



## Humboldt County Visitors Bureau

### BOARD OF DIRECTORS MEETING

Thursday October 7<sup>th</sup>, 11:30 a.m. By Zoom

*Present:* Libby Maynard, Jeff Durham, Ara Pachmayer, Paul Beatie, Lowell Daniels, Ken Hamik, Shannon Hughes, Justin Legge, Aaron Ostrom, Marc Rowley, *Ex officio* Scott Adair, County, Julie Benbow, *Staff*

*Absent:* Chris Ambrosini, Jenny Early, Pete Oringer, Supervisor Michelle Bushnell

### MINUTES

I. Libby called the meeting to order at 11:35 a.m.  
Directors checked in.

II. Approval of Minutes of September 2<sup>nd</sup> meeting

Ken made the motion to approve the minutes.

Ara seconded. There were no corrections, additions or comments.

The motion to approve the minutes as presented was passed unanimously.

III. Board Committee Reports

#### Financial Report:

Julie: As of September 30, fund balance of \$227,375 with \$116,846 in reserve. This does not reflect the County TOT semi-annual distribution of funds just received. With the Bureau allocation of \$101,948, it brings total to \$ 329,323.

Met with four of the five Gateway Chambers that receive County funds and discussed updating MOU which previously has been unrealistic in its marketing and outreach expectations – as underscored by the 2020 Marketing Survey. The Gateways received the following funds: Orick & Willow Creek - \$10,194; Arcata - \$8,495; SHBVB - \$ 21,239; Garberville Chamber \$39,080. Julie noted that a total of \$121K goes to Southern Humboldt – **which is 60%** of the amount the Bureau receives.

There are inequities in the Gateway funding equation: Willow Creek and Orick should have an increase as they receive a large percentage of visitors; Arcata puts on a lot of tourist-friendly festivals. It is hoped that over the next year, the Bureau can facilitate a discussion with the Gateways and county tourism stakeholders regarding the revenue coming into the County from tourism and how it is invested in the ensuring Humboldt grows as a destination.

Ken asked when was the County TOT funding equation established.

Marc recalled early '90's, the BOS logic was most of County TOT funding was from SoHum, chose to give higher proportion. Recently, political lobbying resulted in more being apportioned (SHBVB). Needs to be a rebalancing of TOT funds as northern/eastern Humboldt probably contribute as much or not more than SoHum. (*Incorporated areas.JB*). Up to BOS to determine how much and to where to disperse funding.

Scott: The current Gateway MOU's need to be updated and will work with Julie to develop new one to take to BOS. HCVB's new MOU is more specific and does name Bureau as County DMMO. Healthy step to get parties together and discuss funding, and also important that Gateways have new MOU's – they could all do a better job, new priorities and the support of Bureau.

Julie reminded Board of 2020 Marketing Survey, the results showing that most Chambers are lacking in staff and marketing know-how. Bureau is stepping up to partner with them. Role of Chambers has changed, past MOU's have presumed they can fulfill marketing and tourism related duties that they are unable to do. This is why it's important for Bureau support them in marketing efforts and outcomes. Working on MOU to hold Gateways accountable to submit budgets and quarterly/bi-annual reports that HCVB can add to report to BOS.

Ken reminded Board that Cyril (HSU) developed Google app which can be a great tool to help visitors find assets. Julie: Get opportunity to train Gateways how to use and spread app info: Ara noted that training sessions had taken place and may be available to share.

### Advocacy / Funding

Jeff: The Yountville Chamber is both the Chamber and DMO and has two sources of funding. Moving forward, should have discussions to clarify HCVB's role as admin of the TOT funding and the role of Chambers – that should be focused on business development and support withing their communities. When approached Chamber to promote Fortuna out of the area, they were not receptive. These relationship expectations / funding need to be negotiated

and agreed upon. Excited that a lot of difficult discussions are beginning to happen which is very positive for the future of Humboldt, this is one of those difficult discussions.

Julie: Gateway Chambers have part-time ED's (Orick, WC) who are already tapped out. As HCVB is up on all data, travel trends, what visitors are doing in the county, should be a discussion about the investment in the communities of travel revenues.

