



COUNTY OF HUMBOLDT

For the meeting of: 9/10/2019

File #: 19-1071

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:

Transient Occupancy Tax Agreement with Redwood Region Entertainment and Education Liaisons, Inc.

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached Agreement with the Redwood Region Entertainment and Education Liaisons, Inc. (RREEL) and authorize the Chair to sign two (2) copies; and
2. Direct the Clerk of the Board to return the two (2) signed agreements to the Economic Development Division.

SOURCE OF FUNDING:

General Fund - Transient Occupancy Tax

DISCUSSION:

The county receives transient occupancy tax (TOT) based on room night charges for stays in hotels in the unincorporated areas of the county. Unlike other taxes which are paid primarily by local residents, TOT is generated mostly from visitors to the area. For this reason, the county has historically devoted a portion of the TOT proceeds to support outside agencies that promote the county and increase TOT receipts.

From 2005 through 2009, the Humboldt County Convention and Visitor's Bureau (HCCVB) was the exclusive entity which received county TOT funds for promotional purposes. HCCVB then passed a portion of those funds on to other entities, including the chambers of commerce that support "gateway" information booths, as well as the Film Commission.

In 2009, your Board entered into two agreements, one with RREEL to provide TOT funding in exchange for promotion of the local film and digital media industry, and a separate one with HCCVB for general tourism promotion and passthrough to gateways. Based on analysis of historical passthrough funds from HCCVB, it was determined HCCBV would receive sixteen percent (16%) of prior year TOT collections, and RREEL would receive 4 percent (4%).

In 2013, your Board approved a new agreement with RREEL and increased RREEL's funding from the TOT to five percent (5%). That agreement was extended in 2017 to expire on June 30, 2019. Due to delays in obtaining necessary signatures, this agreement is late in coming before your Board. Therefore, it is respectfully requested your Board approve the agreement to become effective retroactively to July 1, 2019. The terms of this agreement remain consistent with the prior agreement.

As part of the fiscal year 2017-18 budget, your Board allocated an additional \$20,000 in one-time funding to RREEL to promote the various resources and advantages of Humboldt County through programs of film and video production and promotion. As part of the fiscal year 2018-19 budget, your Board approved this allocation on an ongoing basis.

FINANCIAL IMPACT:

The cost to the General Fund for fiscal year 2019-2020 is \$121,342. This amount was included in the adopted budget for budget unit 1100-181 - Economic Development and Promotion.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services .

OTHER AGENCY INVOLVEMENT:

Redwood Region Entertainment and Education Liaisons, Inc.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could decide not to approve this agreement. However, that option is not recommended as RREEL's activities have positively impacted Humboldt County's economy.

ATTACHMENTS:

Agreement with RREEL

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-13

Meeting of: October 24, 2017

File No.: N/A