



MEMORANDUM
COUNTY EXECUTIVE OFFICE
ADMINISTRATION
County of Placer

TO: Honorable Board of Supervisors
FROM: David Boesch, County Executive Officer
By: Jennifer Merchant, Deputy County Executive Officer
DATE: July 12, 2016
SUBJECT: Funding Agreement with Truckee/North Tahoe Transportation Management Association for operation of the North Lake Tahoe Express.

ACTION REQUESTED

Approve the Funding Agreement with the Truckee/North Tahoe Transportation Management Association (TMA) for the operation of the North Lake Tahoe Express in Eastern Placer County for FY 2016-17, at a budgeted net County cost of \$120,000.

BACKGROUND

The TMA is a California Nonprofit Mutual Benefit Corporation based in Truckee, CA and recently celebrated its 25th anniversary of providing services to the Truckee/North Lake Tahoe region. The purpose of the TMA is to focus on involving employers and community members in the furtherance of their common interest to improve the general traffic and transportation conditions in the Truckee/North Tahoe area and to address situations associated with traffic congestion and transportation systems, thereby making the area a more attractive and advantageous place to reside, recreate and conduct business. Placer County is a dues-paying member of the TMA and, in accordance with TMA's bylaws, holds a seat on its Board of Directors.

Staff recommends approval of the Funding Agreement between Placer County and the TMA regarding operation of the North Lake Tahoe Express (NLTE). The NLTE offers airport shuttle service in the North Lake Tahoe and Truckee regions to and from the Reno-Tahoe International Airport. As outlined in the agreement, the TMA will oversee the day-to-day management and operation of the NLTE, including marketing, advertising, and promotional support, as well as driver training, and reporting on shuttle service ridership and operations.

The Funding Agreement is a public-private partnership and includes participation from the Town of Truckee, Incline Village Crystal Bay Visitors Bureau, Truckee Tahoe Airport District, Hyatt Regency Lake Tahoe Resort and the Tahoe Biltmore Lodge and Casino, for a total annual service cost of \$167,700. This agreement includes Placer County's share of \$120,000.

FISCAL IMPACT

Transient Occupancy Tax (TOT) collected in eastern Placer County is the funding source for the services to be provided by TMA under this Funding Agreement. These funds were budgeted as

Honorable Board of Supervisors
July 12, 2016
Funding Agreement with the Truckee/North Tahoe Transportation Management Association
Page 2

part of the proposed FY 2016-17 Lake Tahoe Tourism and Promotion budget approved by your Board on June 7, 2016.

ATTACHMENTS

- Funding Agreement
- Exhibit A – Routes and Schedules
- Exhibit B – Program Budget
- Exhibit C - TNT/TMA Compensation

**FUNDING AGREEMENT
FY 2016-2017
NORTH LAKE TAHOE EXPRESS**

This Funding Agreement ("Agreement") is dated and effective July 12, 2016 between the Truckee North Tahoe Transportation Management Association ("TNT/TMA"), Placer County ("Placer"), Town of Truckee ("Truckee"), Incline Village Crystal Bay Visitors Bureau ("IVCBVB"), Truckee Tahoe Airport District ("TTAD"), and the following hotels: Hyatt Regency Lake Tahoe Resort, Spa and Casino, and Tahoe Biltmore Lodge & Casino, (collectively known as the "Hotels"). Placer, Truckee, IVCBVB, TTAD, and the Hotels are collectively referred to herein as the "Funding Partners." The TNT/TMA and Funding Partners are collectively referred to herein as the "Parties."

RECITALS

WHEREAS, TNT/TMA is a non-profit mutual benefit corporation organized under the California Corporations Code section 7110, et seq., whose mission includes fostering public-private partnerships and resources for the advocacy and promotion of innovative solutions to the unique transportation challenges of the Truckee-North Lake Tahoe Resort Triangle; and

WHEREAS, consistent with its mission, the TNT/TMA Board of Directors has approved the TNT/TMA's role as the contracting entity for the North Lake Tahoe Express airport shuttle ("Shuttle Service"), an interstate and intrastate service connecting the Reno/Tahoe International Airport ("RTIA") and specific locations in the North Lake Tahoe region; and

WHEREAS, TNT/TMA has contracted with Airport Mini-Bus ("Operator") to operate the NLTE Shuttle Service ("Shuttle Service"); and

WHEREAS, the Board of Directors has also approved the TNT/TMA's role as the facilitator and collector of contributions to support the Shuttle Service from the Funding Partners herein named; and

