

**MEMORANDUM OF UNDERSTANDING  
AGREEMENT  
BETWEEN  
CITY OF BIG BEAR LAKE  
AND  
VISIT BIG BEAR**

This Memorandum of Understanding Agreement ("MOU"), effective March 8, 2021, is between the City of Big Bear Lake, a California charter city ("City") and Big Bear Lake Resort Association, Inc., a California nonprofit corporation and, doing business as Visit Big Bear ("VBB"). The City and VBB are collectively referred to as the "Parties" and each individually as a "Party."

**BACKGROUND**

- A. The City is empowered to form and authorize a BBLTBID to provide funding for marketing and events for the City's lodging businesses and ski resorts.
- B. VBB is a nonprofit 501(c)(6) organization with the purpose of providing marketing and events for lodging businesses and ski resorts in Big Bear Lake.
- C. The Parties desire to execute this MOU concurrently with the approval of the City Council's renewal of the Big Bear Lake Tourism Business Improvement District (BBLTBID).
- D. The Parties agree as follows:

**AGREEMENT**

**1. Transparency**

- 1.1 The VBB Board will provide monthly written reports to the City Council detailing the VBB Board's discussions and actions. Any proposed Major Special Events (as defined by the City's code) that are discussed by the VBB Board will be included in the monthly written report to the City Council.
- 1.2 VBB will post VBB Board meeting agendas on the VBB website at least 72 hours prior to the meeting.
- 1.3 VBB will promptly post on its website the minutes of each VBB Board meeting and a copy of each monthly written report that is submitted to the City Council.
- 1.4 In accordance with the Brown Act, City Councilmembers and the City Manager and staff may attend and speak at all meetings of the VBB Board.

2. **VBB Annual Audit and Report.** VBB will cause to be prepared an annual audit, consistent with Generally Accepted Accounting Principles, or GAAP. The auditor will be selected by the City. VBB will pay all reasonable audit costs and will cooperate in good faith. The annual audit report must be included with VBB's year-end written report to the City Council.
3. **BBLTBID Collection by the City.** BBLTBID remittances from lodging and ski resorts will be collected on the same terms and timing as the City's TOT collections, as those terms and timing are established by the City and changed from time to time.
4. **VBB Budget for Tourism Impact Mitigation.**
  - 4.1 Beginning on April 1, 2021, and each year of the BBLTBID term thereafter, the VBB Board will budget five percent of its annual budget for Tourism Impact Mitigation and will pay the five-percent allocation into the VBB Tourism Impact Mitigation Fund ("TIMF"), discussed below.
  - 4.2 Expenditures from the TIMF must be approved at a VBB Board meeting following discussion of the expenditures with the City's representatives. Expenditures from the TIMF may be used for tourist-related improvements, as approved by the VBB Board.
5. **Establishing the VBB Tourism Impact Mitigation Fund.**
  - 5.1 Upon both (a) the renewal of the BBLTBID by the City Council (prior to April 1, 2021), with a three-percent lodging assessment, a two-percent ski-resort assessment, and a term of 10 years, and (b) approval of this MOU by the City Council, the VBB Board will establish the VBB Tourism Impact Mitigation Fund and deposit \$ 150,000 into the Fund on or before March 31, 2021.
  - 5.2 The initial \$150,000 deposit into the TIMF is in addition to the five-percent budget amount on April 1, 2021, that is required by paragraph 4.1 above.
  - 5.3 Any funds that remain in the Fund at the end of VBB's Fiscal Year will be carried over into the following Fiscal Year and available for the VBB Board to allocate for tourism-impact mitigation and tourism-related improvements.
6. **Collaboration.** The City Council and Visit Big Bear Board both recognize the need for a healthy balance between the benefits and burdens of tourism. The Council and Board will continue to work together to monitor the appropriate level of promotion, especially when "organic tourism" reduces or eliminates the need for promotion. As tourism-related needs and demands ebb and flow, the Council and Board will collaborate, adjusting messaging, marketing efforts, and resource deployment towards the shared goal of sustainable tourism that minimizes negative impacts on our City and its residents.

7. **VBB Funding of Annual Fourth of July Fireworks Show.** VBB will fund and present the annual Fourth of July fireworks show. VBB has the exclusive right to produce, brand, and solicit sponsors and donations for the fireworks show.
8. **VBB Events Office.** VBB, through its existing Events Director position, will provide the event-resource office services that have been provided in the past by the City.
9. **VBB Funding of Community Events.** In the first year of the term of this MOU, VBB will allocate \$25,000 for "community event grants." Every year of the term thereafter, VBB will increase the amount of the allocation by a percentage equal to the 12-month increase in the U.S. Bureau of Labor Statistics' Consumer Price Index for the Riverside-San Bernardino-Ontario Metropolitan Area as of March. These grants will be awarded based on recommendation to the VBB Board by a committee consisting of VBB and City officials.
10. **Consistency with State Law.** The BBLTBID Management District Plan ("MDP") and this MOU must remain consistent with the requirements of Proposition 26: All BBLTBID funds will be spent for the benefit of BBLTBID assessees.
11. **Arbitration.**
  - 11.1 The Parties will submit all disputes relating to this MOU to binding arbitration in accordance with California Code of Civil Procedure sections 1280-1294.2. The Parties hereby waive their rights to a jury trial.
  - 11.2 The Party demanding arbitration will submit a written claim to the other Party, setting out the basis of the claim and proposing the name of an arbitrator. The responding party has 10 business days in which to respond to this demand in a written answer. If this response is not timely made, or if the responding Party agrees with the person proposed as the arbitrator, then the person named by the demanding Party will serve as the arbitrator. If the responding Party submits a written answer rejecting the proposed arbitrator then, unless the Parties agree on an arbitrator, either Party may apply to the superior court for the appointment of an arbitrator. The superior court will propose five names. Each Party may, within five days after receipt of the proposed names, strike one name from the list. Thereafter, the court will appoint as arbitrator a person whose name has not been struck from the list. No one who has ever had any business, financial, family, or social relationship with any Party to this MOU may serve as an arbitrator unless the related Party informs the other Party of the relationship and the other party consents in writing to the use of that arbitrator.
  - 11.3 A prearbitration hearing will be held within 30 calendar days following selection of the arbitrator. The arbitration must be completed and a decision rendered within 30 calendar days after the prearbitration hearing. The arbitrator will establish any deadlines necessary to accomplish this goal.

