



MINUTES

Visit SLO CAL Executive Committee

Visit SLO CAL Executive Committee Meeting Minutes

Thursday, February 21, 2019

11:30am

Visit SLO CAL Conference Room

1334 Marsh Street, San Luis Obispo, CA 93401

1. CALL TO ORDER: Clint Pearce

PRESENT: John Arnold, Mark Eads, Clint Pearce

ABSENT: Aaron Graves, Jay Jamison

STAFF PRESENT: Chuck Davison, Brendan Pringle

Call to Order at 11:35 am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

Davison asked the Committee to save the date for Visit SLO CAL's Tourism Exchange on May 9, 11:30am-4:30pm, with a reception from 4:30pm-6:00pm. Visit SLO CAL is asking that all Board members plan to attend the luncheon and general session, which is from 11:30am-1:30pm.

CONSENT AGENDA

3. Approval of January 15, 2019 Executive Committee Meeting Minutes
4. Approval of Lori Keller's Marketing Committee Application
5. Approval of Janine Dion's Marketing Committee Application
6. Approval of Joel Peterson's Marketing Committee Application
7. Approval of Anne Steinhauer's Marketing Committee Application

Public Comment – None.

Committee Discussion. Arnold asked how many open seats that leaves on the Marketing Committee. Davison noted that this leaves one open seat, and that the Marketing Committee could not reach consensus on the balance of the applications received. He added that the Marketing Committee believed that the four seats they selected were the most important seats to fill.

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

CEO REPORT

8. CEO Report

Davison thanked the Committee for attending the Beginning of Year Bash. He reviewed U.S. Travel's Travel Trends Index for December 2018 and December 2017. He provided an HR update, noting that Visit SLO CAL had recently hired Haley Cahill on January 21, 2019 to fill the Marketing Coordinator role, which is a backfill of Jordan Carson's position; Derek Kirk, CEO of the Atascadero Chamber, has been hired as the Director of Community Engagement & Advocacy, replacing the VP role held by Christine Robertson, and his first day in the office will be March 4, 2019. Vanessa Robbins has been hired for the Digital Marketing Coordinator position, which was formerly a Digital Manager role, and will start February 25, 2019. Visit SLO CAL has begun to schedule interviews for the remaining three open positions: Communications Manager, Partnership & Community Engagement Manager and Communications Coordinator & Film Commission Liaison. Davison explained that none of these are "new" positions, but rather adaptations of previously existing positions. After being asked to pay an exorbitant fee several months ago for an image that was on the website dating back to 2012, Visit SLO CAL and its legal counsel worked with Philadelphia Insurance to settle the claim under its business insurance for a fraction of that amount. In exchange, Visit SLO CAL agreed to no longer use the photograph, which was removed from the website months ago upon notification, in any capacity. On March 25-26, 2019, Visit SLO CAL will hold a 1 ½ day staff planning retreat to better define our scope of work for FY2019/20 prior to launching the budget planning process and finalizing our marketing plan. The marketing plan and budget will be presented to the Board for approval at the May 15, 2019 meeting. Davison reported out on Visit SLO CAL's Operational Plan Quarterly Check-in with Coraggio Group. As part of the check-in, the timeline has been updated and the work refined. Visit SLO CAL is working with Visit California to define the build and activation for its IPW sponsorship in June. Visit SLO CAL has presented additional sponsorship opportunities to the local DMOs, with a deadline of February 28, 2019, and Paso Robles has communicated that they will participate. Davison reported out on local meetings. He noted that, based on the Destination Management Strategy Draft Recommendations set to be complete the last week of March, staff would like to move the March 20, 2019 Board Meeting to Thursday, March 28, 2019. He added that by having the Steering Committee meeting on March 27, followed by the Board Meeting on March 28, Resonance Consultancy would be able to walk the Board through the draft recommendations. The meeting would be scheduled for 2 hours. Davison asked the Committee for feedback. Additionally, he noted that the April 11, 2019 Executive Committee meeting will need to be rescheduled due to a scheduling conflict with his final CDME courses, and asked for Committee feedback on rescheduling it for Thursday, April 4, 2019 at 11:30am. He also reported out on his travel schedule for the months ahead.

Public Comment – None.

Committee Discussion – Pearce noted that the additional staffing will be helpful for the TMD renewal. With regards to the image usage dispute, Pearce also asked if there was a deductible on Visit SLO CAL's general liability insurance. Davison responded that there was no deductible. The Committee agreed to reschedule the March Board Meeting to March 28, 2019, from 8:30-10:30am, and to reschedule the April Executive Committee Meeting to April 11, 2019, from 11:30am-1:30pm. Eads asked if there is going to be any kind of opportunity offered by the airlines to help hoteliers and lodging partners reach out to the respective new markets. Davison responded that he will regroup with Kevin Bumen, SLO Airport, on this question, and noted that it could be a list of best practices from the airlines to provide to the lodging group. Pearce asked if any of the infighting happening at the Grover Beach City Council would impact Visit SLO CAL. Davison responded that it would not impact the organization.

