FROM: OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Authorize the use of American Rescue Plan (ARPA) funding, in the amount of $2,161,375, to fund the Riverside County Tourism Recovery Campaign and Approve Professional Services Agreements with Tourism and Hospitality Organizations, without seeking competitive bids. All Districts. [$2,161,375 - 100% United States Department of Treasury’s ARPA funds] (CEQA Exempt)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15301; and

2. Direct the Riverside County Office of Economic Development to continue administration of the Riverside County Tourism Recovery Campaign to support and rebuild the tourism and hospitality industry as a result of negative impacts from the COVID-19 pandemic by allocating funding for tourism efforts in the county; and

3. Authorize $2,161,375, from the County of Riverside’s Economic Recovery American Rescue Plan Act allocation, to be used for the Tourism Recovery Campaign; and

4. Approve the two attached Agreements for the Tourism Recovery Campaign, in a total amount not to exceed $2,161,375, through December 31, 2024, with Visit Greater Palm Springs for an aggregate amount of $1,759,375, and Temecula Valley Convention and Visitors Bureau for an aggregate amount of $402,000, without seeking competitive bids; and authorize the Chair of the Board of Supervisors to sign the two Agreements on behalf of the County; and

5. Authorize the Director of Riverside County Office of Economic Development, or designee, to take all necessary steps to implement and administer the Tourism Recovery Program including, signing subsequent, necessary, and related documents to implement the Programs, subject to approval as to form by County Counsel; and

6. Approve and direct the Auditor-Controller to make budget adjustments as shown on Schedule A.

ACTION:
MINUTES OF THE BOARD OF SUPERVISORS
C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 11, 2021, the American Rescue Plan (ARPA) was signed into law by the President. ARPA funds are intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). On May 17, 2021, Riverside County received $239,937,299 as a first installment of its American Rescue Plan Act funding allocation estimated in total at $439 million.

On October 6, 2020, the Board of Supervisors authorized the creation of the Riverside County Tourism Recovery Campaign to support rebuilding of the county’s tourism industry which suffered negative economic impacts as a result of the COVID-19 pandemic. The effort allocated $1.5 million of CARES Act funds for the campaign which provided funding for the tourism and visitors bureaus in the county to fund marketing and promotional campaigns along with the purchase of personal protective equipment and facility improvements.

The Riverside County Office of Economic Development is proposing to use $2,161,375 of the County’s Economic Recovery ARPA allocation of $36 million, to continue supporting the County Tourism Recovery Campaign and help rebuild the designated impacted industry as a result of the ongoing negative impacts from the COVID-19 pandemic. This continued program will provide funding for the Visit Greater Palm Springs and Temecula Valley Convention & Visitors Bureau (dba Visit Temecula Valley) whose primary functions are to grow tourism and convention/conference activities in the county and support the hospitality industry. Both organizations have action plans which includes detailed information on how the money will be utilized and consistent with the overall program objective. Throughout the program time frame, each organization will provide reporting on the impact the Tourism Recovery Campaign is having in their region. These organizations are the regional destination marketing organizations and resources for visitors in their respective regions of the county. They are also the main source of tourism promotion efforts in the Coachella Valley and southwest Riverside County and have proven track records of tourism efforts throughout the region.
Tourism has historically been a critical component of Riverside County’s economy with its direct and indirect job creation, sales tax revenue, and transient occupancy tax revenue. The tourism and hospitality sector is one of the most negatively impacted industries in Riverside County by COVID-19. Visit California, the State’s official destination marketing organization, contracts with Dean Runyan Associates to study the travel industry economy across the state of California, including detailed economic impact in Riverside County. In 2021, Visit California released an economic impact study on California’s travel industry for 2020 and prior years. The study estimated that in 2019, the hospitality industry generated 86,600 direct jobs for Riverside County. Due to COVID-19 an estimated 19% (16,720) of those jobs were lost with the majority of work in frontline occupations. The report noted that direct travel spending in Riverside County was down by 39.2% from 2020, a $3.5 Billion loss to the industry.

This funding will assist the ARPA designated impacted industry of travel, tourism, and hospitality industries recovery, allow these organizations to focus resources on the region’s economic recovery and compete effectively for travelers and convention activity.

**Impact on Residents and Businesses**
The proposed funding for tourism is expected to have a positive impact on the entire county, including its businesses and residents. Tourism affects most sectors of the economy and contributes to sales and transient occupancy tax revenues, jobs, and income.

**Additional Fiscal Information**
The proposed Tourism Recovery Campaign will be funded entirely by the U.S. Department of Treasury ARPA funding and will not impact the County’s General Fund.