



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE OFFICER
COUNTY OF PLACER

To: Placer County Board of Supervisors
From: David Boesch, County Executive Officer
By: Jennifer Merchant, Deputy County Executive Officer *JAM*
Date: October 21, 2014
Subject: Contract Amendment—North Lake Tahoe Resort Association

Action Requested

Approve the First Amendment to the FY 2014-15 North Lake Tahoe Resort Association contract to allocate \$182,670.85 in FY 2013-14 Transient Occupancy Tax Fund balance, \$121,170.85 to the Infrastructure Account to be held in the County Treasury for allocation to future capital projects, \$36,500 for Marketing purposes to the Resort Association, at no new net cost to the County, and \$25,000 toward completion of an update to the County's Tourism Development Master Plan.

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 2004 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 2014-15 contract budget approved by your Board on July 22, 2014 was in the amount of \$5,151,523. Of the \$182,670.85 in fund balance carryover being recommended, \$36,500 is allocated to provide expanded Marketing services, \$121,170.85 is for visitor-serving capital project development, and \$25,000 will go toward completion of an update to the County's Tourism Development Master Plan. The purpose of this amendment is to direct the allocation of available prior year fund balance carryover to allow NLTRA to provide additional Marketing, Infrastructure Development, and Planning 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 A – Amendment #1.

The Marketing Account and Tourism Development Master Plan allocations total \$61,500, and will be paid in a single lump sum payment to the Resort Association. This payment will be added to the regular monthly payment due on November 1, 2015 for a total November 2014 payment of \$364,052.

The remaining fund balance allocation of \$121,170.85 will be added to the regular November, 2014 payment to the Infrastructure Account held in the County Treasury, for a total payment of \$247,912.85, to be allocated toward development of future capital projects and plans approved by your Board.

Fiscal Impact

The FY 2013-14 fund balance of \$182,670.85 is revenue in excess of that budgeted to fund implementation of the FY 2014-15 North Lake Tahoe Resort Association contract and will be allocated from North Lake Tahoe area TOT funds currently being held by the County, at no new cost to the County.

Attachments:

FY 2014-15 Agreement – Amendment #1

A FY 2014-15 Scope of Work – Amendment #1

A1 FY 2014-15 Research and Planning Projects – Amendment #1

A3 FY 2014-15 Scope of Work – Amendment #1

B FY 2014-15 Payment Schedule – Amendment #1

C FY 2014-15 Resort Association 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 July 22, 2014 (Contract No. 13452) is made at Auburn, California as of **OCTOBER 21, 2014** 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 in 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 amends the original agreement as follows:

1. 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 July 22, 2014.

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 October 21, 2014 through June 30, 2015. RESORT ASSOCIATION agrees to complete all tasks and submit all reports and other duties as outlined in the original contract dated July 22, 2014.

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 July 22, 2014.

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 dated July 22, 2014.

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 dated July 22, 2014. All funds held in reserve as set forth and established in the original contract dated July 22, 2014 are hereby released and available for allocation as set forth and established in the original contract dated July 22, 2014. All other provisions and/or agreements in this section shall continue as set forth and established in the original contract dated July 22, 2014.

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 dated July 22, 2014.

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 dated July 22, 2014.

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 dated July 22, 2014.

F. POLITICAL CONTRIBUTIONS

All provisions and/or agreements in this section shall continue as set forth and established in the original contract dated July 22, 2014.

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 dated July 22, 2014.

6. RECORDS

All provisions and/or agreements in this section shall continue as set forth and established in the original contract dated July 22, 2014.

7. EMPLOYEES OF RESORT ASSOCIATION

All provisions and/or agreements in this section shall continue as set forth and established in the original contract dated July 22, 2014.

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 July 22, 2014 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 dated July 22, 2014.

10. INSURANCE

All provisions and/or agreements in this section shall continue as set forth and established in the original contract dated July 22, 2014.

11. CANCELLATION

All provisions and/or agreements in this section shall continue as set forth and established in the original contract dated July 22, 2014.

