



# AGENDA

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## Visit SLO CAL Advisory Committee

### Visit SLO CAL Advisory Committee Agenda

Friday, February 14, 2020

3:00 pm – 5:00 pm

Embassy Suites

333 Madonna Road, San Luis Obispo, CA 93405

1. CALL TO ORDER
2. PUBLIC COMMENT (On Non-Agenda Items)

CONSENT AGENDA	C. Davison
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3. **Approval of June 13, 2019 Advisory Committee Meeting Minutes (yellow)**  
*Staff will ask for Committee approval of the June 2019 Visit SLO CAL Advisory Committee Meeting Minutes.*

BUSINESS ITEMS	C. Davison
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4. **Strengths and Opportunities (40 min)**  
*Coraggio Group will facilitate a conversation, asking the following questions of the committee:*
  - a. *What are the greatest strengths of Visit SLO CAL?*
  - b. *What holds Visit SLO CAL back from accomplishing its mission?*
  - c. *What are the most important strategic opportunities for Visit SLO CAL to pursue?*
5. **Visit SLO CAL Scope Feedback (40 min)**  
*Coraggio Group will facilitate a conversation, asking the following questions of the committee:*
  - a. *What **existing** Visit SLO CAL roles, programs or activities do you expect to see become more robust?*
  - b. *Are there **new** roles, programs, or activities that you hope Visit SLO CAL will take on?*
  - c. *Are there any roles, programs or activities you think Visit SLO CAL should **stop**?*
6. **Comparison to Investor/Stakeholder Conversations (30 min)**  
*Coraggio Group will share an initial overview of how investors and stakeholders responded to the same questions above and will request feedback on the following questions from the committee:*
  - a. *Where are the areas of greatest alignment between groups and how can we take advantage of those?*
  - b. *What represents a difference in perspective and what can we learn from that?*

### ADJOURN.

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 committee to discuss or take action on issues not on the agenda, except that members of the committee may briefly respond to statements made or questions posed by the person giving public comment. Staff may be directed by the committee 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 Advisory Committee.

ADA Notice: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Brendan Pringle at (805) 541-8000 at least 48 hours prior to the meeting.



# MINUTES

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## Visit SLO CAL Advisory Committee

### Visit SLO CAL Advisory Committee

#### Meeting Minutes

Thursday, June 13, 2019

3:00pm

Embassy Suites

333 Madonna Road, San Luis Obispo, CA 93405

#### 1. CALL TO ORDER: Aaron Graves

**PRESENT:** Karen Bright (alternate), Red Davis, Tom Frutchey, Lan George, Wade Horton, Derek Johnson, Jim Lewis, Steve Martin, Heather Newsom, Rachele Rickard

**ABSENT:** Jim Bergman, Matthew Bronson, Scott Collins, Lynn Compton, Erik Howell, Mariam Shah

**STAFF PRESENT:** Chuck Davison, Brooke Burnham, Michael Wambolt, Derek Kirk, Brendan Pringle, Jordan Carson, Madison Quiring, Alessandra Casey, Haley Cahill, Haley Ramos, Vanessa Robbins

**BOARD MEMBERS PRESENT:** Jed Bickel, Mark Eads, Aaron Graves, Nipool Patel

**MARKETING COMMITTEE MEMBERS PRESENT:** Ashlee Akers, Molly Cano, Gordon Jackson, Lindsey Roberts, John Sorgenfrei, Danna Stroud

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Call to Order by Graves at 3:07 pm.

#### 2. PUBLIC COMMENT (On Non-Agenda Items)

None.

#### ANNOUNCEMENTS

Davison reviewed the agenda and the purpose for the meeting.

#### CONSENT AGENDA

#### 3. Approval of December 6, 2018 Advisory Committee Meeting Minutes

Public Comment – None.

Committee Discussion.

**ACTION:** Moved by Davis/Lewis to approve the Consent Agenda as presented.

Motion carried: 6:0:4  
Bright, George, Johnson and Martin abstained.

## **BUSINESS ITEMS**

### **4. District Highlights to Date**

Burnham reviewed Visit SLO CAL's collaborative marketing efforts, and noted that Visit SLO CAL's \$1.4M paid media campaign fully launched in January, with an initial injection of \$400k to activate the Dallas market. She highlighted the SLO CAL Crafted and SLO CAL Storytellers programs, noting that storytelling has become a growing part of Visit SLO CAL's marketing. Wambolt highlighted the organization's travel trade efforts, noting that it follows a three-pronged approach of familiarization (FAM) trips, sales missions and trade shows. Wambolt outlined the top five international markets for SLO CAL and the top five international markets for California. He asterisked the SLO CAL data with the note that the VisaVue® Travel data that Visit SLO CAL uses does not account for the fact that Visa is not the primary method of payment for Chinese visitors. He described Visit SLO CAL's \$80k co-op sponsorship activation through Visit California at IPW and thanked Paso Robles, Pismo Beach and San Luis Obispo for their participation. Davison also thanked the partners and noted that an additional \$30k of product was donated for the event, which assisted with its overall success. Davison reported out on Visit SLO CAL's air service development efforts, and noted that Dallas is running maximum capacity, with 19 of the next 30 days sold out. He said that United will be running three flights a day from Denver starting in October, and that Visit SLO CAL and the SLO County Regional Airport anticipate another new air service announcement by the end of this month. Pringle provided a breakdown of the FY2018/19 Re-forecasted Budget, noting that 74 percent of funds are directed toward marketing, communications and travel trade. Annual fully-loaded staffing costs for all approved positions represents 20.5 percent of the budget.

