

Unincorporated San Luis Obispo County Tourism Business Improvement District: FY 2024-2025 Annual Report

Published: September 2025

Introduction

The following outlines the FY 2024-2025 annual report for the Unincorporated San Luis Obispo County Tourism Business Improvement District (SLOCTBID) pursuant to the 2009 Ordinance No. 3177 forming the San Luis Obispo County Tourism Business Improvement District, in accordance with the provisions of the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code section 36500 et seq., fixing the boundaries, providing for levy of a 2% business assessment on all lodging businesses (hotel, motel, bed and breakfast, and vacation rentals) within the boundaries of the District.

Fifty percent (50%) of the proceeds of the lodging business assessment are spent for marketing and visitor initiatives, including our award-winning Stewardship and Sustainability program, to promote the regional tourism effort known as Highway 1 Road Trip. The other fifty percent (50%) of the proceeds of the lodging businesses assessment is used to promote tourism in the Local Area in which the funds are collected. These funds support programs that include beautification and infrastructure projects, the creation and support of local events and festivals, as well as out-of-area tourism marketing and promotion.

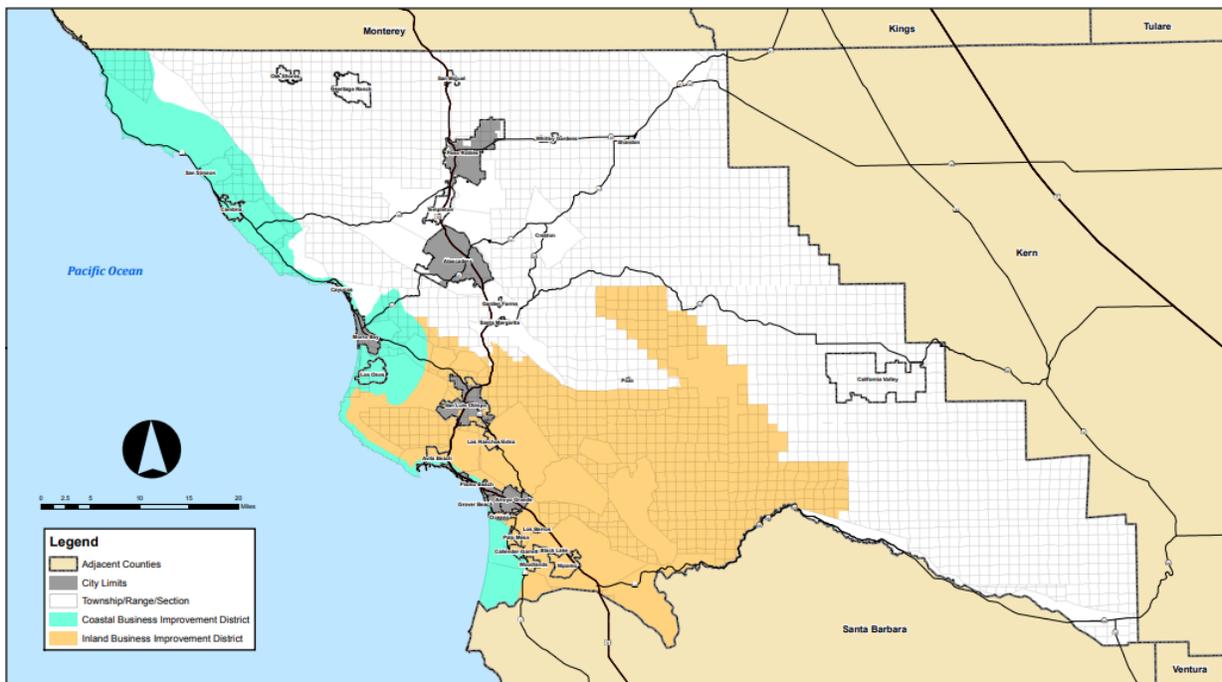
District Boundaries

The boundaries of the SLOCTBID include properties in the unincorporated boundaries of the County of San Luis Obispo located within the North Coast, Estero, San Luis Bay Coastal, and South County Coastal planning areas set forth in the Land Use Element – Circulation Element of the San Luis Obispo County General Plan and within the San Luis Bay Inland, South County Inland, Los Padres, Huasna-Lopez and San Luis Obispo planning areas as set forth in Title 22, Chapters 22.106, 22.112, 22.100, 22.96, and 22.108 respectively.

The unincorporated areas of the SLOCTBID have been designated as:

- Avila Beach
- Edna Valley/San Luis Obispo unincorporated/Arroyo Grande unincorporated
- Cambria
- Cayucos
- Los Osos/Baywood Park/Morro Bay Unincorporated
- Nipomo/Oceano
- San Simeon/Ragged Point

San Luis Obispo County Business Improvement District Map



Within the FY 2025 2026 there are currently no proposed changes in the boundaries of the improvement district.

