



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/5/2020

Agenda Placement: 6S

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Tracy Schulze - Auditor-Controller
Auditor - Controller
REPORT BY: Kaitlin Ager, Senior Grant Comp Auditor - 707-265-2342
SUBJECT: FY18-19 Napa Valley Tourism Improvement District Annual Report

RECOMMENDATION

Auditor-Controller requests the Board accept, and instruct the Clerk of the Board to file, the Napa Valley Tourism Improvement District Annual Report for the fiscal year ended June 30, 2019.

EXECUTIVE SUMMARY

The Compliance Audit Division of the Napa County Auditor-Controller's Office has performed a review of the Napa Valley Tourism Improvement District funds for the period of July 1, 2018 through June 30, 2019. No material exceptions or omissions were found.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No
County Strategic Plan pillar addressed: Effective and Open Government

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 Napa Valley Destination Council (NVDC), realizing the need for improved marketing and tourist serving programs, formed a Tourism Improvement District (TID) as the best mechanism for funding those vital programs. In accordance with the Property and Business Improvement District Law of 1994 (Streets and Highways code 36600 et seq.), Napa County formed the Napa Valley Tourism Improvement District (NVTID) on June 15, 2010. The NVTID was initially established for a five (5) year period commencing July 1, 2010. On June 16, 2015 it was renewed for an additional ten (10) years.

The NVTID includes all lodging businesses (hotels, motels, inns, or any other structure or portion thereof occupied, intended or designed for occupancy by transients as defined in the jurisdiction's municipal/county code), located within the cities of American Canyon, Calistoga, Napa, and St. Helena, the Town of Yountville, and the unincorporated areas of Napa County. The NVTID does not include vacation rentals, campgrounds, or traditional space-rental only RV parks. The NVTID is responsible for levying a 2.0% assessment on gross short term room rent (stays of 30 days or less) on all lodging businesses defined above. The city and county tax collectors are responsible for the collection of the assessment on a monthly or quarterly basis. In accordance with the Management District Plan (Plan), the tax collectors are required to forward 74% of the assessment collected to Napa County on behalf of the County-wide District. The remaining funds are to be retained by each jurisdiction for tourism related expenditures in accordance with the Plan, with 25% restricted to their local governing committees and 1% to offset the tax collectors for their services in collection and forwarding the assessment funds.

The Compliance Audit Division of the Napa County Auditor-Controller's Office has completed a review of the Napa Valley Tourism Improvement District funds for July 1, 2018 through June 30, 2019. The objectives of this review were to assess whether Tourism Improvement District funds were administered consistently throughout the County and verify that funds were collected, distributed and spent in accordance with the Management District Plan.

The attached report from the Auditor-Controller includes the following:

- | Appendix A - Schedule of Tourism Improvement District Assessment Collections
- | Appendix B - Procedures and Results (Local Jurisdictions)
- | Appendix C - Procedures and Results (Visit Napa Valley)

We appreciate the assistance, partnership and cooperation of the city/town staff.

SUPPORTING DOCUMENTS

A . FY 2018-19 NVTID Compliance Audit

CEO Recommendation: Approve

Reviewed By: Samuel Ross