



**To:** Board of Directors  
**From:** Edward Miller, President of the Board  
**Date:** February 13, 2020  
**Subject:** North Lake Tahoe Resort Association/Placer County Tourism Business  
Improvement District (TBID) Tax Letter Follow-up

Attached is a copy of the letter Chief Schwartz and I sent to Placer County Board of Supervisors and North Lake Tahoe Resort Association. This is for information purposes only; no action is necessary.



# Meeks Bay Fire Protection District

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Michael S. Schwartz, CHIEF

February 11, 2020

To: Placer County Board of Supervisors

To: North Lake Tahoe Resort Association Board of Directors

Re: Matters of Concern regarding Transient Occupancy Tax (TOT) and the Formation of the Tourism Business Improvement District (TBID)

BOARD OF DIRECTORS:  
Edward I. Miller  
Stephen W. Hyde  
Ellie Beals  
Korie Kromydas  
Jennifer Lemke

Honorable Supervisors and Directors:

Since 2014 Meeks Bay Fire Protection District (MBF) and North Tahoe Fire Protection District (NTF) have operated mutually through a management agreement in order to provide the highest level of service to our residents and visitors, regardless of any political subdivisions. This means that, although Meeks Bay Fire is located in El Dorado County (adjacent to North Tahoe Fire), these increased service demands and related strain on our system from increased visitations directly affect our constituents as well. As I'm sure you are aware, the majority of local businesses and services they use are located in Eastern Placer County and will likely be paying the point of sale TBID assessment.

On behalf of the Fire District's Board of Directors, we are writing to share the District's concerns related to the impacts that increased tourism has placed upon MBF and consequently the residents within our protection area. The District has always supported tourism, special events, and the mission of the Resort Association, and continues to do so regardless of the operational challenges it presents.

As you well know, both NTF and MBF are primarily funded through property taxes. While property taxes have increased over recent years, they have not kept pace with rising costs and increased service demands. The Districts are adequately funded to support our year-round, base population, but struggles to maintain the same level of exceptional services when our population increases during the peak times. Granted these peak periods are not just the result of increased visitations, but include greater use by primary and secondary homeowners as well; we all know when Lake Tahoe is attractive, everyone wants to be here. To meet peak-period increased service demands the District hires back additional, off-duty personnel in order to properly serve our communities. We feel that at least some of these costs should be offset through tourism funds.

It is important to understand that only Placer County agencies, funded through general funds, receive TOT funding. Of the nearly \$18m TOT funds generated in 2017/2018, 40% or \$7.2m went straight to Placer County's General Fund. Another \$3.4m went to Placer County for "services specific to Tahoe." And finally, \$3.8m went to Placer County for their contract with North Lake Tahoe Resort Association (NLTRA), which does an outstanding job of marketing for North Lake Tahoe. That left \$3.6m for "Infrastructure and Transportation." Our request is that the County add Fire Protection to this.

The remainder of public agencies and special districts providing services to the residents and the millions of visitors in Eastern Placer County/North Lake Tahoe receive no funding from the TOT funds. Please consider amending the Tourism Master Plan (TMP) to allow the County to assist in funding some of the impacts to fire protection directly associated by tourism's impacts. Of the 350-wildfire ignitions within the Lake Tahoe Basin in 2017, 80% were human-caused, and catastrophic wildfire likely presents the greatest threat to our community. Early detection of fires, followed by a rapid, robust, emergency response, is necessary to contain and extinguish these fires.



# Meeks Bay Fire Protection District

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The formation of the Tourism Business Improvement District (TBID) will further exacerbate this inequity. The current draft of the proposed TBID budget of \$5.7m includes only 3.4%, or \$195,000 to offset the impacts of tourism, which again, will not be available to offset impacts to fire protection, which saw a 119% increase in demand between May and July, and sees similar increases in demand during peak tourism periods throughout the year. This inadequately funded category, which is undefined and at the discretion of the NLTRA Board, would be shared by all other, non-county agencies and special districts providing services to residents and visitors, if it were made available to these agencies at all. This means our local residents' tax dollars are subsidizing those services needed to meet the demand of tourists, and the services for which the local residents pay taxes are diluted. The argument that fire protection is not eligible for TBID funding seems fundamentally flawed. After all, what activity could have greater benefit to a business than having adequate fire protection? Catastrophic events such as the Angora Fire (in a residential community), have an enormous effect on property taxes. Imagine the effect a major fire would have on a "downtown" business core such as Tahoe City or Kings Beach.

*AB 944, Steinberg. Property and business improvement areas: benefit assessments. The Property and Business Improvement District Law of 1994 authorizes cities to form property and business improvement districts that may levy assessments within a district for the purpose of making improvements and promoting **activities of benefit** to the properties within the district.*

*Section 8 # 36625 (7) (7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements **and activities** funded by the assessments proposed to be levied.*

There is no consideration for the safety of any of the people in our community in this plan. Any proposed assessment or tax to be paid by our residents must be available to be used to ensure their safety and quality of life.

Before this additional point of sale assessment "sales tax" is imposed on our local community, it must be amended to address the fire service impacts resulting from tourism. That category must receive enough of an allocation to have a positive impact on the agencies and special districts that support not only our residents, but also the visitors the NLTRA attracts to our service area. Otherwise, we are destined to repeat this flawed cycle of investing in visitors and not the community they are attracted to visit. This is fatally flawed for non-County agencies and special districts, and for the residents and visitors they are called upon to serve.

Respectfully,

Michael S. Schwartz  
Fire Chief

Edward I. Miller  
President of the Board of Directors

MSS/EIM/src