Overhead Cap - Direct Costs	83,000	671,000
G+A Cap - Indirect Costs	309,000	G+A Cap - Indirect Costs	35,000	G+A Cap - Indirect Costs	38,000	382,000
Direct Marketing/Programs	1,416,719	Research and Planning	40,000	Research & Planning	35,000	76,000
Contract Services Welcome Center	40,000	(Detail in Attachment A-2)		(Detail in Attachment A-2)		1,416,719
Community Survey/Education	15,000	Memberships	5,000			45,000
Placer County Film	56,600	Transit Programs- TART- Peak Season	449,100	Capital Improvements - Requires BOS Approval	1,381,590	15,000
Community Marketing Fund	50,000	Transit Programs- non County	359,000	(County retains until BOS Approval)		1,887,290
Special Events Marketing Fund	50,000	Traffic Management Program	41,000			409,000
		Placer DPW - Snow Removal	100,000			91,000
						100,000
SUBTOTAL - RESORT ASSOC CONTRACT	2,448,319 48%	SUBTOTAL - RESORT ASSOC CONTRACT	1,106,100 22%	SUBTOTAL - RESORT ASSOC CONTRACT	1,537,590 30%	5,092,009
COUNTY SERVICES:		COUNTY SERVICES:		COUNTY SERVICES:		
% Share Misc. Administration	32,391	Sheriff Patrol	50,685	NTPUD- Beach Maint.	77,798	
SUBTOTAL - BASE COUNTY SERVICES	32,391	Animal Control	45,000	TCPUD- Beach Maint.	67,505	
		% Share Misc. Administration	8,483	Facilities Dept.- Beach/Park Maint.	50,484	
		SUBTOTAL - BASE COUNTY SERVICES	104,168	% Share Misc. Administration	36,246	
				SUBTOTAL - BASE COUNTY SERVICES	232,033	368,592
		Transit Services Operated by TART	464,800	Supplemental- Tahoe Clinics	230,000	
		SUBTOTAL- SUPP. COUNTY SERVICES	464,800	Supplemental- Public Safety	95,000	
				SUBTOTAL- SUPP. COUNTY SERVICES	325,000	789,800
		TOTAL COUNTY SERVICES	568,968	TOTAL COUNTY SERVICES	557,033	1,158,392
TOTAL FUNDING USES	2,480,710 40%	TOTAL FUNDING USES	1,675,068 27%	TOTAL FUNDING USES	2,094,623 34%	6,250,401
HOTEL/MOTEL TAX REVENUE:		HOTEL/MOTEL TAX REVENUE:		HOTEL/MOTEL TAX REVENUE:		
SUBTOTAL - HOTEL/MOTEL TAX	2,041,200 42%	SUBTOTAL - HOTEL/MOTEL TAX	534,600 11%	SUBTOTAL - HOTEL/MOTEL TAX	2,284,200 47%	4,860,000
FY 2009-2010 Fund Balance	199,755 42%	FY 2009-2010 Fund Balance	52,317 11%	FY 2009-2010 Fund Balance	223,535 47%	475,607
Flex funding from Infrastructure (for contract services- Welcome Center)	40,000	Flex funding from Infrastructure (county-approved transit services- Att. A-4)	1,088,151	FLEX TO VSS ACCT (county-approved transit services- Att.A-4)	(1,088,151)	40,000
				FLEX TO MARKETING ACCT (community marketing)	(40,000)	(40,000)
FY 2010-2011 Fund Balance	199,755	FY 2009-2010 Fund Balance	0	FY 2008-2009 Fund Balance	439,187	
TOTAL FUNDING SOURCES	2,480,710 55%	TOTAL FUNDING SOURCES	1,675,068 27%	FY 2009-2010 Fund Balance	275,852	
				TOTAL FUNDING SOURCES	2,094,623 34%	6,250,401
NET COUNTY COST		NET COUNTY COST		NET COUNTY COST		0
						4-Apr-11

