



**San Luis Obispo County
Tourism Business Improvement District Advisory Board
(CBID)**

Board Meeting Minutes
March 29, 2023, 12:00 p.m.
Cambria Pines Lodge

DRAFT UNTIL APPROVED

SLO CBID Members Present:

Board: Bram Winter, Mike Hanchett, Matt Masia, Laila Kollmann, Gary Setting

County Liaison: CAO Cheryl Cuming, Tessa Cornejo

Absent: Aaron Graves

Guests: Lori Keller, Lori Ritchey, Eric Parker (SLO CAL)

Call to Order

At 12:05pm

Public Comment

Aaron Graves welcomed a new baby, Ellery Jean; photos were shared and the board sent their well wishes to him.

Presentations

None

Administrative Items

Roll Call: Bram Winter, Matt Masia, Laila Kollmann, Gary Setting and Mike Hanchett are present.

Consent Agenda: A motion was made by Mike Hanchett and seconded by Gary Setting to approve the December minutes. With no further discussion, these minutes were approved by a voice vote of the Advisory Board.

Financials: Financials are reconciled through January. Items of note:

- General Fund and BID Bunch expense tracking report \$58,881 for January and \$793,108 YTD.
- YTD collected revenue is \$1,036,430, which is \$325,793 over budget.
- YTD expenses paid are \$793,108, which is \$87,318 under budget.
- Net income is \$775,769, which is \$413,111 more than anticipated.

- Overall cash increased by \$694,355 from June 30, 2022.

Bram asked how everyone was doing. Matt expressed concern that there would be a softening in 2023.

CBID Renewal Sequence of Events: Tessa reviewed the process including ROI on April 18 and public BOS meeting on 5/16. The renewal will be effective July 1, 2023.

Oceans Dunes Scenario Planning: CAO Cuming participated in a 5-hour session on February 6. Resonance's approach is to utilize scenarios to create potential futures with stakeholders. Those stakeholders will be asked to evaluate issues and opportunities that could affect the future of the Oceano Dunes. Post workshop, three scenarios will be refined to present to the community, including an economic impact analysis. Participants were Visit SLO CAL, California State Parks, City of Grover Beach, City of Arroyo Grande, City of Pismo Beach, SLOCOG, CBID, South County Chamber of Commerce, REACH and VACO.

2023 Board Meeting Schedule: The 2023 scheduled meetings were reviewed with the board. The May meeting was moved to May 31 and the November-December meeting was scheduled for December 6.

Upcoming Events/Deadlines

- April 26 and May 31 at Cambria Pines Lodge
- Form 700 is due April 3; all have been filed
- Ethics training needs to be completed by board and CAO

Discussion Items

Marketing & Stewardship Travel for Good

- **Mid-Year Roll Up Report:** Lori Ritchey presented the mid-year report. Matt asked about concerns related to the Highway 1 closure. Bram noted that they handle the guests with reservations. Mike said that the news is quieter this time, perhaps due to other issues happening throughout the state. Laila said guests are enjoying that access is open in the CBID stretch of Highway 1, including Ragged Point, Hearst Castle and the elephant seals. Matt wants to assess if softness is coming and think about what the board can do.
- **Visitor Forecast & Trends:** Lori Keller presented the Visitor Forecast & Trends. Bram commented that ADR will be key, especially if occupancy is soft. Eric Parker noted that there is an increased interest in international groups and journalists. Lori Keller added that remote workers will also continue to travel. In current trends, Lori commented that the CBID is on the forefront with its Stewardship Travel for Good program.