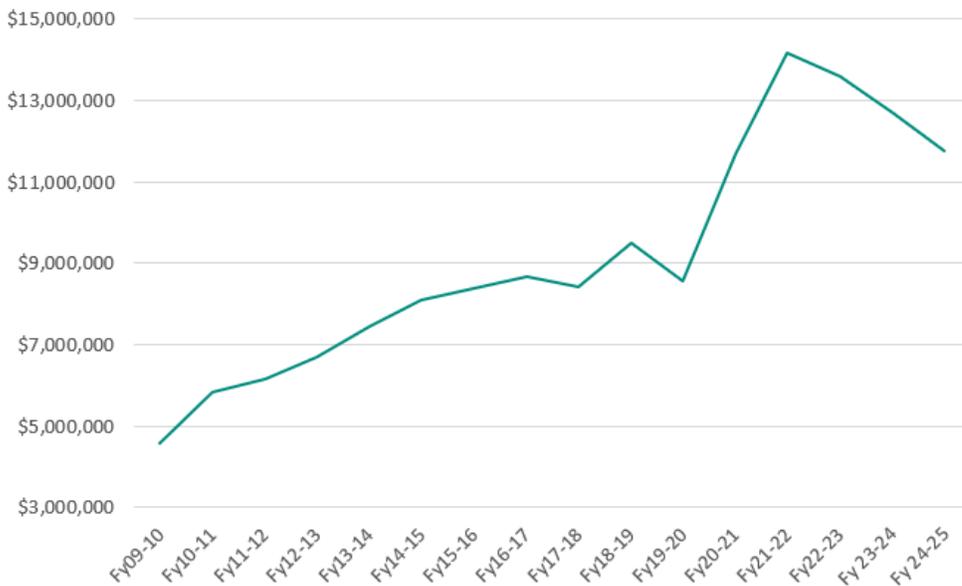
2024-25 Activities & Improvements

The purpose of the District is to provide revenue to defray the costs of services, activities and programs promoting tourism which will benefit the operators of lodging businesses in the District through the promotion of scenic, recreational, cultural and other attractions in the District as a tourist destination.



Over the past 15 years, the CBID (County Business Improvement District) has strategically invested in programs designed to increase regional awareness and tourism. Marketed to consumers as the Highway 1 Road Trip, the CBID’s nearly 800-page website now serves as the primary source of travel information for more than 1.4 million potential visitors each year. Despite a nominal increase in lodging supply (1 new 9-room hotel), the unincorporated areas supported by the CBID have seen significant growth in transient occupancy tax (TOT), as well as a sustained growth rate of 51% from 2018 - 2024.

CBID TOT COLLECTIONS 2010-2025



157%
Growth over 15 years
since inception



Key Accomplishments

- Maintaining the largest guest database of any destination marketing organization in the county - 150,000 potential visitors
- Delivering national media coverage through robust public relations efforts with 65 published articles within the last 12 months
- Leading sustainable tourism initiatives since 2011 through the award-winning Stewardship Travel for Good program
- Supporting consistent "Open for Business" messaging via the Highway 1 Road Conditions page

- Launching new branding efforts that significantly boosted awareness (including a map download feature that generated 92% intent-to-visit)
- Expanding reach through Local Fund Area (LFA) cooperative programs, which extend paid media opportunities to individual communities

Local Tourism Achievements

The assessment helps generate funds to support the promotion of community-specific initiatives. Over the years, each participating community has used these funds to invest in marketing efforts to drive visitation; sponsored more than 200 local events like Harvest on the Coast, Scarecrow Festival, Eroica, and more. In addition, it has funded nearly 70 infrastructure projects—totaling close to \$360,000 across 10 communities. These projects have included improvements such as the Cayucos Veterans Hall restoration, First Street Bridge beach access, Piedras Blancas lens enclosure preservation, Whale Trail signage, Western Monarch Trail signage, the San Simeon Visitor Center kiosk, gateway signs, and many more.

