



Date: January 28, 2025

Honorable Mayor and Council Members:

Author and title: Carissa Binkley, Economic Development Program Analyst II

Title: Truckee Tourism Business Improvement District Renewal Update

Jen Callaway, Town Manager

Recommended Action: Receive an update on the Truckee Tourism Business Improvement District renewal process and provide direction to staff to continue the TTBD renewal process.

Discussion:

Background

The Truckee Tourism Business Improvement District (TTBD) is a self-assessment of short-term lodging properties (i.e. all hotels, and short-term rentals) within Truckee, for the purpose of promoting Truckee as an overnight visitor destination. The Town uses its taxing authority to collect the assessment at the same time as Transient Occupancy Tax (TOT) is collected, and remits the funds to Visit Truckee-Tahoe, the TTBD Owners' Association.

The Truckee Tourism Business Improvement District was formed in 2015 for an initial term of five years and renewed in 2020 for a second five-year term. The current TTBD term expires on June 30, 2025, and Visit Truckee-Tahoe aims to renew the TTBD prior to the end of the current term. The renewal process is a substantial process, requiring significant effort and coordination from Town staff, Council, and Visit Truckee-Tahoe staff and board members.

Pursuant to state law, each TBID is governed by a Management District Plan (MDP), which provides specific parameters regarding the assessment rate, governance, and activities that may be funded, among other details. The current (2020-2025) MDP is provided as Attachment 1. Town Staff have worked with Visit Truckee-Tahoe to consider and plan for the renewal of the TTBD including reviewing proposed changes to the Management District Plan. Key topics have included the assessment rate and board make up, among other decision points. Following these discussions, Visit Truckee-Tahoe is working with consultant CIVITAS to draft a 2025-2035 Management District Plan and petition documents. Substantive changes proposed to the TTBD Management District Plan include:

- TTBD Assessment will remain at 1.25%, with adjustments possible with approval from Town Council
- Increasing the length of the TTBD from five years to ten
- Budget: TTBD annual assessment budget for the initial year of the ten-year operation is anticipated to be approximately \$540,162, compared to an estimated annual budget of \$487,500 in the prior MDP. Increased overnight lodging sales contribute to the estimated budget increase.
- Annual Service Plan adjusted to reflect a 2% decrease in Tourism Enhancement and a 2% increase in Administration. (85% Tourism Enhancement, 8% Administration, 5% Contingency Renewal, 2% Town Collection).
- The addition of an at-large seat added to the board of directors.

Town Council will have an opportunity to formally accept the final 2025-2035 Management District Plan and adopt a Resolution of Intent to Renew at future Council meeting, anticipated in March 2025.

Renewal Process:

The TTBID is governed by the Property and Business Improvement District Law of 1994 (Streets & Highways Code § 36600 et seq.). Renewal requires several steps, involving both the Owners Association, assessed properties, and Town Council. These include:

- Town staff, Visit Truckee-Tahoe staff and board work toward finalizing TTBID and MDP updates (nearly complete)
- Petition of all TTBID payors (led by VTT), requiring signatures from payors representing > 50% of the district's projected revenue.
- TTBID Resolution of Intent to Renew adopted by Town Council
- Town Clerk issuing a Notice of Public Meeting and Notice of Public Hearing Dates
- Town Council holding a Public Meeting to allow public comment regarding renewal
- Town Council holding a public hearing and adopting a Resolution of Formation.

Supporting the TTBID renewal process is included in the Town Council Strategic Priorities workplan.

Priority:

<input checked="checked" type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

Fiscal Impact: Staff time to support the TTBID renewal process and TTBID partnership. It should be noted that the Management District Plan provides for the Town to retain 2% of funds collected on behalf of the TTBID as an administrative charge. These funds provide cost recovery for the cost of administering fund collections on behalf of the TTBID and tracking, and remitting these funds. In addition to the services covered by this administrative charge, the Town contributes additional staff time to partner and coordinate with VTT, including attending all VTT board meetings.

Public Communication: Agenda posting.

Attachments:

1. 2020-2025 TTBID Management District Plan