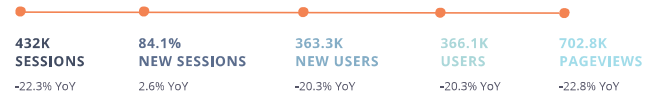
Highway 1 Road Trip

MID YEAR REPORT

JULY 1 - DECEMBER 31, 2022

Website Performance

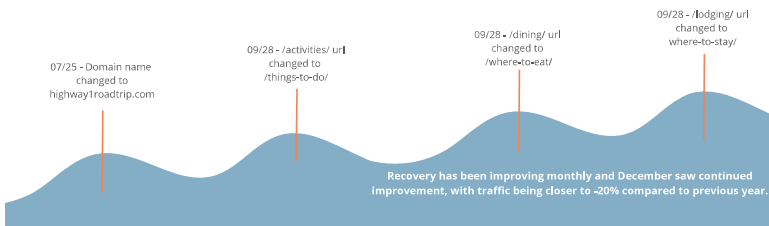
- H1RT continues to **recover from the URL change**. Domain authority was granted to H1DR for almost 10 years. The H1RT brand change occurred and we are still building authority for the domain.
- H1RT engagement metrics are **improving**. Traffic from paid advertising channels will always decrease engagement numbers and this is normal behavior with the exception of Paid Search.
- Overall, the website continues to **perform** and is meeting the strategic objectives outlined by the BID bunch.



SEO Summary

We executed the **largest technical change** to the site during this time period. It was expected that these changes would have near-term *negative* impacts on traffic that we were willing to accept in exchange for long-term strategic improvements.

This time period has been one focused on navigating the recovery from major changes.
 07/01 - 07/24 (Prior to Changes) | SEO Traffic was Up +17% Year Over Year
 07/25 - 12/31 (Post Changes) | SEO Traffic was Down -38% Year Over Year

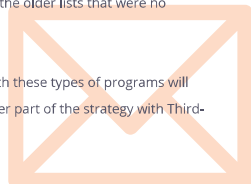


Content Development



Email Summary

- Lead Generation: **Added 31,251 new contacts** where **27,960 remain subscribed**
- Both Open Rate and Click Rate have continued to rise and are trending in the correct direction. This is a result of a **higher quality audience**, coupled with weeding out the older lists that were no longer active with H1RT content.
- Our **map acquisition strategy has worked** well and continuing with these types of programs will prove valuable as First Party Audience marketing becomes a stronger part of the strategy with Third-Party Cookies and Advertising reducing in value.



Paid Media

Paid media is driving the highest % of all site visitors ever to the website (56%)

BEST PERFORMERS

As has been the case for 2 years, Social and SEM continue to be the clear winners in performing above the campaign average for the most metrics.

SOCIAL

1st lowest CPE - \$0.09
 3rd highest CTR - 1.94%
 2nd most clicks and impressions - 125K / 6.4M
 2nd lowest CPC - \$0.37

SEM

1st highest clicks - 204K
 2nd highest CTR - 5.45%
 Discovery ads had the lowest CPC - \$0.28

NATIVE

Native contributed to keeping CPM's low, with \$3.22 on high volume of over 7m impressions.

VIDEO

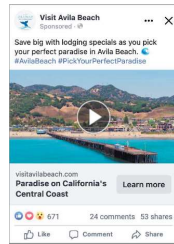
Video had a very strong CTR at 2.57%.

SE GATE MINI-STORY

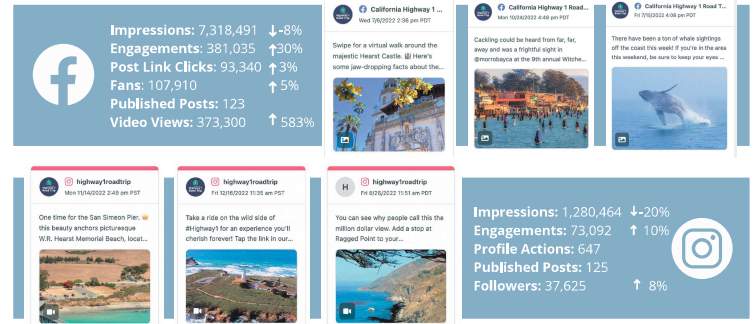
had the highest number of Engagements of any story to date at 11.2k

