



MINUTES

Visit SLO CAL Executive Committee

Visit SLO CAL Executive Committee Meeting Minutes

Thursday, January 14, 2021

3:00pm

Video Conference – URL: <https://us02web.zoom.us/j/85159530502>

Meeting ID: 851 5953 0502 Passcode: 114478

1. CALL TO ORDER: Clint Pearce

PRESENT (VIA VIDEO CONFERENCE): Mark Eads, Aaron Graves, Hemant Patel, Clint Pearce, Amar Sohi

ABSENT: None

STAFF PRESENT: Chuck Davison, Brendan Pringle

Call to Order at 3:12pm.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

None.

CONSENT AGENDA

3. Approval of November 12, 2020 Executive Committee Meeting Minutes

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

Public Comment – None.

Committee Discussion. Graves noted he would abstain due to being absent for the November 12, 2020 meeting.

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

**Motion carried: 4:0:1
Graves abstained.**

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 Board Business Intelligence Report for 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). He also provided an update on the termination of Visit SLO CAL's former CMO, Lisa Verbeck, and requested feedback from the Committee on updating the Board on this item.

Public Comment – None.

Committee Discussion. The Committee agreed that Visit SLO CAL should provide an update to the full Board on the dismissal of former CMO Lisa Verbeck.

BUSINESS ITEMS

6. COVID-19 Impact & Response Update

Davison noted that, at a local level, as of January 8, 2021, more than 8000 residents have been vaccinated and that County Public Health received an additional 12,200 vaccines (including both first and second doses). The County is progressing through Phase 1a and then will begin Phase 1b, which includes those who are 75+ and critical infrastructure workers, by February. The SLO County COVID-19 Vaccine Task Force, made up of local leaders from each sector, had its first meeting last week 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. He also provided a national update on 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 most recent STR report. He informed the Committee that Visit SLO CAL would explore the following potential forgivable COVID-19 relief options: ERTC, PPP (which would provide a forgivable loan of up to \$161,783), and EIDL (\$10k forgivable loan advance). He reviewed the latest cash flow projection for January-June 2021.

Public Comment – None.

Committee Discussion.

ACTION: Moved by Patel/Graves to authorize the CEO to accept forgivable PPP and EIDL loans if applications are granted.

Motion carried: 3:0:1

Eads departed the meeting prior to this action.

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

Committee Discussion.

8. Oceano Dunes SVRA Advocacy

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. Davison 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. Davison 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 impact of the closure on multiple communities, Visit SLO CAL would like to continue to solicit feedback, at the request of South County partners, on what advocacy role the organization should play on this issue, and requested the approval of the Committee to spearhead advocacy efforts in favor of re-permitting the Oceano Dunes SVRA, in advance of the upcoming Coastal Commission hearings. Davison 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.

Public Comment – None

Committee Discussion. The Committee agreed that advocacy on the Oceano Dunes SVRA was in the best interest of the entire county.

ACTION: Moved by Graves/Patel to allow Visit SLO CAL to spearhead advocacy efforts in favor of re-permitting the Oceano Dunes SVRA, in advance of the upcoming Coastal Commission hearings.

Motion carried: 4:0
Eads departed the meeting prior to this action.

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. 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 reviewed the changes by department, and requested feedback from the Committee on how to reflect the surplus of \$851,644, noting that it wouldn't make sense to activate a total of \$2M on media in the last half of the year, as SLO CAL would not see a 1:1 incremental visitation as a result. He added that it's important to note that December, January and February revenues are expected to be well below the forecast, which will absorb much of the summer surplus. He outlined the options: 1) hold the funds as cash to offset the revenue decreases for December – February, and carry over the balance to next fiscal year; 2) invest all of the funds into VSC's laddered CD account that could be drawn from as early as May; or 3) leave half of the funds as cash and invest half as laddered CDs.

Public Comment – None

Committee Discussion. The Committee agreed that the best option was to leave half of the funds as cash and invest half as laddered CDs, and asked that the budget re-forecast be amended accordingly.

ACTION: Moved by Graves/Sohi to recommend that the Board approve the FY2020/21 Budget Re-Forecast as amended.

Motion carried: 4:0
Eads departed the meeting prior to this action.

Davison noted upcoming agenda items.

ADJOURNMENT

Adjourned at 4:46pm.