

Paso Robles Tourism Improvement District 2023-24 Annual Report

Submitted to the City of Paso Robles by Paso Robles Destination, DBA Travel Paso, pursuant to Streets and Highways Code section 36650 for the period from July 1, 2023, through June 30, 2024



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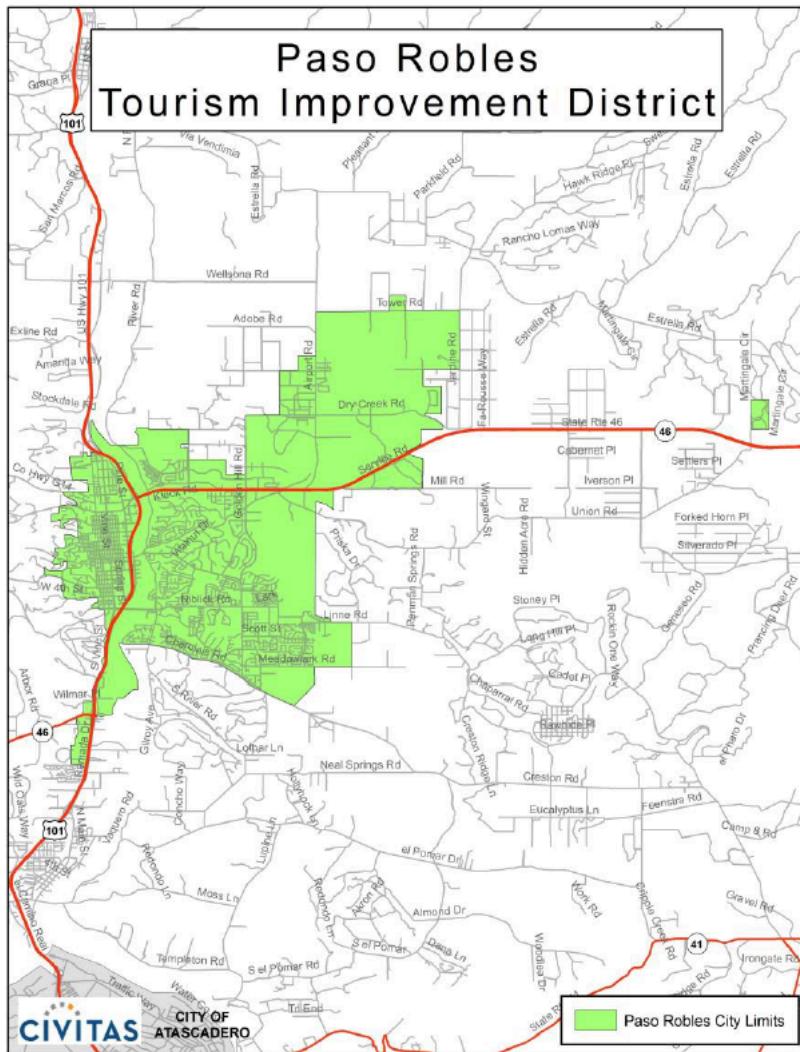
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BOUNDARY

The Paso Robles Tourism Improvement District (PRTID) includes all lodging businesses, existing and in the future, available for public occupancy within the boundaries of Paso Robles.

As used herein, lodging business means: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed located, campground, recreational vehicle park, or other similar structure or portion thereof.

The boundary, shown in the map below, currently includes 438 short term vacation rental listings, 525 sites in RV Parks, and 1,462 hotel rooms.



IMPROVEMENTS AND ACTIVITIES

The improvements and activities provided in FY2023-24 were consistent with the approved PRTID Management District Plan. Assessment funds were spent on specific benefits conferred or privileges granted directly to the payers that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the PRTID funds are marketing, sales, communications, and visitor services programs available only to assessed businesses, which are designed to increase room night sales and revenue therefrom. A description of the activities for the year of operation is below; similar activities are proposed for FY2024-25.

