

To: Reno Sparks Convention and Visitors Authority Board of Directors
Fr: Devin Middlebrook, Tahoe Regional Planning Agency
Carl Hasty, Tahoe Transportation District
Bill Thomas, Washoe Regional Transportation Commission
Commissioner Alexis Hill, Washoe County
Jaime Wright, Placer County TART

Date: April 25th, 2024

Sub: TART Connect Incline Village Crystal Bay Zone 3 \$200,000 Funding Request

The Tahoe Basin visitation is projected to be in the 15 million visitor days annually. Prior to and since the pandemic, the Tahoe Basin has been inundated with both overnight and day visitors as well as a migration of new residents and influx of second homeowners. This onslaught of users has created impacts on the destination that are projected to continue into the future. As a region, we have come together to develop and implement strategic destination improvements designed to mitigate these visitor impacts.

In addition to mitigating tourism impacts, supporting this funding request will contribute to the Tahoe Region's transportation funding goals. In 2022, bi-state partners adopted a new funding strategy called "7-7-7" to close the funding gap to implement the region's transportation vision. Under the "7-7-7" framework, federal, state, and local/private partners would each seek an additional \$7 million per year, for high-priority, regionally significant transportation projects, totaling \$21 million annually. Failing to meet this annual funding goal could result in development restrictions in the Basin, reducing Washoe County's ability to develop large properties in the Basin that would increase hotel tax revenue. Supporting this funding request would count as the local contribution toward "7-7-7".

One such project is the North Lake Tahoe TART Connect Micro Transit program. The original two-year pilot program began in late June 2021 and was to continue through June 30th, 2023. In Spring 2023, the TART Connect partners agreed to extend the two-year pilot program one additional year to collect additional data and to provide the time necessary to make larger, more impactful changes to the transit system in North Lake Tahoe. This extension will take the TART Connect service through June 30th, 2024.

There are currently 6 zones operating in the North Lake Tahoe region (Truckee service was added this past year) with Zone 3 operating specifically in the Incline Village and Crystal Bay areas of Washoe County. Since the start of the pilot program over 1,000,000 rides have been conducted system wide. Specifically in Zone 3 over 30% of the total regional ridership has been conducted in Incline Village and Crystal Bay. Data from the program for Zone 3 indicates a high program success. 40% of the ridership in Zone 3 is visitor induced trips.

Funding partners in the first two years included Travel North Tahoe Nevada, Washoe RTC, Washoe County, Reno Sparks Visitor and Convention Authority, Tahoe Fund, League to Save Lake Tahoe, and various other local partners.

For the FY 2023/24 Program

The estimated cost to operate the program in Zone 3 is \$1,259,741. This cost increase is associated with increasing Fall and Spring hours of operation to 14 hours per day to service the Incline Village and Crystal Bay communities throughout the entire day while maintaining the Summer and Winter high-season operations at 16 hours per day.

Projected funding partners for the 2023/24 fiscal year include:

- Washoe Regional Transportation Commission (\$350,000 confirmed)
- Washoe County Commission (\$400,000 confirmed)
- Travel North Tahoe Nevada/Local Funding (\$159,741 confirmed)
- Washoe Regional Transportation Commission Additional Funding (\$150,000 Confirmed additional funding)
- Reno Sparks Convention and Visitor Authority (TBD)

RSCVA Funding Request: FY 2023/24 \$200,000

April 25, 2024
RSCVA Board Meeting
Item E.2





FY 2024 ROOM TAX UPDATE



ROOM TAX UPDATE

	MARCH	
	2024	2023
TAXABLE ROOM REVENUES	\$31,498,319	\$33,927,039
OCCUPIED ROOMS - CASH	240,623	261,101
AVERAGE RATE - CASH	\$130.90	\$129.94

Note: These are preliminary figures.