Public Comment – None.

Committee Discussion – Lewis complimented the team on the IPW sponsorship activation and said that this was the type of program individual communities knew they couldn't do on their own, and is exactly why they worked to approve the Tourism Marketing District.

### **5. Tourism Insights**

Davison reported out on Visitor Volume data for the last five years, noting that, in 2018, growth in overnight visitors outpaced daily visitors. He outlined the top international markets by spend and by YOY growth, adding that data continues to show a pick up of international visitation with Highway 1 now open. He reported out on the Smith Travel Research forecast numbers for occupancy and RevPAR, noting that, despite the fact that SLO CAL is anticipating an increase in demand, overall occupancy is expected to decrease 3.5 percent in 2020. He said that the organization will likely petition the Board to draw funds out of contingency to mitigate the impact of new inventory coming online. He reviewed some key marketing insights, including the trend of immersive travel experiences among visitors, and the rise of Google Destinations, of which a host of properties throughout SLO CAL have not been claimed or are undermanaged. Visit SLO CAL is working to roll out a Google Destinations co-op, working with communities to build up their place on Google, which could be a game changer for the destination.

Public Comment – None.

Committee Discussion – Lewis asked if Visit SLO CAL was cautiously optimistic about the future based on everyone's efforts. Davison responded that there is still a lot of pent up demand and big opportunities in the air service space. He also noted that new inventory allows the tourism industry to tell new and unique stories and energizes trade partners to sell new product in the market, while encouraging existing lodging partners to up their game. The only threat is that some economists have suggested a recession as early as 2020, which is why it is so important to expand air service now. Davis asked if Visit SLO CAL is working to develop ground transportation options. Davison responded that the organization needs to continue to work with local communities to develop options, as highlighted in the Destination Management Strategy report. Lewis asked Wambolt if there was any prognosis on the impact of IPW. Wambolt noted that previously, years ago SLO CAL was seen as a one-night stop, and now companies want to book two to three nights in the county. He added that it

takes about 12-24 months for that impact to cycle down to the travel agents and clients. Davison also added that awareness is now much higher—not just for hotels, but for different sets of inventory—and that many of the operators are looking for activities in the region.

## **6. Tourism Marketing District Renewal**

Davison thanked the city managers and the CAO for their efforts to support the TMD renewal process, and said he appreciated the fact that all of the communities are so invested in tourism. He reminded the Committee that the current district is set to sunset June 30, 2020. He highlighted the key features and reviewed some of the findings of the ROI study that Visit SLO CAL completed. He described how the renewal would solve for some of the challenges and opportunities that lie ahead and the key strategies proposed, and he reviewed the proposed timeline of next steps, noting that the goal is to finalize the renewal by Q1 of 2020.

Public Comment – None.

Committee Discussion – Frutchev noted that SLO CAL needs more people to come—not just greater length of stay. Davison responded that the addition of new inventory will encourage more properties to work with tour operators because they are going to need demand that they didn't need before. Davison noted that the organization would not be running a new marketing strategy, but rather that it would optimize the current strategy, using Arrivalist data to see what is working better in which markets at which time. Johnson asked if Visit SLO CAL believed the current strategy will increase visitor volume. Davison said it will, as has been shown through Visit SLO CAL's research efforts with Arrivalist. He added that Visit SLO CAL would simply look to double down in this space. He also noted that there is a segment of lodging investors who might suddenly wake up surprised that occupancy is down due to the sudden increase in inventory, and Visit SLO CAL is trying to avoid that through education today. Frutchev asked if the new hotels are targeting a different type of customer. Davison responded that about 80 percent of the new product coming online is four-star boutique, and Visit SLO CAL believes its marketing and sales efforts are already targeting this audience. He noted that Visit SLO CAL doesn't target visitors with a household income of less than \$100k and that it seeks to get the visitor to do more and spend more in market—not by changing the customer but by showing them what they can do in-market. Johnson expressed appreciation for Visit SLO CAL's collaboration and asked Davison to discuss the support necessary with new air service. Davison noted that the SLO County Regional Airport is not allowed to take marketing dollars to attract visitors, which is why they take a partner approach with Visit SLO CAL. Visit SLO CAL and the Airport leverage data that shows where visitors are coming from and Cal Poly additionally supplies aggregated admissions data, which can build a case for new air markets with air service providers. He added that the fact that flights in and out of the Airport are half residents/half visitors provides peace of mind to the airlines if visitor numbers dropped. He said that Visit SLO CAL and the Airport have been able to achieve amazing success, but that it goes back to how quickly Visit SLO CAL can get airlines to move forward on new flight service in these ideal economic conditions. Lewis referenced the Key Strategies slide and handout, and said that he was encouraged to see these strategies in this order. He also said that it's important that Visit SLO CAL is focused on drive as well as long haul markets, as SLO CAL is a very affordable place to drive to. He added that he liked that four out of five of the key strategies Visit SLO CAL noted are focused on filling rooms.

