



# Minutes

## Visit Morro Bay Board of Directors

### Visit Morro Bay Board of Directors Meeting Minutes

Thursday, July 27, 2022

9:00 am – 11:00 am

Virtual via Zoom

<https://us02web.zoom.us/j/84843611155?pwd=bzdTa1BYaTJMdVY3ck9zUFV2bFI0dz09>

**Meeting ID: 848 4361 1155 Passcode: 972262**

Call-In Phone Number: 1(669)900-6833

1. **CALL TO ORDER:** Board Chair Amish Patel called the meeting to order at 9:01 am

**PRESENT: (VIA VIDEO CONFERENCE)** Board members - Amish Patel, Robert Elzer, Amit Patel, Dane Jacobs, Steven Allen, Chris Kosteka, and Sara Johnson Rios

**STAFF PRESENT:** Michael Wambolt, Elizabeth Gilson, Marianna Garcia

**PUBLIC PRESENT:** Erica Crawford - Morro Bay Chamber of Commerce, Yishai Horowitz - Morro Bay Triathlon, Andy McKay - SLO CAL Open, Brady Lock – Morro Bay Senior Center , and Hayley Walter & Danni Hannah - ABBI Agency

2. **PUBLIC COMMENT: (On Non-Agenda Items)** – None

<b>ANNOUNCEMENTS:</b> None	<b>M. Wambolt</b>
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<b>EXECUTIVE DIRECTOR REPORT:</b>	<b>M. Wambolt</b>
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3. **Executive Director Report (20 min)**

*Staff will provide an updated on current projects, reporting and areas of focus for the months ahead*

**Hwy 1 Closure** - Michael stated that we have been watching it closely. Cal Trans has not started working on the Paul slide as the ground is still moving. There is no current opening date and is a concern for fall travel especially international travel. Michael has talked to the SO County tourism Board, and they have offered co-op opportunity for Five thousand dollars. They are putting in an extra ten thousand dollars. We will be co-oping with Hwy 1 Road Trip. We will be highlighting the travel path to us that has to go around Hwy 1. We are seeing our numbers drag. What is noticeable on the County STR is that Paso Robles, Atascadero, and San Luis Obispo are doing well right now. So, it is definitely affecting us. Michael asked if there were any questions.

Board member Steven Allen stated that Santa Cruz county which had a lot of devastation from the storms, the Newsom administration take on this is that we should not rebuild like we have in the past as global warming is only going to get worse. Has there been any dialogue like this regarding Hwy 1 and the ongoing slides and repairs?

Michael stated that he had not heard anything like that regarding Hwy 1.

Board Chair Amish Patel stated that during the last slide Visit SLO CAL provided the hotels with Hwy 1 detour maps and did a push that things are open and is there any way to do that on our website.

Michael stated yes we already have a link at the top of our website ever since the road closed. Michael stated that he spoke to Visit SLO CAL at their marketing meeting and asked what they can do for us. They are updating the map and

will send it to us. With this co-op the target will be the bay area. We will shift ours to the central valley and southern California. Michael stated that his biggest concern is the international booking window. He feels that it will create demand in the years to come but will not help this year. There are smaller international rep agencies that we can activate in the short term and have them talk about Morro Bay for us. This may be a five to ten thousand dollar investment and he can look into it.

**Trademark** - There was a "Come Get Salty" URL being utilized by local properties. We were able to connect with them and the URL has been transferred to us at no cost. They just asked that we use it in some capacity.

**Events** - San Salvador ship will be here in August. Online ticket sales are already strong. Their marketing is already taking place and we have done some social media shares and they have gained a lot of traction. Michael stated that he has been in contact with the Maritime Museum on a day-to-day basis and they are very excited for the ship to come in. We are getting a 112 day stay and Michael thanked the board for supporting them as we need things for people to come to do.

**Finances** - Michael stated that operating accounts look flush the first half of the year and was strong. The second half of the year was soft. What is interesting is May came in much stronger than expected mostly due to Ironman. We also brought in a 6% increase in rooms with the opening of the Hampton Inn. We will look at our budget when June numbers have come in next month. So, in August we will know what the close of this last fiscal year looks like. We will then move excess funds to the reserve account and look to use the reserve account for larger scale events for next year. Michael stated that he expects this next year's budget to be flat. This last year it was one point one million dollars. We have a healthy reserve for larger scale marketing like Epsilon or what the board sees fit moving forward.