LFA Program Results

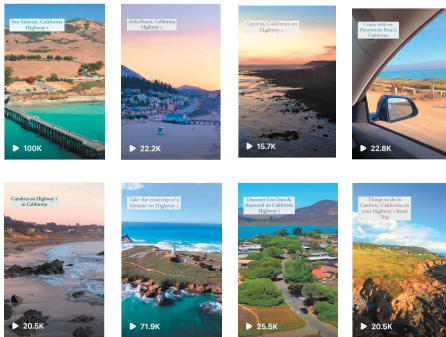
- Avila Beach, San Simeon, Oceano/Nipomo, Cayucos and Los Osos all ran Social in the July-Dec '22 timeframe.
- The LFA's **performed better** than the regular CBID program with all front end metrics and **exceeded their results** from the same period last year.
- Budget spent to date: \$11,000 Budget **remaining: \$108,700.**
- 1.4m impressions** were served in total, generating 40k clicks and 60k engagements, a 2.74% CTR, \$.28 CPC, \$9.49 CPM and \$.14 CPE.
- Avila Beach** was the top performer in highest CTR - 6.37%, lowest CPC - \$.22, and lowest CPE - \$.11.



Social Media



Video / Photography

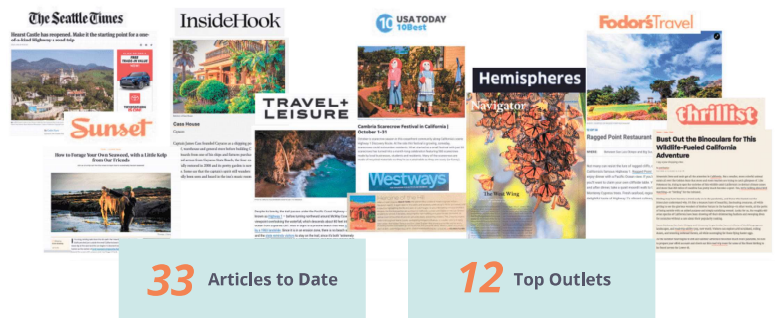


We have transitioned to creating raw footage which has really impacted our social media efforts.

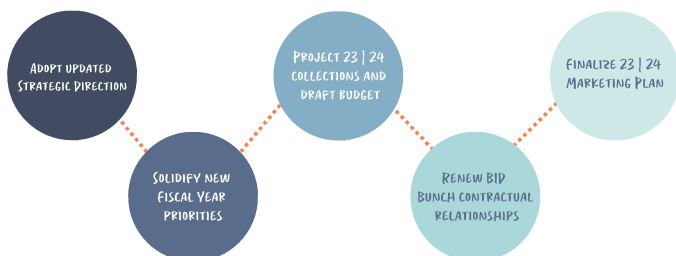


The raw footage enables us to create authentic reels, and collaborate with LFAs to maximize exposure and reach.

Public Relations Efforts



What's Next?



Questions?

Visitor Forecast & Trends

Tourism Economics - Economic Assumptions



MILD RECESSION

Anticipating a mild recession in 2023 driven by elevated prices and weaker corporate earnings that are expected to cause a retrenchment in consumer spending, business investment and hiring.



OCCUPANCY

Projecting .2% increase in overall occupancy to 67.6% and \$4 increase in RevPAR to \$137.



VISITOR GROWTH

Increase in visitor growth is expected to be primarily international.



VISITOR SPENDING

Visitor spending anticipated to grow 4.5%.

Economic assumptions are based on Oxford Economics' October US Outlook (released October 13, 2022)

Expedia Traveler - Sentiment Research

Business & International Travel Trends

- Travel demand is **continuing to increase** - 46% of consumers said travel is more important to them now than it was pre-pandemic.
- The amount people traveling is also increasing: 79% say they plan to take a leisure trip in the next year, up from 76% just a few months prior, with the average person saying they plan to take two leisure trips.
- Travelers are less concerned with health and cleanliness now than they were previously.
- Lower prices are now more of a priority** than minimizing exposure to Covid.
- Exceptional experiences are seen as being worth the price of travel.
- The top three priorities for travelers when booking travel are:**
 - Pricing
 - Ability to get a full refund
 - Flexible cancellation policies



50% of consumers say they are likely to *travel internationally* in the next 12 months or have already booked a trip. (In mid-2020 only 12% of people had the same travel plans.)

One third of consumers said they're planning a *business trip*. With this growth in business travel, we're also seeing the return of "*bleisure*" (extending a work trip) and "*flexcations*" (remote work extended stays).



