



Date: February 10, 2026

Honorable Mayor and Council Members:

Author and title: Carissa Binkley, Economic Vitality Program Analyst II

Title: **Approve Visit Truckee-Tahoe's Annual Report and Adopt Resolution 2026-03 to Adjust Truckee Tourism Business Improvement District Assessment Rate.**

Jen Callaway, Town Manager

Recommended Action: That Council (1) Approve the Visit Truckee-Tahoe Annual Report for Fiscal Year 2025–26; and (2) Adopt Resolution 2026-03 adjusting the Truckee Tourism Business Improvement District assessment rate to 2%, consistent with the authority provided in the adopted 2025–2035 Management District Plan.

Executive Summary:

Visit Truckee-Tahoe (VTT) has submitted its Fiscal Year 2025–26 Annual Truckee Tourism Business Improvement District (TTBID) Report for Town Council consideration, as required under the Property and Business Improvement District Law of 1994. The report summarizes VTT's activities, financial performance, and progress toward Town-aligned goals related to economic vitality, environmental sustainability, and enhanced communication, during a period of lodging market stabilization and increased regional competition.

As part of the annual report, VTT is also requesting Council approval to adjust the Truckee Tourism Business Improvement District (TTBID) assessment rate from 1.25% to 2%, which is within the range authorized under the adopted 2025–2035 Management District Plan and would be paid entirely by overnight visitors. In addition, VTT has requested that Council consider adding short-term rental (STR) optimization to the Town's work plan. It should be noted that the Town Council held their annual retreat on January 29, 2026, at the Gravity Haus. As part of the retreat discussion, at least three Council members provided direction to add short-term rental optimization to the workplan, therefore this item will be incorporated into the workplan and reviewed as part of the third quarter workplan update scheduled for early May 2026.

VTT presented an overview of its Annual Report and key themes to Town Council at the January 27, 2026 meeting for informational purposes only. No action was requested or taken at that time. The current agenda item represents the formal submission of the Annual Report and the associated request for Council approval along with the request to approve adjustment of the TTBID assessment rate.

Discussion:

Background

Established in 2015, the Truckee Tourism Business Improvement District (TTBID) is a benefit assessment district created to promote Truckee as an overnight visitor destination and to support visitor communication, destination stewardship, and destination management activities. The TTBID was most recently renewed in 2025 for a ten-year term, through 2035. The TTBID is governed by the Property and Business Improvement District Law of 1994 (Streets & Highways Code § 36600 et seq).




Unlike Transient Occupancy Tax (TOT), which contributes to the Town’s General Fund, the TTBID assessment is a self-assessment paid by lodging properties. The Town collects the assessment concurrent with TOT and remits the funds to the TTBID owners’ association, VTT, retaining a 2% administrative fee to offset collection costs. Use of TTBID funds is legally restricted to activities that provide a special benefit to assessed lodging properties.

In 2024 and 2025, Town staff worked collaboratively with VTT staff to plan for renewal of the TTBID. Key topics addressed during the renewal process included extending the term of the TTBID from five years to ten years, maintaining the existing 1.25% assessment rate while allowing for adjustments within a range of 0.75% to 2%, subject to Town Council approval during the annual report process, and modifications to TTBID governance, including the addition of an at-large seat to the Board of Directors. Renewal of the TTBID and approval of the Management District Plan (MDP) required a petition by the majority of assessed properties as well as approval of the Town Council, which occurred on May 27, 2025.

