



**north lake tahoe**

Chamber | CVB | Resort Association

## **North Lake Tahoe's Tourism Business Improvement District**

### **FAQ's**

#### **When does the TBID go into effect?**

The Placer County Board of Supervisors voted to start the formal process to create a tourism business improvement district in the North Lake Tahoe region to bolster a year-round economy, offset tourism impacts and support local businesses. This unanimous vote was made on Tuesday, December 15, 2020. The next steps in the process will be the distribution of official notices to businesses that would be included in the district and holding public meetings to hear any comments or concerns. If the board, following the public hearing, determines there is no majority protest to the TBID, the board can adopt a resolution of formation. The TBID would last five years under the current proposal. After five years, the board would again vote on whether to reestablish the district. Under today's approval, a public hearing notice will be sent in January 2021, followed by a public meeting in late January and a final public hearing in March.

#### **I need to update my Point-of-Sale system to include the assessment percentage, how will I do that?**

There will be ample time to update POS systems to ensure reporting is in sync with Placer County's systems. The North Lake Tahoe Resort Association will host multiple trainings to ensure local businesses can easily transition into the TBID assessment model.

#### **How will the TBID Assessment affect my local customers?**

Because the assessment fee is minimal, local residents will not be largely impacted. For example, the TBID assessment on a \$200 restaurant bill is \$2. Civitas projects that on average, a full-time resident will spend up to \$30 per year on assessments.

#### **What is the assessment percentage?**

Businesses within the TBID will be assessed based on annual revenues, at different rates according to the business type and size. Lodging will be assessed at 2%, except Squaw Valley Alpine Meadows and Northstar, which already have their own assessment districts, will be assessed at 1%. For all other tourism-related businesses, 1% will be assessed on revenues greater than \$150,000 and businesses making under that will be subject to a flat fee.

#### **What happens to Transient Occupancy Tax (TOT) funds managed by Placer County?**

Placer County has committed to redirecting the \$4.1M it currently allocates to the North Lake Tahoe Resort Association and Business Associations to fund traffic management solutions and workforce housing initiatives. Hear directly from Erin Casey, Sr. Principal Management Analyst for Placer County for more information [HERE](#).

## **What does a TBID Mean for the local community?**

The TBID could generate up to \$7M dollars of locally controlled funds annually to support infrastructure projects and free up millions in local guest lodging tax revenues for workforce housing and traffic mitigation initiatives. The TBID would fund \$3.15M for marketing and visitor services - functions Placer County currently contracts with and allocates transient occupancy tax revenue to the North Lake Tahoe Resort Association to provide. With those services funded by a TBID, that \$3.9M of transient occupancy tax revenue would be freed up to fund other local priorities, primarily local housing and transportation. The remaining TBID funds will be available to be used for mitigation of tourist impacts, advocacy on behalf of the local community, economic development and transportation projects. All funds raised by the TBID are required to be spent locally, and the TBID gives the local business community full control of the funds. The governing board for the TBID is established through the TBID formation process and would include representation from lodging, restaurant, retail and activities businesses located within the boundaries of the eastern portion of unincorporated Placer County. Find the governance structure [HERE](#).

## **What happens to NLTRA's Marketing Budget?**

The North Lake Tahoe Resort Association (NLTRA) will allocate a similar budget (\$3.15M) to marketing and promotions. As specified in the Tourism Master Plan, the NLTRA focuses on a full spectrum of tourism services, rooted in midweek and shoulder-season visitation and targeting the long-haul traveler in nonstop flight markets. This includes conference and leisure sales, consumer marketing, special events, public relations and visitor services for businesses in the North Lake Tahoe area.

## **Statements from the North Lake Tahoe Resort Association & Placer County:**

“This is a major step forward in our efforts of forming a Tourism Business Improvement District for the North Lake Tahoe business community,” said Jeffrey Hentz, CEO of the North Lake Tahoe Resort Association. “The overwhelming support from all industry sectors validates the urgency and excitement for the funds that will be available from this initiative for critical visitor impact projects and programs. This TBID is a real example of partnership with Placer County, NLTRA, and the North Lake Tahoe business community coming together to build a cooperative business model that addresses key tourism impact needs and funding solutions.”

“This is an amazing first step for our business community in North Tahoe. Having worked on traffic mitigation and workforce housing issues for decades, I am pleased to see the direction this effort is taking,” said District 5 Supervisor Cindy Gustafson. “While TOT has served to bring many amazing projects to the community, I am excited about the business equity the TBID will bring. Many businesses that currently benefit from tourism do not have an avenue to contribute and participate in the conversation about the best use of local investment funds. I know that these are challenging times, but I am confident we will look back at this landmark as first step toward a more economically viable and collaborative North Tahoe.”