



January 27, 2009

To: Board of Directors

Fr: Management Team

Re: D.1 Election of Balance of Board Officers for 2009
D.2 Discussion and Possible Action to Approve Committee Chairpersons - 2009
D.3 Discussion and Possible Action to Approve NLTRA Members to the
North Lake Tahoe Marketing Cooperative - 2009

D.1 - Background

Board Chair Alex Mourelatos has been working to complete a slate of Officers for 2009 for Board consideration and approval. The Officers serve as members of the Executive Committee. Alex will present his proposed slate for the positions of Vice-Chair, Treasurer and Secretary at the meeting.

D.2 - Background

By the day of the Board meeting, each NLTRA Committee, with its newly constituted membership as approved by the Board January 7th, will have meet once and elected Committee leadership for 2009. The list of elected Committee leaders will be presented for Board consideration and approval at the meeting.

D.3 - Background

Consistent with provisions of the North Lake Tahoe Marketing Cooperative Participation Agreement, and the pertinent provisions of the NLTRA's adopted Supplemental Operating Procedures and Policies, the NLTRA Marketing Committee will recommend a slate of four members representing the NLTRA on the Cooperative Marketing Committee (CMC) for 2009. The recommended slate will be presented for Board consideration and approval at the meeting.

D.1, D.2, D.3



January 29, 2009

To: Board of Directors

Fr: Management Team

Re: Presentation - North Lake Tahoe Marketing Cooperative and the Process for Consideration of Extending the Coop Participation Agreement

Background

As approved by the Boards of both organizations, the NLTRA and the Incline Village Crystal Bay Visitors Bureau (IVCBVB) established the North Lake Tahoe Marketing Cooperative (NLTMC), effective as of July 1, 2006. It was agreed in Section 5 of the Participation Agreement that the initial term of the Agreement would be three years. Accordingly, it is time for the participants to consider renewal of the Agreement.

A timeline and process for this consideration is set forth in the NLTRA's "Six Month Plan." As part of this process, a subcommittee of the NLTMC Cooperative Marketing Committee (CMC) was appointed by the CMC to review the existing Agreement. This subcommittee met January 14th to draft updates and changes, as appropriate. The subcommittee's recommended changes are noted on the attachment to this memorandum.

Schedule of Meetings to Consider Proposed Changes to the Participation Agreement

January 29 - NLTRA Marketing Committee receives presentation, including Coop ROI information, and begins work on developing a recommendation to the NLTRA Board.

February 4 - NLTRA Board receives presentation, including ROI information.

February 24 - Marketing Committee develops recommendation for consideration by the Board.

March 4 - Board Consideration of Marketing Committee recommendation; Discussion and Possible Action to Approve Renewal of the NLTMC Participation Agreement.

Note: On a similar timeline, the IVCBVB Board will consider its approval for renewal of the Agreement.

Requested Action

This item is principally an informational item at this stage, but staff welcomes Board questions or comment as the NLTRA moves forward with its consideration process.

**NORTH LAKE TAHOE MARKETING COOPERATIVE
PARTICIPATION AGREEMENT**

This NORTH LAKE TAHOE MARKETING COOPERATIVE PARTICIPATION AGREEMENT ("**Agreement**") dated as of the first day of July ~~2006~~ 2009 is entered into by, between and among the Participants (as defined below).

RECITALS:

WHEREAS, the Participants are comprised of public non profit corporations which receive Transient Occupancy Tax ("**TOT**") funds from their respective local political jurisdictions for the purposes of marketing the North Lake Tahoe (Exhibit B) region and desire to join together to contribute funds to market and position the region as one tourism destination through a North Lake Tahoe Marketing Cooperative ("**NLTMC**").

WHEREAS, the Participants desire to develop and implement on the terms and conditions set forth herein a NLTMC marketing plan to support the North Lake Tahoe hospitality industry by establishing an overall resort destination identity.

WHEREAS, to develop and implement this marketing plan the Participants agree to establish a Cooperative Marketing Committee ("**CMC**") and to elect representatives to serve on the CMC to coordinate this cooperative effort.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participants agree as follows:

AGREEMENT:

1. DEFINITIONS.

1.1 Participants: The term "**Participants**" shall refer to the following organizations:

(i) The Lake Tahoe Incline Village Crystal Bay Visitors Bureau, a Nevada non-profit corporation ("**LTIVCBVB**");

(ii) North Lake Tahoe Resort Association, a California public benefit non profit corporation ("**NLTRA**");

1.2 North Lake Tahoe Marketing Cooperative: The NLTMC as established by the Participants as a cooperative agreement.

1.3 Cooperative Marketing Committee: The committee established by the Participants to coordinate efforts to fund and implement the North Lake Tahoe Marketing Cooperative. The role of the CMC is to finalize a Regional Cooperative Marketing Plan ("Plan") and oversee Plan implementation, using the budget resources identified and approved by the Participants. The CMC shall oversee the Plan by providing direction and oversight to the Plan Administrator. The Plan shall not be effective unless and until approved by the Boards of each Participant.

Subject to Section 8, below, each Participant will select four individuals to serve as voting members of the CMC ("Voting Member") (~~Exhibit C~~). CMC meetings shall be noticed and conducted in accordance with the Nevada Open Meeting Law and in accordance with those requirements of NLTRA's agreement with Placer County, and held at least once each quarter, or as needed, at the discretion of the CMC Chairperson, based on marketing initiatives or programs requiring CMC discussion, direction, or action in the form of a vote.

1.4 CMC Chairperson: The Chairperson ("Chair") to be elected on an annual basis by a majority of the voting members of the CMC, subject to conditions in Section 9, Paragraph 1.

1.5 Plan Administrator. The NLTRA shall provide a person to serve as the NLTMC Plan Administrator ("Administrator") throughout the term of this Agreement, at the discretion of the CMC. The Administrator shall manage the CMC approved Plan implementation. The Administrator shall update the CMC at all regularly scheduled meetings and provide additional updates as required, depending on programs or as directed by the CMC Chair. The Administrator shall be responsible for (i) identifying and retaining the services of such persons, firms and organizations to provide creative and other necessary support to develop and implement the Mission Statement and the Plan; (ii) identifying and implementing sales and marketing projects to achieve the goal of the Mission Statement and Plan and set forth in sections 2 and 3 of this Agreement, respectively; (iii) identifying and supporting strategies, organizations and businesses that are cooperative with, or further the Mission Statement and the Plan. In addition, the Administrator shall authorize invoices and payments consistent with the Plan and ensure financial accountability to both the CMC and the Participants.

1.6 Budget Administrator The person designated by the LTIVCBVB to act as Budget Administrator, [at the discretion of the CMC](#). The role of the Budget Administrator is to (i) ultimately authorize payments in accordance with the approved CMC Budget subsequent to plan administrator approval, (ii) coordinate cooperative fund contributions and payment of vendors and contractors, and (iii) coordinate accounting procedures to insure financial compatibility between each participating organization and the CMC.

1.7 **New Participants Limited Partners.** New **Participants Limited Partners (LP)** may be accepted at any time upon the approval of all existing Participants in the NLTMC, provided that the new **Participant LP** agrees in writing to ~~the~~ terms and conditions as specified by existing participants and as warranted by the extent of financial contributions. ~~of this Agreement. Each added Participant shall select four individuals who shall be added to the CMC, to serve a Voting Members so long as that entity is a Participant.~~

2. **MISSION STATEMENT.** The Participants agree that the intent and mission of the NLTMC is to bring together public and private organizations and businesses to contribute marketing dollars and expertise to position the North Lake Tahoe region as one destination, to focus on identifying national and international markets, and to target common tourism industry interests and desires for cooperative action and marketing programs.

3. **REGIONAL COOPERATIVE MARKETING PLAN** The Participants shall develop and implement a Plan for the purpose of furthering the adopted NLTMC Mission Statement, supporting the regional tourism industry and business community by establishing an overall resort destination marketing identity; developing regional private sector support for this identity and a commitment to position and sell private sector products and/or services as components of the identity and Plan, as may be appropriate for each Participant and supporting partner. During the term of this agreement, participants agree that any other marketing activities undertaken, outside the Cooperative Marketing Plan will in no way compete with the destination brand as further developed and supported by the cooperative.

4. **FUND CONTRIBUTION.** Preparation, administration and implementation of the Plan shall be funded through annual contributions made by each Participant. Contributions shall be made by each Participant for each fiscal year of the program. Each Participant agrees to annually contribute the amount of money set forth in Exhibit A attached hereto and incorporated by reference. The Participants recognize and agree that the amount of funding each contributes may vary from fiscal year to fiscal year, depending on the total amount of TOT funding available to each from their respective local political jurisdictions. All funds contributed to this Agreement shall be used for the purpose of funding the Plan as generally defined in section 3, above. In no event shall the cumulative expenses and costs of the Plan exceed the aggregate amount of the marketing funds set forth in Exhibit A.