WHEREAS, the fiscal year for the Shuttle Service extends from July 1 of one year to June 30 of the following year (the "FY"); and

NOW, THEREFORE BE IT RESOLVED, in consideration of the foregoing recitals and the covenants contained herein, the Parties agree as follows:

- 1. EFFECTIVENESS AND TERM.** This Agreement shall be effective as to each of the parties upon their execution of the Agreement, and even if the Agreement is not ultimately executed by every one of the parties, provided that the failure of one or more Funding Partners to execute this Agreement shall not affect the financial obligations of the other Funding Partners. The term of this Agreement shall be FY 2016-2017.
- 2. SERVICE.** TNT/TMA has contracted with the Operator to operate the Shuttle Service pursuant to the routes and schedules attached hereto as Exhibit A. TNT/TMA has discretion to amend the routes and schedules at any time as deemed necessary by TNT/TMA for operational or funding related purposes, provided that no such amendments shall increase the financial obligations of the Funding Partners, which shall remain binding on the Funding Partners that sign this Agreement. TNT/TMA has discretion to replace the Operator with another operator.

3. **FUNDING.** The program budget for FY 2016-2017 is attached as Exhibit B. The Funding Partners agree to provide a combined total of \$167,700 to pay for Shuttle Service costs. The Funding Partners agree to provide funding as follows:

a. **Placer County** agrees to provide Placer County Transient Occupancy Tax funds in the amount of \$120,000 for FY 2016-17 payable and due to TNT/TMA as follows:

- i. 07/30/16 \$30,000
- ii. 10/01/16 \$30,000
- iii. 01/01/17 \$30,000
- iv. 04/01/17 \$30,000

b. **Truckee** agrees to provide \$10,000 for FY 2016-17 payable and due to TNT/TMA as follows:

- i. 07/30/16 \$5,000
- ii 10/1/16 \$5,000

c. **IVCBVB** agrees to provide \$26,000 for FY 2016-17 payable and due to TNT/TMA as follows:

- i. 07/30/16 \$10,000
- ii. 10/1/16 \$10,000
- iii. 01/01/17 \$6,000

d. **TTAD** agrees to provide \$3,500 for FY 2016-17 payable and due to TNT/TMA as follows:

- i. 07/30/16 \$1,750
- ii 10/1/16 \$1,750

e. **Hyatt Regency Lake Tahoe Resort, Spa and Casino** agrees to provide \$7,000 for FY 2016-17 payable and due to TNT/TMA as follows:

- i. 07/30/16 \$3,500
- ii 10/1/16 \$3,500

f. **Tahoe Biltmore Lodge & Casino** agrees to provide \$1,200 for FY 2016-17 payable and due to TNT/TMA as follows:

- i. 07/30/16 \$600
- ii. 10/1/16 \$600

4. **INVOICING.** TNT/TMA shall provide invoices to the Funding Partners at least 30 days in advance of the payment due dates specified in Section 3 of this Agreement. Invoices shall reference the Shuttle Service, the payment due date, and the relevant period of service.

5. **USE OF FUNDS.** TNT/TMA shall deposit all funding amounts received into a separate account held solely for the Shuttle Service. TNT/TMA shall use all funds solely for the purpose of paying the costs of the Shuttle Service, including the following: (1) \$75,000 of operator costs; and (2) \$93,700 of compensation to TNT/TMA for marketing and management services, subject

to reasonable adjustment by TNT/TMA for unanticipated or desirable adjustments to the Shuttle Service, none of which shall increase the funding obligations of the Funding Partners. The program budget for FY 2016-17 is attached as Exhibit B.

6. SERVICE EXPECTATION. TNT/TMA intends the Shuttle Service to run through the end of FY 2016-17. However, if the cost to run Shuttle Service exceeds the budgeted amount, Funding Partners will pay amounts specified in Section 3 of this Agreement on the dates specified regardless of potential impacts to service timeframe.

7. RESERVE FUND. Any funds remaining unspent at the end of FY 2016-17 after all costs of the Shuttle Service have been paid, will be held in a restricted reserve fund. Reserve funds are held within this account and are to be used for the sole purpose of the North Lake Tahoe Express. The maximum Reserve Fund balance will cover 12 months of operations and management services to be determined by upcoming FY budget to ensure a funding source is available in the event of a funding shortage in any given year of operation. Any additional funds will be used for service expansion or returned to the Funding Partners.

