

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: David Boesch, County Executive Officer
Submitted by: Jennifer Merchant, Principal Management Analyst

DATE: December 10, 2013

SUBJECT: Contract Amendment—North Lake Tahoe Resort Association

Action Requested

Approve the First Amendment to the FY 2013-14 North Lake Tahoe Resort Association contract to allocate \$1,450,372 in FY 2012-13 Transient Occupancy Tax Fund balance, \$1,055,372 to the Infrastructure Account held in the County Treasury for future visitor-serving capital projects and services, and \$395,000 for Marketing purposes to the Resort Association.

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 2013-14 contract budget approved by your Board on June 18, 2013 was in the amount of \$4,394,440. Of the \$1,450,372 in fund balance carryover being recommended, \$395,000 is allocated to provide expanded Marketing services, and \$1,055,372 is for visitor-serving capital project development. 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.

The Marketing Account allocation of \$395,000 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 January 1, 2014 of \$268,863, for a total January 2014 payment of \$663,863.

The remaining fund balance allocation of \$1,055,372 will be added to the regular January 1, 2014 payment of \$97,340 to the Infrastructure Account held in the County Treasury, for a total payment of \$1,152,712, to be allocated toward development of future projects approved by your Board.

Fiscal Impact

The FY 2012-13 fund balance of \$1,450,372 is revenue in excess of that budgeted to fund implementation of the FY 2013-14 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 2013-14 Agreement – Amendment #1

A-3- FY 2013-14 Scope of Work – Amendment #1

B- FY 2013-14 Payment Schedule – Amendment #1

C- FY 2013-14 Resort Association TOT Budget – Amendment #1