5. **TERM.** This Agreement shall remain in effect unless canceled, in writing, by one of the Participants. It is recognized that to achieve maximum effectiveness, the NLTMC should be established and continued for the long-term. Therefore, a written notice to cancel by any one of the Participants must provide a minimum of 12 months notice prior to the effective date of the cancellation, so that the NLTMC can wind down operations with minimum disruption to the separate marketing programs of each Participant. In the event that notice is given, CMC operations and

governance shall continue as specified in this Agreement and funding levels shall be maintained at a level of at least 75% of the contribution, of each Participant, at the time of notice of intent to cancel. It is further agreed by the Participants that the initial term of this agreement shall be three years. The Agreement may be renewable for one or more additional terms, as may be agreed, in writing, by the Participants.

6. **FUNDS AVAILABLE.** The Participants recognize and agree that their ability to provide funds to support the NLTMC is contingent upon the receipt of TOT revenues from their respective local political jurisdictions. Should one or more of the Participants be advised by their local political jurisdiction of a reduction or elimination of TOT revenues, a notice of cancellation, if necessary, can be submitted in writing with a notice of less than 12 months. However, the Participants pledge their good faith efforts to ensure that any cancellation of this Agreement takes place over a minimum of 12 months to help ensure a minimum disruption to the separate marketing programs of each Participant.

7. **DISSOLUTION**

7.1 **RETURN OF EXCESS FUNDS.** If this Agreement is canceled, upon dissolution of the NLTMC, any excess funds remaining in the NLTMC account shall be distributed on a pro rata share to the Participants in accordance with their annual contributions to the NLTMC account as of the effective date of termination. Should there be a deficiency of funds to cover authorized expenses, the Participants agree to fund their share of such expenses, consistent with the manner by which any excess funds would be distributed. Lists and data collected and projected during the term of this Agreement will be equally the property of all Participants at the time of dissolution. Collateral materials produced by cooperative marketing funds (e.g., brochures, exhibits, ticket stock, etc) shall be divided among the Participants in the same manner as the distribution of any excess marketing funds.

7.2 **USE OF PARTICIPANT INTELLECTUAL PROPERTY** Unless otherwise agreed, upon dissolution none of the participants will have the right to any brand, creative, or intellectual property created using cooperative funds. The Participants acknowledge that each Participant owns certain intellectual property (specifically including but not limited to trademarks, service marks, trade secrets, websites and the like), and each Participant hereby agrees not to use any intellectual property belonging to another Participant without first executing a separate trademark license agreement governing such use.

8. **MEMBERSHIP OF THE COOPERATIVE MARKETING COMMITTEE.** Consistent with the role of the CMC, as defined in Section 1, above, the membership of the CMC shall consist of four (4) members selected by the Board of Directors of each Participant, to include the Executive Director ("CEO") of each Participant, two (2) existing Board members from each Participant, and one (1) At Large representative from each Participant. The term of each selected CMC member shall be

one year. No term limits shall apply, however, each may be replaced, at will, by their respective Participant board of directors.

9. VOTING AND VOTING PROCEDURES. All transactions of business requiring approval of the CMC shall only be taken with a quorum present and provided a majority of the duly authorized voting members has participated in discussions and has voted on the action proposed. A quorum of the Committee is established with five members. The transaction of business requiring approval of the CMC shall include, but not be limited to, the responsibilities as outlined in Section 1.3, above. Voting shall be conducted at any regularly scheduled and noticed meeting of the CMC or at a meeting scheduled and noticed at the direction of the Chair with the consent of a majority of the CMC members. Voting members may participate by telephone in scheduled, noticed meetings of the CMC, as long as all participants can hear each other and there is a physical location for the meeting accessible to the public and at least one voting member is present at that location.

9.1 Chair. The Chair of the CMC shall preside at all CMC meetings and exercise and perform such other powers and duties as may be required from time to time as part of the role of CMC Chair. The term of the Chair shall be one (1) year. The position shall rotate between the participants on a yearly basis.

10. MISCELLANEOUS.

10.1 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and no other party shall be a beneficiary hereunder.

10.2 Entire Agreement. This Agreement may not be amended or modified except in writing executed by all parties hereto. The Participants each acknowledge that there are no other agreements or representations regarding the subject matter hereof, either oral or written, express or implied, that are not embodied in this Agreement, and this Agreement, and the Exhibits attached to this Agreement, represent a complete integration of all the prior and contemporaneous agreements and understandings and documents regarding the subject matter hereof.

10.3 Governing Law. This Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada. Each of the parties hereto acknowledges and agrees that the laws of the State of Nevada were freely chosen.

10.4 Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.

10.5 Counterpart. This Agreement may be signed in counterparts by the participating parties, which counterparts together shall constitute a single instrument.

The Participants have executed this Agreement to be effective as of the date first written above.

10.6 NRS Compliance This is an interlocal agreement subject to the provisions of NRS 277.100, et seq., and will not be valid until approved in accordance with that chapter.

10.7 Precedence In Conflicting Documents. It is further expressly agreed by and between the participants hereto that should there be any conflict between the terms of this instrument and the NLTRA/Placer County Agreement, as it reads on the date of this document signing, then the NLTRA/ Placer County Agreement shall control and nothing herein shall be considered as acceptance of the said terms by either NLTRA nor Placer County.

**INCLINE VILLAGE/CRYSTAL BAY NORTH LAKE TAHOE RESORT
VB ASSOCIATION**

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

EXHIBIT A

**North Lake Tahoe Marketing Cooperative
Contribution Schedule**

<u>Month</u>	<u>% of Total Due</u>
July	.083
August	.083
September	.10
October	.10
November	.10
December	.083
January	.083
February	.083
March	.083
April	.066
May	.066
<u>June</u>	<u>.066</u>
Total	100

Estimated 2006/2007 Total Contribution as of May 1, 2006

<i>NLTRA</i>	<i>\$850,000</i>
<i>IVCBVB</i>	<i>\$650,000</i>

Participants agree to a minimum contribution of 45% of their total marketing budgets for the initial year of this agreement (may be pro-rated dependent upon coop start date). This percentage is subject to review and adjustment on an annual basis to coincide with the budgeting process for both participants.

EXHIBIT B

”North Lake Tahoe” Geographic definition

The North Lake Tahoe Marketing Cooperative will brand “North Lake Tahoe” which will encompass the specific and general areas encompassing the following communities:

Incline Village
Crystal Bay
Kings Beach
Tahoe Vista
Carnelian Bay
Tahoe City
West Shore
Squaw Valley
Northstar
Greater Truckee
Alpine Meadows



January 29, 2009

To: Board of Directors

Fr: Management Team

Re: Review Revised Schedule of Meetings and Workshops to Solicit Input
and Develop Marketing Direction and Budget for FY-2009/10

Background

At your January meeting, staff presented and received Board feedback on the draft Strategic Planning and Budget Development Process for FY-2009/10 (aka the Six Month Plan). The revised document has been posted on www.nltra.org. Press releases and other public outreach are being used to bring the community's attention to the schedule of workshops and meetings summarized in the document.

This agenda item calls the Board's specific attention to the schedule of meetings and workshops to solicit input and develop NLTRA marketing direction and budget for FY-2009/10. At their January 29th meeting, members of the Marketing Committee will provide input and assist staff in determining the best date, time and place for the Committee's "Community Workshop," currently identified in the planning document as "Mid-February."

Requested Action

This is principally an informational item; no specific Board action is requested.

Marketing

Purpose: Continue ongoing commitment to soliciting member, partner and community input and review of marketing directions during planning and budget development cycle, including at least one community workshop and joint workshop(s) of the Marketing and Chamber of Commerce Advisory Committee, as appropriate; use a "building block" approach to development of the marketing budget for FY-2009/2010. Address, as a priority, consideration of continuing the North Lake Marketing Cooperative; continue efforts to secure Coop participation by the Town of Truckee.

Date	Who	Outcome
January 6	Marketing Committee	Provide input on proposed schedule of meetings and workshops to solicit input for development of marketing direction and budget for FY-2009/2010
January 29	Marketing Committee	Receive presentation regarding the North Lake Tahoe Marketing Coop, including ROI information, and begin work on development of a recommendation to continue the Coop; Provide input on FY-2009/10 marketing direction and related budget resource allocations
February 4	Board of Directors	Receive presentation regarding the North Lake Tahoe Marketing Coop, including ROI information, and the process for consideration of extending the Coop legal agreement; Review revised schedule of meetings and workshops to solicit input and develop marketing direction and budget for FY-2009/2010
Mid-February	Marketing Committee (Community Workshop)	Presentation - NLTRA Marketing Plan and Programs, Accomplishments and Return on Investment; solicit input on development of Marketing Plan and funding for FY 2009/2010
February 24	Joint Workshop-Marketing Committee and Chamber of Commerce Advisory Committee	Review and Discuss "Building Blocks" for FY-2009/2010 Marketing Budget, with a focus on funding level for Community Marketing Program (which includes special event grants)
February 24	Marketing Committee	(Following the Workshop) – Develop Final Recommendation for the NLTRA Board regarding continuation of the North Lake Tahoe Marketing Cooperative
March 4	Board of Directors	Status Report/Board Discussion, Input and Further Direction to Staff regarding outcomes of February Marketing Workshops; Discussion and Possible Action to Approve Extension of the North Lake Tahoe Marketing Cooperative Legal Agreement
March 24	Marketing Committee	Review Input, Discussion and Further Direction to staff regarding development of proposed Marketing Plan and Budget for FY-2009/2010

Date	Who	Outcome
April 1	Board of Directors	Status Report/Board Discussion, Input and Further Direction to Staff regarding development of the proposed Marketing Plan and Budget for FY-2009/2010
April 28	Workshop with Marketing and Chamber Committees and Lodging Subcommittee	Workshop to solicit final input and direction from committee and subcommittee members regarding development of proposed marketing plan and budget for FY-2009/10
April 28	Marketing Committee	Develop recommendation for the Board of Directors regarding Marketing Plan and Budget for FY-2009/2010
May 6	Board of Directors	Workshop to Review Development of Direction for Preliminary NLTRA Budget for FY-2009/2010, including Budgets for Transportation, Infrastructure and Marketing; Discussion and Possible Action to Approve proposed Annual Marketing Plan and Budget for FY-2009/2010



January 29, 2009

To: Board of Directors

Fr: Management Team

Re: Status Report - Contract Compliance

Background

As directed by the Board, this agenda item provides an opportunity for a review and discussion on the status of NLTRA compliance with provisions of the FY-2009/10 Placer County Contract. Changes in status from the report provided last month are shown in red.