**Reports** - Michael stated that he is trying to get a pulse on STR. He is seeing some inconsistencies on comparative data from 2022 to 2021. The 2022 data on this year's weekly report looks different than the 2022 reports for 2021-2022. Michael is trying to connect with STR to understand that. It appears that potentially the Hampton Inn is a branded property, so they have to report to star. This may be the difference in the short term. But he doesn't know if they put that inventory in for the last year which would make it a zero and would look like we are dragging further down than we actually are. He has emailed and called them a couple of times.

Board member Steve Allen stated that in a nutshell it looks like we are turning north to 2019 and not 2022.

Michael stated yes. He said he is hearing mixed results. He talks to different properties. He would like more properties to report to STR. In some cases, as we are looking at the week-to-week versus last year the numbers are either flat or up to 2022 numbers. He doesn't feel that something is not right and doesn't give him the confidence on the data and be able to calculate what is happening. The city has been able to shorten the remittance time from 45 days to 35 days, so we get a faster track on that. Once Michael hears back from STR he will report back to the board.

Michael stated that the property inventory was down last year due to hotel renovations. So, the inventory this year should be more stable than last year so he is expecting the TOT and our budget to keep us where we were last year.

Board member Chris Kostecka stated that he couldn't remember what it was like the last time Hwy 1 was closed but this summer his properties are seeing a lot of last-minute bookings. That they are not full and typically they are sold out. He wanted to know if any other board member recall what those summer's look like.

The board discussed and agreed that they are experiencing the same. Also, that marketing should be focused on the central valley since it is so hot there and they have a straight drive to Morro Bay.

**Sales** - Michael stated that there is a need for international travel. Visit SLO CAL sent out leads for international travel generated from IPW. Michael stated that he will be setting up a Zoom call with hoteliers to walk through the IPW leads. There is a big need for inventory, which puts us in a position for those international bookings. Michael stated that Mariana is reaching out to cycling and car clubs and getting the awareness out. She has had about five responses back and we are working through those. Hopefully to fill off season and midweek times.

**SLO CAL** - Michael spoke on SLO CAL Welcome customer service training and invited board members and their staff to complete the training if they haven't already. Customer service is the one thing we can control and the better experience someone has in Morro Bay the more likely they are to return and tell others. Michael also asked that if anyone has friends in business here in Morro Bay to encourage them to participate as well. It is free. A link to the program goes out bi-weekly in our newsletter.

Board member Steven Allen asked for Michael to explain a little more about SLO CAL Welcome.

Michael stated that it is online, and you can complete the training at your own pace. It covers a wide variety of how to treat customers and be an expert of San Luis Obispo County. The Chamber of Commerce is promoting it and it is something that we can look into offering a bonus of a gift card to give motivation to complete the program. It is in English and Spanish.

**Visit California** - Michael stated that Visit California featured Morro Rock in the Native California campaign.

**Vacation** - Michael stated that he would be on an extended vacation from August 21- September 3.

<b>CONSENT AGENDA – <i>motion required</i></b>
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<b>M. Wambolt</b>
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**4. Approval of June 8, 2023, Board Meeting Minutes**

Board Chair Amish Patel asked if any board member had any comments, questions, or concerns.

**PUBLIC COMMENT:** None

**ACTION:** Board member Steve Allen made a motion to approve the June board meeting minutes.  
Board President Amish Patel seconded the motion.

**MOTION: Carried 7:0**

<b>BUSINESS ITEMS &amp; DISCUSSIONS</b>
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<b>M. Wambolt</b>
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**5. Visit Morro Bay Board of Directors Officer Selection (10min) *motion required***

*Visit Morro Bay board of director will select and approve officers for FY2023-24. Officer positions open: Board Chair, Vice Chair, Secretary and Treasurer*

Michael stated that for the new fiscal year it is time to select our new officers. As a reminder Amish Patel was Chair, Chris Kostecka was Vice Chair, Robert Elzer was Secretary, and Treasurer was Amit Patel. He also stated that the Treasurer needs to be a board member with a lodging partner or vacation rental seat.

The Board discussed.

**ACTION:** Board member Steve Allen made a motion that the board officers stay the same as last year with Amish Patel as Chair, Chris Kostecka as Vice chair, Robert Elzer as Secretary and Amit Patel as Treasurer. Board member Chris Kostecka seconded the motion.

