



# MINUTES

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## Visit SLO CAL Board of Directors

### Visit SLO CAL Board of Directors Meeting Minutes

Thursday, January 20, 2021

8:30am

Video Conference – URL: <https://us02web.zoom.us/j/83089135436>

Meeting ID: 830 8913 5436 Passcode: 289333

#### 1. CALL TO ORDER: Clint Pearce

**PRESENT (VIA VIDEO CONFERENCE):** Alma Ayon, Jed Bickel, Kathy Bonelli, Mark Eads, Aaron Graves, Jay Jamison, Jim Hamilton, Toni LeGras, Amit Patel, Hemant Patel, Nipool Patel, Clint Pearce, Victor Popp, Amar Sohi

**ABSENT:** John Conner, Sam Miller

**STAFF PRESENT:** Chuck Davison, Annie Frew, Brendan Pringle

**Call to Order at 8:34am.**

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

None.

#### ANNOUNCEMENTS

None.

#### CONSENT AGENDA

#### 3. Approval of November 18, 2020 Board of Directors Meeting Minutes

#### 4. Approval of November 2020 & December 2020 Visit SLO CAL Financials

Public Comment – None.

Board Discussion. Graves noted he would abstain due to being absent for the November 18, 2020 meeting.

**ACTION:** Moved by Sohi/Hamilton to approve the Consent Agenda as presented.

**Motion carried: 12:0:1**

**Graves abstained. LeGras joined the meeting after the Consent Agenda item.**

#### CEO REPORT

#### 5. CEO Report

Visit SLO CAL exercised its second option to extend its office lease at 1334 Marsh Street, which was set to expire March 2021, and received confirmation from the property manager on January 8, 2021. This extends the lease through March 2023. The California Welcome Center (CWC) officially opened on December 18, 2020 and was featured on KSBY on

December 19, 2020. The CWC features video assets from each community and has been working closely with each community. As approved by the Board, Visit SLO CAL's sponsorship is \$7500 per month, and the organization will continue to make sure they are in compliance with the terms of its sponsorship agreement. Davison encouraged Committee members to register for Visit California's virtual Outlook Forum, happening on February 18-19, 2021, which is free of charge this year. Davison provided an update on Spartan, stating that the County Office of Emergency Services notified Spartan that the event will not be approved for March 2021 and won't be considered for approval until the county reaches its final re-opening phase. Visit SLO CAL and Spartan suspected this would occur, and Spartan has a contingency plan for a date change to November, and the event would remain a National Series event; Spartan will keep Visit SLO CAL informed of the new date for the event. Davison reviewed the TOT update through November 2020. He provided a staffing update on the hiring process for the open positions (Chief Marketing Officer, PR & Communications Manager and Finance & HR Manager).

Public Comment – None.

Board Discussion.

## **BUSINESS ITEMS**

### **6. COVID-19 Impact & Response Update**

Davison noted that, at a local level, as of January 15, 2021, County Public Health has received 17,600 doses of the COVID-19 vaccine (including both first and second doses). The County has activated Phase 1b, distributing vaccines to the 75+ demographic. The SLO County COVID-19 Vaccine Task Force, made up of local leaders from each sector, had its first meeting two weeks ago and will continue to meet weekly to ensure that high-risk, vulnerable community members have quick and equitable access to the vaccine. Davison provided a state update, outlining Governor Newsom's proposed budget, which includes COVID-19 relief for state residents and businesses, and he provided an update on the 2021-22 legislative cycle. He also provided a national update on former President Trump's signing of a new COVID-19 relief and funding bill, and noted the highlights of the components that impact the tourism industry (expansion of the Paycheck Protection Program (PPP), extension of the Economic Injury Disaster Loan (EIDL) Program, Live Venue Grant Program, extension of the Employee Retention Tax Credit, extension of Payroll Tax Deferral, Transportation Relief Funding and REAL ID Transition changes. He outlined current air service effective January 2021, and provided data forecasting the year-over-year percentage change in enplanements over the next two years. He reviewed the December STR report. He informed the Committee that Visit SLO CAL would explore the following potential forgivable COVID-19 relief options: PPP (which would provide a forgivable loan of up to \$161,783), and EIDL (\$10k forgivable loan advance), and outlined how Visit SLO CAL would allocate the forgivable loan to its payroll and operating expenses. On January 14, 2021, the Executive Committee approved authorizing the CEO to accept forgivable PPP and EIDL loans if applications are granted. Davison reviewed the latest cash flow projection for January-June 2021.

Public Comment – None.

Board Discussion.

### **7. Travel Trade & Marketing Update**

Davison provided an update on recent and upcoming travel trade programs, and noted that many lodging properties have cut sales staff, so Visit SLO CAL is working to bridge those gaps as they follow up with sales leads from the two December shows. He reviewed the highlights of Mering's agency-of-record (AOR) agreement, including gross media and production budgets, advertising commission (beginning in July), and retainer, as well as their scope of work. He provided an update on Visit SLO CAL's FY2020/21 Media Campaign with Miles Partnership, noting that Visit SLO CAL reallocated \$600k in surplus funds to the remaining FY2020/21 Media Plan, increasing total FY2020/21 media spend to \$1.7M. He noted that monthly media spend numbers will be adjusted as travel reopens. He reviewed December 2020 paid, earned and owned media highlights, and provided an update on Restaurant Month, happening throughout the month of January. He noted that many destination partners have pitched in to help support this effort and Visit SLO CAL has received great appreciation from the industry for our help during this challenging time.