Marc: This is a defining moment, HCVB needs to meet with Chambers and discuss paradigm shift – from marketing individual communities – have a theme, we are all in this together. Chambers do not have the ability / time. HCVB needs to step in. Board expansive conversations to really solidify HCVB direction and support marketing whole county. This situation is not unique to Humboldt.

Julie: These discussions should be facilitated. This is not about the Bureau taking over, it's about collaboration.

Marc: Seems like most basic and important question HCVB needs to answer is where future funding will come from. Over past three years, Bureau has experienced funding sources going away. Have a small reserve, but we should be aware we have a huge financial crisis and are on very shaky ground financially. At some point – especially if Bureau undertakes a full marketing program – funds will run out. Need to have these conversations now with the cities and the county. If don't prove to be fruitful, may need to consider private funding. HCVB funding model for the past 4 decades has collapsed.

Lowell: Strategy of going to cities is good one. At same time be aware of other reality – some people/places will not help. Plan for the best, and have Plan B if not everyone buys in. Cannot look for 100% support.

Scott: County working with Consultant to develop language for a ballot measure to alter TOT tax, including overnight RV Parks and campgrounds. Generate additional revenue. Hope to wrap up by November for Ballot. If passes, result in permanent increase in TOT.

Julie: What does HCVB need to do to get more funding from the County? If HCVB receives pledges of \$200K from Cities etc., what process need to go through to ask/receive double amount from County?

Scott: TOT as codified at County level is discretionary funding and BOS has ultimate authority as how allocated. With RV ballot measure, an increase in TOT would automatically happen, so not have to negotiate with BOS. But, to increase percentage or earmark funding to invest in tourism marketing, then a negotiation with BOS would be needed, not as a ballot measure –distribution increase. The BOS have authority to raise percentage, or direct amount or combination of both.

Julie: how long does process take?

Scott: Typically office help develop item and go through process to get on agenda. Should be action item not a discussion item. 21 Days to get item on Agenda. Office needs a few weeks to draft and write staff report: 5 – 6 weeks.

Jeff: What is projected revenue for the TOT RV Ballot measure passes?

Scott: Increase of 20%. Projected (2020) TOT \$2.1M. 18% of that is and added \$395 K – from which HCVB pays out to Gateways. If raised to 20%, revenue to the County would be \$2.6M, with \$473K. Net increase to HCVB –  $\$2.1M = \$230$ : at  $\$2.6M = \$275K$ . In reality ... only \$40K increase.

Jeff: All of TOT goes into General Fund, allocated at budget meetings. No formal declaration regarding how much / what percentage go to tourism efforts. Why HLA was formed, to have control of funds for marketing. Need to go to County for funding so Bureau can do all the marketing required.

Julie: If decide to sign 422 lease– gives us space to display and market whole county – gives us stronger case when asking towns for funding because they can actually see what HCVB is doing. In past, many places and orgs do not understand what we do. Education on impact of tourism on businesses and communities. And needs to be a rolling investment. In next couple of months, put together an area-focused presentation and meet with town councils etc., and review tourism impacts for their area with stats and data. How much are they spending on marketing to visitors? Any reinvested in marketing or improving quality of life for community to impact quality of experience for visitor. Equation has never been challenged before – HCVB has stronger case for sustained funding when have something to show.

Julie: As an organization, HCVB in really strong place except for funding. Endemic misunderstanding of what marketing is and does: Keep telling story and showing productivity - not for today but for the future share in the travel market. Needs to be ongoing and substantive.

Aaron: Question: if BOS reshuffle funds, how long before implemented.

Scott: Depends on how BOS responds. We could have requested the contract be amended to reflect higher percentage of allocation. But MOU just signed with 3-year extension, probably not wait for the term to end. Multiple ways amendments could be structured: take to BOS as issue fund allocation – to reinvest in organizations that are revenue drivers: or as amendment for Gateway funding to change so not pass through HCVB but separate allocation.

Aaron: Should do it before ballot measure?

Scott: Julie is correct that some education needed. Bureau once before asked for increase in allocation. BOS needing more information about benefit of increased funding.

