



Legislation Text

File #: 21-0800, **Version:** 1

Planning and Building Department, Economic Development Division, recommending the Board approve and authorize the Chair to sign the following two-year Funding Agreements for the issuance of Transient Occupancy Tax funding to promote tourism, entertainment, business, and leisure travel in the County, for a total two-year commitment of \$1,221,880:

- 1) Agreement 5734 with the El Dorado Hills Chamber of Commerce, with a not-to exceed amount of \$220,640;
- 2) Agreement 5736 with the El Dorado County Chamber of Commerce - Film Commission, with a not-to-exceed amount of \$301,500;
- 3) Agreement 5740 with the El Dorado County Chamber of Commerce - Visitors Authority, with a not-to-exceed amount of \$481,840;
- 4) Agreement 5738 with the Lake Tahoe South Shore Chamber of Commerce, with a not-to-exceed amount of \$157,900; and
- 5) Agreement 5739 with the Tahoe Prosperity Center, with a not-to-exceed amount of \$60,000.

FUNDING: Transient Occupancy Tax (General Fund)

DISCUSSION / BACKGROUND

The Transient Occupancy Tax (TOT), or Hotel/Motel Occupancy Tax, is a tax imposed on the daily rental price of a room in a lodging facility, including vacation home rentals, when used by visitors staying in the unincorporated portions of El Dorado County for a period of 30 days or less. Neither the tax code nor El Dorado County Ordinances require any specific use of TOT funds; however, at least 51% of TOT funds have been directed to the Planning and Building Department, Economic Development Division (Economic Development), to offset operational expenses as well as other various tourism related expenses, including funding agreements to promote tourism and economic development.

On December 10, 2019 (File No. 19-1818, Item No. 45), the Board approved a new Budget Policy (B-16). Policy B-16, Section II, Item No. 13, states that "Transient Occupancy Tax revenue shall be directed toward the impact of tourism and economic development, with consideration for support of tourism and promotional activities within the County and for continued support for grant fund allocations to support Veteran programs within the County."

On March 9, 2021 (File No. 21-0349, Item No. 38), the Board received a presentation regarding the proposed uses of TOT funding for the Fiscal Year 2021-22 Budget. Though many of the requests for potential uses of TOT funding were continued to a TOT Workshop on March 30, 2021 (File No. 21-0484, Item No. 3), the Board provided direction to staff on March 9, 2021 to develop two-year funding agreements with the various organizations previously contracted with for the continuation of their services. These organizations include: the El Dorado County Chamber of Commerce - Visitor's 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 Tahoe Prosperity Center. Acting on the County's behalf, these organizations are tasked with promoting tourism, entertainment, business, and leisure travel in their respective areas.

Services or resources provided by each organization include, but are not limited to, the following:

El Dorado County Chamber of Commerce - Visitor's Authority

- Website, social media, digital marketing, and print promotions and advertising, including printing and distributing 80,000 magazine travel guides and two (2) new videos
- Networking activities to develop or maintain relationships with regional groups to promote and attract tourism
- Trade show attendance
- Provide resources to visitors at the Visitor Information Center and respond to visitor inquiries regarding tourism activities in the County

El Dorado County Chamber of Commerce - Film Commission

- Marketing, outreach, and advertising for filming locations through associations, trade shows, and the filmtahoe.com website
- Economic development activities, including research, product placement, County incentives, and promoting filming locations in the County
- Host the annual I Love Film Mixer

El Dorado Hills Chamber of Commerce

- Staffing of the El Dorado Hills California Welcome Center
- Highlight local tourism assets and promote local products
- Attract visitors from outside the local region

Lake Tahoe South Shore Chamber of Commerce

- Assist with the development and promotion of the Sample the Sierra Festival
- Marketing and events for local shopping, business development, and to establish Tahoe as a culinary destination
- Enhance and expand the GO Local Tahoe marketing campaign to promote local businesses
- Workforce development training and initiatives through educational and career advancement opportunities

Tahoe Prosperity Center

- Continue to support the Housing Tahoe Partnership with the implementation of the South Shore Regional Housing Action Plan
- Work with regional stakeholders to implement the Connected Tahoe Project and Broadband for All
- Coordinate regional economic recovery and resiliency workgroups in the Tahoe Basin
- Continue to expand the "Alert Tahoe" fire camera monitoring system
- Host an annual Tahoe Economic Summit to address the economy, housing, and workforce development

ALTERNATIVES

The Board may choose not to approve the proposed Funding Agreements and direct staff to seek alternative options to expend this TOT funding consistent with Board Policy B-16.

PRIOR BOARD ACTION

See Discussion/Background above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel and Risk Management have approved the proposed Funding Agreements.

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

There is no change to Net County Cost associated with this item. Funding for these agreements, \$610,940 each year, has been included in the Fiscal Year 2021-22 budget and will be included in the Fiscal Year 2022-23 budget.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will obtain the Chair's signature on two (2) original copies of each Funding Agreement.
- 2) The Clerk of the Board will forward one (1) fully-executed copy of each Funding Agreement to the Chief Administrative Office, Procurement and Contracts Division, for further processing.

STRATEGIC PLAN COMPONENT

Economic Development

CONTACT

Kyle Zimbelman, Economic and Business Relations Manager
Planning and Building Department