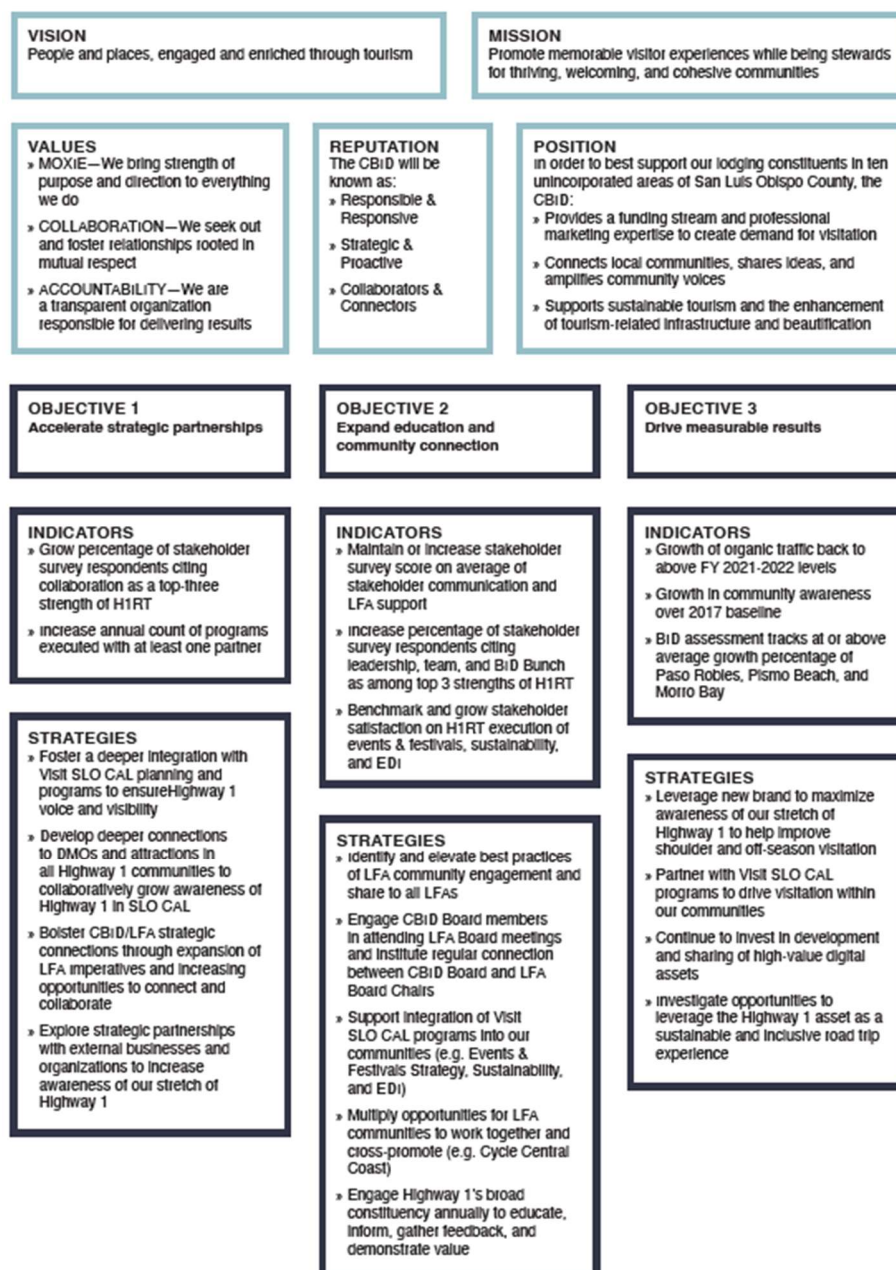
Inclusion & Sustainability

- Nearly eight out of ten (78%) people** say they have made a travel choice based on promotions or ads they feel represent them through messaging or visuals. For millennials, that figure is even higher — 84% have made a travel choice based on representation in advertising.
- 90 percent of consumers are looking for sustainable options** when traveling and say they are willing to sacrifice convenience and comfort if they know they are making decisions that are ultimately better for our planet.
- Types of **sustainability information** consumers want to see during their trip planning process.
 - Recommendations for *locally owned businesses/restaurants*
 - Information on how to best *engage with local cultures and communities*
 - Transportation options* with lower environmental impact
 - Environmentally conscious* lodging/accommodations
 - Recommendations for *destinations that support indigenous cultures and heritages*

Thank you!

