



# COUNTY OF HUMBOLDT

For the meeting of: 6/11/2024

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File #: 24-912

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**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Renewal of Redwood Region Entertainment and Education Liaisons, Inc. (RREEL) agreement.

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve the addition of the Film Humboldt incentive program to the scope of services under the agreement with the RREEL;
2. Approve delegating film permit coordination activities back to RREEL;
3. Direct staff to draft an amendment to the professional services agreement with RREEL at 5% of Transient Occupancy Tax (TOT) plus \$20,000 per year and to extend the term to June 30, 2027; and
4. Authorize the County Administrative Officer to sign this amendment as well as other subsequent addendums and modifications to the agreement with RREEL, conditioned upon review and approval by County Counsel and Risk Management.

**STRATEGIC PLAN:**

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: A Diverse, Equitable & Robust Economy

Strategic Plan Category: 2002 - Promote a robust tourism economy

**DISCUSSION:**

Since its inception in 2009, RREEL has served to foster film and video production in Humboldt County. In 2019, your Board approved a professional services agreement between the County and RREEL for these activities. On Dec. 13, 2022, your Board executed a new professional services agreement with RREEL (retroactive to July 1, 2022) for a continuation of RREEL services.

This program supports the Board of Supervisors' Strategic Framework by encouraging new local enterprise, supporting business and workforce development, creating private-sector jobs, managing our resources to ensure the sustainability of services, and engaging in discussions of our regional economic future.

The payment to RREEL under their agreement for film-related services equals five percent (5%) of the total TOT collected, plus an ongoing annual \$20,000 allocation. Your Board approved this additional annual allocation when it adopted the Fiscal Year 2018-19 budget.

The longstanding partnership between the County of Humboldt and RREEL benefits a wide range of participants, including local businesses, filmmakers, and workers in the hospitality, travel and tourism sectors. Film activity in Humboldt County has created a

measurable economic impact, as production crews typically eat, sleep and explore the county's assets during filming.

Therefore, staff recommends that your Board approve a three-year renewal of the agreement with RREEL, at the same rate, and authorize the County Administrative Officer to sign the renewal as well as other subsequent addendums or modifications to the agreement, conditioned upon review and approval by County Counsel and Risk Management.

The Humboldt-Del Norte Film Commissioner previously presented to the Board a request for staff assistance in developing and managing a film incentive program (Film Humboldt) and to seek a location for a regional soundstage. These activities aim to provide incentives to film studios and productions, allowing Humboldt to compete with other regions.

The Humboldt-Del Norte Film Commission requires permitting approval from various County agencies for film-related activities throughout the county. Historically, the County Administrative Office's Economic Development Division has managed this process, involving direct communication with other departments regarding the logistical details of filming in public spaces.

Funding to support these activities is limited. Therefore, staff recommends that your Board approve the addition of the "Film Humboldt" incentive program to the scope of services under the agreement with RREEL and approve delegating film permit coordination activities back to RREEL.

**SOURCE OF FUNDING:**

Transient Occupancy Tax or TOT revenue for Fiscal Year 2024-25, excluding Measure J, is projected to be \$3,953,956. The county currently appropriates 5% Transient Occupancy Tax to the Redwood Region Entertainment and Education Liaisons, Inc. (RREEL), doing business as the Humboldt-Del Norte Film Commission, to promote Humboldt County as a location for film and digital media production work. Previously, as part of the Fiscal Year 2018-19 budget, your Board approved an ongoing annual allocation of \$20,000.00 per year in addition to the fixed TOT allocation to RREEL promote the various resources and advantages of film and video production in Humboldt County. Staff recommends that the TOT payable to RREEL under the agreement, less any modifications your Board may make for Measure J, remain the same over the extended term.

This program contains the following budget unit: 1100-181 Economic Development Promotion.

**FINANCIAL IMPACT RREEL Contract:**

| <i>Expenditures (Fund, Budget Unit)</i>   | <b>FY23-24</b> | <b>FY24-25 Projected*</b> | <b>FY25-26 Projected*</b> |
|---|----------------|---------------------------|---------------------------|
| <b>Budgeted Expenses</b>                  | \$184,517.00   | \$217,697.80              | TBD                       |
| <b>Additional Appropriation Requested</b> | \$ 88,000.00   | \$ 0.00                   | TBD                       |
| <b>Total Expenditures</b>                 | \$272,517.00   | \$217,697.80              | TBD                       |

\*Projected amounts are estimates and are subject to change.

| <i>Funding Sources (Fund, Budget Unit)</i> | <b>FY23-24</b> | <b>FY24-25 Projected*</b> | <b>FY25-26 Projected*</b> |
|--|----------------|---------------------------|---------------------------|
| <b>General Fund</b>                        | \$272,517.00   | \$217,697.80              | TBD                       |
| <b>State/Federal Funds</b>                 | 0              | 0                         | TBD                       |
| <b>Fees/Other</b>                          | 0              | 0                         | TBD                       |
| <b>Use of Fund Balance</b>                 | 0              | 0                         | TBD                       |
| <b>Contingencies</b>                       | 0              | 0                         | TBD                       |
| <b>Total Funding Sources</b>               | \$272,517      | \$217,697.80              | TBD                       |

\*Projected amounts are estimates and are subject to change.

**Narrative Explanation of Financial Impact:**

The above table reflects the financial impact if the RREEL contractual agreement remains the same, at 5% of TOT plus the \$20,000 per year allocation. The amount payable to RREEL is anticipated to increase for Fiscal Year 2025-26 (i.e., as TOT grows), however the specific amount is to be determined.

**STAFFING IMPACT:**

Narrative Explanation of Staffing Impact:

The County Administrative Office's Economic Development Division currently provides liaison support to the Humboldt-Del Norte Film Commission and manages the RREEL agreement, dedicating approximately 15 hours per month to these services. Approving today's recommendations will not require additional time or staffing.

**OTHER AGENCY INVOLVEMENT:**

N/A

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Board Discretion

**ATTACHMENTS:**

N/A

**PREVIOUS ACTION/REFERRAL:**

Meeting of: Sept. 10, 2019; Dec. 13, 2022; Feb. 7, 2023.

File No.: Board Order No.: C-4, H-1, I-3      File No.: 19-1071; 22-1524; 23-129