8. RETURNS. Amounts paid by the Funding Partners will be returned to the Funding Partners if service is cancelled and/or those amounts are not needed to pay for the cost of the Shuttle Service in future years. Any amounts returned to the Funding Partners will be determined on a pro-rata basis according to the amount each Funding Partner contributed.

9. ANNUAL REPORT. TNT/TMA will provide an annual report within 60 days of the completion of FY 2016-17. This report will document the completion of the Shuttle Service for that fiscal year and reconcile all expenditures and any unspent funding amounts for the Shuttle Service. The report will also document overall ridership and farebox revenues.

10. RECORDS. TNT/TMA shall maintain satisfactory account statements, records, and other documents relating to the Shuttle Service for the life of the shuttle program. Account statements, records, and other documents relating to the Shuttle Service shall be retained by TNT/TMA for three years following the completion or termination of this Agreement and shall be subject to examination and audit by the Funding Partners.

11. TNT/TMA MANAGEMENT TASKS AND COMPENSATION. TNT/TMA shall oversee day-to-day management and operation of the Shuttle Service and provide marketing, advertising, and promotional support, as well as training, reporting, and other services for the Shuttle Service as set forth in Exhibit C, including auditing of the contractor consistent with provisions of the Agreement between TNT/TMA and the Operator for Airport Shuttle Service.

12. DISPUTES AND WITHDRAWAL. The parties shall meet and confer in an attempt to resolve any disputes arising from this Agreement. If the dispute cannot be resolved, any party may withdraw from this Agreement upon 60 days written notice to the other parties. Even in the event of withdrawal, the withdrawing party shall continue to be responsible for the entire funding amount specified in Section 3 of this Agreement, and shall not be entitled to any reimbursement of funding amounts already provided except as provided in Section 8 of this Agreement.

13. NOTICE. Written notice under this Agreement shall be provided via U.S. Mail, electronic mail, or in person, as follows:

Jaime Wright
Executive Director
TNT/TMA
10183 Truckee Airport Road
Truckee, CA 96161
jaime@laketahoetransit.com

Jennifer Merchant
Placer County Executive Office
775 N. Lake Blvd
PO Box 1909
Tahoe City, CA 96145
JMerchan@placer.ca.gov

Tony Lashbrook
Town Manager
Town of Truckee
10183 Truckee Airport Road
Truckee, CA 96161
tlashbrook@townoftruckee.com

Andy Chapman
President/CEO
Incline Village Crystal Bay Visitors Bureau
969 Tahoe Boulevard
Incline Village, NV 89452
AndyC@gotahoe.com

Fred Findlen
General Manager
Hyatt Regency Lake Tahoe
111 Country Club Drive
Incline Village, NV 89451
fred.findlen@hyatt.com

Heather Bacon
General Manager
Tahoe Biltmore
5 Highway 28
Crystal Bay, NV 89402
hbacon@tahoebiltmore.com

Kevin Smith
General Manager
Truckee Tahoe Airport District
10356 Truckee Airport Road
Truckee, CA 96161
kevin.smith@truckeetahoeairport.com

14. NO THIRD-PARTY BENEFICIARIES. This Agreement is for the exclusive benefit of the parties hereto and nothing contained herein shall be construed as granting, vesting, creating or conferring any right or cause of action on any third party. Nothing in this Agreement is intended to create, nor shall it be deemed to create, any contractual relationship between any third party and TNT/TMA or the Funding Partners.

15. CHOICE OF LAW. This Agreement is to be interpreted in accordance with the laws of the State of California.

16. VENUE. The venue for any litigation regarding the interpretation, performance or enforcement of this Agreement shall be in the Superior Court of California - Placer County.

17. ENTIRE AGREEMENT. This Agreement and the documents incorporated herein by reference constitute the entire agreement between the parties relating to the Shuttle Service and may not be modified except by an instrument in writing signed by the signatories to this Agreement. If any provision, or portion thereof, of this Agreement is or becomes invalid under any applicable statute or rule of law, it shall be deemed stricken and the remainder of this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement has been executed by the parties and is dated and effective as of the date written above.

