

# **North Lake Tahoe Tourism Business Improvement District (NLTTBID)**

**January 26, 2021**



# Presentation Overview

- County Partnership with the Resort Association
- Tourism Master Plan Funding History
- Transient Occupancy Tax in eastern Placer County
- Tourism Business Improvement District Details
- Multi-Year Agreement
- TBID Schedule

# County – Resort Association Partnership

- Resort Association created in 1995
- Implemented a destination marketing program and recommended infrastructure and transportation investment in eastern Placer County
- Tourism Master Plan (TMP) created in 1996
- Guided Resort Association work and county investment in infrastructure and transportation
- Updated in 2004 and 2015

# TOT Funding History

- Countywide rate is eight percent
- Two percent rate increase for “North Lake Tahoe TOT Collection Area” passed by voters in 1996
- Reauthorized in 2002 and 2012
- Additional funds invested in infrastructure and transportation services
  - Trails
  - Expanded TART Service
  - Visitor-serving facilities
  - Recreation including parks and park facilities
- Sunsets in 2022

# Funding Gap

## Tier 1 & Tier 2 Priorities - Summary of Additional Funding Needs

| Priority                               | Annual                  | 8 Year Estimate         |
|--|-------------------------|-------------------------|
| Visitor Activities & Facilities        | \$ 7,096,250.00         | \$ 56,770,000.00        |
| Transit                                | \$ 3,100,000.00         | \$ 24,800,000.00        |
| Marketing/Visitor Information          | \$ 2,200,000.00         | \$ 17,600,000.00        |
| <b>Total Additional Funding Needed</b> | <b>\$ 12,396,250.00</b> | <b>\$ 99,170,000.00</b> |

# Updated Funding Gap Figure

- County staff updated TMP project list in 2019
- List includes trails, transportation and other visitor-serving amenities
- Funding gap is >\$200 million over an eight-year period (Tier 1 and Tier II)
- Costs may continue to increase over that eight-year period
- Does not include housing

# Closing the Gap

- Resort Association contracted with Civitas Advisors, Inc. (Civitas)
- Civitas analyzed data from several business industries including lodging, retail, restaurants and recreation
- Worked with Resort Association to develop a Management District Plan for a proposed Tourism Business Improvement District

# TBID Details

- 109 have been formed throughout California
- Formed through Property and Business Improvement District Law of 1994
- A TBID is not a tax
- Businesses are assessed
- Requires 50%+1 of the assessed businesses prior to formation
- Budget is developed and included in a Management District Plan



# TBID Details Continued

- Businesses assessed include lodging, retail, restaurants and recreation providers
- Proposed TBID spreads costs across several business sectors, not just lodging
- Impacts to residents is estimated to be \$25 - \$30 annually
- Funds are locally controlled by a Board representing those businesses that are assessed, and cannot be diverted for other government programs
- TBID will have a 5-year life, can be renewed for a 10-year period
- County will collect TBID revenues and remit to the Resort Association

# Business Community Feedback to Resort Association

- Resort Association board and staff met with several Resorts and business owners in North Lake Tahoe to discuss TBID
- Feedback from those meetings shaped the proposed Management District Plan and TBID budget
- Feedback also shaped the multi-year agreement between the Resort Association and Placer County

# Agreement Points

- Presented to your Board in September 2019 + approved in January 2020
- Agreement points included:
  1. TOT allocated to the Resort Association contract will continue to fund projects and services in eastern Placer County
  2. Funds will support housing and transportation initiatives
  3. There will be local participation in prioritizing the allocation of these funds
  4. The agreement addresses any TOT increase

# Agreement Details

- Agreement is contingent upon the formation of a TBID
- The agreement will commence when the TBID is formed and end 5 years from that date
- The agreement may be extended if the TBID is renewed and the agreement is approved by your Board
- Resort Association board approved the agreement on January 14, 2019
- Annual follow-on contract for services

# Projected TBID Formation Timeline

- ✓ December 15, 2020 Resolution of Intention
- ✓ January 15, 2021 Public Hearing Notice
- January 26, 2021 Public Meeting
- March 9, 2021 Final Public Hearing
- July 1, 2021 Assessment Collections

# Questions/Board Action