**MOTION: Carried 7:0**

**6. Morro Bay Economic Development Discussion (10min) *motion required***

*Staff and Erica Crawford from the Morro Bay Chamber of Commerce will give an update to the current need of economic development in Morro Bay.*

Michael stated that Erica Crawford is heading up Economic Development for the City and introduced her.

Erica stated that the way she sees both entities working together is that tourism brings visitors to the destination and the Chamber of Commerce makes sure that the destination is strong, a place that people want to return to with thriving businesses. Erica stated that things are going well.

Erica explained what and how the Chamber of Commerce works.

Erica stated that the City Council approved an economic strategic development road map back in 2017. In 2018 The Chamber of Commerce contracted with the City to do a pilot program. In 2019 - 2020 the City Council included fiscal and economic sustainability with their Council goals, and they decided to contract with an outside agency to do economic development and drive key initiatives in that goal. In 2019 the Chamber grew the scope and moved out of the pilot stage and moved into a formal agreement with the City. The current contract goes through June of 2024. Erica stated that as needed she sits on development review meetings. Erica sits with the City Manager and Community Development Director regularly. When Erica is interacting with businesses in this role she does a lot of consultations, orientations and gets lots of phone calls when there are snags, concerns, or a need for a path forward and she sees that as an ombudsman's role. She is a third party and neutral. Erica stated that it is starting to look really nice around town. Erica stated that the Chamber has done a lot of engagement the last two months with all of the economic areas. Erica then asked if there were any questions.

Board Chair Amish Patel asked what kind of changes in the scope of work may happen in the future.

Erica stated that it is between City staff and City Council to figure out what those needs are and then ask the Chamber to assist in those needs.

Board member Steven Allen thanked Erica for all her hard work and commented on the interest in bringing an outdoor ice-skating rink to Morro Bay during the holidays and would like to work with the Chamber of Commerce to make that happen.

Erica stated that she thought it was a good idea and thinks that businesses would be happy to see the investment in bringing people to the area and would be happy to work with Michael to make that happen.

Michael stated that what he is looking for is the ability for the Board of directors to approve Visit Morro Bay to give public comment or write a letter that could be from the Board Chair or the Executive Director at the Council meeting on August 8<sup>th</sup>. Michael will work with the Board chair to see what that verbiage will look like.

**ACTION:** Board Chair Amish Patel motion to for Visit Morro Bay to provide support in either a letter or public comment for the Chamber of Commerce. Board member Steven Allen seconded the motion but strongly encouraging Michael and possibly Board Chair Amish Patel in attending the meeting.

**MOTION: Carried 7:0**

## **7. Ironman Economic Impact Study Discussion (20min)**

*This will be a follow-up discussion from the June Board meeting.*

Michael stated that this was a very healthy topic at the last Board meeting. One insight that was missing was having our City representative Sara Johnson Rios at that meeting and to understand what data was available to us. Michael stated that he had done some work and that Visit SLO CAL has an economic impact calculator. He then presented the results of that. He stated that there was publicity from a local business owner stating that it was the worst day ever for his business. We are trying to dig down on what this economic impact was for us. Erica and the Chamber did a good job of surveying businesses and found out that about fifty percent had a better day and 50% had a worse day but we need more data. The STR data showed that it was the third best week for lodging partners going back to 2018 for comparison. Receiving the TOT numbers for May did beat budget expectations. The data entered into the calculator was estimated guests in market and days and average room rate. It gave him all this data, but he needs to understand where the data such as food and beverage and transportation is coming from. It looks like the calculator is better for the front end of an event and not the back end. Michael asked to open this up for discussion as to whether the information gathered is appropriate to present to the City Council hopefully in September to do an economic impact update and how Ironman can become a better event. Michael then opened the discussion to the board

Board member Sara Johnson Rios stated that the City gets tax information on a quarterly basis and that the City does not have the ability to get weekend specific information. We would need to rely on economists that have models to look at that to get more specific information about Morro Bay and we need to look at comparing the information from a baseline. Sara stated how do we communicate this clearly to City Council and the community. How do we compare that to the baseline of what that weekend usually looks like.

Michael stated that what was presented to the board at the last meeting was the potential of utilizing Tourism Economics to produce the economic data and that they would help in the presentation of the data to the City Council. The most important piece for us is that if we want to do events of this size we need to show that we can be good partners with the City and show the worth of these events. Visit Morro Bay is shouldering the burden for this but this gives us the opportunity and hopefully the confidence from the City to say let's try some other big events if they happen

for us. There is still a two-year agreement, but City Council did vote unanimously to approve moving the event from Saturday to Sunday. Which help the overall impact of the event but really need to understand that this is a hot button for the City Council, their constituents and the business community who is very vocal on things like this and understanding what these impacts are. Michael opened the floor up for discussion.

Board member Chris Kostecka stated that he has heard the frustrations from the business community and asked Erica, can you give us ideas on how to improve the situation.

Erica stated that when talking to businesses there was a negative economic impact but that the decision to move the race to Sunday will help.

Board member Chris Kostecka stated that parking needs to be better planned and the event needs to go through the State Park that this will better facilitate businesses and on the political side we could maybe make the commitment to pay for an economic study after year two. Let's fix the problems and then do the study.

The board continued to discuss. The consensus is that we need to find out if money was made or not.

Board member Steven Allen asked Michael if he feels that we should move forward with the report.

Michael said yes for this first year so that we can get a baseline. He feels that having this information to provide to the City will help keep the event alive.

The Board discussed further.

Board member Steve Allen asked if Michael wanted a motion about going ahead with funding a study.

Michael said yes.

**PUBLIC COMMENT**

**ACTION:** Board member Steve Allen made a motion to fund an economic impact study of the Ironman race this year for \$30,000 dollars.

**MOTION: Carried 6:1** with Board member Chris Kostecka abstaining

**8. Morro Bay Triathlon Sponsorship Approval – November 2023 (10 min) *motion required***

*Staff will provide an update to the Morro Bay Triathlon in November 2023. Board to discuss sponsorship and approve \$5,000.*

Michael introduced Yishai Horowitz from Morro Bay Triathlon

Yishai Horowitz spoke on the Triathlon and gave statistics from last year. He asked the City to Comp permit fees. They said no. He is asking Visit Morro Bay to cover those fees and possibly more. Last year permit fees were Seventy-six hundred dollars. Yishai is estimating them to be the same or more.

Board member Chris Kostecka asked what day of the week the race is.

Yishai stated the first Sunday in November this year November 5<sup>th</sup>.

Board Chair Amish Patel asked if the race began and ended in Morro Bay.

Yishai stated yes and explained where the race begin sand ends and explained the details of the racecourse.

Board Chair Amish Patel asked if it was a hard cap at 900 persons?

Yishai stated that yes because the transition area can't accommodate any more.

The Board discussed. A consensus was made to approve seven thousand dollars.

**PUBLIC COMMENT:** None

**ACTION:** Board member Chris Kostecka made a motion to provide a sponsorship to the Morro Bay Triathlon for seven thousand dollars. Board member Steve Allen seconded

**MOTION: Carried 7:0**

Michael stated that there were still a number of items to discuss. How would the board like to proceed?

The board discussed. The consensus is to go forward. Board member stated that he would be ok to add an extra thirty minutes. Michael stated that Board member Dane Jacobs had to leave at eleven.

Board Chair Amish Patel asked if items twelve and thirteen could be combined as they are similar.

Michael stated yes.

**9. Visit SLO CAL Open Sponsorship Approval – December 2023 (10 min) *motion required***

*Staff to provide update to SLO CAL Open 2023. Board to discuss sponsorship opportunity and approve \$20,000.*

Michael stated that the Board heard from Andy McKay at the last meeting. What is being presented to us today is the ability to add an extra two days with a longboard competition which would change the event from four days to seven days. The Board did make a motion to approve it but now that we are into the next fiscal year he wanted to bring Andy back for the addition of time which will increase the sponsorship ask to twenty thousand dollars. Michael introduced Andy McKay

Andy explained what is being added to the extra days of the event.

The Board discussed.

Michael stated that Visit Morro Bay is doing a Winter Wonderland event, and would there be an opportunity to do a surfing Santa event?

Yishai stated that he would have to check with the World Surf League but thought that they would be able to do something.

**PUBLIC COMMENT:** None

**ACTION:** Board member Steve Allen made a motion to provide a sponsorship of twenty thousand dollars to the SLOCAL Open 2023. Board member Chris Kostecka seconded the motion.

**MOTION: Carried 7:0**

Michael asked that a board member make a motion not extend the meeting by thirty minutes.

**PUBLIC COMMENT:** None

**ACTION:** Board member Chris Kostecka made a motion to extend the meeting by thirty minutes. Board Chair Amish Patel seconded the motion.

**MOTION: Carried 7:0**

**10. Tunes at Tidelands Sponsorship Approval – Fall 2023(10min) *motion required***

*Staff and City of Morro Bay will present sponsorship opportunity for the Tunes at Tidelands event in September 2023*

Michael stated that the City is doing a concert series with the Morro Bay Seniors on Thursdays in September for the City of Morro Bay. The Board approved a five-thousand-dollar sponsorship last year. Staff believes this is a destination development event. Paso Robles, Atascadero and Pismo Beach have events in the fall in a park. Will visitors come just to see the concerts? May maybe not but having events here that they can look forward to during mid-week we can now promote extended stay travel. Michael then introduced Brady Lock.

Brady gave a brief overview about the concert series that is sponsored by the Morro Bay Seniors. He stated that last year he was surprised at how many people attended and that a large portion of the attendees were visitors staying in hotels.

Board member Chris Kostecka asked if there was money in the budget,

Michael stated that there was.

Board Chair Amish Patel asked Brady if there was a way to incorporate local restaurant, vendors, or food trucks.

Brady stated that there is a food truck at each event.

Board Chair Amish questioned a single or multiple food trucks?

Brady stated that he would like to bring in the local restaurant and bars. We begin at five and end at seven so we could have a coupon for people to use before or after the concert.

Board Chair Amish Patel asked if there were any other questions. There were none.

**PUBLIC COMMENT: None**

**ACTION:** Board member Steve Allen made a motion to sponsor the Tunes at Tideland for five thousand dollars provided that it is marketed as best possible to residents outside the City. Board member Chris Kostecka seconded the motion.

**MOTION: Carried 7:0**

Board members Steven Allen and Dane Jacobs left the meeting at 11:05 am.

**11. Visit Morro Bay Marketing Update - Abbi Agency (20 min)**

*The Abbi Agency will provide an update to the board on current marketing efforts and focus on months ahead.*

Hayley Walter presented a June performance recap and initiatives for this next fiscal year. Danni Hannah presented public relations for June. She stated that they are still pushing out summer activities.

**12. Visit Morro Bay FY2023-24 Draft Budget Update (15 min)**

*Staff will provide board with budget for FY2023-24. Board will discuss and make any recommendations.*

Michael stated that he is keeping the budget consistent with last year's budget. The marketing spend stays much the same. Operational changes are adding an intern and will bring her on part time. Our sponsorship budget may change. The budget for this next fiscal year is one million one hundred and one thousand dollars. Our projected spend is one million sixty-nine thousand seven hundred and eighty-eight dollars which gives us wiggle room. Plus, there is the reserve funds in the background as well. Michael then went over the 2022-23 budget and explained the numbers. The budget for 2022-23 was one million one hundred and twenty thousand dollars. One million two hundred dollars was spent. This is due to the additional spend on Epsilon. Michael asked the board for some insights on how they are budgeting for this next fiscal year.

The board discussed.

**13. Visit Morro Bay Financial Update and Review (10 min)**

*Staff will provide an update to the current financials of the Visit Morro Bay TBID*

None was given.

Board member Chris Kostecka asked if there were any questions or new business items.

Michael stated that he had new business items. He mentioned the ice rink and winter wonderland.

Board Chair Amish Patel asked if there were any declarations for future agenda items.

There were none.

**14. Next Board of Directors meeting – September 28, 2023 – 9:00am – 11:00am – Via Zoom**

**ADJOURN.** Board President Amish Patel adjourned the meeting at 11:30 am

Brown Act Notice: Each speaker is limited to two minutes of public comment for items not on the agenda. Public comment for each agenda item will be called for separately and is also limited to 2 minutes per speaker. State law does not allow the Board of Directors to discuss or take action on issues not on the agenda, except that member of the Board may briefly respond to statements made or questions posed by the person giving public comment. Staff may be directed by the Board to follow-up on such items and/or place them on the next Board agenda. The order of agenda items is listed for reference and items may be taken in any order deemed appropriate by the Board.

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