Public Comment – None

Board Discussion.

## **8. Oceano Dunes SVRA Advocacy**

Frew provided background information on the Oceano Dunes SVRA. The California Coastal Commission (CCC) and the California Department of Parks and Recreation (State Parks) have historically held conflicting views on how to best utilize the Oceano Dunes, balancing preserving the environmentally sensitive habitat with the attraction to the recreation area from both visitors and residents alike. Due to federal and state laws, both the Coastal Commission and State Parks maintain separate yet equal jurisdiction over the State Park. CCC believes that after many attempts to find sensible solutions, it is time to begin the phase-out of the off-highway vehicle (OHV) component of the Oceano Dunes State Vehicular Recreation Area (SVRA). On December 31, 2020, State Parks published the Public Works Plan (PWP) and draft Environment Impact Report (EIR) for the Oceano Dunes. These documents will likely be reviewed by Coastal Commission in the coming months; however, CCC cannot take action until a certified EIR is submitted. Coastal Commission staff has held meetings with the City of Grover Beach, the City of Pismo Beach, the South County Chambers of Commerce and other prominent business owners in the area. County and City officials have not taken an official position at this time although at least one community is ready to support the CCC's view. Visit SLO CAL is currently in the beginning phases of planning for a co-op economic impact report on the potential phase out of the OHV area or hypothetical full park closure as previous research appears incomplete. The economic impact report will provide a robust analysis of potential revenue losses, subsequent impacts of closure and mitigation measure for growth and possible opportunities to re-envision the park and its future potential. South County Chambers will submit a letter to advocate for the OHV to remain open. Frew noted that the Coastal Commission staff report will be released six weeks in advance of the meeting, and outlined their expected recommendations. The California Coastal Commission is scheduled to hold a meeting on March 18, 2021 to address this topic. Frew noted that the loss of OHV access could have a significant impact on international travel to the area, as OHV rentals are a key draw for this group. In line with Visit SLO CAL's Advocacy Plan and the potential impact of the closure on multiple communities, at their January 14, 2021 meeting, the Executive Committee approved allowing Visit SLO CAL to spearhead advocacy efforts in favor of re-permitting the Oceano Dunes SVRA, in advance of the upcoming Coastal Commission hearings. Frew noted that advocacy could include a draft letter of coalition support, speaking during public comment at the hearings and supporting the development of an economic impact report, which is currently in the budget re-forecast. Davison added that this advocacy effort is part of a fluid process, and that Visit SLO CAL is working with State Parks and South County Chambers to understand the best mitigation efforts. He noted that the Oceano Dunes SVRA remains a unique feature in the County that the organization will continue to support.

Public Comment – None

Board Discussion. The Board agreed that advocacy on the Oceano Dunes SVRA was critical.

## **9. FY 2020/21 Budget Re-Forecast**

Davison provided an overview of Visit SLO CAL's proposed re-forecasted budget for FY 2020/21, which reflects programs and operational expenses that were postponed, removed or reduced based on capacity and changes in light of COVID-19 recovery, and also the re-allocation of surplus TMD revenue. Based on the estimated income and expenses, there was a surplus of \$851,644. Davison noted that it wouldn't make sense to activate a total of \$2M on media in the last half of the year, as we wouldn't see 1:1 incremental visitation as a result. It is important to note that revenues for December – February are expected to be well below the forecast, absorbing much of the summer surplus. As such, the Executive Committee approved investing half of the amount to ladder CD's (\$425,844), and leaving the balance as a surplus on the budget. Re-forecasted TMD revenue includes the adjustment for actual income received from each community through November, the estimated income for December, which is less than previously budgeted, and prior year assessments collected in the current year. Staff has not made any changes to budgeted income for January or February, which are based off of the Tourism Economics 24-month forecast, but are now expected to be much lower than anticipated. However, March through June forecasted revenues have been adjusted based on community performance during the pandemic. Davison clarified that the revenue figures do not account for any potential COVID-19 relief that we may receive from the federal government, and that PPP and EIDL loans would not be written off of the financial statements until they are actually

forgiven. Davison noted that invested funds would be held with Morgan Stanley as we await the adjustment in CD interest rates as it doesn't currently make sense to invest in long-term CDs at such low rates. Davison reviewed the changes by department.

Public Comment – None

Board Discussion.

**ACTION:** Moved by Hamilton/Graves to approve the FY2020/21 Budget Re-Forecast as presented, as recommended by the Executive Committee.

**Motion carried: 14:0**

## **ANNOUNCEMENT OF CLOSED SESSION**

### **10. Employee Dismissal**

#### **CLOSED SESSION REPORT**

Pearce noted that no action by the Board was taken during Closed Session.

Davison noted upcoming agenda items.

#### **ADJOURNMENT**

Adjourned at 10:19am.