ROOM TAX UPDATE

	NINE MONTHS ENDED MARCH 31,	
	2024	2023
TAXABLE ROOM REVENUES	\$343,433,716	\$342,970,144
OCCUPIED ROOMS - CASH	2,333,836	2,346,997
AVERAGE RATE - CASH	\$147.15	\$146.13
% OF OCCUPANCY	2024	2023
Cash	38.8%	39.8%
Comp	10.7%	10.1%
28 Day	13.4%	14.1%
TOTAL % OF OCCUPANCY	62.9%	64.1%

Note: These are preliminary figures.



OCCUPIED ROOMS - TRENDS

OCCUPIED ROOMS (CASH)	MARCH	
	2024	2023
Hotels	192,848	211,711
Motels	15,908	15,841
28 Day Motels	3,478	4,625
R.V. Parks	3,653	4,600
Vacation Rentals	18,781	17,029
Timeshares	4,093	5,127
Homeowner Rentals	1,862	2,108
TOTAL OCCUPIED ROOMS (CASH)	240,623	261,101

OCCUPIED ROOMS (CASH)	NINE MONTHS ENDED MARCH 31,	
	2024	2023
Hotels	1,891,572	1,917,154
Motels	152,352	151,664
28 Day Motels	34,817	38,467
R.V. Parks	59,756	64,158
Vacation Rentals	156,507	143,572
Timeshares	31,592	24,278
Homeowner Rentals	7,240	7,704
TOTAL OCCUPIED ROOMS (CASH)	2,333,836	2,346,997

5 Note: These are preliminary figures.



AVERAGE DAILY RATE - TRENDS

AVERAGE DAILY RATE (CASH)	MARCH	
	2024	2023
Hotels	\$131.19	\$133.04
Motels	\$66.56	\$67.77
28 Day Motels	\$44.88	\$46.96
R.V. Parks	\$46.38	\$38.28
Vacation Rentals	\$214.19	\$202.10
Timeshares	\$65.19	\$54.12
Homeowner Rentals	\$281.66	\$269.53
TOTAL AVERAGE DAILY RATE (CASH)	\$130.90	\$129.94

AVERAGE DAILY RATE (CASH)	NINE MONTHS ENDED MARCH 31,	
	2024	2023
Hotels	\$150.37	\$148.54
Motels	\$81.20	\$81.54
28 Day Motels	\$47.32	\$47.37
R.V. Parks	\$54.81	\$51.27
Vacation Rentals	\$237.77	\$247.91
Timeshares	\$72.00	\$109.11
Homeowner Rentals	\$306.61	\$322.41
TOTAL AVERAGE DAILY RATE (CASH)	\$147.15	\$146.13

6 Note: These are preliminary figures.




TAX DISTRICTS - TRENDS

TAXABLE ROOM REVENUE	MARCH	
	2024	2023
Reno B (Suburban Reno)	\$15,845,258	\$16,399,680
Reno D (Downtown Reno)	\$5,868,620	\$7,822,676
Reno E (1 Mile Radius from Downtown)	\$1,203,549	\$1,113,352
Washoe A	\$61,429	\$88,384
Washoe B (Incline Village)	\$4,387,524	\$3,759,100
Sparks	\$4,131,938	\$4,743,848
TOTAL TAXABLE ROOM REVENUE	\$31,498,319	\$33,927,039

TAXABLE ROOM REVENUE	NINE MONTHS ENDED MARCH 31,	
	2024	2023
Reno B (Suburban Reno)	\$162,848,100	\$158,953,810
Reno D (Downtown Reno)	\$74,016,036	\$75,966,231
Reno E (1 Mile Radius from Downtown)	\$10,575,957	\$9,736,392
Washoe A	\$698,307	\$692,210
Washoe B (Incline Village)	\$51,605,875	\$53,252,682
Sparks	\$43,689,442	\$44,368,819
TOTAL TAXABLE ROOM REVENUE	\$343,433,716	\$342,970,144

