



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/3/2015

Agenda Placement: 6L

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Lawrance Florin - Director
Housing and Intergovernmental Affairs
REPORT BY: Carlos Solorio, Staff Services Analyst II - 707-253-4825
SUBJECT: Professional Service Agreement with Visit Napa Valley

RECOMMENDATION

Director of Housing and Intergovernmental Affairs requests approval of and authorization for the Chair to sign an agreement with Visit Napa Valley for the provision of marketing, sales promotions and tourist serving activities to market Napa Valley as a tourism, meeting and event destination, funded by assessments received by the County of Napa through the Napa Valley Tourism Improvement District.

EXECUTIVE SUMMARY

Today's action will allow for the execution of a Professional Service Agreement with Visit Napa Valley as required by the Napa Valley Tourism Improvement District Management Plan.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Napa Valley Tourism Improvement District
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	The contract can be renewed or cancelled at the end of every year, unless terminated by the Board upon notice for cause.

Consequences if not approved: If this item is not approved, the County will be out of compliance with the previously approved Tourism Improvement District Management Plan. There will be no entity to provide the marketing and tourist serving programs on behalf of the District.

Additional Information:

ENVIRONMENTAL IMPACT

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

BACKGROUND AND DISCUSSION

On June 15, 2010, followed by a renewal on June 16, 2015 the Board of Supervisors formed the Napa Valley Tourism Improvement District. A component of the District formation was the approval of a Management District Plan ("Plan"), which directs the County acting as the District to contract with Visit Napa Valley (VNV) to manage countywide portion, 75% or 1.5%, of the 2% assessment levied on qualifying lodging businesses, minus the County Administrative Costs. VNV is charged with providing marketing and tourist serving programs funded by the assessments, with oversight by the Board of Supervisors. The existing professional services agreement (Agreement 7492), approved by the Board of Supervisors on October 26, 2010 expired June 16, 2015. The proposed agreement would will allow for the continued provision of the following nonexclusive marketing and tourist serving programs as more particularly set forth in the District's Management Plan:

- | Lead generation
- | Trade shows
- | Sales blitzes
- | Familiarization Tours
- | Advertising
- | Collateral Materials
- | Marketing Programs
- | Local Property Visits
- | General Manager meeting
- | Professional Industry Conferences
- | Special Event Sponsorship.

The Agreement requires VNV to present an annual report at the end of each year to the Board. The annual report will include details of District revenues received by VNV and detail VNV's expenditures. The report will also set forth the marketing and tourism serving programs VNV proposes to carry out for the following fiscal year, a detailed budget identifying the costs of the activities and a report on the expenditures of the previous year. This report will also include metrics identifying changes in the occupancy levels of hotels as well as other detailed descriptions of changes in visitors to the Napa Valley. The County may hold funding for, should VNV fail to fulfill its reporting obligations in any manner.

The County Auditor-Controller requires the following processes from VNV:

- | All revenues and expenditures related to the assessment are to be kept by VNV in a separate fund and are not to be commingled with other funds received.

- | VNV must keep detailed records of its expenditures.
- | Within 90 days after each fiscal year, VNV must submit full accounting of assessment revenues received, details of expenditures paid, and the surplus/deficit to be carried over into the next fiscal year.

Assessments are expected to total \$5 million annually.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan