

MEMORANDUM
OFFICE OF THE
BOARD OF SUPERVISORS
COUNTY OF PLACER

TO: Honorable Board of Supervisors

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

DATE: May 8, 2007

SUBJECT: Contract Amendment - North Lake Tahoe Resort Association

ACTION REQUESTED

Approve the First Amendment to the FY 2006-2007 North Lake Tahoe Resort Association contract to accommodate allocation of \$382,801 in FY 2005-2006 Transient Occupancy Tax Carry-over Funds.

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.

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 are then paid to Resort Association accounts as fund balance carryover. The FY 2005-2006 budget approved by your Board in July, 2006 was \$4,100,000. The fund balance carryover from 2005-2006 is \$382,801. The account allocations will be made according to the prescribed percentages as follows:

- 42 percent- Marketing Account- \$160,776
- 11 percent- Visitor Support & Transportation Account- \$42,108
- 47 percent- Infrastructure Account- \$179,917

The Marketing Account share will be allocated toward repayment of an FY 2002-2003 loan from the Infrastructure Account. The \$42,108 allocation to Visitor Support & Transportation will be allocated in a single lump sum payment to the Resort Association. The \$160,776 Marketing Account and \$179,917 Infrastructure Account fund balances will accrue to the Infrastructure Account fund that is held by Placer County.

FISCAL IMPACT

The fund balance carryover is revenue in excess of that budgeted to fund implementation of the North Lake Tahoe Resort Association contract and will be allocated from North Lake Tahoe area TOT funds currently being held by the County.

**AMENDMENT #1 TO
AGREEMENT BETWEEN THE COUNTY OF PLACER AND
THE NORTH LAKE TAHOE RESORT ASSOCIATION**

This **FIRST AMENDMENT** to the original agreement entered on July 25, 2006 (Contract No. 12270) is made at Auburn, California as of **MAY 8, 2007** by and between the County of Placer and the North Lake Tahoe Resort Association, Inc., a California Nonprofit Public Benefit Corporation, collectively referred to as the "Parties", who agree as follows:

WHEREAS, the Resort Association's FY 2006-07 budget, Attachments B & C to the original agreement was produced utilizing County revenue estimates based on prior year's collections of Transient Occupancy Taxes, analysis of various economic indicators, assessment of future year growth potential, and input from the Resort Association; and,

WHEREAS, the original agreement, Section 5, COMPENSATION , provides that applicable attachments B & C will be adjusted to reflect actual fund balances determined at some time during the fiscal year,

NOW, THEREFORE, the parties agree to amend the original contract agreement by replacing the original Attachments B and C with Attachment B Amendment #1 (May 8, 2007) FY 2006-2007 Final Payment Schedule and Attachment C Amendment #1 (May 8, 2007) FY 2006-2007 Tahoe TOT Budget, attached hereto and incorporated herein as approved by the Placer County Board of Supervisors on May 8, 2007.

All other provisions in the original agreement shall continue as set forth and established in the original contract dated July 25, 2006.

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

COUNTY OF PLACER, "COUNTY"

NORTH LAKE TAHOE RESORT ASSOCIATION,
"RESORT ASSOCIATION"

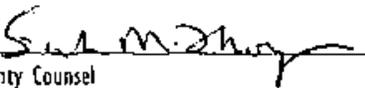
By: _____
Bruce Kranz
Chair, Board of Supervisors

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

Date: _____

Date: _____

Approved as to Form:

By: 
County Counsel

Attachments:

- Attachment B Amendment #1 (May 8, 2007) FY 2006-2007 Final Payment Schedule
- Attachment C Amendment #1 (May 8, 2007) FY 2006-2007 Tahoe TOT Budget