<u>ITEM</u>	<u>ACTION</u>
<u>Page 2, Item 2.D</u> Annual Conflict of Interest Filing	All NLTRA Board Members and Executive Director must file their annual Conflict of Interest Statement no later than February 1st. This action is annual.
<u>Page 2, Item 2.E</u> Quarterly Infrastructure Reports	These are prepared and filed by staff no later than 45 days after the end of each quarter. This action is quarterly.
<u>Page 3, Item 2.F</u> Placer County Lodging Property Web site Promotion	Staff works to ensure that all lodging properties in Placer County are listed on the GoTahoeNorth.com Web site; if they are not Chamber members, they have a listing, but no direct link. This action is complete and ongoing.
<u>Page 3, Item 2.G, Part 1</u> 15% commission for conference sales outside of Placer County	The NLTRA Board has established a commission structure which charges 15% for booked leads for conference business outside of jurisdictions which are members of the North Lake Tahoe Marketing Cooperative (Placer/Washoe). This action was taken by the NLTRA prior to the September 8, 2008 deadline.

<p><u>Page 3, Item 2.G, Part 2</u> Washoe County Conference Program Marketing and Booking</p>	<p>Based on a review of pertinent information, the NLTRA has adopted a finding of “equitability” in the Placer and Washoe TOT funding of the NLT Coop’s Conference Program Marketing and Booking. The NLTRA has also established a review and action process for maintaining program equitability. This action was taken prior to January 1, 2009; A discussion with the CEO’s office regarding compliance is continuing.</p>
<p><u>Page 3, Item 2.H, Part 1</u> External Jurisdiction Marketing Policy</p>	<p>The NLTRA Board has adopted a written policy with regard to external jurisdiction marketing. This action is complete.</p>
<p><u>Page 3, Item 2.H, Part 2</u> Signed Agreement from Town of Truckee on a plan to demonstrate “equitable funding” for marketing, sales and promotion.</p>	<p>The NLTRA has: 1) transmitted a letter to the Town of Truckee formally requesting Town funding participation in the North Lake Tahoe Marketing Cooperative (November 5, 2008); 2) Presented an Overview of the Coop to the Town Council (Dec 18, 2008); 3) transmitted a letter to the Town requesting meetings to further discuss and develop a plan for Truckee’s participation in the Marketing Coop. (December 22, 2008); and, 4) Removed the final Truckee lodging property from the GoTahoeNorth.com Web site. Written confirmation from the CEO’s office as to whether these actions constitute compliance is pending.</p>
<p><u>Page 4, Item 4.A</u> Quarterly Reports</p>	<p>These are prepared and filed by staff no later than 45 days after the end of each quarter. This action is quarterly.</p>
<p><u>Page 4, Item 4.B</u> Draft Scope of Work & Budget</p>	<p>The NLTRA is required to prepare and submit its Draft Scope of Work and TOT Budget Request for the subsequent fiscal year by no later than May 31st. Staff ensures that this action is timely each year. This action is annual.</p>
<p><u>Page 4, Item 4.C</u> Public/NLTRA Board and Committee Review and Comment on proposed Draft Scope of Work & Budget</p>	<p>The NLTRA is required to provide for public, NLTRA Board and NLTRA Committee review and comment on the proposed Draft Scope of Work and Budget prior to submittal to Placer County. Staff ensures that this action is timely each year. This action is annual.</p>

<p><u>Page 6, Item 5.C.1</u> 15% Marketing Account Reserve</p>	<p>The NLTRA is required to maintain a 15 % reserve of the total budgeted expenditures for marketing to “provide for fluctuations in the Transient Occupancy Tax collected.” This action is associated with development and adoption of the annual NLTRA budget. Staff ensures this action is timely each year. This action is annual.</p>
<p><u>Page 7, Item 5.C.4</u> Marketing ROI Reports</p>	<p>The NLTRA is required to provide a Marketing ROI data and Analysis Report as part of its “Bi-Seasonal Marketing Collateral Reports.” The summer April-September Report is due no later than 45 days following the end of the first quarter; the winter October-March Report is due no later than 45 days following the end of the third quarter. Staff prepares and submits these reports and ensures that this action is timely. This action is bi-annual.</p>



January 30, 2009

To: Board of Directors
Fr: Management Team
Re: Discussion and Possible Action to Approve Use of Marketing Reserve Funds for Extension of Bay Area Winter Marketing Campaign

Background

At their meeting of January 29, members of the NLTRA Marketing Committee voted unanimously (12-0) to approve, and recommend to the NLTRA Board, "an up to and not to exceed \$40,000 for staff to create a plan to increase advertising efforts and opportunities to improve bookings in late February and March in North Lake Tahoe."

A draft of the Marketing Committee meeting minutes related to this discussion and action is attached for your review and information.

Various options were discussed. As an outcome of Committee discussions, staff was directed to develop and implement (subject to NLTRA Board approval of the required funding) a plan to extend the current Bay Area Winter Marketing Campaign, to include:

- A consistent North Lake Tahoe brand message throughout February and March;
- A modification of the existing "Call to Action" to include relevant event and activity listings and further promotion of the Cool Deals section of the www.GoTahoeNorth.com Web site.
- In addition, the Committee directed staff, with advertising and media-buying agency support, to maximize promotional efforts in conjunction with new snowfall events.

Requested Action

Following discussion and consideration of the Marketing Committee's recommendation, that the Board take action as it deems appropriate.

10.0 DISCUSSION AND DIRECTION TO STAFF ON POSSIBLE EXTENSION OF WINTER BAY AREA ADVERTISING EFFORT

- 10.1 Andy Chapman discussed the background on the winter Bay Area advertising efforts. At the January 6th Marketing Committee meeting, the Committee directed staff to place a discussion item on the next agenda on the possible usage of reserve funds to extend the current drive market winter advertising effort at the conclusion of the three week television buy. Wendy discussed the reach and frequency of the spot; although the goal was to reach women, it actually reached 32.7% women and 39.3% men, in addition to reaching skiers and cable watchers.
- 10.2 Cathy Davis discussed the television spot. She supplied preliminary results from the cable buy. The spot was image-oriented with "Call to Action" message for the consumer to visit the Cool Deals page. Cathy reported that unique visits were higher over the same week in 2008, although the unique visits to the Cool Deals page was lower compared to the same week in 2008. The search engine referrals increased over last year, as well as the number of San Francisco visitors to the site. She noted that the San Francisco Cable communities also increased over last year. She reported that the week before the cable launched actually shows higher numbers and noted that this was the week leading up to Martin Luther King weekend. She said there is also a slight margin of error that was created (probably 10%) by switching from using Geobytes to Google Analytics. Wendy Hummer noted that rain was also forecasted during the first week of the cable buy. Andy reminded everyone that this report only shows one week of results.
- 10.3 Wendy discussed possible extension options and distributed a handout to the Committee containing options A, B and C. Option A extended the brand message through March with the use of television, outdoor and internet. Option B capitalized on the weather with a time sensitive advertising message to capitalize on new snowfall. Option C left the current media plan in place with no additions. Staff discussed the desire to change the final visual (art card) in the spot to highlight current events and activities, as well as a stronger promotion of the Cool Deals section of the Web site. Wendy Hummer reported that she submitted an additional grant request for an expanded cable buy three weeks ago. She said we were approved for an additional \$44,000 matching grant from Comcast for use in 2009. There was discussion that money for the winter Bay Area advertising extension would be pulled out of reserve funds that must be replaced in next fiscal year's budget.
- 10.4 Ron Parson noted the importance of changing perceptions in the Bay Area. He said this is primarily a public relations effort. Pettit Gilwee reported that she sends an average of two news releases out per week. Les Pedersen said that according to MTRiP, advanced bookings for March are down from prior year. He suggested using Option A with a focus on internet and possibly television. Nick Pullen suggested the possibility of using a landing page or additional URL to help determine the number of television views that were being drawn to the site. Cathy Davis noted that we are tracking the hits on the Cool Deals page which is the call to action in the ad.
- 10.5 **M/S/C (Parson/Maurer) (12/0) approve up to and not to exceed \$40,000 for staff to create a package and program using Option A to increase advertising efforts and opportunities to improve bookings in late February and March in North Lake Tahoe.**

- 10.6 There was discussion about the possible usage of a radio medium to offer giveaways and deals in order to drive people from the Bay Area to North Lake Tahoe.