7 Note: These are preliminary figures.





FY 2025 BUDGET PRELIMINARY DISCUSSION AND HIGHLIGHTS



FY 25 ROOM TAX REVENUE BUDGET (PRELIMINARY)

Fiscal Year	Total Room Tax Revenues	Change	
		\$	%
FY 18-19	40,884,773	1,063,051	2.7%
FY 19-20	32,297,722	(8,587,051)	(21.0%)
FY 20-21	32,870,482	572,760	1.8%
FY 21-22	45,303,594	12,433,112	37.8%
FY 22-23	47,672,993	2,369,399	5.2%
FY 23-24 Budget (Revised)	45,309,701	(2,363,292)	(5.0%)
FY 24-25 Budget (Preliminary)	44,049,353	(1,260,348)	(2.8%)



FY 25 ROOM TAX REVENUE BUDGET (PRELIMINARY)

	Budget (Preliminary) FY 24-25	Prior Year FY 22-23	Post-Pandemic FY 21-22	Pre-Pandemic FY 18-19
Taxable Room Revenues	\$ 448,580,089	\$ 478,560,407	\$ 457,023,876	\$ 401,157,232
Average Rate - Cash	\$ 145.31	\$ 147.86	\$ 141.90	\$ 115.53
Occupied Rooms - Cash	3,087,016	3,236,493	3,220,833	3,472,202



COST OF LIVING ADJUSTMENTS (COLA)

- National CPI Inflation from July 2020 through March 2024: 20.54%*
*Per the Bureau of Labor Statistics
- Cumulative Staff COLAs from July 2020 through March 2024: 14.00%
- Given that COLAs are less than cumulative inflation, we are recommending a COLA for FY 25.
- Previous COLAs were uniform across all staff. We are recommending a tiered structure for FY 25:

CEO	0.00%
VP	0.00%
Executive/Senior Director	0.00%
Director	1.00%
Manager	3.00%
Staff	4.00%



STAFF BONUS PLAN

- All full-time staff will continue to be eligible.
- Program focused on quantitative/SMART goals.
- **SMART Goals:**
 - Specific
 - Measurable
 - Achievable
 - Relevant
 - Time-bound
- Decrease in bonus percentages for Directors and above; increase in bonus percentages for Managers and below.



SPECIAL EVENT OPPORTUNITY FUND

- Per previous Board direction, up to \$500,000 is budgeted annually through the Special Event Opportunity Fund.
- To ensure that the Director of Event Development seeks opportunities that benefit tax districts in a proportional manner, the Special Event Opportunity Fund will be allocated by taxable room revenues generated by tax district:

	FY 23 Taxable Room Revenues		FY 25 Special Event Opportunity Fund Allocation	
Reno B (Suburban Reno)	223,362,845	46.67%	233,370	46.67%
Reno D (Downtown Reno)	111,665,288	23.33%	116,668	23.33%
Reno E (1 Mile Radius from Downtown)	13,615,510	2.85%	14,225	2.85%
Washoe A	957,110	0.20%	1,000	0.20%
Washoe B (Incline Village)	66,981,444	14.00%	69,982	14.00%
Sparks	61,978,210	12.95%	64,755	12.95%
Total	\$ 478,560,407	100.00%	\$ 500,000	100.00%



UNSOLICITED PROPOSALS

- An **unsolicited proposal** is a proposal requesting funding or contribution from the RSCVA.
- Given that such requests have been increasing in frequency during recent years, we are proposing the following in the FY 25 Budget:
- FY 25 Allocation - **\$350,000**
 - Executive Office/CEO Budget:
 - **\$50,000** for unsolicited proposals.
 - CEO has authority to approve up requests up to \$10,000.
 - Proposals evaluated by CEO and Senior Staff.
 - Board of Directors Budget
 - **\$300,000** for unsolicited proposals.
 - Proposals above \$10,000 are reviewed by CEO and Senior Staff, then placed on the agenda for Board review.



THANK YOU.