Marketing, Sales and Communications

Travel Paso developed and executed a marketing program that promoted assessed businesses and the region as a tourist, meeting and event destination. The overall goal of the marketing program is to promote Paso Robles as a desirable place for overnight visits and increase the stays and room night sales at assessed businesses. The FY 2023-24 marketing program included the following activities:

- Continuous development and maintenance of the website, which was designed to promote assessed businesses and the destination
- Integrated content calendar to coordinate all owned marketing channels
- Digital marketing, including advertising and social media, increased awareness and consideration among visitors and optimized website presence, which resulted in driving overnight visitation and room sales to assessed businesses
- Building out an asset library with curation of seasonal images and videos with a focus on key target audiences to promote the region and assessed businesses
- Print and digital ads in magazines, partner websites, YouTube ads, social media ads, Google Search and Display ads, and billboards that targeted potential visitors to drive overnight visitation and room sales to assessed businesses
- Travel trade shows like IPW to meet with operators, buyers and media to promote travel to the destination.
- Media shows like IMM to meet with journalists to promote travel to the destination.
- Meeting planner shows like CAL SAE and Smart Meetings to promote the destination as a location for corporate meetings and retreats.
- Familiarization group and single attendee tours were planned to introduce members of the media world to the community and its businesses.
- Lead generation activities (i.e. giveaway sweepstakes, event collaborations and social ads) designed to attract tourists and group events to assessed businesses
- Marketing Committee meetings to plan and coordinate tourism promotion efforts for assessed businesses
- The Wine Tasting event Savor Paso in San Jose was organized alongside Paso Robles Wine Country Alliance to promote Paso Robles in a major market.
- Event sponsorships through Concorso Italiano and San Diego Wine and Food Festival, and the Paso Robles Wine Country Alliance's road show in Denver were orchestrated to promote the destination in other markets.

Administration and Operations

Solterra Strategies managed day-to-day operations, leading Travel Paso's marketing programs, stakeholder outreach and organization management duties. The Board of Directors extended the Solterra Strategies contract for a three-year agreement (July 2023 – June 2026).

City Collection Fee

The City of Paso Robles retained a fee to cover its actual costs of assessment collection and administration. This fee is 2.5% of the assessment. It is collected monthly and deducted from the assessment total before remittance to Travel Paso.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments or higher than anticipated program costs, if any. Up to \$250,000 may be retained in the contingency/reserve fund; when the fund is at that balance, this line item will be re-allocated to programs. If near the expiration of the PRTID there are contingency funds remaining, and assessed business owners wish to renew the PRTID, the remaining contingency funds may be used for renewal costs. The contingency/reserve portion of the budget may also be utilized for expenditures relating to unforeseen circumstances, including but not limited to those arising out of natural disaster, pandemic, or economic crisis. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of the reserve fund shall be set by TP. The reserve fund may be spent on programs described in this Plan in any proportion deemed appropriate by TP.

This is quoted from the Paso Robles Tourism Improvement District Management Plan

COST

2023-24 Budget and Actuals

The cost of providing improvements and activities for FY2023-24 is consistent with the Management District Plan. During the June 2023 budget planning, the Board of Directors cautiously planned for the need for increased efforts to promote travel to Paso Robles, and potentially seeing a drop in TOT. The Board of Directors reviews financials monthly with a semi-annual review of the budget to assess and reallocate the budget. The categories below reflect the projected and actual expenses budget for FY2023-24.

Expense Categories	Budget	Actual
Organizational Management	\$272,862	\$299,900
Community Support and Memberships	\$182,718	\$181,900
Trade and Sales Outreach	\$91,137	\$160,150
Research	\$0	\$0
Digital Marketing	\$705,554	\$842,600
Advertising and Media Buys	\$222,983	\$228,000
Communications	\$150,169	\$156,300
Brand Identity	\$359,857	\$252,000
Totals	\$1,985,280	\$2,187,100
City Fee	\$45,261.67	\$45,467.22

NOTE: The 2.5% City Fee is automatically deducted from the assessment revenue remitted to Travel Paso monthly.

