



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/3/2015

Agenda Placement: 6H

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Lawrance Florin - Director
Housing and Intergovernmental Affairs

REPORT BY: Lawrance Florin, DIR HOUSING AND INTERGOVERNMENTAL AFFAIRS - 253-4621

SUBJECT: Special Projects Fund - Visitor Management Grants for FY 2014-15

RECOMMENDATION

Director of Housing and Intergovernmental Affairs requests approval of and authorization for the Chair to sign an agreement with Visit Napa Valley for a maximum of \$251,202 for the term of July 1, 2014 through June 30, 2015 for destination marketing services per the Visitor Management portion of the Special Projects Fund.

EXECUTIVE SUMMARY

On August 2, 2011, the Napa County Board of Supervisors voted to grant two-thirds of the Visitor Management portion of the Special Projects funding to Visit Napa Valley (VNV) and reserve one-third of the available funds to fund visitor management activities and projects from local community groups. Today's action finalizes the annual agreement with Visit Napa Valley for the allocated two-thirds or \$251,202 for destination marketing activities in accordance with the Napa Valley Tourism Improvement District Management Plan.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	SPECIAL PROJECTS FUND
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Board authorized continued funding from the increased Transient Occupancy Tax (TOT) to be used for Special Projects. Specifically, the

recommended agreements for Special Projects Funding in the area of Visitor Management will be funded with 30% of the increased TOT funds. The Board decided to allocate one-third of this funding to Community Grants, and two-thirds of this funding to Visit Napa Valley.

Is the general fund affected? Yes

Future fiscal impact: There is no future impact. In order to allocate Special Projects Fund Visitor Management monies in future years, staff will need to come before the Board to seek a recommendation.

Consequences if not approved: Grant funding and funds to Visit Napa Valley will not be made available for the designated purpose.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In November of 2004, Napa County voters approved an increase in the Transient Occupancy Tax (TOT) rate charged to visitors renting hotel and motel rooms in the unincorporated area. The increase, from 10.5% to 12%, took effect on January 1, 2005 and was not dedicated to any specific purpose. The additional revenue generated by this increase in the TOT rate provided an opportunity to consider County investments in projects or programs that were a Board priority. To that end, the Board established the Special Projects Fund to finance programs on projects related to Parks and Open Space, Visitor Management and Arts and Culture and committed an annual contribution of 12.5% of the prior calendar year's transient occupancy tax revenues to the Special Projects Fund, fiscal conditions permitting.

On September 14, 2010 the Board of Supervisors authorized continued funding for the three (3) priority areas in the percentages that were allocated in previous cycles: 60% for Parks and Open Space, 30% for Visitor Management and 10% for Arts and Culture for the next funding cycle and delegated responsibility for managing the solicitation process, screening applications for funding, and making recommendations to the Board of Supervisors to: the Parks and Open Space District Board of Directors (for Parks projects), the Napa County Commission for Arts and Culture (for Arts and Culture projects), and the Napa Valley Destination Council/Local Governing Committee (for Visitor Management projects).

On August 2, 2011, the Napa County Board of Supervisors voted to grant two-thirds of the Visitor Management portion of the Special Projects funding to Visit Napa Valley (VNV) and reserve one-third of the available funds to fund visitor management activities and projects from local community groups. Two-thirds of the Special Projects funding for visitor management shall be used by VNV for the continuation of destination marketing activities. The Board authorized VNV and the Local Governance Committee (LGC) of the Napa Valley Tourism Improvement District (TID) to conduct a Request for Projects (RFP) application process and recommend projects to the Board for funding from the Visitor Management category of the Special Projects Fund.

VNV applied the following criteria in determining its recommendations:

1. Programs/events must demonstrate they drive overnight hotel stays during need periods (late November through April, and Sunday – Thursday nights).
2. Program/event producers must have a proven track record with similar activities in the past.
3. Applicants must demonstrate that they have a viable and sustainable business plan, including ample cash on hand to fund operations of the event. These grants are intended to amplify existing marketing efforts versus operations.
4. Programs/events must demonstrate that their brand's image and positioning are consistent with the brand image and positioning of the Napa Valley destination brand.

The Board of Supervisors previously approved agreements for the RFP portion of the Visitor Management Funds with:

1. Arts Council Napa Valley/Napa Valley Museum/Celebrate Napa Valley - \$20,000
2. Napa Valley Vine Trail - \$33,601
3. Napa Valley Opera House - \$10,000
4. Napa Valley Performing Arts Center at Lincoln Theater - \$15,000
5. Saint Helena and Calistoga Chambers of Commerce - \$20,000
6. Napa Valley Film Festival - \$15,000
7. Napa County Historical Society and Napa County Landmarks in partnership - \$12,000

Today's action finalizes the agreement with Visit Napa Valley for the continuation of destination marketing activities funded by two-thirds of the Visitor Management portion of the Special Projects Fund. The total allocation for Fiscal Year 2014-2015 is \$251,202. Visit Napa Valley will provide a report of funds spent in accordance with the Napa Valley Tourism Improvement District Management Plan.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan