Call to Order at 3:04 pm.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

None.

CONSENT AGENDA

3. Approval of June 7, 2018 Advisory Committee Meeting Minutes

Public Comment – None.

Committee Discussion.

ACTION: Moved by Rickard/Bronson to approve the Consent Agenda as presented.

Motion carried: 9:0:1
Frutchey abstained.
4. Funding and Allocation

Pringle provided a breakdown of the FY 2018/19 Budget, noting that 73 percent of funds are directed toward marketing, communications and travel trade. Annual fully-loaded staffing costs for all approved positions represents 25.1 percent of the budget. Pringle also provided an overview of staffing and open positions, and outlined FY2018/19 TMD funding received to-date (through September). He noted that Visit SLO CAL completed its third successful audit under the Management District Plan for FY2017/18, which found no material weakness or deficiencies in internal controls. The FY2018/19 Budget is currently being re-forecasted for Board review and approval on January 16, 2019 and will be based on the re-prioritization of annual projects and initiatives. During this process, additional dollars will be allocated to the spring advertising campaign. Pringle encouraged the communities to use ACH for payment, noting that this process is currently being used by the County of San Luis Obispo, City of Pismo Beach and the City of Grover Beach. He also reminded the Committee about the importance of on-time assessment remittance.

Public Comment – None.

Committee Discussion – Howell asked how late delinquent funds were arriving and if it was affecting cash flow. Davison responded that, in some cases, one community has been two months late, but that this was not having a major effect on cash flow.

5. District Highlights to Date

Davison outlined the goals of the Tourism Marketing District. He highlighted some of the growth metrics in air service development, and noted that load factors continue to remain strong with Seattle at 83 percent and Denver at 87 percent capacity. He also reminded the Committee that this air service comes with a significant marketing investment in each of those air markets.

Robertson mapped out the Economic Development Ecosystem (Visit – Live – Work – Business – Visit) and the composition of the Destination Management Strategy Steering Committee, and described the reason for Visit SLO CAL’s investment in this project. She also described the progress to-date, and pointed out that all of the research, assessments and reports are available to the public at SLOCAL.com/DMS.

Burnham highlighted Visit SLO CAL’s efforts surrounding the re-opening of Highway 1, including its partnership with Visit California on their Dream Drive event and familiarization tour with 58 journalists remaining in SLO CAL for two and a half days. The Committee viewed Visit California’s recap video of the event. Burnham highlighted the results of the familiarization tour. Burnham also reviewed Visit SLO CAL’s strategic marketing efforts. She offered a breakdown of the agencies with which Visit SLO CAL currently partners, and noted that Visit SLO CAL’s Life’s Too Beautiful to Rush campaign was a finalist for Best Digital Campaign at the the US Travel Association’s ESTO Awards. Burnham also highlighted Visit SLO CAL’s collaborative earned and paid media efforts with communities throughout the County, and some of the metrics in paid, owned and earned media for the fiscal year to date. Davison noted that the county lost approximately 54,000 room nights with the Highway 1 closure, but that occupancy in the county was still up, which shows our strong partnership with the communities and our ability to keep the business in the county and not lose market share.

Davison provided an update on Visit SLO CAL’s travel trade efforts, noting its efforts in international markets like the UK, Germany and Mexico. He also provided key metrics on results since the last Committee meeting and highlighted Visit SLO CAL’s presence at the Recreational Vehicle Industry Association California RV Show and the Vacation Rental Management Association Conference.

Public Comment – None.
Committee Discussion – None.

6. Moving Forward

Davison noted Visit SLO CAL’s continued efforts in air service development, including meetings with United, American, Sky West, Spirit and Contour at the Take Off North America event in Memphis and an HQ meeting being planned with Alaska Airlines for Q1 2019. Davison also mentioned future growth markets and said he is excited to be announcing new air service to a major market in the following week. Davison discussed the next steps on the Destination Management Strategy, noting some of the adjustments to the timeline that were made in order to gain more feedback from city leaders on the invitation list for Visioning Workshops, and to properly vet draft recommendations with each community. The final report is due Q2 2019, and that Visit SLO CAL will partner and collaborate with local communities on implementation.

Davison provided an overview of upcoming travel trade efforts and reviewed the major strategic marketing initiatives Visit SLO CAL is planning for FY2018/19. He also provided an update on the Tourism Marketing District (TMD) renewal process, noting that the Board of Directors took formal action on November 15, 2018 to unanimously approve the first step of the process—approving a draft Management District Plan (MDP)—following an outreach campaign that included meetings with major investors across the county. He noted that those meetings included discussion of the additional scope of work being proposed by Visit SLO CAL’s investors and partners and the discussion of increasing the assessment to 2%. Davison highlighted other key updates to the MDP that were made based on Board direction, and the next key steps in the TMD renewal process.

Public Comment.

Committee Discussion – Frutchey asked if the Visit SLO CAL Board has had any discussion on whether the Destination Management Strategy (DMS) is a one-time effort or represents an ongoing commitment from the Board. Davison noted that the DMS needs to be nimble enough to give the Board the opportunity to pivot, but that majority of the recommendations that come out of the DMS will not be owned by Visit SLO CAL. Davison also clarified that the DMS does not take away from Visit SLO CAL’s marketing plans and that the organization is actually looking to increase its marketing efforts in the coming years. He said that Visit SLO CAL wants to be a champion of the DMS recommendations, and will work to leverage its partnerships with government officials at all levels. Pearce noted that the Board will learn a great deal after the plan is complete, and that if it makes sense to make updates after that, they will look to consultants to review. He said that the more frequently Visit SLO CAL can communicate with its partners, like TBIDs, the more successful it will be for all parties. Howell said he doesn’t agree with the Economic Development Ecosystem and the DMS in general and that he doesn’t know if people want to come live in Pismo Beach after they visit. Davison clarified the Economic Development Ecosystem model, and noted that there are some communities that want more development and that some communities are grappling with issues in their respective destinations. Davis asked how the DMS relates to the Hourglass Project. Davison answered that some of the DMS initiatives might be informed by or championed by the Hourglass Project, but that neither are far enough along at this point to know for certain. Harmon noted that a major problem in the tourism industry is low wages and low-wage jobs. Harmon asked if there has been discussion about this in the DMS. Davison noted that there had not been specific discussion but that there has been discussion on income inequality, and that a solution could include a combination of training and the right people in the right positions. He said that part of the challenge now is the limited workforce and that workforce immigration remains a hospitality issue. Harmon said that she didn’t see the climate crisis conversation woven into the DMS conversation, which concerned her. Davison noted that the results of the visitor and resident survey didn’t show it as an area of concern. He noted that Visit California described its concern about it at the CalTravel Board Meeting, and that a lot of it is lack of education and the issue not being top of mind. Robertson noted that resource protection and stewardship is critical to the DMS, and that climate change is part of this. Howell suggested that the DMS might be “mission creep” on Visit SLO CAL’s part. Davison explained that the DMS was outlined in the strategic plan that was approved by the Board in 2016. Pearce noted that the Steering Committee realizes that all
communities are different and that Visit SLO CAL is working toward a countywide strategy. He noted that we are trusting in the process, and that protecting the quality of life in our community is key. O’Malley said that he thinks Visit SLO CAL is on the right track. He added that we need more opportunities like this to discuss the broader issues and help parallel organizations. Shah noted that we need to think about the ramifications of expanding tourism and work to manage the destination. Bronson noted that the discussion today is reflective of some of the conversations happening monthly at the Steering Committee meetings. He commended Visit SLO CAL for helping facilitate more community-based feedback, and commended the Visit SLO CAL Board for having this vision and being inclusive in the process. O’Malley noted that one important item to look at coming out of the DMS will be how Visit SLO CAL’s tourism assets are doing, and how we can facilitate activities to help fill rooms. Davison said this has been part of the discussion coming out the 14-market competitive analysis completed as part of the DMS. He said that some of these items Visit SLO CAL can own or help champion, but the majority will need to be owned by others. Pursuant to the conversation of raising the assessment to 2 percent, Shah said that the Affordable Housing Coalition was also suggesting raising TOT in the unincorporated area. Davison noted that if the TMD is successful, the initiatives it pursues will lead to economic impact, unlike TOT. Bronson noted that TOT measures across the state have had no trouble passing, and Davison noted that there is no public research that shows people make decisions on where to travel based on the tax rate in a destination. SLO CAL would still be below the 15.7% statewide average. Shah said she would like to see both the TMD assessment increase and the TOT increase for affordable housing in the unincorporated area move forward. Collins noted that everyone believes in what Visit SLO CAL has done for the county, but that in Morro Bay, TOT and assessment totals are already sitting higher than most of the county. He also said that Morro Bay needs to have its own ability to invest in its own assets for economic development. Davison noted that none of this is easy, but without additional funding, additional work will not get done and some current work will need to be reduced or eliminated. Howell questioned the DMS, and the commercials that ran on local television advertising the destination to local residents. Davison clarified that those commercials were actually PSAs that Visit SLO CAL didn’t pay for encouraging local residents to take the survey for the DMS. Howell also questioned the increase to 2 percent and the 10-year renewal. Graves noted that to go through the renewal process again after five years is not an efficient use of CEO time or the organization’s dollars. Frutchey questioned if any community truly believes that they don’t need Visit SLO CAL. Howell said that Visit SLO CAL shouldn’t be trying to do an increase and 10-year renewal when, he believes, some of the lodging partners still need convincing. O’Malley asked how communities are able to “check in” during the 10-year term. Pearce responded that there are provisions for checks and balances, and that the MDP even would allow the lodging community to disband the TMD during a period of time each year if everyone felt the organization was not doing a good job. Davison explained how the ’94 Act allows this to happen and is different than the ’89 Act that most local TBIDs follow. Davison noted that Visit SLO CAL would be meeting with each local municipality in the coming weeks to seek additional feedback on the draft MDP.

7. **Open Questions and Discussion**

This item was removed from the agenda due to a lack of time.

**ADJOURNMENT**

Meeting adjourned at 5:03 pm.