Council’s Role

While VTT oversees the day-to-day administration of the TTBID, Town Council maintains a defined oversight role, including:

- Approval of the formation or renewal of the TTBID and the associated MDP;
- Consideration of any requested amendments to the MDP during its term; and
- Annual review and approval of the TTBID Annual Report pursuant to Streets & Highways Code § 36650(c).
 - Section 36650(c) provides that “The city council may approve the report as filed by the owners’ association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.”
- Approval of any proposed rate change within the range of 0.75% to 2.0%, as specified in the Management District Plan.
 - The Management District Plan provides that, “At the request of VTT’s Board, with the approval of the Town of Truckee Council (Town Council), the assessment rate may be adjusted annually. The assessment rate may be increased or decreased to any increment of one-quarter of a percent (0.25%), however, the total

MANAGEMENT DISTRICT PLAN 2025-2035	
TERM 10 Years: 2025 - 2035	
	ASSESSMENT RANGE 0.75 - 2.0%
Owner’s Association Visit Truckee-Tahoe	
	Governance Update Addition of at-large Board seat
Council Role Annual Report + Rate Adjustments	

assessment rate shall not drop below three-quarters of one percent (0.75%) nor exceed two percent (2%) of gross short-term lodging rental revenue. Any increase or decrease requested by VTT's Board shall be included in the Annual Report . . . and shall take effect if approved by the Town Council, in its sole discretion, during the fiscal year annual report review."

The annual report provides Council the opportunity to review completed and planned activities, budgets, and any requested changes to assessment levels authorized under the MDP. As described above, the review of the annual report also provides the one time each year when VTT may request, and Council has an opportunity to consider approval of a change to the assessment rate.

Organizational Updates

VTT underwent recent leadership transition. Longtime Chief Executive Officer Colleen Dalton retired in September 2025 after more than a decade leading the Truckee Tourism Business Improvement District (TTBID). Jackie Calvert, previously serving as VTT's Director of Tourism Management, succeeded Dalton as Executive Director.

Annual Report Overview

As required by state law, VTT has submitted its Annual Report for Council consideration (Attachment 2). The report summarizes organizational activities, financial performance, and progress toward Town-aligned goals related to economic vitality, environmental sustainability, and enhanced communication.

Key themes of the Annual Report include:

- **Destination management strategies** intended to align overnight visitation with community values and stewardship objectives.
- **Demand management approaches**, including emphasis on shoulder-season and midweek visitation to help moderate peak-period impacts.
- **Use of data and analytics** to inform marketing, visitor communication, and stewardship-related decision-making.
- **Stewardship and visitor education activities**, implemented in coordination with local and regional partners.

VTT also reported that, following the post-pandemic peak, lodging revenue has normalized and organizational program capacity has declined accordingly. While visitation levels have stabilized, competition among peer mountain destinations has intensified, requiring more sophisticated visitor management and communication strategies to maintain Truckee's market position without increasing peak-period impacts.

The financial forecasts and economic impact estimates included in VTT's annual report (Attachment 2) and the presentation to Town Council (Attachment 3) were prepared by VTT and are intended to provide context for their request. While informative, these projections were not prepared by Town staff and reflect assumptions that may differ from those typically used in Town financial analyses.

**+\$1.4M
INVESTED IN
STEWARDSHIP**

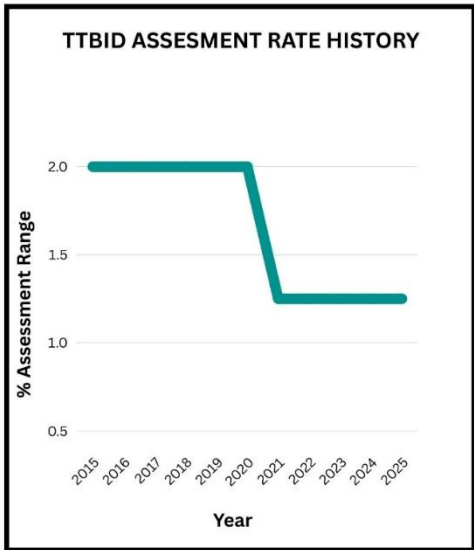
Over the past five years, VTT has prioritized Stewardship programs, ensuring our visitors contribute directly to the work community partners do every day. **\$1 out of every \$4 spent at VTT was dedicated to supporting Stewardship programs.**

The VTT Annual Report presentation highlighted the organization’s stewardship investment.

