

Lake Tahoe's 2 tourism agencies as unique as the destinations they represent



Emerald Bay is one icon all tourism agencies at Lake Tahoe promote. Photo/LTN file

Publisher's note: *This is this first of an occasional series of stories about the Lake Tahoe Visitors Authority and North Lake Tahoe Resort Association.*

By Anne Knowles

Last year's room nights on the South Shore were worth celebrating. After more than a decade of declines, save for a minor uptick a few years ago, room rentals were on the rise again, jumping 10 percent on the California side and almost 1 percent on the more active Nevada side between October 2012

and September 2013.

The new 12-month rolling year started auspiciously, too. In October 2013, room nights in California climbed about 11 percent to nearly 34,000 and just more than 9 percent to more than 45,000 in Nevada.

Then winter arrived. And the snow didn't follow. Room nights started to fall, dropping in the California market by as much as 43 percent in January from the same month a year earlier.

The cumulative effect is that in the five months from October 2013 to February 2014, room nights throughout the South Shore of Lake Tahoe fell by almost 8 percent.

"Winter wasn't good to us," Carol Chaplin, executive director of the Lake Tahoe Visitors Authority, told *Lake Tahoe News*.

The LTVA is one of two major organizations at the lake tasked with marketing the area, driving tourism and putting heads in beds.

The other is the North Lake Tahoe Resort Association. The two divide the 72-mile shoreline into north and south, including a branding campaign that identifies the two Tahoe markets simply as North and South.

The LTVA and NLTRA are similar but different and cooperate and compete. And they are not always well understood by those who live at the lake who rely on tourism to drive their communities' economy.

Both organizations, like the industry they serve, have evolved over the last decade.

Lake Tahoe Visitors Association

The LTVA, for example, no longer is financed by the city of South Lake Tahoe, which for years supported the LTVA through its general fund.



Room taxes from Stateline casinos are a substantial part of the LTVA's budget.
Photo/LTN file

"City of South Lake Tahoe historically funded LTVA through the (transient occupancy tax), but they kept reducing it and in 2008 the last \$350,000 was cut and the (Tourism Improvement District) was formed to replace the contribution," Chaplin explained.

The TID consists of all lodging businesses – hotels/motels, timeshares, condos, triplexes, duplexes and homes under management contracts – located within the city limits of South Lake Tahoe.

Initially, they were each assessed a flat rate per paid occupied room per night of \$2 on hotels and motels and \$3 per on timeshares, condos, triplexes, duplexes and homes. That recently was raised, through 2018, to \$3 and \$4.50 per night, respectively.

LTVA receives 95 percent of those fees, on a monthly basis, while the TID retains the remainder for special projects. For fiscal year 2015, that amounts to about \$1.8 million.

The other half of LTVA's budget – about \$2 million – comes from Tahoe Douglas Visitors Authority, which was created in 1997 to levy a separate lodging tax for the benefit of the

Tahoe township, which is better known as Stateline. Those LTVA funds are made of 60 percent of the 10 percent room tax charged by the TDVA as well as two-thirds of an additional 3 percent lodging license fee the county began charging a few years ago.

The budget is divvied up between what LTVA calls sales, or promoting the destination internationally, usually through tour operators. The cost of some of that – in Australia, United Kingdom and France, specifically – is shared with NLTRA.

There's advertising and social media, which runs the gamut from TV ads running on Comcast during Oakland A's games to its website.

The LTVA and NLTRA share a single-page website that links back to their respective and separate websites.

All advertising decisions are made by the LTVA board based on recommendations from its marketing committee. That committee recently expanded from seven to 11 members. It is comprised of members from ski resorts, casinos, condos, marketing firms and Barton Health.

"A lot of the roll-up-your-sleeves work is done at that level," Chaplin said.

The seven-member LTVA board, which has public monthly meetings, consists of two representatives appointed by the TID (currently Chairman Patrick Ronan and Jerry Bindel), two placed by TDVA (Bryan Davis with Edgewood and Harrah's/Harveys Lake Tahoe's John Koster), a South Lake Tahoe City Council member (Tom Davis), a member chosen by the South Lake Tahoe Chamber of Commerce (Heavenly Mountain Resort's Peter Sonntag) and the district's Douglas County commissioner (Nancy McDermid).

There are no term limits, but the members from the TID and

chamber, Chaplin said, tend to serve for the same period they serve on the boards they are appointed from.

Finally, there are events, including the American Century Championship celebrity tournament at Edgewood Tahoe Golf Course each July. Chaplin said the LTVA, though, is in the process of reevaluating its event strategy since the recent brouhaha over the Fourth of July fireworks display, which unexpectedly cost the organization approximately \$33,000 in legal fees.

“It’s changed the way we look at our involvement with events producers. We’ll be spending more on legal contracts and consultants. We’re rethinking how we’re going with fireworks,” said Chaplin. “But we heard the message loud and clear from the community that it is a big event for us.”

The LTVA may also pull back on small grants to other events for help with their marketing, a decision that will be made after this month’s board meeting.

“We are asked a lot to bring large events here, but we don’t have the infrastructure to support them,” Chaplin said.

North Lake Tahoe Resort Association

Infrastructure is one key way the LTVA and the NLTRA differ.



This is one of the ads created for North Lake Tahoe by School of Thought.

Photo/Provided

NLTRA is tasked with, and has a specific funding source, for transportation and infrastructure projects. NLTRA recommends the work to the Placer County Board of Supervisors which approves it. That's funded by an additional 2 percent TOT approved by voters through 2022.

Overall, NLTRA receives 60 percent of TOT collected in eastern Placer County. In 2013-14, the group's budget was \$4.4 million from TOT, minus about \$1.5 million which is set aside for county services.

NLTRA once adhered to a spending formula that was replaced in 2012 with a "priority-based" method, but it still spends about 42 percent on marketing and 58 percent on transportation and infrastructure, said Sandy Evans Hall, chief executive officer/executive director.

NLTRA, formed in 1995 after a master plan study of tourism recommended it, comprises two entities: the North Lake Tahoe Chamber of Commerce and the Tahoe North Visitors and Convention Bureau.

"We have three functions," Hall told *Lake Tahoe News*. "The chamber, the visitors' bureau and making recommendations on transportation and infrastructure."

Like the LTVA, the NLTRA has a board, which has final say over marketing and advertising campaigns brought to it by a marketing committee.

The NLTRA outsources to two outside agencies – School of Thought in San Francisco and the Abbi Agency in Reno – to develop advertising and public relations campaigns.

"The staff works with the agencies, tells them here's what we want to do, we give them the budget and they come back," Hall said. "Then the NLTRA board has the final say."

Nine members of the 11-member board are elected by NLTRA membership. They run to represent different categories such large lodging, small lodging or dining, serve on the board for three years and are limited to two terms. The other two members are appointed without term limits as is a third, non-voting member.

The committees are appointed by the board and besides the 13-member marketing panel, there are groups that advise the board on lodging, membership, finance, infrastructure/transportation and group sales.

The NLTRA also works closely with the Incline Village Crystal Bay Visitors Authority under an agreement forged six years ago, which created the North Lake Tahoe Marketing Coop, which is intricately involved in marketing decisions made by NLTRA.

“Six years ago we sat down and decided had competing messages,” said Hall. “We said we should market as one destination.”