Jaime Wright
Executive Director
Truckee North Tahoe Transportation Management Association

Date

Robert Weygandt
Chair, Board of Supervisors
Placer County

Date

Tony Lashbrook
Town Manager
Town of Truckee

Date

Andy Chapman
President/CEO
Incline Village Crystal Bay Visitors Bureau

Date

Kevin Smith
General Manager
Truckee Tahoe Airport District

Date

Fred Findlen
General Manager
Hyatt Regency Lake Tahoe Resort, Spa and Casino

Date

Heather Bacon
General Manager
Tahoe Biltmore Lodge & Casino

Date

Exhibit A Routes and Schedules

DEPARTURE TIMES 2016–2017 • RESERVATIONS REQUIRED 24–HOURS IN ADVANCE Year-round service

YEAR-ROUND SCHEDULE

RED ROUTE - SQUAW VALLEY TAHOE CITY WEST SHORE

TO AIRPORT

Forward	6:00 AM	6:00 AM	6:00 AM	12:00 PM
Crystal Bay	6:15 AM	6:00 AM	6:00 AM	12:15 PM
Tahoe City (North Shore)	6:30 AM	6:15 AM	6:45 AM	12:45 PM
Tahoe City (South Shore)	6:45 AM	6:30 AM	6:45 AM	1:00 PM
Peak Access Point	6:55 AM	6:45 AM	7:45 AM	1:10 PM
Lake Tahoe Lodge	7:00 AM	7:00 AM	8:00 AM	1:15 PM
North Shore (West)	7:00 AM	7:00 AM	10:00 AM	1:00 PM

FROM AIRPORT

Shuttle (Airport to North Shore)	12:00 PM	1:00 PM	6:00 PM	12:00 AM
----------------------------------	----------	---------	---------	----------

GREEN ROUTE - TRUCKEE, NORTHSTAR

TO AIRPORT

South Shore	6:00 AM	6:15 AM
City Center	6:15 AM	6:30 AM
Village of Northstar (NS)	6:30 AM	6:45 AM
Northstar	6:45 AM	7:00 AM
Northstar Aspen	6:55 AM	7:10 AM
Northstar Jackson	7:10 AM	7:45 AM
Northstar Ski Lodge	7:30 AM	7:45 AM

FROM AIRPORT

Shuttle (Airport to North Shore)	6:15 PM	1:00 AM
----------------------------------	---------	---------

BLUE ROUTE - CARNELLIAN BAY TAHOE MTR LG, KINGS BEACH, CRYSTAL BAY, INCLINE VILLAGE

TO AIRPORT

Forward	6:00 AM	6:00 AM	12:00 PM
Crystal Bay (Incline)	6:15 AM	6:00 AM	12:15 PM
Crystal Bay (Lakeview)	6:30 AM	6:15 AM	12:30 PM
Crystal Bay (Incline)	6:45 AM	6:30 AM	12:45 PM
Peak Access	6:55 AM	6:50 AM	12:55 PM
North Star	6:55 AM	6:55 AM	1:00 PM
Peak	7:00 AM	7:00 AM	1:05 PM

FROM AIRPORT

Shuttle (Airport to North Shore)	12:00 PM	1:00 PM	12:00 AM
----------------------------------	----------	---------	----------

PEAK-SEASON SCHEDULE

JUNE 15 – SEPTEMBER 30 | DECEMBER 15 – MARCH 31

RED ROUTE - SQUAW VALLEY TAHOE CITY WEST SHORE

TO AIRPORT

Forward	6:00 AM	6:00 AM	6:00 AM	12:00 PM	6:00 PM
Crystal Bay	6:15 AM	6:00 AM	6:00 AM	12:15 PM	6:15 PM
Tahoe City (North Shore)	6:30 AM	6:15 AM	6:45 AM	12:45 PM	6:30 PM
Tahoe City (South Shore)	6:45 AM	6:30 AM	6:45 AM	1:00 PM	6:45 PM
Peak Access Point	6:55 AM	6:45 AM	7:45 AM	1:10 PM	6:55 PM
Lake Tahoe Lodge	7:00 AM	7:00 AM	8:00 AM	1:15 PM	7:00 PM
North Shore (West)	7:00 AM	7:00 AM	10:00 AM	1:00 PM	7:00 PM

FROM AIRPORT

Shuttle (Airport to North Shore)	12:00 PM	1:00 PM	6:00 PM	12:00 AM
----------------------------------	----------	---------	---------	----------

GREEN ROUTE - TRUCKEE, NORTHSTAR

TO AIRPORT

South Shore	6:00 AM	6:15 AM
City Center	6:15 AM	6:30 AM
Village of Northstar (NS)	6:30 AM	6:45 AM
Northstar	6:45 AM	7:00 AM
Northstar Aspen	6:55 AM	7:10 AM
Northstar Jackson	7:10 AM	7:45 AM
Northstar Ski Lodge	7:30 AM	7:45 AM