Revenue Categories	Budget	Actual
Carryover FY 2020-2021	\$0	\$0
TBID Income	\$1,773,222	\$2,120,000
Co-Op Income	\$12,709	\$0
Unrealized Gains/Losses	\$24,535	\$0
Totals	\$1,810,467	\$2,120,000

2024-25 Projections

The draft revenue projection for FY2024-25 is \$2,120,000. While the demand for travel is high, the uncertainty of recession looms, the Travel Paso Board of Directors have put together a projected budget reflecting an 0% increase from the FY2023-24 actual revenues.

ASSESSMENT

The annual assessment rate is 2% of gross short-term room rental revenue. Based on the benefit received, the assessment is not collected on: stays of more than 30 consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and complimentary room stays.

The term “gross short-term room rental revenue” as used herein means: the consideration charged, whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall include all charges to the transient associated with the occupancy of space in a lodging business, including room rental rates, booking fees, cleaning charges, resort fees, and other similar costs. However, gross short-term room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to customers. The amount of assessment, if passed on to each customer, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each customer shall receive a receipt for payment from the business. The assessment shall be disclosed as the “PRTID Assessment.” The assessment is imposed solely upon, and is the sole obligation of, the assessed lodging business even if it is passed on to customers.

The assessment may be increased by the Travel Paso Board with the consent of City Council to a maximum of 3% of gross short-term room rental revenue. The maximum increases or decreases in any year shall be 0.5%.

Penalties and Interest

The City shall be responsible for collection of delinquent assessments. The PRTID shall reimburse the City of Paso Robles for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent PRTID assessment are sought to be recovered in the same collection action by the City, the PRTID shall bear its pro rata share of such collection costs. Assessed businesses that are delinquent in paying the assessment shall be responsible for paying:

1. Original Delinquency: Any lodging business that fails to remit any assessment imposed

within the time required shall pay a penalty of 10% of the amount of the assessment in addition to the amount of the assessment.

2. Continued Delinquency: Any lodging business that fails to remit any delinquent remittance on or before 30 days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of 10% of the amount of the assessment in addition to the amount of the assessment and the 10% penalty first imposed.
3. Fraud: If the City determines that the nonpayment of any remittance due is due to fraud, a penalty of 25% of the amount of the assessment shall be added thereto in addition to the penalties stated in earlier paragraphs.
4. Interest: In addition to the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of 1% per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. Penalties Merged with Assessment: Every penalty imposed and such interest as accrues under these provisions shall become a part of the assessment required to be paid.

Surplus/Carryover

The budget expense projection for FY2023-24 was surpassed by \$174,813. The choice to use excess funds from Travel Paso investments was made by the board of directors to invest in digital marketing and other extended efforts in anticipation for the upcoming year's needs to increase travel.

NUMBER OF ASSESSED BUSINESSES

Lodging Type	# Of Active Listings	# Of Rooms
Hotel/Motel	26	1,462
Vacation Rentals	175	438
Bed & Breakfasts	0	0
RV Parks	1	525
TOTAL	202	2,425

This inventory is current through June 30, 2024 – a complete list of names of assessed businesses is on file with the City of Paso Robles Finance Department.

ACTIVITIES

Key Highlights FY2023-24

- Focus of Savor Real California campaign throughout FY2023-24. Campaign focused on inviting visitors to explore the authentic side of Paso Robles through world-famous wineries, breweries, agriculture, distilleries, restaurants, hotels and art.
- Travel Paso extended the content for the Savor Real California campaign by using key images and messaging to the California drive markets to inspire potential visitors.
- Continued to focus on the TravelPaso.com website by educating our businesses to update their listings, building webpage and blog content, seasonal campaign update with new landing pages and microsites, lead generation and adding events and festivals.
- Increased focus on the SEO strategy for the TravelPaso.com website by updating pages with a

focus on evergreen and higher Google ranking content.