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 dated July 22, 2014.

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

COUNTY OF PLACER, "COUNTY"

By: _____
Jack Duran
Chair, Board of Supervisors

Date: _____

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

By: _____
Wally Auerbach, President, Board of Directors
North Lake Tahoe Resort Association

Date: _____

Approved as to Form:

By: _____
County Counsel

Date: _____

List of Attachments:

- Attachment A, Amendment #1–FY 2014-15, Scope of Work
- Attachment A1, Amendment #1–FY 2014-15 Research and Planning Projects
- Attachment A3, Amendment #1–FY 2014-15 Tourism Marketing Budget
- Attachment B, Amendment #1– FY 2014-15 Amended Payment Schedule
- Attachment C, Amendment #1– FY 2014-15 Amended Budget



north lake tahoe

Chamber | CVB | Resort Association

ATTACHMENT A Supplemental Scope of Work – FY 2014-15

Background

The purpose of this Supplemental Scope of Work is to summarize investment expenditures for additional Placer County TOT funds allocated during the course of Fiscal Year 2014-15.

MARKETINGACCOUNT- \$46,500 TOTAL

Destination Visitor Marketing (Los Angeles/San Diego)- \$22,000

The proposed budget will augment currently planned efforts by the North Lake Tahoe Marketing Cooperative on behalf of its funding partners to continue consumer awareness campaigns in the Southern California marketplace for the purpose of converting long distance winter bookings by complementing efforts of North Lake Tahoe resorts and lodging partners as well as efforts from Ski Lake Tahoe and the Nevada Commission on Tourism to increase destination visitation from the Los Angeles basin.

In-Market Consumer Communication Administrative Support- \$14,500

Currently the North Lake Tahoe Chamber of Commerce provides administrative support for in-market consumer communication for various efforts designed to support local economic vitality. These efforts are coordinated with the North Lake Tahoe Business Association Chamber Collaborative (BACC) and are designed to further support our brand message once consumers are in market, and drive incremental visitation to the lake shore communities in winter and mountain communities in summer. These programs include (but are not limited to) Touch the Lake, Peak Your Adventure, and Shop Local. These funds will be allocated through the marketing department to the Chamber of Commerce.

Tourism Development Master Plan- \$10,000

These funds will be utilized to complete the draft of the Tourism Development Master Plan by providing data analysis and recommendations for future programs. Once this information is reviewed, community outreach and input will be integrated before finalizing the updated plan for board approvals.

INFRASTRUCTURE ACCOUNT- \$136,170.85 TOTAL

Tourism Development Master Plan- \$15,000

These funds will be utilized to complete the draft of the Tourism Development Master Plan by providing data analysis and recommendations for future programs. Once this information is reviewed, community outreach and input will be integrated before finalizing the updated plan for board approvals.

Capital Projects and Programs- \$121,170.85

All remaining fund balance allocated to the Infrastructure Account through the attached FY 2014-15 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 A1

FY 2014-2015 RESEARCH AND PLANNING PROJECTS

Transportation Services

- Legislative Advocacy
 - California-Houston Group
 - Up to \$5,000

- Advance Transportation Project Studies-Transit Vision
 - Education Outreach
 - Community Funding Survey
 - Technical Data
 - Up to \$8,000

- Master Plan Revision including:
 - Technical Editing
 - Graphic Display
 - Reproduction
 - Community Outreach
 - Up to \$7,000

- North Tahoe Transportation Summit #3
 - Up to \$3,000

- Data Collection and Analysis for Transit and Transport /Services
 - Skier Shuttle
 - Water Shuttle
 - NLTE
 - Up to \$9,000

Total Transportation R&P=\$32,000

Capital Investment

- Legislative Advocacy
 - California-Houston Group
 - Up to \$5,000

- Advanced Infrastructure Project Studies
 - Kings Beach Pier
 - Transit Vision Infrastructure Data
 - Up to \$17,000