FROM AIRPORT

Shuttle (Airport to North Shore)	6:15 PM	1:00 AM
----------------------------------	---------	---------

BLUE ROUTE - CARNELLIAN BAY TAHOE MTR LG, KINGS BEACH, CRYSTAL BAY, INCLINE VILLAGE

TO AIRPORT

Forward	6:00 AM	6:00 AM	12:00 PM	6:00 PM
Crystal Bay (Incline)	6:15 AM	6:00 AM	12:15 PM	6:15 PM
Crystal Bay (Lakeview)	6:30 AM	6:15 AM	12:30 PM	6:30 PM
Crystal Bay (Incline)	6:45 AM	6:30 AM	12:45 PM	6:45 PM
Peak Access	6:55 AM	6:50 AM	12:55 PM	6:55 PM
North Star	6:55 AM	6:55 AM	1:00 PM	6:55 PM
Peak	7:00 AM	7:00 AM	1:05 PM	7:00 PM

FROM AIRPORT

Shuttle (Airport to North Shore)	12:00 PM	1:00 PM	12:00 AM
----------------------------------	----------	---------	----------

Exhibit B
Program Budget

North Lake Tahoe Express Budget

2016-17 B

Revenues

Placer County Funding Sources:

NLTRA (TOT)	120,000
Total	\$ 120,000

Washoe County Funding Sources:

Incline Village Crystal Bay CVB	28,000
Hyatt Lake Tahoe	7,000
Biltmore	1,200
Total	\$ 34,200

Nevada County Funding Sources:

Town of Truckee	10,000
Truckee Tahoe Airport	3,500
Cedar House Sport Hotel	-
Hampton Inn & Suites	-
Total	\$ 13,500

Other Funding Sources:

Fare box	-
Fare box - Future Bookings	-
Fare box - Operator Fares Feb - June 2014	-
On-Board Advertising	-
Subsidy Rollover	-
Rollover Expense - Future Year	-
Total	\$ -

Total Revenue

\$ 167,700

Expenses

Contracted Operations	75,000
Program Management	30,000
Marketing Materials/Ad Design	24,000
Marketing Management	20,200
Distribution	-
IT/Reservations System	8,500
Bank Fees	-
Business Plan Update/RFP Contract Process	-
TTD Staff Time	-
Attorney Fees	5,000
Liability Insurance	5,000
Previous Year Loss	-
Reserve Fund	-
Future Booking Farebox Revenues	-
Rollover Revenues to Future Year	-
Total Expenses	\$ 167,700

Net Balance

\$ -

Total Reserve

\$ 157,796

Exhibit C
TNT/TMA Marketing Management Compensation



2016-17 FY

	Executive Director	Program Manager	Accountant	Total TMA Hours	Total TMA Cost Per Task
Hourly Rate	\$45.55	\$23.45	\$46.44		
North Lake Tahoe Express - Program Management Tasks & Hours Est.					
Program Financial and Ridership Reporting	50	55		105	\$3,894.50
Reservation System Maintenance and Upkeep	40	60		100	\$3,586.00
Group Sales	5	30		35	\$1,109.75
Wholesaler Contracts & Booking Oversight	10	70		80	\$2,513.50
Program Budget & Financial Responsibilities	60	20	40	120	\$5,178.60
Customer Relations	30	60		90	\$3,130.50
Service Standards Oversight	20	40		60	\$2,067.00
Program Reported Issues	40	60		100	\$3,586.00
Partner Meetings and Continual Updates	20	20		40	\$1,499.00
Documentation Requests/Review	30	10		40	\$1,660.50
Contractor Meetings	24	24		48	\$1,798.80
Total Program Management Costs	\$14,968	\$13,201	\$1,852	818	\$30,044
North Lake Tahoe Express - Marketing Management Tasks & Hours Est.					
Ad Designs	24	14		38	\$1,504.80
Negotiations with Advertisers	30	8		38	\$1,601.70
Selecting Advertising Venues	20	8		28	\$1,146.20
Co-Op Marketing Efforts	16	8		24	\$964.00
Distribution	40	72		112	\$3,938.80
Local Hotel Staff Training & Sales	24	24		48	\$1,798.80
Social Media	20	60		80	\$2,675.20
Website	25	10		35	\$1,432.75
Public Outreach & Information Sharing	36	68		104	\$3,639.00
Events	20	20		40	\$1,499.00
Total Marketing Management Costs	\$11,615	\$8,585	\$0	627	\$21,110