- Supported the Paso Robles Wine Country Alliance by partnering with their road show for Denver in October 2023. Travel Paso paid sponsor dollars and created a destination showcase, hosting local craft businesses within a Paso Robles branded booth.
- Attended International Media Marketplace (IMM) in January 2024. This was Travel Paso's fifth year participating in TravMedia's IMM, which is co-sponsored by Visit California. The IMM event has proven successful in planting seeds among major media outlets and the American travel media in general. This event is held in New York. Travel Paso pitched/met one-on-one with nearly 50 different journalists and content creators that we vetted and handpicked in advance. We ensured that we met with key national outlets – as well as key drive market editors, writers and freelancers.
- Attended IPW in May 2024 in Los Angeles. Travel Paso attends this travel trade show in a co-sponsored booth with Visit SLO CAL and other local destinations. With representatives on the trade show floor and in the media marketplace, Travel Paso selected one-on-one appointments with over 20 journalists and over 40 buyers, travel trade and wholesalers in desired markets. This year's location being in California allowed an increased spotlight on the California destinations, which included the California plaza in which Visit SLO CAL had an activation and Travel Paso members volunteered at.
- The Community Event Marketing grant program was awarded for all events in the calendar year of 2024. Travel Paso supported 18 local businesses and events with \$126,500 worth of grants, and 14 local events with in-kind support. The program focused on a spread of categories including community, wine, festivals, cultural, art and equestrian.
- Leveraged third and fourth year of sponsorship for the San Jose Earthquakes, which included logo presence within the stadium and on sponsor materials, special pre-game party and presentation to season ticket holders.
- Began a first year of sponsorship with the San Jose Sharks, which included logo and brand presence throughout the stadium during concerts and hockey games.
- In addition to the sponsorship, Travel Paso and PRWCA partnered on a wine tasting event at PayPal Park. Over 400 consumers attended with 53 vendors pouring and presenting.
- Robust omni-channel marketing push in San Jose and Los Angeles regions during shoulder season to align with partnership activities and drive brand awareness for future travel consideration among key audiences. Billboards, event sponsorships, streaming television and targeted print overlaid an aggressive digital spend.
- Supported City of Paso Robles 4th of July celebration bringing attention to Travel Paso as a positive contributor to the local community beyond tourism dollars generated with a \$25,000 donation.
- Satellite Media Tour in the Spring
- Earned media for FY2023-24 included 6 billion total impressions, 511 stories and broadcasts, and 20 journalists hosted for Travel Paso.
- Key Media Highlights
 - Satellite Media Tour (March 2024)
 - 20 media outlets, 973 TV airings including Coffee with America, Business First AM, California Life – Coast to Coast and Cable Radio Network.
 - Over 11 million final audience impressions with a total ad value of \$622,527.
 - Placements totaled 1,187.
 - *Condé Nast Traveller* (July 2023):

- [This US destination is one of the world's top places for accessible travel](#)
- *AFAR* (July 2023):
 - [The 8 Best Things to Do, Eat, and See in and Around San Luis Obispo](#)
- *Amanda McCrossin* (November 2023)
 - [Instagram](#)
- *San Francisco Chronicle* (December 2023):
 - [Here are California's top places to visit in 2024](#)
- *Forbes* (December 2023):
 - [10 Lesser Known \(Though Still Wildly Exciting\) Wine Regions To Discover In 2024](#)
- *Aol* (January 2024):
 - [10 new travel trends that will shape your vacations in 2024](#)
- *Wine Enthusiast Magazine* (February 2024):
 - [In Paso Robles, Land of Big Reds, Tin City Innovators Chase Lighter Styles](#)
- *The Points Guy* (March 2024):
 - [The best destination wedding locations on the planet for every budget](#)
- *Aol* (March 2024):
 - [Bucket List RV Trips to Take Next Year](#)
- *Marin Living Magazine* (April 2024):
 - [14 Places You Must Visit When In Paso Robles](#)
- *Forbes* (May 2024):
 - [Why This Reborn California Motor Lodge Is A Road Tripper's Dream](#)
- *Los Angeles Magazine* (May 2024):
 - [Wine Lovers Should Take a Road Trip to Paso Robles](#)
- *TODAY* (June 2024):
 - [Looking to hit the road this summer? Here are some road trip ideas!](#)
- *Forbes* (June 2024):
 - [California's Central Coast Is A Cool Summer Destination](#)

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