

MINUTES

MCTID Oversight Committee – Regular Meeting
Wednesday, March 9, 2022 | 3:00PM – 4:30PM
Zoom Conference

Committee Members present: Janine Chicourrat, Harvey Dadwal, Sean Damery, Kevin Ellis, Donna Langley, Stephan Lorch, Tim McGregor, Teri Owens, Amrish Patel, Chris Sommers, and John Turner

Advisors Present: Doug Phillips and Mike Zimmerman

Staff present: Mary Kelley Crnich, Edward Isabella, Jennifer Johnson, Paul Martin, Rob O’Keefe, Teresa Savage, and Lindsey Stevens

Guest present: Rick Aldinger, Mimi Hahn, John Lambeth – Civitas, and Bina Patel

John Turner called the meeting to order at 3:02pm

PUBLIC COMMENT None.

CONSENT AGENDA

- A. Minutes of the January 12, 2022 MCTID Oversight Committee Special meeting

There was a motion to approve the Consent Agenda as presented. M/S Kevin Ellis /Sean Damery. The motion carried unanimously.

REGULAR AGENDA

- A. Finalize MCTID Management District Plan (MDP) Parameters for renewal
Rob O’Keefe began with two updates for the Committee; he congratulated Lauren Siring for receiving the Industry Leader award in the 2022 Smart Women in Meetings Awards by Smart Meetings then he provided a brief Strategic Planning Process (SPP) update. The SPP survey end-date has been extended until March 22nd and has already received 105 responses. Rob encouraged Committee members to take the survey.

Rob introduced special guest Mimi Hahn from the Monterey Bay Aquarium. Mimi Hahn stated that the Aquarium recognizes that our competitors including Napa and Sonoma, have significantly more funding for destination sales and marketing than our destination. She expressed this underfunding puts us at a disadvantage. She stated that she is impressed with what the MCCVB Staff has done with the resources available, and that the Aquarium is committed to developing their partnership and creating a collaborative and robust marketing program with MCCVB in the near future.

Rob reviewed the competitive set graph showing MCCVB budget at the bottom and where it could be if our TID was increased in some way. Committee members agreed that MCCVB is underfunded, the destination is at a significant disadvantage in business development and marketing and that it is necessary to raise the TID and maintain jurisdiction investment (TOT) to be more competitive.

He also recapped what the Committee has discussed and decisions that were made during previous meetings related to the MDP criteria including the term of the plan [ten years], potential start date for the renewal [July 1, 2023], the expansion of the boundaries [including South County cities], and the continuation of Zone 2.

Rob and Paul Martin reviewed the flat rate and percentage rate options including estimated budgets based on rates proposed. It was noted by Rob that regardless of assessment type chosen, the budget estimates are based on the assumption of MCCVB maintaining jurisdiction investment (TOT.) Paul noted that the flat rate option has proposed escalators, while the percentage option would grow organically.

The committee discussed the proposed options, including:

- A majority of committee members expressed preference for the percentage option, noting that it would be easier to explain, understand, implement and manage.
- Members expressed a need to communicate with and inform accommodation's owners, operators, and general managers that are not on the committee.
- Committee members discussed a potential perception in benefit disparity between mid to economy level accommodations and higher-end hotels/resorts contributing to the district.
- Rob added that he has had an informal conversation with Mike Freed, owner of Post Ranch Inn, noting his preference for a flat rate assessment.
- John Lambeth, President and CEO of Civitas, reviewed challenges related to other potential options including hybrid assessment types and the legal risks of capping rates.
- John L. noted the possibility of using benefit zones to address potential assessment rate or benefit disparity.
- John L. addressed the Taxpayer Protection & Accountability Act, as it could impact the MCTID renewal process. Civitas will continue to monitor this.
- Rob noted that in alignment with budget estimates the MDP could include language to address potential jurisdiction investment (TOT) [baseline funding] loss in the future.
- Paul reviewed the estimated "Initial Annual MCTID Budget" noting percentage breakouts for Zone 2 inclusion, administration fees [1% kept by each jurisdiction for collections], program expenses and a contingency reserve.

Rob recapped the next steps in the process, including:

- 1) The need for a Special MCTID Oversight Committee meeting in April to approve the MDP.
- 2) Between now and April, giving committee members the opportunity to have conversations with leadership/ownership.
- 3) Once the MDP is approved by the committee, Civitas will submit the MDP to the City of Monterey. The City of Monterey will either accept the MDP pending consents [from other jurisdictions included in the boundaries] or accept the MDP after consents are gained. If the MDP is accepted pending

consents, this allows for simultaneous pursuit of petitions. If the MDP is accepted after consents are gained, it will take more time, as the petition process cannot begin until after.

GOOD OF THE ORDER None

NEXT MEETING OF THE COMMITTEE: Staff will schedule a special meeting as discussed. April 28, 2022 is a joint meeting with the Board of Directors for a Budget Workshop.

John Turner adjourned the meeting at 4:00pm