



Agenda Date: 10/17/2006  
Agenda Placement: 6C

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Dave Whitmer - Agricultural Commissioner  
Agricultural Commissioner  
**REPORT BY:** Greg Clark, Assistant Agricultural Commissioner/Sealer, 253-6169  
**SUBJECT:** Sponsorship Request - Great Wine Capitals Global Network Annual Assembly

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### **RECOMMENDATION**

Agricultural Commissioner/Sealer of Weights and Measures requests:

1. Approval of and authorization for the Chair to sign a funding agreement with the St. Helena Chamber of Commerce for a maximum amount of \$10,000, plus the actual cost of travel for County officials and employees, for the term of October 17, 2006 through June 30, 2010, to coordinate and facilitate the participation of the County in the Great Wine Capitals Global Network Annual Assembly; and
2. Authorization for out of country travel for Dave Whitmer, Agricultural Commissioner/Sealer of Weights and Measures and Bill Dodd, Chair of the Board of Supervisors to attend the Great Wine Capitals Global Network Annual Assembly, to be held in Mendoza, Argentina, on November 12-16, 2006, at an estimated cost of \$10,000.

### **EXECUTIVE SUMMARY**

The Global Network of Great Wine Capitals is an organization that works to encourage international winery tourism, as well as economic, academic and cultural exchanges between the regions that are members. Currently, the Global Network includes representatives from Melbourne, Australia, Bordeaux, France, Napa Valley-San Francisco, Porto, Portugal, Cape Town, South Africa, Bilbao-Rioja, Spain, Florence, Italy and Mendoza, Argentina. Each year, the Global Network holds a conference, called the Annual General Meeting, in one of the regions and the 2006 conference is being held in Mendoza, Argentina. (In 2005, Napa County shared host responsibilities with San Francisco.) The St. Helena Chamber of Commerce and the Napa Valley Vintners have lead Napa County's participation in the Great Wine Capitals organization and are responsible for coordinating the participation of the San Francisco-Napa Valley delegation to the conference.

Under the proposed agreement, the St. Helena Chamber of Commerce would coordinate and facilitate the participation of County officials and employees who attend annual conference, including the handling of event registration, travel arrangements and destination accommodations, and will be reimbursed for actual incurred costs, estimated to be \$10,000 in 2006. In addition, the Chamber would be provided with \$2,500 per year, (through

June 30, 2010, for a total of \$10,000, to help pay registration fees associated with sending other representatives from the Napa area to the conference. Participation in the conference by both County officials and other representatives from the region will benefit the County by enhancing the County's wine tourism industry.

The St. Helena Chamber and the Napa Valley Vintners have requested that Supervisor Dodd and Agricultural Commissioner Whitmer attend and speak at the 2006 conference. As noted above it is estimated that travel costs will not exceed \$10,000. County official or employee attendance at any future conferences would be determined by the Board at that time.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	This expenditure will be paid out of the Agricultural Commissioner's existing budget. The Funding Agreement provides for the County to pay \$2,500 per year to the St. Helena Chamber of Commerce to help in marketing Napa County wines, specifically by paying registration fees at the Great Wine Capitals Annual Assembly for non-County officials from the Napa region who will be attending. In addition, the Funding Agreement provides for the County to reimburse the Chamber for the actual travel expenses of County officials and employees who attend the Great Wine Capitals Global Network Annual Assembly. The cost of this travel is estimated to not exceed \$10,000 in 2006, if the Board authorizes travel to the conference by the Board Chair and the A
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Agricultural Commissioner believes this discretionary expenditure benefits the County and winegrape industry, given the tremendous importance of wine and tourism to the local economy. In addition, the County's participation creates unique opportunities for County representatives to interact and develop relationships with similar participants from other Great Wine Capitals Global Network countries. Such relationships and interactions allow for all parties to benefit from each other's experiences and knowledge. This not only applies to the marketing of wine and tourism, but also to governmental functions, plant quarantine and pest issues and industry partnerships.
Is the general fund affected?	Yes
Future fiscal impact:	The Funding Agreement is for a period of four years, expiring on June 30, 2010, and will be included in the Agricultural Commissioner's budgets during this time period. Total costs over the four year period would be a minimum of \$10,000 (\$2,500 per year) and would be higher if County officials are authorized to attend the Annual Conference each year and the St. Helena Chamber makes the travel arrangements. The agreement does not provide for a limit on reimbursable travel costs. However, if the average annual reimbursable travel expense totals \$10,000 each year, total cost of the agreement would be \$50,000. The Agricultural Commissioner will work with County staff and make adjustments to the department's budget as necessary.

Consequences if not approved: The Global Network of Great Wine Capitals annual meeting will occur regardless of the County's participation. However, the County would not benefit to the degree it would by the participation of local County officials, especially as it pertains to establishing relationships and sharing experiences and knowledge.

Additional Information: None

## **ENVIRONMENTAL IMPACT**

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

## **BACKGROUND AND DISCUSSION**

The Global Network of Great Wine Capitals is an organization that works to encourage international winery tourism, as well as economic, academic and cultural exchanges between the regions that are members. Currently, the Global Network includes representatives from Melbourne, Australia, Bordeaux, France, Napa Valley-San Francisco, Porto, Portugal, Cape Town, South Africa, Bilbao-Rioja, Spain, Florence, Italy and Mendoza, Argentina. According to the St. Helena Chamber of Commerce, each country is only allowed to have one wine region be a member of the Global Network. Napa Valley-San Francisco has been selected as the designated wine region for the United States. Napa County participation in the Global Network has been lead by the St. Helena Chamber of Commerce and the Napa Valley Vintners.