M E M O R A N D U M

DATE: February 4, 2009

TO: Board of Directors

FROM: Ron Treabess
Director of Community Partnerships
And Planning

SUBJ: January 1-31, 2009
Activity Report

A. Integrated Infrastructure and Transportation Work Plan—Update

1. Reno/North Lake Tahoe Airport Shuttle (North Lake Tahoe Express) (B-5)

As of July 2008, the North Lake Tahoe Express started into its third fiscal year of operation. The July, August, September first quarter totals show total revenue of \$146,740 with a ridership of 5,460 passengers. This continues to compare very favorably to revenue totaling \$115,733 and 4,099 passengers for the same period last year. The second quarter, although showing a slight dip for November, continued to show an overall growth in total revenue and ridership. The F.Y. 08-09 second quarter had total revenue of \$117,715 and ridership of 4,346 passengers as compared to the 07-08 second quarter revenue of \$105,040 and ridership of 4,070. The new fare schedule went into effect on November 15th and two more runs at peak times have been added. There will be figures for the additional runs accompanying the next NLTE report.

2. Winter Transportation Programs (B-4, B-4a, B-4b, B-6,)

All winter transit services were underway as of December 19th and will run until April 12th. TART services are up 17% for the first 30 days of the winter season. This overall percentage includes a 36% increase along the Highway 89 corridor and a 15% increase on the Highway 267 route.

The winter night service (Night Rider) has shown continued growth amongst visitors, residents, and employees. The first month of winter operation has served over 13,000 passengers. The New Year's Eve total ridership was 1,419.

3. Tahoe Vista/Northstar Skier Shuttle (B-9)

The NLTRA Board recommended Tahoe Vista/Northstar skier/employee shuttle demonstration project began on January 17th and will run morning and afternoon routes every weekend through April 12th, including the full President's Day week. The service is being monitored according to a directive from Placer County to enable proper evaluation of the service. At the January Joint Committee meeting, there was discussion on the progression of this project coming to fruition as a weekend pilot project for this season in difference to the original Committee and Board recommendation to provide this program for the entire winter season. It was suggested to further discuss this at the February Board meeting. To provide background, staff has attached documentation to this report from prior meetings and communications with the County staff.

4. Winter Traffic Management (B-1)

Traffic control services in Tahoe City for the upcoming ski season began on December 20th. Road Safety Services is the contractor. This program was in operation, as the weather permitted, for two weeks during the holiday period, and will continue to be each weekend through Easter. Some positive adjustments have been made to the traffic coning locations allowing traffic to flow more smoothly through the Grove Street intersection.

5. Transit Service Guidelines

County staff, NLTRA staff, and Joint Committee members are engaged in discussions of transit measurement guidelines that can be used to evaluate the success of TOT funded transit operations. County staff presented suggested guidelines for discussion purposes only at the January Committee meeting. Direction was provided to NLTRA staff to continue working with the County to incorporate the comments of the Committee in preparing draft criteria guidelines that can be used for transit service evaluation.

6. Regional Wayfinding Signage (A-18)

The last reviews were held at the November 18th Joint Committee meeting and at the Wayfinding Advisory Committee meeting on November 19th. At those meetings, the 1st draft of the front-end content for the standards manual received a progress review on format/organization. In addition the developing signage standards package that was reviewed presented alternatives for color and material exploration, and design for signage for various purposes. These included vehicular directional, area identification, destination arrival, vehicular/pedestrian combination, pedestrian wayfinding, and trail/mile markers. The project is on schedule so that funds can be requested this winter to design demonstration signage for implementation next construction season.

7. Squaw Valley Transit/Bus Stops (A-8)

The NLTRA has taken the lead on the project and is partnering with Placer County's Tahoe Design Division (TDD) and TART to locate, design, and construct bus stops and shelters in the Valley. Presently, TDD has designed an appropriate shelter that can be used as a template for the individual shelters needed in Squaw Valley, and has prepared a site plan for the first two locations. The first of these shelters is under construction and scheduled for completion this season. The Contractors Association of Truckee Tahoe, Community Project (CATT CP) is donating services and providing materials at cost, to these bus shelter projects, after providing very favorable estimates to construct the two shelters. Staff has an agreement with CATT CP to provide \$33,760 for services and materials to construct each shelter. The second shelter will be constructed in the spring. TDD excavated the footings in which the foundations were poured by CATT CP. TDD is providing construction oversight for the NLTRA. The construction will be completed this winter as the weather allows.

8. North Lake Tahoe Performing Arts Center (A-10)

The consulting firm selected to prepare this Arts and Culture Feasibility Study is the very experienced Webb Management Services from New York City. An initial series of interviews and an inventory of existing programs and facilities took place during the week of June 16th, followed by meetings on August 25th, and November 5th. Members of the Joint Committee and NLTRA Board have been involved in this process. The information that resulted from those meetings was incorporated into a draft final report which was presented by Mr. Webb to all interest parties on December 11th. All comments were to have been submitted by year's end so that the report can be finalized for distribution and determination of next phase action.

9. Olympic Heritage Museum and Celebration (A-21)

Members of the Olympic Western Ski Heritage Museum Committee (Squaw Valley Olympic Museum Committee-SVOM), and the Olympic Heritage Celebration Committee (subcommittee of SVOM) attended the September Board meeting to present the economic impact and value of implementing a celebration of the 50th anniversary of the 1960 Winter Olympic Games and the important linkage to the development and construction of the planned Olympic and Western Ski Heritage Museum. At the October 1st meeting, the Board of Directors voted to recommend to the Board of Supervisors an Infrastructure allocation of up to \$50,000 for a consultant to manage the Squaw Valley Olympic and Western Ski Heritage Museum project (within a one year period of time) and up to \$50,000 to study the scope of the museum including site locations and design and to earmark another \$100,000 contingent upon review of the Board after the first of the year. The Board of Supervisors then, at their October 21st meeting, approved the proposed expenditure of budgeted Infrastructure funds in the amount of \$100,000 toward planning efforts to establish the Squaw Valley Olympic Museum and Western Winter Sports Heritage Center. The SVOM is moving ahead under this direction and approval. They have hired an executive director and selected local consulting firm, Gary Davis Group. They have also received official notification from the IRS that the Squaw Valley Ski Museum Foundation has been given 501(c)(3) status, which is a result made possible by an earlier TOT Infrastructure grant.

10. Update 2003 Economic Significance Report & Public Assessment Surveys (A-17)

At the May, 2008 NLTRA Board Meeting, the Board considered the use of Infrastructure funds for updating research projects including the NLTRA share of funding for the Placer County wide Tourism Impact Study, incremental funds necessary to complete an update of the 2003 report *The Economic Significance of Travel to the North Lake Tahoe Area*, and community and visitor surveys in support of the NLTRA's 2012 initiative. The Board approved the allocation of up to \$80,000 for these projects using a combination of funds (infrastructure, research and planning, marketing) developed by further discussions between the NLTRA staff and Placer County. NLTRA and CEO staff representatives reached an agreement that the split would be \$30,000 of Infrastructure funds, \$31,000 of Marketing funds, and the balance from Research and Planning. Progress has been made on all of these projects using Marketing and Research and Planning funds. The Board of Supervisors approved the request for \$30,000 of Infrastructure funds at their November 25th meeting. Staff has received a rough draft of the mail-out residential survey and web site survey summary tables. The narrative parts of the report are now being prepared. We anticipate having the total report available in February. When complete, a presentation will be made to the Committee and Board.

11. Historic Tahoe City Fish Hatchery Interpretive Center (D-21)

U. C. Davis has restored the old Tahoe City Fish Hatchery. The improved facility will not only function as a state-of-the-art field lab and research, but also as an interpretive, education, and nature center for visitors, school groups, and area residents. The interpretive features will include kiosks, interpretive paths, interactive exhibits, wayside informational signage, observation deck, and welcoming signage. The U. C. Davis Tahoe Research Group is preparing a request for infrastructure funding to assist with the interpretive features of this new visitor serving facility.

12. Mousehole Project (E-1)

The Town of Truckee is continuing to work with Caltrans and Union Pacific to find an acceptable solution for improving the safety of the Highway 89 tunnel that passes under the railroad tracks and referred to as the Mousehole. Union Pacific has remained reluctant to have the tracks temporarily relocated while a new underpass is constructed, which would add a great deal of cost to the project. Consequently, in mid-2008, the Town hired a consulting firm to prepare a geotechnical feasibility study to see if borings could safely be done for a new tunnel (tunnels) without having to relocate the tracks. The Town and

Caltrans are now reviewing the draft of this report with the intent of being able to present it to Union Pacific in Omaha during the month of March.