BUSINESS ITEMS

9. TMD Renewal

Davison reported out on his meeting with the city managers and county CAO on January 31, 2019 to define a middle ground on the terms of the TMD renewal. Prior to this meeting, on January 30, 2019, he met with Pismo Beach City Manager Jim

Lewis to discuss a potential path forward. He noted that the city managers and the county CAO have agreed to support the renewal of the TMD at 1.5 percent and 10 years based on the following terms: Visit SLO CAL and the lodging community agrees to stand down and even advocate for a 1 percent increase in individual community TOT to fund DMS-related initiatives, should individual communities decide to pursue that direction, and Visit SLO CAL would make revisions to the Advisory Committee structure, allowing the government to provide "more feedback and direction." Davison also noted that, based on the Board's approval at the January meeting, Visit SLO CAL has initiated discussions on an ROI study (Organizational Effectiveness Study) with Tourism Economics. Jim Lewis (City Manager, Pismo Beach) and Tom Frutche (City Manager, Paso Robles) reviewed the proposal and offered feedback on behalf of the city managers, which has been delivered to Tourism Economics. An updated draft proposal is expected this week. The study will cost \$30,000. Visit SLO CAL has asked Tourism Economics to shorten their timeline in order to produce the results prior to the March Board Meeting, and is awaiting feedback on this possibility. Davison outlined the next steps in the process. Once Visit SLO CAL meets with the city managers to better understand the requested changes to the Advisory Committee structure and their specific ask regarding the TOT increase, the presentation of revised terms will be delivered to the Board for approval in March, and the petition release would happen in April.

Public Comment – None.

Committee Discussion. Arnold asked if Pismo Beach and Paso Robles were the only communities against the 2 percent/10-year term. Davison responded that Morro Bay was opposed as well. Pearce noted that he didn't feel there are enough Morro Bay lodging investors willing to fight for 2 percent, and that he agreed with recommending the 1.5 percent/10-year term. Eads noted that he was in favor of recommending the 1.5 percent/10-year term, but noted that he was curious to see what kind of control the government officials were seeking in the Advisory Committee. Arnold agreed with Eads, and noted that he would schedule a meeting with Tom Frutche to discuss the Advisory Committee component further.

10. Destination Management Strategy Update

Davison provided a progress update on the Destination Management Strategy (DMS). Visit SLO CAL held four Visioning Workshops from February 19-20 (South County, San Luis Obispo, North County and North Coast). He thanked the Board members who attended and provided feedback, and noted there was strong participation, interest and feedback from the communities. Stakeholders from lodging, industry partners, chambers and local government identified: 1) whether their communities fit into the Manage, Grow or Develop framework; 2) Key community drivers for visitation; 3) Priority community issues for consideration; and 4) Priority community opportunities for advancement. He said that, overall, the majority of the communities ended up in very similar places. Feedback will be developed into draft recommendations for review by the Steering Committee and Visit SLO CAL Board in late March. Davison outlined the next steps on the DMS planning process timeline.

Public Comment – None.

Committee Discussion. Eads asked if there was some way to use the AHLA certification program, assuming a customer service program is one of the DMS recommendations. Davison noted that Cuesta College has just reinstated their hospitality program, adding that they could be a potential partner in this initiative.

11. Advocacy Update

Davison reported out on Visit SLO CAL's short-term rental (STR) advocacy efforts. On February 6, 2019, he and Michael Wambolt (Director of Travel Trade) met with Maggie Juren, Beach-N-Bay Getaways, to discuss the County's desire to levy an impact fee on vacation rentals, as well as the renewal terms of the TMD. That same day, Wambolt attended the Central Coast Management Association Meeting on behalf of Visit SLO CAL to discuss the County's proposed residential vacation rental impact fee; the County is looking to levy a \$2.73 per night surcharge—the rate in the city of San Diego—on vacation rentals to fund workforce housing. Davison noted that no research shows that STRs have an impact on affordable housing since most STRs are second homes. Visit SLO CAL has reached out to Beacon Economics for a proposal to: 1) Provide data

and empirical analysis to help inform stakeholders and policymakers in San Luis Obispo County as to the nature of the STR market as it pertains to AirBnB and similar STR platforms; and 2) Report out on the relationship between STRs and the broader housing market in the county in order to dispel myths and anecdotes, and to adequately define the impact of STRs on workforce housing in the county.

Davison announced that Barb Newton, President & CEO of CalTravel, has agreed to speak at Visit SLO CAL's upcoming Tourism Exchange to provide updates on statewide legislative issues that could impact the tourism industry.

Davison also noted that several Board members have requested that Visit SLO CAL consider developing a PAC to remind government of the strength and unity of the tourism industry as they consider items impacting the industry. Davison asked the Committee for feedback on this request.

Public Comment – None.

Committee Discussion. Arnold noted that he fully believed in protecting short-term rentals, and that the study could be beneficial. He also inquired on the specifics of setting up a PAC. Davison responded that PAC would be entirely separate and distinct from the organization, but would potentially have a subset of the Visit SLO CAL board. Pearce noted that Visit SLO CAL has gained power and influence regionally without a PAC up until this point, and questioned whether the organization would be pressured to use the PAC if it started one. Arnold recommended pushing the establishment of a PAC until after the renewal.

12. Marketing Update

Davison provided an update on travel trade efforts and key marketing initiatives. He also reported out on paid, earned and owned media results. He noted that the paid media campaign will start to really build in March.

Public Comment – None.

Committee Discussion.

ADJOURNMENT

ACTION: Moved by Pearce/Arnold to adjourn at 1:10 pm.