Marketing:

Julie: Sent analytics report for social media and website. Had great success in August with some Instagram and facebook posts.

- - Jedediah Smith Fire update (Aug 17th) 9,294 reached with 66 shares
- - Mask requirement post (Aug 6th) 14,884 reached, huge number of engagements (1,745) due to controversial topic
- - Postcard from Humboldt, Swim, splash, play (Aug 4th) 19,226 reached with 56 shares

Ken: Julie pushing Destination Management – taking about collaboration with gateways – alliances and meetings with chambers. Alliances will help leverage HCVB position.

Julie: Jeff also Chair of Marketing Committee with HLA and so going forward should be positive and beneficial for HCVB going forwards – HAGs etc. Marketing committee will be involved in evolution of 422.

V: 422 First Street Lease

Julie reported lease negotiated – 6 months rent-free, curfew moved to 10pm, can do own signage, can have sub-tenants.

- Jeff made a motion to approve the lease for 422 First Street as submitted.
- Ken seconded the motion. Brick & mortar, location, 422 will be a great space for community discussions.

The Motion approved unanimously.

VI: Cannabis RFP – focus on this as a priority and important for tourism.

Julie was contacted by Trellis Staff to inquire why HCVB did not submit a proposal for second RFP. On original RFP (2+ years ago) HCVB was approached by a group in Sacramento to partner with them. The Board agreed that timing was not good, but JB introduced Ken and Kevin Jodrey who became part of their proposal. They were finalists, but after three rounds of interviews the process was cancelled. Now we have the opportunity to submit a proposal. HCVB has worked to have a cordial relationship with cannabis communities. HCVB can put together a strong team – both from inside the county and outside. Most important aspect is that all different groups/voices need to be involved in the process. Bureau can facilitate this and perhaps bring together the fragmented cannabis growing communities.

Shannon noted that she, although not directly involved with growers, knows are competitive feelings with regions. Hope they can all come together.

Scott: Need to recuse himself from RFP discussion. Extended through November 22<sup>nd</sup>. Information on Trellis website. Primary contact: Peggy Murphy. No movement on ARPA funding being run out of the County Admin Offices. Still working through recording requirements. Funds just sitting doing nothing.

Marc: Attended many cannabis meetings at different levels in the past year and see one recurring theme: over 90% of cannabis in Humboldt is illegal. Small number of permitted farms are being devastated. Not sure what cannabis branding, marketing and tourism looks like. Very disparate situation. Cannabis community don't have a plan. Needs a cohesive organization that can specify what they can do. At moment don't see cannabis entity coming forward. Now bottom

has dropped out of the market. Not sure that there will be any consensus in the cannabis community.

Shannon: Unsure that farmers can come together and provide clarity of direction or future. All agree on branding Humboldt cannabis as important, not sure what else they agree on. Would definitely use funds to market my own business but that is personal.

Julie: Why is disconnect between regions of Humboldt. Is it geographical?

Shannon: Not geographical. Some bad blood between SoHum and other regions. SoHum feel they are the true legacy. Unfortunate that can't work together.

Aaron: HCVB could work with the organizations to see what they want to market. Have tried working with them in the past with bad results. But should work with them and then push their marketing out and help promote their plan. Cautious about because of the historical toxic relationships between HCVB and some cannabis orgs and businesses.

Libby: As someone who has vast experience herding cats working in the arts community, sometimes groups like this just need a leader. That will bring people together or they will opt out.

Shannon: Of all different organizations and region HCGA has largest representation – they have good structure and marketing.

Julie: With your permission, maybe Ken, Shannon, Ara, and I can meet to see if the RFP is a possibility and then report to the Board. Think is an opportunity for HCVB to take the leadership in this and change perception of Bureau.

(County Update: see previous.)

#### VI: Other Business:

Ara / HSU Student Project: Fall 2022 conduct an audit of tourism industry standards for employee preparation, realign HSU program with industry expectations. Need funding for this. Stay tuned.

Julie: Propose in-person Board retreat in December at 422, facilitated by Carl Ribaud. Will send info before next meeting. Idea is Board in the morning, industry stakeholders late afternoon. More to follow.

VII: The meeting was adjourned at 1:08 pm.