Simultaneous, the Town and the Stakeholder group, of which the NLTRA partakes, has been working with Caltrans to recommend some short term interim improvements that could provide a greater level of safety to the existing Mousehole situation. In general, Caltrans has indicated that they will move the northbound speed limit sign 50 feet south of its existing location, conduct a speed study this spring, analyze the suggested guardrail alternatives, and work with the Town and Stakeholders to develop appropriate warning light devices.

13. Review and Update of Integrated Work Plan

The process to update the Infrastructure and Transportation Development Integrated Work Plan was initiated at the January Joint Committee meeting. The current Work Plan was reviewed included the priorities, the on-going infrastructure and transportation projects, and the proposed long-range projects to be considered over the next 5 years. Suggestions and recommendations were noted for possible inclusion as revisions to the plan. The next step will be an evening meeting at the Tahoe City Public Utility District with our funding partners and interested community members. Input from this meeting will also be used to develop a draft of this year's proposed 2009-2014 Integrated Work Plan that will be reviewed and discussed at the February Joint Committee meeting and the March NLTRA Board meeting.

B. Other Meetings and Activities Attended

- Tuesday Morning Breakfast Club
- Olympic Museum and Celebration Committee
- NLTRA Board of Directors Meeting
- TNT/TMA Board
- RTTPC
- TCDA Events
- Winter Traffic Management Meeting
- TCPUD Board
- Tahoe Vista Shuttle Transportation Meeting
- Sierra State Parks Foundation Board
- Placer County Transportation Planning Agency
- Meeting with Placer County Supervisors
- Chamber/Snowfest Mixer
- TCDA Annual Membership Meeting
- Chamber/Lakeside Pizza Mixer
- Chamber/Homewood Mixer
- Joint Infrastructure/Transportation Committee

11/18/08 Joint Committee Meeting

6.0 PRESENTATION, DISCUSSION OF WINTER TRANSPORTATION PLANNING, ROUTE AND SCHEDULING BY TART AND TNT/TMA

6.3 Discussion followed in regards to the lack of service between Tahoe Vista and Northstar.

6.3.1 Ron Treabess reported that concern was expressed at the NLTRA's September 30th Lodging Subcommittee meeting about the lack of service. Pete Prezybyslawski with FireLite Lodge in Tahoe Vista explained that hourly service was abruptly cut prior to last winter and there is a need to serve skiers. Alex Mourelatos, also a lodging provider in Tahoe Vista, feels it is important to have service to accommodate skiers. In addition, he said it is important for our marketing to have effective transportation from lodging to the resorts. He asked that if the service cannot be provided, that there be a tighter linkage for transfers. Alex said Tahoe Vista can justify the service. He said he would work with the Tahoe Vista lodging providers to further promote ridership.

6.3.2 Dave Paulson reported on Northstar's participation in the service. He said Northstar recognizes the importance of the route, but since ridership information is not available, they cannot justify the expenditure, especially in the current economic climate. Dave said they need to know the return on investment before they provide funding for the service. Ron Treabess suggested we make a request to the County to fund service this season to determine ridership. This would allow Northstar to decide whether to participate in the service next year.

6.3.3 Will Garner reported that it was TART's intent to include the Tahoe Vista to Northstar route in the TART system. He said the route that was serviced by the prior contractor had low ridership. Will reported that although the service now requires a transfer at Stateline, ridership has been strong. Will also questioned whether the prior service ran on an hourly basis. He suggested we consider reallocating services from the West Shore to the Tahoe Vista/Northstar.

6.3.4 Steve Teshara suggested that to the maximum extent possible the benefit of TOT investments should accrue to the lodging properties that collect it. Based on information available, he feels TART has "done the right thing" with the current schedule. He doesn't feel TART should change its current plan, but rather that it be supplemented in Tahoe Vista. Ron Treabess asked Dave to submit projected operating costs for Northstar to provide the service. Steve urged the committee to request a one season infrastructure allocation to fund a demonstration project. Steve said it is important to address the needs of our lodging providers. Debbie asked about the budget. Steve said it would require a supplement to the transportation budget from Infrastructure. Debbie feels that changes at Northstar will attract more ridership and sees the importance of conducting the demonstration project research. Jan Colyer said she would check all available statistics related to the service. In the meantime, Will said he would ask the operators to make a tighter linkage at the transfer point. Ron McIntyre noted that the problem could be addressed with continuous service around the Resort Triangle.

- 6.3.5 The committee directed staff to work with Placer County to make a better connection with the current transfer and ask for funding for a one year pilot program to complete service from Tahoe Vista to Northstar. Alex confirmed that he would work with the lodging community to promote ridership. Cheri Sprenger said the North Tahoe Business Association would provide a letter of support for the service. Steve said staff will review the committee's discussions with the Placer County CEO's office. Staff will include an item on the Board agenda to consider approval of an infrastructure allocation to fund a demonstration ski shuttle service from Tahoe Vista to Northstar for the 2008/09 Winter season.

12/3/08 Board Meeting

11.0 DISCUSSION AND POSSIBLE ACTION ON INFRASTRUCTURE REQUEST TO FUND A DEMONSTRATION SKI SHUTTLE SERVICE FROM TAHOE VISTA TO NORTHSTAR FOR THE 2008/09 WINTER SEASON

- 11.1 Ron Treabess reported that for several years, direct winter transit service was available between Tahoe Vista and Northstar. This service was provided by Aztec Transportation. Although the service did not always operate on time, it did provide service to guests of 22 lodging providers in Tahoe Vista. Starting last winter (2007/08), TART began providing winter transit service on the Highway 267 corridor. To initiate this service in the most efficient manner possible, TART had to adjust the route which resulted in the elimination of direct service from Tahoe Vista to Northstar. Although the service is still provided, riders must make an awkward transfer at Stateline. Tahoe Vista lodging providers have expressed the need for direct service to Northstar from their properties. At the November 18th Joint Infrastructure/Transportation Committee meeting, it was suggested that Northstar could expand its employee shuttle service to Tahoe Vista lodging. Northstar submitted a proposal of \$50,000 to fund a one year demonstration ski shuttle service from Tahoe Vista to Northstar during the 2008/09 winter season. The purpose is to determine the longer term need for the service. Unfortunately Aztec Transportation did not keep ridership numbers for the Tahoe Vista service it provided. The committee directed staff to work with Northstar, the TNT/TMA and TART on solutions to restore the connection. The committee also asked that the discussion come before the Board of Directors for consideration and not back to the committee due to time constraints. If approved, the intent is to bring the infrastructure request to the Board of Supervisors at their December meeting so service could begin on December 20th the same day other winter services begin.
- 11.2 Graham Rock asked if there would be space available to accommodate both employees and visitors on the same shuttle. Dave Paulson reported that the 7:00 a.m. and 5:00 p.m. shuttles are primarily targeted for employees. He said there are larger buses available to accommodate increased ridership, if needed. Graham expressed concern about the perception that we are catering to Tahoe Vista and Northstar. Ron Treabess said this is a one time demonstration project to determine whether it should be incorporated in our overall transit system. In the past, we have contributed TOT dollars for services that benefit Squaw Valley and Alpine. In addition, Northstar contributes to the transit system. Dave added that Northstar pays for their employee passes on TART. Tom Murphy said Squaw Valley has a shuttle service that runs from lodging properties to the resort. Dave said Northstar has a large demand on property. Northstar has put

funds towards TART and the Aztec service for guests. Tom said the service should go to all resorts. Ron explained that TART does provide service from Truckee to Northstar. Tom said TART does not have ski racks so it doesn't adequately provide service. Jennifer said ski racks made the vehicles too wide. In addition, the buses are made with a material that will not accommodate racks. Jan added that TART runs trailer buses in the morning that serve both Northstar and Alpine which is an extra service. Dave said Northstar is moving away from ski racks due to liability issues. Ron McIntyre said this issue will be resolved once TART runs the Resort Triangle service. He asked if the data will sort out employee versus visitor ridership. Ron said the data will be extracted out. He reported that there is some concern with the Resort Triangle service not meeting the needs of Stateline and West Shore riders.

