



Legislation Text

File #: 19-0482, **Version:** 1

Chief Administrative Office and the Department of Planning and Building, Economic Development Division, recommending the Board:

- 1) Provide direction to staff to enter into Funding Agreements for a term of two years for Fiscal Year (FY) 2019-20 and 2020-21 with the El Dorado County Chamber of Commerce - Visitors Authority, El Dorado County Chamber of Commerce - Film Commission, El Dorado Hills Chamber of Commerce, Lake Tahoe South Shore Chamber of Commerce, and the Tahoe Prosperity Center; and,
- 2) Conceptually approve the following Funding Agreements pursuant to General Plan Policy 10.1.6.4 for the issuance of Transient Occupancy Tax (TOT) funding to promote tourism, entertainment, business, and leisure travel in the County with the following entities:
 - a. El Dorado County Chamber of Commerce - Visitors Authority in the amount of \$240,920 in FY 2019-20, and 2020-21 ~~and 2021-22~~ for a total two-year amount not to exceed \$481,840;
 - b. El Dorado County Chamber of Commerce - Film Commission in the amount of \$150,750 in each FY 2019-20, and 2020-21 ~~and 2021-22~~ for a total two-year amount not to exceed \$301,500;
 - c. El Dorado Hills Chamber of Commerce in the amount of \$110,320 in each FY 2019-20, and 2020-21 ~~and 2021-22~~ for a total two-year amount not to exceed \$220,640;
 - d. Lake Tahoe South Shore Chamber of Commerce in the amount of \$78,950 in each FY 2019-20, and 2020-21 ~~and 2021-22~~ for a total two-year amount not to exceed \$157,900; and
 - e. Tahoe Prosperity Center in the amount of \$30,000 in each FY 2019-20, and 2020-21 ~~and 2021-22~~ for a total two-year amount not to exceed \$60,000. (Est. Time: 30 Min.)

FUNDING: Transient Occupancy Tax

DISCUSSION/BACKGROUND

Policy 10.1.6.4 of the Economic Development Element of the County's General Plan specifies that "The majority of transient occupancy tax (TOT) generated revenue shall be directed toward the promotion of tourism, entertainment, business, and leisure travel in El Dorado County". For budget purposes, the "majority" of TOT has been construed to mean 51% of funds, although this figure has been adjusted upward by the Board in prior fiscal years.

To accomplish the goals of the Policy, the County has entered into Funding Agreements with the El Dorado County Chamber of Commerce - Visitors Authority, the El Dorado County Chamber of Commerce - Film Commission, the El Dorado Hills Chamber of Commerce, the Lake Tahoe South Shore Chamber of Commerce, and the El Dorado Arts Council over the past nine years, and the Tahoe Prosperity Center for the past three years, to act on the County's behalf to promote tourism, entertainment, business, and leisure travel. The annual cost of these agreements has averaged \$701,500 each year.

Staff is recommending the Board enter into Funding Agreements with these same entities, with the

exception of El Dorado Arts Council. While there is no doubt that the El Dorado Arts Council contributes to the social and cultural wellbeing of the County, there is an unclear nexus to the Arts Council and the promotion of tourism, entertainment, business, and leisure travel and General Plan Policy 10.1.6.4. Therefore, Staff is recommending the Board not continue to fund the Arts Council with TOT funding.

Staff is also recommending the Board decrease the annual funding provided to the El Dorado Hills Chamber of Commerce by \$10,000 as they have historically returned funding to the County at the end of each FY and have agreed to the reduction, and to increase the annual funding provided to: the El Dorado County Chamber of Commerce - Film Commission by \$10,000 to fund additional program efforts; the El Dorado County Chamber of Commerce - Visitors Authority by \$10,000 to fund additional program efforts; and to the Tahoe Prosperity Center by \$5,000 to cover the County's annual contribution to the Tahoe Property Center's Economic Summit and attainable housing efforts. Staff is recommending the Board provide the same amount of annual funding as was provided in the last two Fiscal Years to the Lake Tahoe South Shore Chamber of Commerce. If approved as recommended, the annual cost of the funding agreements will total \$610,940, a reduction of \$90,810.

Any unspent appropriations or unanticipated TOT revenues should continue to be designated for business incentives, Broadband, or to address the impacts of tourism on the County's infrastructure and services.

ALTERNATIVES

The Board could choose to not enter into the Funding Agreements and provide alternative direction to staff on how to implement Policy 10.1.6.4.

FINANCIAL IMPACT

Transient Occupancy Tax funds associated with these agreements in the amount of \$610,940 are included in the FY 2019-20 Recommended Budget for Economic Development. Second-year funding in the amount of \$610,939 would be included in the FY 2020-21 Budget.

STRATEGIC PLAN COMPONENT

Economic Development

CONTACT

Don Ashton, Chief Administrative Officer

Tiffany Schmid, Director, Department of Planning and Building