



MINUTES

Visit SLO CAL Executive Committee

Visit SLO CAL Executive Committee Meeting Minutes

Thursday, March 14, 2019

11:30am

The Kinney

1800 Monterey St, San Luis Obispo, CA 93401

1. CALL TO ORDER: Clint Pearce

PRESENT: John Arnold, Mark Eads, Aaron Graves, Jay Jamison, Clint Pearce

ABSENT: None

STAFF PRESENT: Chuck Davison, Brendan Pringle

Call to Order at 11:36 am.

2. PUBLIC COMMENT (On Non-Agenda Items)

None.

ANNOUNCEMENTS

Davison asked the Committee to save the date for Visit SLO CAL's Destination Summit (formerly the Tourism Exchange) on May 9, 2019, 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 February 21, 2019 Executive Committee Meeting Minutes

4. Approval of January 2019 Visit SLO CAL Financials

Public Comment – None.

Committee Discussion. Davison requested a minor clarification to the Minutes (see revised minutes [here](#)).

ACTION: Moved by Arnold/Eads to approve the Consent Agenda with noted change.

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

CEO REPORT

5. CEO Report

Davison reviewed U.S. Travel's Travel Trends Index for January 2019 and January 2018. He provided an update on the AMGEN Tour of California, noting that Visit SLO CAL has finalized its agreement with AMGEN for sponsorship of the 2019 Tour of California. One stage will finish in Morro Bay on May 15, 2019 and another will start in Pismo Beach on May 16, 2019. Visit SLO CAL has a planning call with race organizer AEG to discuss route alternatives to Highway 1 in the event of a closure. The Committee viewed Visit California's ad, featuring Morro Bay and Pismo Beach, which they will be using as part of their sponsorship of the race. Visit SLO CAL is developing its IPW sponsorship activation with Visit California and will have a planning call next month to discuss details. It has also created a co-op opportunity for individual communities to leverage this activation. Travel Paso and Pismo Beach CVB have opted in to this co-op, and San Luis Obispo's board is considering opting in to it as well. Davison reported out on local meetings and outlined on his travel schedule for the months ahead.

Public Comment – None.

Committee Discussion.

BUSINESS ITEMS

6. TMD Renewal

Davison referenced the proposed changes to the draft Management District Plan, which includes a 1.5 percent assessment and 10-year term. He noted that additional changes, including removal of the ACH requirement and changes to the Advisory Committee structure would be forthcoming for review and approval at the Board meeting, at the direction of the Executive Committee. Visit SLO CAL has had further discussions with city managers and the CAO regarding their proposed revisions to the Advisory Committee structure and their request of Visit SLO CAL during future TOT/tax increases. Davison reviewed those proposed changes with the Committee. As a follow up to the January 31, 2019 meeting of the city managers and CAO, Davison reached out to Paso Robles City Manager Tom Frutchey (original requestor) for more detailed feedback, and circulated his proposed changes with the city managers and CAO for consideration. Frutchey proposed that each city's appointed Visit SLO CAL Board Liaison should meet with their City Manager monthly (Executive Committee members) or bi-monthly (Board members) prior to the Visit SLO CAL meeting after the agenda is distributed to discuss the agenda items and solicit any input the City Managers might have, which would be shared with the Board (or Executive Committee). The current Advisory Committee structure and format would be altered at the City Managers' request. The future Advisory Committee would consist of two or three city managers and/or the CAO, and two or three mayors and/or county supervisors, appointed by each respective group, and representative of countywide geography and community size. The Committee would meet quarterly in a roundtable format with the Board or Executive Committee, one hour prior to the Board or Executive Committee meeting to provide feedback on Strategic Direction 2020 (SD2020) work over the past three months, discuss key areas of work on SD2020 over the next 3-6 months and weigh in on how those items will impact the community. The results of those meetings would be emailed out to all County/City representatives so that they can share the outcomes with the stakeholders in their own cities and the other cities. Davison noted that he would still continue to present at City Manager meetings every six months and would be available to meet with the mayors upon request. Jim Lewis, Pismo Beach City Manager, had asked what action the Advisory Committee could take to alert or correct the Board if they had serious concerns with Board actions. Ultimately, the group would be voicing those concerns and making recommendations to the Executive Committee or Board when they met with them. The Executive Committee or Board would then take those recommendations under consideration.