- 11.3 Alex said this has been a productive exercise for lodging properties. He said a key to ridership is for lodging providers to promote the service. He said the lodging community feels it would be a detriment to their business to not have the service. Other metrics include employee ridership and lift ticket sales to Northstar. Roger Beck asked about the funding allocation. The total cost for 114 days would be \$66,000. Ron said Northstar would contribute \$16,000 to run two routes to serve employees. The NLTRA portion (\$50,000) would fund six runs.
- 11.4 Jennifer Merchant reported that the CEO's office will not take the request to the Placer County Board of Supervisors due to time constraints. The deadline to submit staff reports was two weeks ago. She added that there are many other reasons beyond that why it would not be supported by the CEO's office. She feels the service directly benefits one specific area when TART is already providing the service through that area. She recommended making the existing connection a better connection. Jennifer acknowledged the system is not perfect, but we already allocated over \$1 million to transit services and are now asking more for transit instead of looking internally at our budget and making tough decisions with our money. She recommended one of the two approaches instead of going forward with the request. She said the issue is mostly due to timing. Planning a service by December 20th is not adequate time to begin a new service. Jennifer noted that it was a business decision by Northstar to not provide the service. If they didn't feel it was cost effective for them, why should the public sector take on the service? She read an excerpt from the minutes of the November 18th Joint Committee meeting that read; "*Northstar cannot justify the expenditure, especially in the current economic climate. Dave said they need to know the return on investment before they provide funding for the service.*" She asked why would we make a decision on any other basis with public money and not expect the private sector to come forward. In addition, if Northstar wants to provide an employee shuttle in Tahoe Vista, why would it cost us an additional \$50,000. Jennifer referred to the criteria being developed for transportation services. She said the CEO's office is serious about having guidelines for transit service so that we don't get ourselves in this situation. We have transit service that don't meet the guidelines currently and suggested we reallocate funding for other services. She reiterated that she cannot make the deadline, but beyond that, there are reasons why even if the Board of Supervisors meeting was three weeks from now, it may not be something the CEO's office would bring forward.
- 11.5 Tom said he is for reducing the "hassle factor" to all visitors to North Lake Tahoe; however the system already ran and data is available. He said Squaw Valley provided their own transit services for their visitors. He feels the service would be redundant.

- 11.6 Dan Tester asked Jennifer for clarification about the approval process. He recognizes the timing issues with this particular request, but even if the request had come three months ago, would the CEO's office have brought the request before the Board of Supervisors. Jennifer said the budget includes the Integrated Work Plan funding for transit services. The Plan is reviewed and approved by the CEO's office before approval of the overall budget. She said reallocating the existing money would still have been their approach even back during the budgeting process as opposed to growing it for a one time service. She acknowledged that obtaining ROI is very important, but it really is a direct benefit to Northstar and lodges in Tahoe Vista that we don't provide to anyone else. For example we don't pay for a direct ski shuttle from Tahoe City to Squaw Valley to eliminate transfers. She appreciates participation from businesses in Tahoe Vista and thinks it great they are engaged, but suggested they help fund the service. Dan asked about the approval process and how decisions go from the Board of Directors to the Board of Supervisors. It was his understanding that infrastructure requests are forwarded on to the Board of Supervisors. Jennifer said the CEO's office decides what is appropriate to take to the Board of Supervisors. Debbie Casey said if the request is not taken to the Board of Supervisors, it would then be the businesses position to lobby directly to their supervisor. Ron Treabess said the service could potentially start later if it was approved by the Board of Supervisors in January. He said we are looking at the service as an infrastructure request because it is a one time project.
- 11.7 Ron McIntyre reported that when we helped fund the increased Highway 89 service, we were specifically helping Squaw Valley the same goes for the service to Sugar Bowl. In this case, it would be for Northstar and he doesn't see the difference. He agreed that we should be eliminating services with low ridership in order to fund other needed services. Ron said the issue will continue to come up and asked Jennifer that if it comes up in the right timeframe, will these programs be given a chance to germinate and to support the visitors experience. Ron said our contract states that we are making recommendations to the Board of Supervisors, not the CEO office, so how can the CEO's office withhold our recommendations. Jennifer said the recommendations need to come through a staff department and all NLTRA recommendations come through the CEO's office. Debbie asked if the CEO's office would then be required to put it forward to the Board of Supervisors with a notation that staff doesn't agree, but not simply withhold it because then the Board of Supervisors has no idea what we are discussing or requesting. It seems it would have to go forward consistent with the contract. Jennifer said she doesn't know why the CEO's office would take something forward to the Board that they don't recommend. Ron McIntyre said the NLTRA Board is making the recommendation and the CEO's office should bring it forward to the Board of Supervisors. He recognized that there are timing issues, but feels that if the CEO's office can veto our recommendations, it is a huge problem.
- 11.8 Deb Dudley is in favor of public/private partnership because it is the only way to have a comprehensive transportation plan for the basin. She said our competitors are providing transportation services from lodging to resorts. She expressed concern that we are losing the battle due to local politics and because we are not providing services that are competitive. Deb said that one of the key elements that make us an attractive destination is our sustainable models and transportation accomplishes this goal.
- 11.9 Adam Wilson clarified that Northstar did not approach this organization with the request, but rather they were asked by the community to fulfill the service. Ron Treabess agreed and said the NLTRA was approached by the lodging providers

and we are looking for a way to provide the service more expeditiously and most economically which was Northstar transportation versus other private purveyors.

- 11.10 Tom Murphy said he has an issue with the "dead end" route to Northstar and suggested the service go to the Truckee Depot. Alex confirmed that that route is being serviced by TART. The proposed service is to accommodate skiers from lodging to Northstar. He said we are adding another layer to an existing service. It will also accommodate employees. Alex said the transfer is awkward and creates resistance to using the service. This is an opportunity to overcome that limitation, with limited investment. He said TOT collectors are asking for the service. Dave Paulson added that the Aztec service was flawed and impacted ridership. In answer to Tom's earlier question about funding, Dave said Northstar has invested significantly in transportation service. Alex suggested we set a goal for ridership and lodging properties will help promote the service. Due to timing constraints, Dave Wilderotter asked Alex that if we could get the request to the Board of Supervisors in January, would the properties be comfortable beginning the service late or waiting until next year to provide a full service. Alex said he would prefer to get the service running this year. Currently our visitors don't like service and won't use it. Jennifer said timing constraints would not allow for adequate marketing of the service. Alex said he work with lodging providers to promote the service.
- 11.11 **M/S/C (Wilderotter/Rock) (9/1 No-Merchant/1 Abstention-Wilson) to recommend approval to the Board of Supervisors for an infrastructure allocation of up to \$50,000 to fund a demonstration ski shuttle service from Tahoe Vista to Northstar during the 2008/09 winter season to begin as soon as possible.**

Jennifer Merchant's letter dated 12/16/08



COUNTY OF PLACER

OFFICE OF
COUNTY EXECUTIVE
THOMAS M. MILLER, County Executive Officer

BOARD MEMBERS

F. C. "ROCKY" ROCKHOLM
District 1
JIM HOLMES
District 3
ROBERT M. WEYGANDT
District 2
KIRK UHLER
District 4
BRUCE KRANZ
District 5

175 FULWEILER AVENUE / AUBURN, CALIFORNIA 95603
TELEPHONE: 530/889-4030
FAX: 530/889-4023
www.placer.ca.gov

North Lake Tahoe Resort Association
Attn.: Ms. Debbie Casey, Chair
PO Box 5459
Tahoe City, CA 96145

December 16, 2008

Dear Debbie,

I am writing to let you know that I met with Alex Mourelatos, Ron McIntyre and Ron Treabess last week regarding the North Lake Tahoe Resort Association Board's proposal to implement a pilot skier shuttle program this winter between Tahoe Vista and Northstar.

Alex relayed information regarding expected winter tourist visits from the 14 Tahoe Vista lodges who initially requested consideration of the transit service expansion. This correspondence itemizes Placer County's concerns about the proposal. Based on our discussion, I am requesting answers to the following issues in order for the County Executive Office and the Department of Public Works to analyze the pros and cons and render a determination regarding whether the proposal will be recommended to the Board of Supervisors. Those questions are as follows:

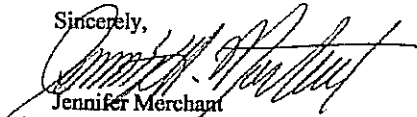
1. The last minute nature of the funding allocation request did not allow detailed review of and planning for the demonstration skier shuttle in accordance with our November 12, 2008 memo regarding transit criteria guidelines. Please provide detail regarding how the following have been analyzed
 - Ridership projections
 - Cost effectiveness estimates, including cost per passenger and passenger per vehicle service hour
 - The manner in which the service will be accessible to people with disabilities
 - Describe the proposed on street and on vehicle signage
 - The method for fare collection
 - Describe the marketing program
2. TART already provides transit service between Tahoe Vista and Northstar. While the existing service does require a transfer, that is no different than transit service between West Shore, Squaw Valley and Alpine Meadows. The proposed skier shuttle service is therefore a

specialized shuttle that would provide a higher level of service than anticipated. What is the justification for that increased level of service to Northstar over the level of service provided to Squaw Valley and Alpine Meadows?