- Data Collection and Analysis for Infrastructure Project Analysis
 - Up to \$5,000

- Master Plan Revision including
 - Technical Editing
 - Graphic Display
 - Reproduction
 - Community Outreach
 - Up to \$22,000

- Community Planning Studies Participation
 - Kings Beach Promenade
 - Mountain Biking Trails
 - Up to \$2,500

- TC Golf Course Visioning-Land Capability Verification
 - Up to \$12,500

Total Capital Investment R&P=\$64,000

Tourism Marketing Budget Attachment A3

NLTRA Budget	Marketing	Conference	Visitor Info	TOTALS
Placer County TOT Revenue	\$ 2,067,692	\$ 320,580	\$ 285,000	\$ 2,673,272
PROGRAM EXPENSES				
Training/Seminars	2,334		1,400	3,734
Marketing Cooperative/Media	778,747	110,000		888,747
Collateral Programs			1,409	1,409
Community Marketing Programs	80,000			80,000
Conference NTPUD/Event Center		8,000		8,000
Special Event Sponsorship				-
Ironman	400,000			
USA Cycling	60,000			
WinterWonderGrass	15,000			
Autumn Food & Wine	15,000			
Elevations Tahoe	1,500			
SUBTOTAL- Special Events	\$ 491,500			491,500
Trade Shows				
Wanderlust	3,500			
Cal Travel Board Meeting	4,000			
Event Development	5,000			
SUBTOTAL- Trade Shows	\$ 12,500			12,500
Other Programs			2,785	2,785
Cross Country	25,000			
High Notes	20,000			
Performance Review	6,000			
BACC Product Campaigns	70,000			
SUBTOTAL- Other Programs	\$ 121,000			121,000
TOTAL	\$ 1,486,081	\$ 118,000	\$ 5,594	\$ 1,609,675

North Lake Tahoe Marketing Cooperative Budget	
Revenue Sources	
NLTRA	888,747
IVCBVB	472,000
TOTAL	\$ 1,360,747

COOPERATIVE DIRECT EXPENSES	
Public Relations/Social Media	80,000
Leisure Sales	67,000
Conference Sales	180,000
Website/Content Management	40,000
Consumer Marketing	743,747
Consumer Website Overhaul	35,000

COOPERATIVE PROGRAM EXPENSE	
Sierra Ski Marketing Council	80,000
Regional Air Service Committee	50,000
Wedding Promotion	15,000
DestiMetrics	18,000
VisitingLakeTahoe.com	36,000
Photography	6,000
Fulfillment	10,000
TOTAL	\$ 1,360,747

NOTE: Actual expenditures may be different based on market conditions, opportunity analysis, following committee and board action

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ATTACHMENT B

FY 2014-15 Payment Schedule- Amendment #1

<u>PAYMENT NUMBER</u>	<u>PAYMENT DUE DATE</u>	<u>PAYMENT TO NLTRA</u>	<u>PAYMENT TO COUNTY</u>
1.	Sept. 1, 2014	302,552	126,742
2.	Oct. 1, 2014	302,552	126,742
3.	Nov. 1, 2014	364,052	247,912.85
4.	Dec. 1, 2014	302,552	126,742
5.	Jan. 1, 2015	302,552	126,742
6.	Feb. 1, 2015	302,552	126,742
7.	March 1, 2015	302,552	126,742
8.	April 1, 2015	302,552	126,742
9.	May 1, 2015	302,552	126,742
10.	June 1, 2015	302,552	126,742
11.	July 1, 2015	302,552	126,742
12.	Aug. 1, 2015	302,548	126,741
Totals		\$3,692,120	\$1,642,073.85
(1) (2)			(3) (4)

- (1) FY 2014-15 Proposed Budget includes a total of \$5,334,193.85 for the RESORT ASSOCIATION 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) Services provided by or under contract with Placer County and funded with RESORT ASSOCIATION TOT funds will be allocated to and paid from the County Treasury through a journal transfer process.