Strategy/Ideation Topic

- **Visioning Outcomes & Strategic Direction:** CAO Cuming walked the board through the presentation:
 1. Strategic planning process overview
 2. Strategic perspectives - Laila asked for more detail about “confusion lingers over the role of the CBID and LFAs” and expressed concern that it persists. Gary suggested further education for the general constituents.
 3. Vision, Mission, Values - CAO Cuming noted changes and acknowledged that it remains consistent with the prior framework.
 4. Reputation and position
 5. Objectives, strategies, and measurement indicators



Lori Keller spoke to the development of strategic partnerships document, expanding opportunities with Hearst media and LA Times Group. Gary noted that timing will be dynamic and there may be a need for a change in two years. He also thinks the vision, mission, values, reputation and position are established and make sense to remain the same; he believes the real work is in the objectives. Matt said it was status quo and CAO Cuming confirmed that there are evolved strategies and indicators focused on the future. Laila asked about the takeaway and Lori Keller said it's that the LFA focus will continue.

Lori Keller reviewed the Strategic Plan alignment details. For Visit SLO CAL, they include continuing to build on the House of Brands marketing strategy; increasing share of voice through integrated storytelling efforts; developing a holistic approach to promoting SLO CAL as an authentically sustainable destination; developing a sustainable tourism strategy for SLO CAL; building awareness and deepening engagement of investors, partners and stakeholders; building local understanding of the positive impact of tourism; and advancing efforts to educate, inform, and collaborate with investors, partners and stakeholders. For Travel Paso, the goal is to strengthen collaboration within the local ecosystem, including PRWCA, City of Paso Robles, Paso Robles Chamber of Commerce, regional DMOs and other partners.

Action Items

Strategic Direction 2023-2027:

A motion was made by Gary Setting and seconded by Mike Hanchett to accept the new Strategic Direction. With no further discussion, it was approved by a voice vote of the Advisory Board.

Projected Assessment Collections for 23 | 24 Fiscal Year:

CAO Cuming reviewed that the CBID 1% portion of the 2% assessment for 22 | 23 actuals will be \$1.477-1.5 million and recommending looking to budget the new fiscal year at flat to these actuals. The anticipated carryforward is \$525,000, which includes \$125,000 reserve, \$100,000 contingency, and \$300,000 excess. The recommendation is to invest \$150,000 of excess into the new fiscal year at a total budget of \$1,630,000. Bram said he thinks rates will continue to be a driver. Matt noted that Paso anticipates a 2% increase. Laila said the City of SLO is also projecting 2-2.5%. Mike asked about the possible downsides, and it was noted that the spending can be adjusted if needed; the reserve, contingency and carryforward provide a buffer. Gary said that some months have seen a large fluctuation, notably August and December.

A motion was made by Gary Setting and seconded by Mike Hanchett to plan on a 2% increase above 22 | 23 actuals as the proposed 23 | 24 draft budget. With no further discussion, it was approved by a voice vote of the Advisory Board.

Local Fund Board Members

EV/AGV - Karen Reed, new: A motion was made by Mike Hanchett and seconded by Gary Setting to approve Karen Reed. With no further discussion, the motion passed by a unanimous voice vote.

Cambria - Greg Pacheco and Jim Bahringer, renewals; Oceano/Nipomo - Linda Austin and Kevin Beauchamp, renewals: A motion was made by Mike Hanchett and seconded by Gary Setting to approve all four renewals. With no further discussion, the motion passed by a unanimous voice vote.

Local Fund Area Applications

None

Closing Comments

Matt asked about the CAO contract renewal and annual evaluation, which will occur later in the year based on the December 31 renewal date.

Bram commented about the potential future involvement with AI and encouraged us to look into how this may impact tourism marketing. CAO Cuming noted that the BID Bunch is looking at the impact of AI and that it will be integrated into our marketing plan.

Future Agenda Items

- 23 | 24 Budget & Marketing Plan (May and June)
- BID Bunch: Paid Media Plan from Ann and Social Media focus with John & Claudia (June)

Adjournment

The meeting was adjourned at 1:43pm