3. The County is concerned that this proposed skier shuttle would set a precedent that could cause other resorts (Squaw Valley and Alpine Meadows) to drop their privately funded shuttle services and request publicly funded shuttle services as well. How does the Resort Association respond to this concern?
4. Northstar's transportation department representative said at last month's Infrastructure Committee meeting that it dropped its privately provide free skier shuttle to Tahoe Vista due to low ridership, and would not reinstate the service until it was proven that ridership would improve. What has changed that will result in a different outcome if the service is provided by public funds?
5. Northstar said it will provide the four Tahoe Vista runs (in addition to the two it already plans to provide to Kings Beach) for \$50,000 for 114 days. Northstar is already providing 2 runs to Kings Beach during the same period for \$16,000. At that rate, why doesn't the additional four runs per day service to Tahoe Vista cost an additional \$32,000 or \$44,000, not \$50,000? Furthermore, because this amount covers all Northstar costs for service as if they were only acting as a transit service operator and not receiving any benefit for the service, wouldn't this amount reduced by a factor that takes this direct benefit to Northstar into consideration?
6. The County-NLTRA contract requires the NLTRA to utilize an RFP process for any expense greater than \$50,000. The Resort Association Board has recommended that "up to \$50,000" in funds be allocated for the service. Has the Resort Association implemented the required Request for Proposal procedure?
7. It is likely that a funding request that is matched with other private lodging and ski resort dollars would be viewed more favorably than an allocation from the Resort Association's existing transit budget. Can the Resort Association identify other private funding to support the proposed service? Would the Resort Association consider working within its \$1.1 transit operations budget already approved by the Board of Supervisors and reprioritize existing money as opposed to its current recommendation that additional Infrastructure Funds be allocated to provide the pilot transit service? If so, what service would be eliminated in order to fund the pilot skier shuttle?

Your response will be reviewed by our department and DPW transit management. Thank you. Please feel free to contact me should you require clarification of this request for information.

Sincerely,



Jennifer Merchant
Tahoe Manager

NLTRA response letter to Jennifer dated 12/30/08



December 30, 2008

Ms. Jennifer Merchant
Tahoe Manager
Placer County Executive Office
PO Box 772
Carnelian Bay, CA

**Re: Recommendation of Support for Tahoe Vista Transit Service
Winter 2009 Demonstration Project**

Dear Jennifer:

At the direction of the Resort Association Executive Committee, we have reviewed and herein provide the following responses to your letter of December 16th, which we received via e-mail on December 23rd, regarding the above-referenced Resort Association project recommendation.

1. The last minute nature of the funding allocation request did not allow detailed review and planning for the demonstration skier shuttle in accordance with our November 12, 2008 memo regarding transit criteria guidelines. Please provide detail regarding how the following have been analyzed:

Note: Your memo of November 12th acknowledges that "The following guidelines are for discussion purposes only." As you know, the memo was submitted to be discussed at the NLTRA Joint Transportation and Infrastructure Committee on November 24th. You were not present at this meeting and the Committee determined that more time was needed for a thorough discussion, with you present and participating. The matter has now been rescheduled for the Committee meeting of January 25th.

These facts notwithstanding, here are responses to your questions:

- **Ridership projections:** 240 passengers per day (based on past Sugar Bowl transit service data, as the Sugar Bowl service is a similar program in terms of intent and funding)
- **Cost effectiveness estimates, including cost per passenger and passenger per vehicle service hour:**
\$1.83 per passenger; 30 passengers per vehicle service hour (based on Sugar Bowl data)
- **The manner in which the service will be accessible to people with disabilities:**
Northstar has special buses to serve people with disabilities. These are available on call every day. Northstar's regular buses do not have ADA capability.
- **Describe the proposed on street and on vehicle signage**
The service will use existing TART stops and signage. Vehicle signage will be that used by Northstar's transit vehicle fleet.
- **The method for fare collection**

Fares will not be collected; Northstar's transit fleet is not equipped to collect fares, nor are their drivers trained to do so. This is a demonstration project, for the purposes of collecting data about ridership and patterns of use.

- **Describe the marketing program:** The NLTRA will work with the TNT/TMA, TART, the Tahoe Vista lodging providers, and the NTBA to vigorously promote and market the service provided by this demonstration project. To the extent possible, marketing for the service will be integrated into other winter transit marketing collateral. It will also be marketed with stand-alone collateral throughout the lodging, restaurants, and retail outlets in the Tahoe Vista/Kings Beach area. Tahoe Vista lodging providers will pay for stand-alone marketing and appropriate signage targeted to their guests.

2. TART already provides transit service between Tahoe Vista and Northstar. While existing service does require a transfer, that is no different than transit service between West Shore, Squaw Valley and Alpine Meadows. The proposed skier shuttle service is therefore a specialized shuttle that would provide a higher level of service than anticipated. What is the justification for that increased level of service to Northstar over the level of service provided to Squaw Valley and Alpine Meadows?

- There is a significant difference in the transfer scenario between the West Shore, Squaw Valley and Alpine Meadows and the scenario between Tahoe Vista and Northstar. In the case of transfers to Squaw and Alpine, riders can transfer while traveling in the same direction as their final destination. In the case of the transfer to Northstar, riders are required to travel several miles to the east (to North Stateline), then back to the west (to Highway 267), with several other stops along the way, before heading to Northstar as a destination.

3. The County is concerned that this proposed skier shuttle would set a precedent that could cause other resorts (Squaw Valley and Alpine Meadows) to drop their privately funded shuttle services and request publicly funded shuttle service as well. How does the Resort Association respond to this concern?

- Both TOT and TDA/LTF are currently used to fund public transit services which serve Squaw Valley and Alpine Meadows. The role of TOT in this service is to provide an additional level of service to Squaw and Alpine beyond that which TART can otherwise provide; e.g., earlier and later runs that serve employees as well as guests. The NLTRA also contributes TOT to help fund winter service to Sugar Bowl on Donner Summit for the same purposes. Homewood Mountain Resort is served by the TART system with its regular combination of public funds. Traditionally, North Lake Tahoe ski areas have privately funded their own fleet of ski shuttles to expand and extend the public transit services available and serve the distinct needs of their guests and employees. These needs typically are beyond the capability of TART in terms of vehicle capacity, frequency of service and routes. We do not see that the proposed Tahoe Vista-Northstar demonstration project will cause other resorts to drop their privately funded shuttle services.

4. Northstar's transportation department representative said at last month's (November) Infrastructure meeting that it dropped its privately funded free skier shuttle to Tahoe Vista due to low ridership, and would not reinstate the service until it was proven that ridership would improve. What has changed that will result in a different outcome if the service is provided by public funds?

- Northstar stated that one of the reasons the previous service did not do well was the length of time the first guests were on the bus until they arrived at Northstar. This was due to the long lap from the west end of Tahoe Vista all the way back to the east end of Kings Beach, then to Northstar. As noted below, this issue has been addressed with the proposed route structure, which eliminates the "long lap."

- A key purpose of the demonstration project is to prove that ridership will improve. There are definite indications that it will improve. These indications include a strong commitment on the part of lodging properties in Tahoe Vista to help market and promote the service to their guests as part of a comprehensive marketing and promotional plan developed by the Truckee-North Tahoe TMA, a more professional and reliable service than was previously provided by Aztec Transportation, and the ability to more effectively and efficiently provide a service that attracts both visitors and Northstar employees.
- The public funds (TOT) recommended for this demonstration program may very well provide Northstar with the ridership data it needs to incorporate this service into its privately-funded transit system, or provide the basis for a public-private partnership in which the public share is less than the amount currently being requested for the recommended demonstration project. The data may also provide TART with important information for its consideration, although substantial ridership on the Tahoe Vista-Northstar service may also trigger additional TART concerns about the capacity of its system to provide service.

5. Northstar said it will provide the four Tahoe Vista runs (in addition to the two it already plans to provide to Kings Beach) for \$50,000 for 114 days. Northstar is already providing 2 runs to Kings Beach during this same period for \$16,000. At that rate, why doesn't the additional four runs per day service to Tahoe Vista cost an additional \$32,000 or \$44,000, not \$50,000? Furthermore, because this amount covers all Northstar costs for service as if they were only act as a transit service operator and not receiving any benefit for the service, wouldn't this amount be reduced by a factor that takes this direct benefit to Northstar into consideration?

- The schedule would provide two or three departures in the morning and afternoon when most skiers and employees are in need of transportation (see attached draft schedule). The times would coordinate with and be complementary to TART service. The service would not be needed in the off-peak hours, as TART can adequately serve the smaller mid-day number of people traveling to and from Tahoe Vista. The morning routes would begin at North Stateline and proceed on Highway 28 through Kings Beach, west along Tahoe Vista lodging row, completing a turn-around at the Tahoe Sands Resort and proceeding back to Highway 267 and on to Northstar. The return service to Northstar each afternoon would reverse the route, going through Tahoe Vista before heading back to North Stateline.
- Compared to the previous Aztec route and the current winter TART route, a Tahoe Vista passenger's trip to Northstar, or return, would take 22 minutes instead of 45 minutes. The cost of this service is to be split, with \$16,000 to be contributed by Northstar and the balance from the NLTRA (# of days times \$438.64 per day). The NLTRA's contribution of Infrastructure funds would be reduced by our redirection of existing, unexpended transportation funds (see response under item 7 below). Northstar's contribution of \$16,000 is in addition to the \$25,000 the resort is paying to TART for the Stateline to Truckee service on Highway 267. Note that as an outcome of our discussions with Northstar, the resort agreed to an hourly cost for the Tahoe Vista demonstration project of \$54.83 (for the TOT funded portion of the service plan). This is significantly lower than TART's hourly rate of \$79.00.

6. The County-NLTRA contract requires the NLTRA to utilize an RFP process for any expense greater than \$50,000. The Resort Association Board has recommended that "up to \$50,000" in funds be allocated for the service. Has the Resort Association implemented the required Request for Proposal procedure?

