

420 Sierra College Drive, Suite 140
Grass Valley, CA 95945-5091
Voice (530) 432-7357
Fax (530) 432-7356

COLANTUONO
HIGHSMITH
WHATLEY, PC

Michael G. Colantuono
MColantuono@chwlaw.us
(530) 432-7357

Our File No. 43030.0002

July 29, 2019

VIA ELECTRONIC MAIL

John Urdi, Executive Director
Visit Mammoth
2520 Main Street
Mammoth Lakes CA 93456

Re: TBID Marketing and Bishop Airport Subsidies

Dear John:

You have asked our opinion on the expenditure of Mammoth Lakes Tourism Improvement District ("TBID") assessment funds for marketing activities including airline subsidies for non-local air travel through the Bishop Airport, located outside TBID boundaries but used by travelers to reach Mammoth Lakes.

The TBID was formed as a business-based assessment district under the Property and Business Improvement District Law of 1994 ("1994 Act," Sts. & Hy. Code §§ 36600 et seq.), and we have reviewed the current District Management Plan and applicable law. While both the 1994 Act and the District Management Plan restrict the purposes for which assessment revenue may spent, neither restricts the location of marketing expenditures.

Accordingly, there is no legal obstacle to subsidizing flights to and from the Bishop Airport, or the use of these funds for other marketing activities that occur outside TBID boundaries. All that is required is a reasoned judgment by the TBID board, based on substantial evidence, that a marketing expenditure will advance the purposes of the TBID and have meaningful benefit to assessed businesses. Indeed, the District Management Plan specifically identifies air service subsidies as a component of TBID services and the time to challenge the plan in court has expired.

We understand that some have expressed concern that subsidizing air service to Bishop Airport, located in Inyo rather than Mono County, is somehow inappropriate. We

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do not share that concern. The question is not where the airport lies, but whether service there is a marketing benefit to assessed businesses. For example, no one can doubt that service to San Francisco International Airport is of benefit to the City and County of San Francisco, which owns and operates it, even though it is located in San Mateo County. Given Bishop's lower elevation and, therefore, protection from the winter weather which often precludes operations at Mammoth Yosemite Airport, we think a reasoned judgment can be made that service into Bishop draws tourists to Mammoth Lakes.

Please note that this letter is intended for your use only, and may not be relied upon by any other party.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Michael G. Colantuono". The signature is stylized with a large, sweeping "S" shape.

Michael G. Colantuono

MGC:ACS