



COUNTY OF HUMBOLDT

Legislation Text

File #: 23-160, Version: 1

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:

First Contract Amendment to Professional Services Agreement with Redwood Region Entertainment and Education Liaisons, Inc. and Supplemental Budget (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Review and ratify the slate of funding for Redwood Regional Entertainment and Education Liaisons, Inc. (RREEL);
2. Approve and authorize Board Chair to sign the First Amendment with RREEL; and
3. Approve the attached supplemental budget for FY 2022-23 in the amount of \$44,000 increasing projected revenues in the General Fund (1100-888) and expenditures for the County Administrative Office - Economic Development Division budget 1100-181 (4/5 vote required).

SOURCE OF FUNDING:

General Fund (1100), Hotel & Motel Tax (107010), Economic Development and Promotion (1100-181)

DISCUSSION:

Since 2009 Redwood Regional Entertainment and Education Liaisons, Inc. (RREEL), i.e., more commonly referred to as the Humboldt Del Norte Film Commission, has contracted with the County of Humboldt to support your Boards strategic framework by fostering film and video production, as well as other promotional film related services.

In 2019, you Board approved a professional services agreement between the County and RREEL for these activities and, on Dec. 13, 2022, your Board executed a new professional services agreement (Agreement) with RREEL (retroactive to July 1, 2022) for FY 2022-23 for a continuation of RREEL services.

On Feb. 7, 2023, your Board approved an additional 10% allocation to RREEL from the Measure J Transient Occupancy Tax (TOT) tax projected to be collected due to the voter-approved TOT rate

increase. The total amount of additional revenue projected from the measure is \$440,000 for FY 2022-23.

This Measure J increase reflects an additional payment to RREEL for film related services which also includes payments to RREEL equaling five percent (5%) of total TOT collected and also an ongoing annual \$20,000 allocation which your Board approved when it adopted the FY 2018-19 budget.

Attached hereto is an amendment to the modify the RREEL agreement to reflect the recent activity and changes as authorized by your Board.

The amendment also addresses changes in insurance requirements since those included in the agreement are in excess of what is required for the services which RREEL provides.

The amendment also extends the term of the agreement to coincide with your Board's approval of Measure J funding for film-related activity which shall occur through FY 2023-24.

Staff recommends that your Board review and ratify the slate of funding for RREEL as defined in the Financial Impact section of this report, and that your Board approve and authorize the Board Chair to sign the amendment with RREEL (Attachment 1), and that your Board Approve the attached supplemental budgets for FY 2022-23 in the amount of \$44,000 reflecting the increase in Measure J revenue, subsequent allocation to other funds, and ultimately the allocation to Economic Development.

The amendment modifies the original Agreement as follows:

1. Section 18, Subdivision A., is hereby amended to delete section 18.A.4, "Professional Liability Insurance", from the Agreement.
2. Section 2 of the agreement, "TERM", is hereby amended to extend the termination date of the agreement to June 30, 2024.
3. Section 4. Subdivision A., "COMPENSATION", and Exhibit B, titled "Exhibit B- Schedule of Rates", are hereby amended to read: "CONTRACTOR will receive a sum of:
 - 5% of the total TOT revenues received by COUNTY in the fiscal year ended 12 months prior to the beginning of the fiscal year in which payment is made by the COUNTY, and
 - An ongoing annual allocation of \$20,000 to be paid each year for the duration of this agreement, and
 - A one-time payment of \$44,000 which is reflective of a 10% allocation of the projected Measure J related TOT increase for FY 2022-23.
 - A one-time payment, due by July 30, 2023, of \$88,000 which is reflective of a 10% allocation of the projected Measure J related TOT increase for FY 2023-24.
 - Future Measure J related allocations for RREEL may be revisited as part of the FY 2024-25 COUNTY budget process.

FINANCIAL IMPACT:

Expenditures	FY22-23	FY23-24 Projected	FY24-25 Projected
Budgeted Expenses	\$132,282	\$220,282	\$220,282
Additional Appropriation Requested	\$44,000	0	0
Total Expenditures	\$176,282	\$220,282	\$220,282
Funding Sources	FY22-23 Adopted	FY23-24 Projected*	FY24-25 Projected*
General Fund	\$132,282	\$220,282	\$220,282
Additional Appropriation Requested	\$44,000	0	0
Total Funding Sources	\$176,282	\$220,282	\$220,282

These numbers of estimations and are subject to change

NARRATIVE OF FINANCIAL IMPACT:

Hotel & Motel Tax revenue for FY 2022-23 is projected to increase by \$440,000 as a result of the passage of Measure J, and \$880,000 in FY 2023-24. Your Board’s prior direction was to provide 10% of that revenue to REEL for 2 years.

Therefore, funding for the attached supplemental budget (Attachment 2) in the amount of \$44,000 is available through an increase in projected Hotel & Motel tax revenue in the General Fund (1100-888) due to the passage of Measure J, which increases the hotel tax rate by 2% and adds private campgrounds.

Expenditures related to this supplemental budget will be recorded in the Economic Development Promotion budget unit (1100-181).

STAFFING IMPACT:

There is no anticipated staffing impact for adopting staff recommendations for this item.

STRATEGIC FRAMEWORK:

This action supports your Board’s Strategic Framework by supporting business, workforce development and creation of private-sector jobs

OTHER AGENCY INVOLVEMENT:

Redwood Region Entertainment and Education Liaisons, Inc.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve this amendment. However, this is not recommended as RREEL’s activities are aligned with your Boards strategic framework and positively impact Humboldt County’s travel and tourism economy.

ATTACHMENTS:

1. RREEL First Amendment to Agreement

2. Supplemental Budget Request

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-4, H-1, I-3

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

File No.: 19-1071; 22-1524; 23-129