- The Resort Association frequently approves an "up to" amount for infrastructure projects, while the actual cost of a project is being refined or otherwise negotiated. That was to be the case with this project. Under no circumstance did we anticipate the cost to be greater than \$50,000. Accordingly, we did not implement the RFP procedure.

7. It is likely that a funding request that is matched with other private lodging and ski resort dollars would be viewed more favorably than an allocation from the Resort Association's existing transit budget. Can the Resort Association identify other private funding to support the proposed service? Would the Resort Association consider working within its \$1.1 million transit operations budget already approved by the Board of Supervisors and re-prioritize existing money as opposed to its current recommendation that additional Infrastructure Funds be allocated to provide the pilot transit service? If so, what service would be eliminated in order to fund the pilot skier program?

- The NLTRA remains prepared to help fund this demonstration project with savings achieved in the approved FY-2008/09 budget for the North Lake Tahoe Express (\$11,000), as well as with savings from the 2008 summer traffic management program (\$8,000). Given that we have already lost the ability to provide the proposed demonstration project service during the important holiday period, the cost of providing the service for the balance of the winter season is now anticipated to require no more than \$21,000 in Infrastructure Funds.

Project Findings and Considerations

Jennifer, as you are aware, when considering its investments, and recommendations to the Board of Supervisors, as appropriate, the North Lake Tahoe Resort Association considers a variety of factors. These include the findings and recommendations of the *North Lake Tahoe Tourism and Community Investment Master Plan*, adopted by the NLTRA and the Placer County Board of Supervisors.

Among the findings in the Transportation Chapter of the Master Plan (Chapter 4) are the following. All are pertinent to the recommended demonstration project.

- In general, the North Lake Tahoe man-made environment substantially detracts from the visitor experience. A key finding of this study is that traffic congestion, parking shortages, minimal transit services, poor signage and sporadic pedestrian/bicycle facilities in the area substantially degrade the quality of visitor product and experience provided in the North Lake Tahoe area. These conditions also limit residents' travel options to avoid or reduce traffic problems during peak visitor seasons. Substantial investment in basic facilities and services is required to provide infrastructure achieving contemporary resort standards.
- North Lake Tahoe falls far behind the majority of peer resort communities in the level of facilities and services that are provided.
- A key shortcoming of current facilities and services is the lack of attractive visitor-oriented transit services. As evidenced by the popularity of similar services in other resort areas, expanded transit service can benefit the area by improving the overall quality of a destination visit and by addressing environmental problems, such as traffic, parking and air quality. This can be particularly effective for specific area problems, such as parking shortages in commercial zones.
- To remain competitive with peer areas and to address the serious shortfalls of the transportation network, it is crucial for North Lake Tahoe to develop a transit system that provides a high-quality visitor experience without the need for a private automobile. We will know we have succeeded when NLTRA staff can tell a potential visitor planning to stay within key transit service zones that "No, you don't need to rent a car to have an enjoyable stay in North Lake Tahoe." An improved transportation network and transit services will also provide major benefits for local residents.

When formally proposed, the North Lake Tahoe Express Airport Shuttle represented a cornerstone opportunity to improve North Lake Tahoe's "transportation network and transit services." Its value, including ridership, efficiency and return on investment, was tested through

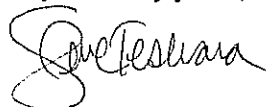
a demonstration project, financed with TOT Infrastructure Funds. With the airport shuttle now proven successful, North Lake Tahoe took an important step forward in being able to boast of a transit system capable of facilitating an enjoyable stay in the region without having to rent a car. Although more focused and on a relatively smaller scale, the proposed Tahoe Vista-Northstar demonstration is a similar example - proposed to be funded as a demonstration project with Infrastructure Funds, with data to be gathered and analyzed to determine if and how the service fits into North Lake Tahoe's overall transit service strategy and systems, and whether it should be funded publicly or privately, or through a public-private partnership.

In addition to the above considerations, in reviewing and approving the recommended transit project for consideration by the Placer County Board of Supervisors, the NLTRA was acting in response to a request from TOT constituents, specifically, from the owners and operators of lodging properties in the Tahoe Vista area. This area is home to some 267 rooms and vacation rentals, each of which generates Transient Occupancy Tax for Placer County. Given the reality of increased lodging at the base of ski resorts at Squaw Valley and Northstar, many of these Tahoe Vista properties are struggling to remain competitive. They have unfilled room capacity, with the ability to generate additional TOT with a greater percentage of occupancy. Winter transit service "direct to Northstar" is an important competitive opportunity for these properties. A fundamental component of the NLTRA's adopted mission, as confirmed in the Placer County/NLTRA annual contract, is to generate additional TOT. This mission benefits many constituents and stakeholders, including Placer County.

Also consistent with our mission, it is important to for the NLTRA facilitate collaboration among our community partners. We believe the proposed demonstration project will strengthen ties between the North Lake Tahoe lodging providers and Northstar. This is an important relationship, one that is beneficial to both parties.

We appreciate this opportunity to respond for our Board to the questions posed by the Placer County Executive Office. We renew our request that your office place this matter on a Board of Supervisors agenda for consideration and action on the earliest date possible in the new year.

Very sincerely yours,



Steve Teshara
President & CEO



Ron Treabess
Director of Community
Partnerships and Planning

1/09 Board Meeting

14.0 ACTIVITY REPORT

- 14.1 Ron Treabess reported on the Tahoe Vista/Northstar skier shuttle program as recommended by the NLTRA Board. He said the CEO's office has expressed concern with the short timeframe involved in developing the service plan. He said Jennifer Merchant had asked for more information. Staff submitted the requested information and is now waiting for a response from the County. He noted that we missed the opportunity to run the service during the holiday season. The purpose of the demonstration project was to gather data to determine viability of the service going forward. Ron McIntyre said since we

missed the holiday opportunity we should focus our efforts on providing the service next year. Jennifer said she has a draft response prepared and said we could potentially begin the service by Martin Luther King weekend. Ron said Northstar has confirmed that they could start the service immediately. Jim Kercher said all ski resorts would like a higher level of service. Steve Teshara confirmed that we already expend TOT funds for transportation to provide additional service to serve Alpine, Squaw Valley and Sugar Bowl. He said this project is in response to Tahoe Vista Lodging providers where the current service scenario doesn't provide them with the direct service that they used to have. Alex said when TART took over the winter service on Highway 267, they eliminated a loop that previously provided Tahoe Vista with more direct service to Highway 267 and Northstar without the need to transfer at Crystal Bay, as is now the case. He said the Tahoe Vista lodging providers are looking to improve service levels to guests, which is also a key goal of the NLTRA's master plan. Developing pilot programs is one way of implementing the goal. Tom noted that the goal is the half hour system rather than an hour. Alex agreed and said we need to increase ridership to increase service.

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

North Lake Tahoe Resort Association
Attn.: Mr. Alex Mourelatos
P. O. Box 5459
Tahoe City, CA 96145

January 9, 2009

Dear Alex,

I am writing to provide a determination by the County Executive Office in regard to the North Lake Tahoe Resort Association's funding request for a pilot shuttle program between Tahoe Vista and Northstar.

While we still have some significant concerns regarding some proposal components, we will agree due to the pilot nature of the program to approve a scaled back program with existing funds identified in your December 30, 2008 letter.

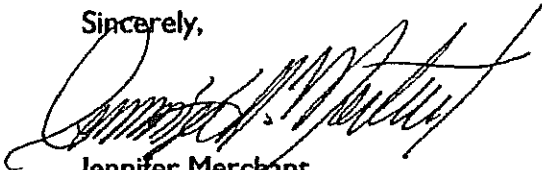
Based on the daily rate quoted in your letter, the expenditure of FY 2007-2008 "carryover" funds in an amount not to exceed \$19,000 should be sufficient to operate the service for roughly 43 days. This should allow the Resort Association to provide the proposed service on weekends and holidays starting Martin Luther King weekend through Easter. The Resort Association is encouraged to identify additional funds from other sources, such as Tahoe Vista businesses and Northstar-at-Tahoe to either offset or supplement the TOT contribution.

The allocation of these funds is predicated on a commitment by the Resort Association to provide the following information to Placer County, no more than 30 days following the last day of service. This information will assist us in determining program success.

- Total program expense, including marketing, and an estimate of administrative and support expenses
- Copies of any and all promotional materials
- Other funding sources, if any
- Dates of operation
- Hours of operation
- Daily schedule and route
- Revenue vehicle service hours (total time per day the vehicle is in service for passengers)
- Ridership by run
- Ridership by date
- Total ridership (not including routes operated for Northstar employees)

Please respond at your earliest convenience with your acceptance of and commitment to the terms of this compromise proposal. Should you have any questions, please contact me or Will Garner, Senior Transit Manager. Thanks.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Merchant". The signature is fluid and cursive, with a large initial "J" and "M".

Jennifer Merchant
Tahoe Manager



January 29, 2009

To: Board of Directors

Fr: Steve Teshara, President & CEO

Re: President & CEO's Report - February 2009

I will report on pertinent current topics at the meeting.