Request to Adjust the TTBIT Assessment Rate

As part of this year’s annual report, VTT is requesting Council approval to adjust the TTBIT assessment rate from 1.25% to 2%, which is within the assessment range authorized by the adopted 2025–2035 MDP.

The flexibility to adjust the assessment rate within this range, subject to Town Council approval, was expressly included in the materials provided to assessed lodging businesses during the 2025 TTBIT renewal process. The TTBIT assessment rate was initially established at 2% when the district was formed in 2015 and remained at that level through 2020. In 2020, during negotiations related to renewal of the TTBIT and concurrent with the Town’s consideration of a 2% increase to Transient Occupancy Tax (Measure K), Visit Truckee-Tahoe voluntarily proposed reducing the assessment rate to 1.25%, along with establishing flexibility within an authorized assessment range. The reduced rate took effect on January 1, 2021, and this flexible range was carried forward in the current MDP.



VTT indicates that restoring the rate to 2% would provide additional capacity to carry out destination management, visitor communication, and stewardship activities consistent with the purposes outlined in the MDP. Staff recommend that should the council approve Resolution 2026-03 adjusting the TTBIT assessment rate to 2%, the new rate go into effect July 1, 2026 to align with the Town’s fiscal year and to allow for ample time to notify payors of the new rate. Anticipated communication to payors includes email and physical mail (to be funded by VTT) to all TTBIT payers to ensure awareness of the new assessment rate.

The requested assessment rate adjustment is being considered pursuant to the adopted 2025–2035 MDP and would be paid entirely by overnight visitors through the lodging assessment. The adjustment would not impact the Town’s General Fund.

STR Optimization

VTT also used its annual presentation to request that Town Council consider adding short-term rental (STR) optimization to the Town’s work plan. This request was presented by VTT as a potential strategy to improve utilization of the Town’s existing STR permit inventory, because a portion of existing permits are inactive each year. Optimization of the permits allowed under the STR permit cap could also strengthen the reliability of TOT, Measure K, and TTBID revenues. The request does not propose an increase to the Town’s STR cap and does not require Council action as part of approval of the Annual Report or the TTBID assessment adjustment. Any future consideration of STR optimization would be subject to separate staff analysis, Council direction, and public process. As previously noted, the Town Council held their annual retreat on January 29, 2026, at the Gravity Haus. As part of the retreat discussion, at least three Council members provided direction to add short-term rental optimization to the workplan, therefore this item will be incorporated into the workplan and reviewed as part of the third quarter workplan update scheduled for early May 2026.

Priority:

<input type="checkbox"/>	Enhanced Communication	<input type="checkbox"/>	Climate and Greenhouse Gas Reduction	<input type="checkbox"/>	Housing
<input type="checkbox"/>	Infrastructure Investment	<input type="checkbox"/>	Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/>	Core Service

Fiscal Impact:

There is no direct fiscal impact to the Town’s General Fund. The requested adjustment would increase revenues available to the TTBID owners’ association for eligible destination management and stewardship activities. The Town would continue to retain a 2% administrative fee for collection costs.

Town staff would be responsible for ensuring that short-term rental operators collect TTBID at the updated rate. The 2% TTBID retained by the Town is intended to offset the staff burden of these administrative duties.

Public Communication:

- 1/27/25 Town Council presentation from Visit Truckee-Tahoe.
- Email to TTBID payers informing them of this agenda item and the opportunity to provide public comment.
- Agenda posting.

Attachments:

1. 2025–2035 Truckee Tourism Business Improvement District Management District Plan
2. Visit Truckee-Tahoe Annual Report, Fiscal Year [2025–26]
3. Visit Truckee-Tahoe Presentation of Annual Report
4. Resolution 2026-03 Adjusting the Truckee Tourism Business Improvement District (TTBID) Assessment Rate to 2% Pursuant to the Adopted 2025-2035 Management District Plan