## **7. Destination Management Strategy Recommendations**

Kirk noted that in the design of the Destination Management Strategy (DMS) the Steering Committee focused on the residential quality of life first, and the visitor experience second. He discussed the DMS planning process, recognizing the Steering Committee for their time and effort, and provided a high-level overview of DMS focus areas (detailed along with recommendations in the agenda packet). He also outlined key next steps.

Public Comment – Danna Stroud, Travel Paso, asked if each respective city has the ability to go back to their community with the DMS recommendations and have a window of time to come back to Visit SLO CAL with feedback. She also noted that communities need to remind themselves and their constituents of how they are leveraging Visit SLO CAL as a resource.

Committee Discussion – Davison responded to Stroud's question, noting that the workplan that will be built out on the DMS will be a living document, but that Visit SLO CAL would love to have community feedback. Bright noted that she was pleased to see Cannabis Tourism listed as one of the recommendations. George referenced the "resident quality of life" component

of the DMS, and asked that Visit SLO CAL make that a strong portion of any presentation they share at the community level, noting that the city council needs to satisfy its constituents. Newsom agreed, and said that you always need to be transparent to the communities, and asked Visit SLO CAL to share details specific to the communities when they come for the TMD renewal. Davison noted that this will be detailed out in the presentation. Frutchev agreed with Newsom's point. Martin noted that, overall, people in Paso Robles have admitted that the city is a visitor destination and understand tourism's economic impact, but that the growing concern among his constituents has been how the city can mitigate the downside and negative impacts of tourism, and balance that impact in the future. He said that, as electeds, he and the others in the room need to pay attention to those complaining about the downsides. Graves asked if those who were complaining were a majority or a vocal minority. Martin said they are a minority, but are growing. Newsom agreed with Martin. She added that what she thought was missing in Visit SLO CAL's efforts was targeting those under \$100k, as the destination should be affordable for families and those who don't meet that threshold. She referenced that while the new inventory is nice to talk about, some of the older hotels are more affordable for some visitors. Davison noted that Visit SLO CAL tries to work in line with the marketing efforts of the individual cities and not focus on those the cities are already targeting. Newsom asked if all of the taxes and fees added to the guest receipt can be a prohibiting factor for guests to visit. Davison responded that Visit SLO CAL believes that the fees don't deter visitors from come, however they can impact them returning to the area, if they are excessive. George asked if Visit SLO CAL is working with the hotels that are older to make them aware of the new inventory coming online, and if there is a way they can market these older hotels. She said she is concerned that as new trendy hotels come in, Visit SLO CAL will lose track of the older ones, and she wants to make sure there is a place for every demographic. Davison responded that in its marketing, Visit SLO CAL is saying "come to the destination and here's what you can do," and knows that visitors don't come here for the hotels. He said that if hotels aren't investing today, at the market high, they won't in five years either once the market turns. He added that the tourism economy has had 111 straight months of growth. George asked how the communities can help smaller lodging properties. Davison directed her to Jocelyn Brennan, CEO of the South County Chambers, as an expert in her community, and noted that Visit SLO CAL is always willing to share information to help as well. Martin asked if there is any educational resource available on how they can improve their operations. Davison responded that Visit SLO CAL is working to help smaller hotels on revenue management and customer service. Lewis redirected the Committee back to the DMS recommendations, and asked the Committee what they are going to do locally and work with their government staff on to implement the recommendations. He also asked which ones they are going to own in their communities, and encouraged them to take them back to their communities. Newsom noted that the Atascadero City Council is focused on placemaking, and how they can work together with other communities. She gave the example of excursions to the coast for the day while guests stay in Atascadero. She complimented Visit SLO CAL on doing an excellent job on air service development. Bright said she would take back this information on the DMS to the Grover Beach City Council. She noted that special events would certainly be a part of their direction, and mentioned that Grover Beach has also recently crafted a short-term rental ordinance. Davis noted that, as a city, Morro Bay is economically struggling. He said that the City Council's number one goal is economic development and its number one driver is TOT. He added that Morro Bay is considering a new major project in downtown, which could be a game changer. The Morro Bay Tourism Bureau is working on events and festivals, as well as signature events, and the City is interested in developing its waterfront, but is currently short on revenue.

## **8. Open Questions and Discussion**

Davison requested feedback on the question, *In your specific communities, what can Visit SLO CAL do for you?*

He also asked the Committee to save the date for the next Advisory Committee meeting, happening on Thursday, December 5, 2019.

Public Comment – John Sorgenfrei, TJA Advertising, noted that it's important for Visit SLO CAL to emphasize that it's preserving SLO CAL's resources for visitors as well as residents.

Committee Discussion – None.

## **ADJOURNMENT**

Meeting adjourned at 5:04 pm.