Davison also noted that Morro Bay City Manager Scott Collins offered more detailed feedback on the city managers'/CAO's request for lodging partners to tolerate a potential increase in TOT or other tax. His recommendation, accepted by the other City Managers and CAO, was that Visit SLO CAL would support or, at a minimum, stand down in the event that an individual city or the County wanted to pursue a 1 percent increase in TOT or a tax increase to support needed infrastructure improvements that will support the tourism industry and/or DMS recommendations in the coming years. During Visit SLO CAL's petition signing process for the renewal of the TMD, they would ask that Visit SLO CAL encourage lodging owners to also support or, at a minimum, stand down in the event an individual city/county wants to pursue this increase. Additionally, Tom Frutchey recommended that, in his case, he would want Visit SLO CAL to weigh in privately with the city on the impact that undertakings by the city, including a change to TOT or the tax structure, might have on tourism in advance of them making a decision.

Visit SLO CAL received feedback from Tom Frutchey and Jim Lewis on the scope of the ROI study, which was shared with Tourism Economics. Tourism Economics is doing its best to include all requests in the outcome of the study. Frutchey and Lewis reviewed and approved the revised scope on behalf of the city managers and CAO. Visit SLO CAL has signed the agreement and data collection has begun. Davison outlined the four main parts of the study: 1) Discussion of market share trends in SLO CAL, 2) Discussion of Visit SLO CAL efforts and results (ROI), 3) Benchmarking of DMO budgets, and 4) Increased funding scenario development and economic impacts. High-level feedback on items 2 and 4 are set to be delivered prior to the March 28 Board Meeting, and the final report is due late April. Davison reviewed the next steps of the TMD renewal process.

Public Comment – None.

Committee Discussion.

ACTION: Moved by Graves/Arnold to recommend that the Board consider the terms of the renewal, including a 1.5 percent/10-year term and that the structure of the Advisory Committee stay the same, but to change the meeting structure to a roundtable format, and have the meeting scheduled before the upcoming Executive Committee or Board meeting, twice a year.

Motion carried: 5:0

7. Destination Management Strategy Update

Davison provided a progress update on the Destination Management Strategy (DMS). Feedback from the Visioning Workshops is being developed into high-level draft recommendations, which Visit SLO CAL will receive on March 21, 2019. These recommendations will be presented by Resonance for review by the Steering Committee on March 27, 2019 and subsequently for review by the Visit SLO CAL Board on March 28, 2019. Davison outlined the next steps on the DMS planning process timeline. Visit SLO CAL is going to build in funding in the FY2019/20 budget for the recommendations, but won't know by that time what items the Board will want to activate until it offers guidance at the May meeting.

Public Comment – None.

Committee Discussion.

8. Short-Term Rental Housing Impact Research

On February 25, Visit SLO CAL hosted a meeting with Jim Hamilton and Justin Cooley (County of San Luis Obispo); and Shirley Lyon (See Lyon Beach Rentals), Toni Legras (Beachside Rentals) and Cheryl Cuming (CBID). The main item on the agenda was to receive a better understanding of the County's Nexus study regarding the proposed residential vacation rental impact fee. Visit SLO CAL has reviewed the proposal and contract for this study, which is based on a San Diego impact fee that was later appealed, and has requested feedback from the County on its concerns. Visit SLO CAL has been asked to participate in a stakeholder meeting the week of May 6, 2019 on this item, as the County looks to "prepare a nexus study to determine the appropriate fee amount based on market conditions." Visit SLO CAL has also responded to this study by soliciting a proposal on behalf of the vacation rental industry from Beacon Economics, the same respected economists who present at the Central Coast Economic Forecast, to "highlight if a nexus between STRS and workforce housing exists." This would be a non-biased study. Information from the survey would be available at the community level. Davison noted the cost of the study, and said that if it was approved by the Executive Committee, Visit SLO CAL would meet with the County in advance of the Board meeting to update them on its plan of action and seek input. Davison also noted that the study would provide a direct benefit to vacation rental stakeholders.

Public Comment – None.

Committee Discussion.

ACTION: Moved by Arnold/Jamison to recommend that the Board consider allowing the President & CEO to begin contract

negotiations with Beacon Economics for a study to determine if a nexus exists between short-term rentals (STRs) and workforce housing.

Motion carried: 5:0

9. 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.

Public Comment – None.

Committee Discussion.

ADJOURNMENT

ACTION: Moved by Graves/Jamison to adjourn at 1:04 pm.