



north lake tahoe

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North Lake Tahoe businesses officially pass the Tourism Business Improvement District with unanimous support from the Placer County Board of Supervisors

The TBID will expand local control, offset tourism impacts and support economic vitality in the Eastern Placer County region

North Lake Tahoe, Calif. (Mar. 10, 2021) – North Lake Tahoe business owners from key local industries demonstrated their ongoing support for a Tourism Business Improvement District at the Placer County Board of Supervisors meeting on Tues., Mar. 9. The final public hearing resulted in unanimous approval from each Supervisor following a robust educational presentation from Erin Casey, principal management analyst in the Tahoe City office, and public comment on the agenda item.

“Our funding shortfalls have been outlined for decades as we lack the infrastructure needed to support our workforce and visitors. The TBID provides an opportunity to diversify our funding sources and meet the demand and impact of visitors while also ensuring funds are governed by the very businesses who generate them and comprehend the dire needs of our community,” explained Alex Mourelatos, owner and general manager of Mourelatos Lakeshore Resort. “Development of the Management District Plan was both collaborative and time consuming. The final document in front of you today represents input and alignment from North Lake Tahoe businesses, large and small.”

The North Lake Tahoe Resort Association (NLTRA) will oversee the district, set to form in July 2021 with extensive oversight from locally comprised committees and the NLTRA Board of Directors as to how funds are allocated. The anticipated \$6.1 million will focus on traffic solutions, tourism management, education and sustainability tactics that influence visitor behavior, economic development, business advocacy and support, and quality of life enhancements for full-time residents. NLTRA’s marketing budget does not increase with a TBID in place; goals remain focused on mid-week and shoulder season visitation strategies.

Tourism-driven businesses within the district will be assessed based on annual revenues, at different rates according to the business type and size. This will include retailers, restaurants, outdoor activity providers, lodging properties and short-term rentals. Lodging will be assessed at two percent, except Squaw Valley Alpine Meadows and Northstar (which already have their own assessment districts) will be assessed at one percent. For all other tourism-related businesses, one percent will be assessed on revenues greater than \$150,000 and businesses making under that will be subject to a flat fee. This 1-2 percent assessment will be passed along at the point of sale to customers and businesses will collect the fee. Full-time residents will end up contributing a projected \$30-\$40 dollars per year.

“I wear a lot of hats in this community, but today I’m speaking as a longtime resident and business owner in Tahoe City. I am addressing you in support of the NLT TBID,” said Judy Friedman, owner of The Paper Trail. “For years, we’ve depended on the lodging community to provide funds through TOT for trails, transit, infrastructure, and other projects that make the area attractive to visitors, but also improve the quality of life for those of us who live here. The TBID provides more equity as the costs are shared among a broader range of businesses and it captures day visitors, which has become a significant segment of our guests. There have been questions about the financial burden

for full-time residents, which I acknowledge, but if my calculations are correct, 1% of a \$50 bill is 50 cents. For me, that's an investment in my community."

In agreement negotiations with Placer County, the NLTRA advocated for Transient Occupancy Tax (TOT) funds to remain in the region and therefore, an additional \$4.1 million will support workforce housing, traffic mitigation and transportation initiatives. Also passing unanimously at the Board of Supervisors meeting on Tues., Mar. 9 was a proposal to spend \$1.1 million of those freed up TOT dollars ahead of peak summer months. The projects now eligible to be funded include a microtransit service, expanded TART park-and-ride service, pedestrian crossing guards, enhanced trash service and increased snow removal service at trail heads. These projects have all been identified as critical initiatives to address traffic, trash mitigation, messaging needs and recreation access, which are all priorities under the region's Tourism Master Plan.

The concept of a Tourism Business Improvement District is nothing new – there are 109 in the state of California alone (including Truckee and South Lake Tahoe). The TBID model was introduced in North Lake Tahoe's 2015 Tourism Master Plan as a way to accomplish funding goals and expand representation and input from local businesses. From there, business leaders across the region began to form the Management District Plan (MDP), which is the guiding document for implementation of a TBID.

The Placer County Board of Supervisors voted to start the TBID formation process within the North Tahoe business community in December 2020. The TBID petition drive was initiated shortly thereafter but paused from April 2020 to October 2020 due to the prioritization of NLTRA's COVID-19 response. The petition drive resumed in fall 2020 and by December, North Lake Tahoe businesses had passed the weighted vote to form a TBID. Next steps in the district formation process includes workshops and trainings hosted by the NLTRA to assist businesses with operational updates to their point-of-sale systems. In May 2021 the district will be formed and in July 2021, assessment collections begin. The TBID will last five years under the current proposal. After five years, the Placer County Board of Supervisors will again vote on whether to reestablish the district.

"I truly believe that a TBID establishes stronger equity among local businesses, while infrastructure and improved programs such as transportation, workforce housing and environmental protection will be hugely impactful for North Lake Tahoe," stated District 5 Supervisor, Cindy Gustafson. "What we like about the TBID model is that it creates equitable contributions and input from a cross sector of local industries, including lodging, restaurants, outdoor activity providers and retailers. Healthy communities help themselves and I'm excited to see this come to fruition after many years of discussion."

"The overwhelming support from all industry sectors validates the urgency and excitement for the formation of this district," said Jeffrey Hentz, CEO of North Lake Tahoe Resort Association. "As we continue to see an increase of day visitors to the region, we must ask those travelers to contribute to the vitality and infrastructure of our local communities. I encourage businesses not currently involved with the TBID process to engage and participate. There are a wide range of involvement opportunities."

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. The Chamber of Commerce focuses efforts on educational support, industry communications, business development and advocacy, networking and economic analysis.

The NLTRA produces original content in-house to serve local businesses, most recently launching a gift card program and two shop/eat local campaigns to drive revenue for retailers and restaurants. With guidance from a 14-member Board of Directors and six committees, representatives from a broad range of business industries in North Lake Tahoe

advise on consumer initiatives and corresponding budgets to ensure they reflect goals outlined in the Tourism Master Plan.

"We take pride in transparency and we are constantly looking at the impact of our efforts to ensure dollars are invested wisely and our return on investment is best in class," continued Hentz. "We are humbled by the work we are able to do for the local community and take very seriously the role we have in revenue generation for local business industries. We will continue to serve with equity, transparency and ethic."

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About North Lake Tahoe Resort Association:

The North Lake Tahoe Chamber | Resort Association | CVB has supported small businesses and major resorts for over 65 years, ultimately enhancing the strong and vibrant North Tahoe business community. The Resort Association combines Chamber of Commerce and Destination Marketing services to assist local businesses and connect community leaders. Guided by directives outlined in the Tourism Master Plan, the team is focused on midweek and shoulder season visitation, transportation and housing solutions, and visitor services. The North Lake Tahoe Resort Association ultimately provides a collective voice for the local community.

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