Each year the Global Network holds a conference called the Annual General Meeting in one of the regions. In 2005, Napa County shared host responsibilities with San Francisco. In 2006, the conference is being held in Mendoza, Argentina. The St. Helena Chamber of Commerce and Napa Valley Vintners are responsible for coordinating and facilitating the participation of the Napa Valley-San Francisco delegation and the Chamber is requesting that the County provide \$2,500 to defray some of the Chamber's costs associated with the local delegation's registration fee. The funding agreement being proposed today provides that the County will provide the Chamber with \$2,500 a year for this purpose for four years. The Chamber will also coordinate participation of Napa County officials and employees that attend the conference, including making travel arrangements. According to the funding agreement presented today for approval, the Chamber would be reimbursed for all actual travel costs for County officials or employees that attend. The County partnered with and donated \$7,500 to the St. Helena Chamber of Commerce to help sponsor last year's conference held in Napa Valley-San Francisco.

The Global Network has been in existence for eight years and is managed by the Bordeaux Chamber of Commerce. The Napa County region has been a member of the Global Network since its inception, but active local participation did not occur in Napa County until 2003. Approximately 125 representatives attended last year's conference, making the Napa Valley-San Francisco event the best attended ever. Approximately 25 representatives from local businesses and government attended, including members of the Napa County Board of Supervisors and members of local city councils.

Last year's attendees were comprised of one of three groups: persons directly involved in the wine industry, persons involved in supporting the wine industry (bankers, lawyers, chambers of commerce, vintners associations, marketing groups) and government officials. Historically, the governments of other member countries have paid for the costs of their respective delegations, including local government representatives. A frequent request made to the Napa Valley-San Francisco representatives is that other members want greater

interaction with our local policy makers and government officials. As a result, Supervisor Dodd and Agricultural Commissioner Whitmer attended last year's Annual General Meeting and have worked with Chamber and NVV for representation and participation by County of Napa elected and agricultural officials.

For the upcoming general meeting in Mendoza, Argentina, Chairman Dodd and Agricultural Commissioner Whitmer have been requested by the St. Helena Chamber and NVV to be part of assembly panels and participate directly as representatives of the County of Napa. As a result, the Agricultural Commissioner is requesting authorization for himself and the Chair of the Board of Supervisors to travel out of the country to attend and speak to the Global Network of Great Wine Capitals Annual General Meeting in Mendoza, Argentina. Travel arrangements, including conference registration, destination accommodations, air fare, etc., would be made and coordinated and paid for by the St. Helena Chamber of Commerce in accordance with the funding agreement, with reimbursement from the County upon submission of an invoice to the Agricultural Commissioner. Travel costs are estimated to not exceed \$10,000.

The Agricultural Commissioner believes that the County's participation and financial support to the Global Network of Great Wine Capitals annual meeting benefits the County and industry. Specifically, local participation in the The Global Wine Network and General Assembly helps ensure that Napa County is strongly positioned to advocate for Napa County and thereby benefit from international winery tourism, international wine industry economics, academic and cultural exchanges between the Great Wine Capitals, and local government relationships with the wine industry. Napa County's involvement in the conference is particularly important given the efforts taken to preserve and enhance the the wine industry's standing as the social and economic backbone of our economy. A particularly important and meaningful outcome from participation are the personal and professional relationships that are established. These relationships help Napa County delegates learn from the history of and networking with officials from other international wine destinations.

#### Discussion and Analysis

This is a discretionary expense and your Board may wish to consider two issues in deciding whether or not to agree to the St. Helena Chamber's request to sponsor the Global Network conference. The first issue is the use of County funds to help fund costs associated with the marketing Napa Valley-San Francisco wine and tourism. The St. Helena Chamber of Commerce has made the point that the wine industry, which is the backbone of the County's economy, will benefit from the exchange of ideas and information that takes place at these events. The Agricultural Commissioner believes there are benefits in participating, similar to when public funds sponsor educational or informational events that support local economic development. The County Agricultural Commissioner and Chair Dodd will be speakers at this conference and believe that the information provided will be of benefit to participants. Your Board does not have a policy that addresses County sponsorship of conferences of this sort, although your Board supports memberships and conferences (such as CSAC, RCRC, Redwood Empire Association and the like) through the Central Services budget. A second consideration is any potential precedent which could be set in agreeing to sponsor this conference outside the usual process. Here, too, the Agricultural Commissioner believes that the unique benefits of this conference warrant County sponsorship and would support funding the request out of the Agricultural Commissioner's department budget.

If your Board is supportive of this agreement with the St. Helena Chamber of Commerce, the Chair is asked to authorize the funding agreement to defray some of the Chamber's costs associated with the local delegation's registration fee, and to cover actual costs related to County officials' registration, travel, accommodations, etc., and to authorize out-of-country travel for both Board Chair Bill Dodd and Agricultural Commissioner David Whitmer.

#### SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Andrew Carey