**ATTACHMENT B
AMENDMENT #1 (May 8, 2007)**

FY 2006-2007 Final Payment Schedule

PAYMENT #	PAYMENT DUE DATE	PAYMENT To NLTRA	PAYMENT TO COUNTY INFRASTRUCTURE ACCOUNT
1.	Sept. 16, 2006	203,221	110,350
2.	Oct. 1, 2006	203,221	110,350
3.	Nov. 1, 2006	203,221	110,350
4.	Dec. 1, 2006	203,221	110,350
5.	Jan. 1, 2007	203,221	110,350
6.	Feb. 1, 2007	203,221	110,350
7.	March 1, 2007	203,221	110,350
8.	April 1, 2007	203,221	110,350
9.	May 1, 2007	203,221	110,350
10.	June 1, 2007	245,329	451,043
11.	July 1, 2007	203,221	110,350
12.	Aug. 1, 2007	203,221	110,350
Totals (1) (2)		\$2,480,777	\$1,664,888 (3) (4)

- (1) FY 2006-07 Budget includes a total of \$4,145,665 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 2006-2007 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.

ATTACHMENT C FY 2006-2007 TAHOE TOT BUDGET
 AMENDMENT #1 (May 8, 2007)

MARKETING	VISITOR SUPPORT SERVICES	TAHOE CAPITAL IMPROVEMENTS
RESORT ASSOCIATION CONTRACT:		
Personnel/Overhead 856,245 Research & Evaluation 0 Direct Marketing 596,424 Conference Marketing (VCB) 210,000 Community Marketing Fund 50,000 Add'l Funding From Fund Bal Carryover (for Direct Marketing Purposes only) 0 Reserve for Contingencies 0 SUBTOTAL - RESORT ASSOC CONTRACT 1,722,669 COUNTY SERVICES:	Personnel/Overhead 94,000 Research and Planning 25,000 Memberships & Advocacy 5,000 Transportation/Transit Programs 492,108 Traffic Management Program 32,000 Add'l funding from Fund Balance Carryover Less NLTBA Carryover from 2005-2006 (90,000) Reserve for Contingencies 0 SUBTOTAL - RESORT ASSOC CONTRACT 558,108 COUNTY SERVICES:	Personnel/Overhead 150,000 Research & Planning 40,000 Memberships & Advocacy 10,000 Capital Improvements - Requires BOS Approval (County retains until BOS Approval) 1,864,888 Add'l funding from Fund Balance Carryover 0 Reserve for Contingencies 0 SUBTOTAL - RESORT ASSOC CONTRACT 1,864,888 COUNTY SERVICES:
SUBTOTAL - COUNTY SERVICES 29,331	SUBTOTAL - COUNTY SERVICES 103,838	SUBTOTAL - COUNTY SERVICES 203,967
TOTAL FUNDING USES 1,752,000	TOTAL FUNDING USES 661,946	TOTAL FUNDING USES 2,068,855
HOTEL/MOTEL TAX REVENUE:		
Tahoe Share of 8% TOT 1,722,000	Tahoe Share of 8% TOT 493,108	Tahoe Share of 8% TOT 562,000
Tahoe Share of 2% TOT 1,722,000	Tahoe Share of 2% TOT 493,108	Tahoe Share of 2% TOT 1,705,693
SUBTOTAL - HOTEL/MOTEL TAX 0	SUBTOTAL - HOTEL/MOTEL TAX 0	SUBTOTAL - HOTEL/MOTEL TAX 0
INTEREST EARNINGS 0	INTEREST EARNINGS 0	INTEREST EARNINGS 0
FUND BALANCE CARRYOVER 05/06* 30,000	FUND BALANCE CARRYOVER 05/06 Enhanced Trolley/TART Service 168,838	FUND BALANCE CARRYOVER 05/06 (168,838)
Flexible Funding (from infrastructure) (100% for community marketing) 0	0	FLEX TO VSS ACCT (Airport shuttle, trolley) (30,000)
TOTAL FUNDING SOURCES 1,752,000	TOTAL FUNDING SOURCES 661,946	TOTAL FUNDING SOURCES 2,068,855
NET COUNTY COST 43%	NET COUNTY COST 16%	NET COUNTY COST 50%