- 11.4 The arbitrator is empowered to enter a default award if a Party fails to participate in the arbitration. The arbitration will take place in Big Bear Lake, California, at a time and place selected by the arbitrator.
12. **Good Standing.** VBB will at all times maintain its status as a non-profit 501(c)(6) organization in good standing.
13. **Indemnification.**
- 13.1 VBB will indemnify, defend, and hold harmless the City and its officers, officials, employees, and agents, with respect to any claim or legal action arising out of this MOU and its subject matter, including but not limited to VBB's obligations hereunder.
- 13.2 City will indemnify, defend, and hold harmless the VBB and its officers, officials, employees, and agents, with respect to any claim or legal action that arises solely from City's own gross negligence or willful misconduct.
14. **Early Termination of BBLTBID.**
- 14.1 VBB will provide written notice to all assessees of their right to disestablish the BBLTBID under Streets and Highway Code section 36670, subdivision (a)(2). The notice must identify the beginning and end dates of the annual 30-day period for submitting a petition, and the notice must be given at least 30 days prior to the beginning date of the 30-day period.
- 14.2 City will provide VBB with the most current assessee mailing list at the time the notice is to be mailed by the VBB.
15. **Audit Cost Increases.** Notwithstanding any provision to the contrary in the MDP, the amount that VBB must pay toward the audit of an assessee increases each year by a percentage equal to the 12-month increase in the U.S. Bureau of Labor Statistics' Consumer Price Index for the Riverside-San Bernardino-Ontario Metropolitan Area as of March.
16. **Amendments.** The Parties will meet within 30 days after the City's receipt of the annual report of the BBLTBID to review this MOU and to discuss any proposed changes to it. This MOU may be amended at any time by mutual written consent of the City and VBB.
17. **Term.** The term of this MOU is co-extensive with that of the BBLTBID.

(Signatures on following page)

Executed:

**CITY OF BIG BEAR LAKE**



Mayor David Caretto

**VISIT BIG BEAR**

  
President Loren Hafen



CITY OF  
**BIG BEAR LAKE** *California*

RESOLUTION NO. 2021-28

**RESOLUTION APPROVING MEMORANDUM OF  
UNDERSTANDING (MOU) BETWEEN CITY OF BIG BEAR  
LAKE (CITY) AND VISIT BIG BEAR (VBB) IN CONJUNCTION  
WITH THE RENEWAL OF THE BIG BEAR LAKE TOURISM  
IMPROVEMENT DISTRICT**

**WHEREAS**, the City of Big Bear Lake created the Big Bear Lake Tourism Business Improvement District (BBLTBID) on March 14, 2016 by Resolution No. 2016-08; and

**WHEREAS**, the BBLTBID was created for a five (5) year term that began on April 1, 2016 and which ends on March 31, 2021; and

**WHEREAS**, on January 11, 2021, the City Council adopted a Resolution of Intention, Resolution No. 2021-08, to initiate renewal proceedings; and

**WHEREAS**, the City Council held a public meeting on February 8, 2021 to discuss the proposed BBLTBID renewal and receive public comment, and

**WHEREAS**, on March 8, 2021, the City Council held a public hearing and took action to renew the BBLTBID; and

**WHEREAS**, the City and VBB (party responsible for managing BBLTBID revenues) desire to enter into an MOU concurrently with the renewal of the BBLTBID to effectively manage tourism impacts.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council that the MOU attached hereto is hereby approved and the Mayor and/or City Manager are authorized and directed to execute the MOU on behalf of the City.

PASSED, APPROVED AND ADOPTED this 8th day of March, 2021.

  
\_\_\_\_\_  
David Caretto, Mayor

ATTEST:

  
\_\_\_\_\_  
Erica Stephenson, City Clerk

STATE OF CALIFORNIA                    )  
COUNTY OF SAN BERNARDINO        ) ss  
CITY OF BIG BEAR LAKE                )

I, Erica Stephenson, City Clerk of the City of Big Bear Lake, California, do hereby certify that the whole number of the City Council of the said City is five; that the foregoing resolution, being Resolution No. 2021-28 was duly passed and adopted by the said City Council and attested by the City Clerk of said City, all at a regular meeting of the said City held on the 8<sup>th</sup> day of March, 2021 and that the same was so passed and adopted by the following vote:

AYES:       Mote, Lee, Putz, Caretto  
NOES:       None  
ABSTAIN:   Herrick  
ABSENT:     None

  
\_\_\_\_\_  
Erica Stephenson, City Clerk