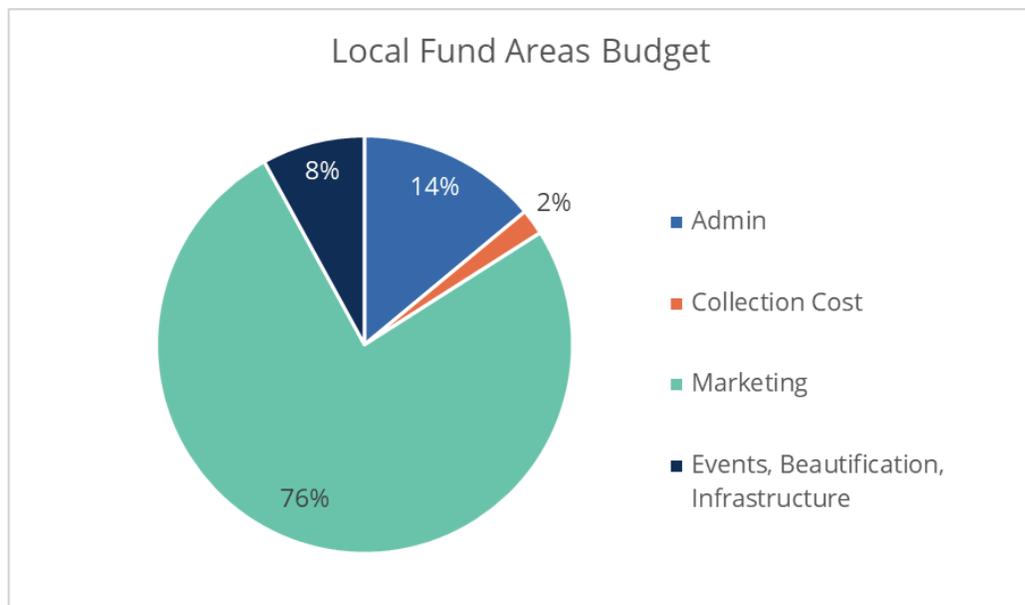
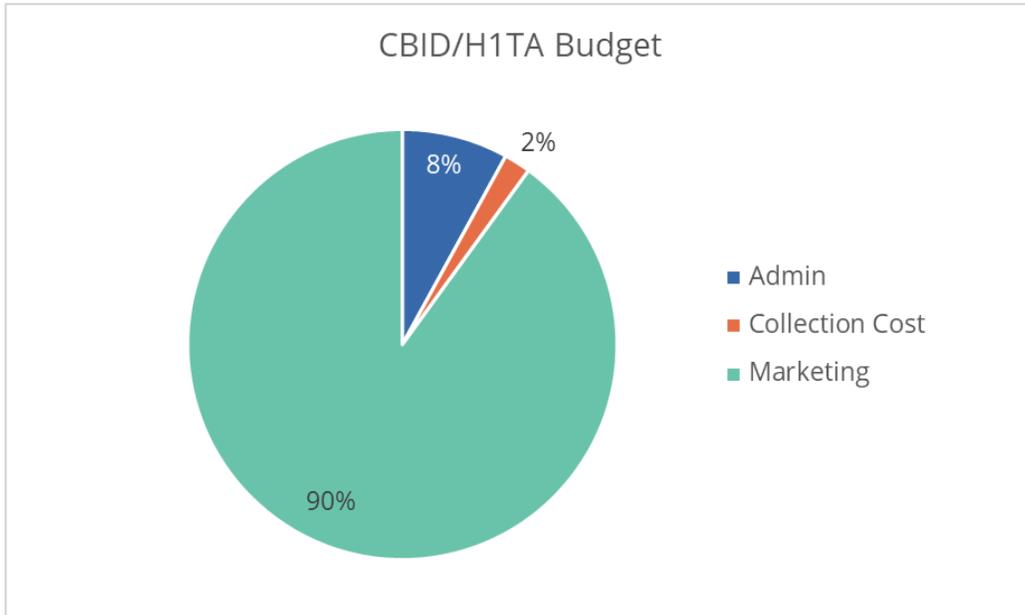
For more in-depth information, please refer to the [members' portal](#) to view the [Year End Report](#), as well as the Annual Marketing Plans and Reports:

- [2024-2025 Marketing Plan](#)
- [2024-2025 Summary Report](#)
- [2024-2025 Marketing Report](#)
- [2025-2026 Marketing Plan](#)



2024-2025 Expenses

The organization reinvests 90% of assessment funds directly into marketing programs that benefit local tourism. The charts below represent how the assessment monies were invested in the 2024-2025 fiscal year. Refer to the Income Statement and Balance Sheet for further details.





2025-2026 Budget

H1 Tourism Alliance 2025 2026 Budget DRAFT (as of 4/16/2025)	
<u>Projected Expenses</u>	Budget
LFA Imperative and Strategic partnerships	\$63,000
Strategy, Planning, BID Bunch mngmnt, Reporting	\$56,000
Media	\$634,800
Content Curation and Management	\$73,560
Earned Media	\$138,000
Owned Media	\$227,600
Visual Assests, Creative Direction and Travel for Good	\$55,000
Expenses	\$1,247,960
Administration Expenses	\$207,851
Grand Total Projected Expenses for CBID	\$1,455,811
<u>Projected Income</u>	
Projected assessment	\$1,407,750
Additional carryforward needed to cover expenses	\$48,061
Grand Total Projected Income (with portion of carryforward)	\$1,455,811
24 25 Collection Projecitons	\$1,407,750
Anticipated Carryforward into new FY 25 26	\$327,000
Total Marketing + Carryforward + Contg + Reserves	\$1,734,750



Method and Basis of Levying the Assessment

The SLOCTBID shall include all lodging businesses located within the SLOCTBID boundaries. The assessment shall be levied on all lodging businesses, existing and future, within the boundaries of the SLOCTBID based upon two percent (2%) of the paid rent charged by the operator per occupied room per night for all transient occupancies. The assessment shall be collected in monthly installments or such other installments as determined by the collecting agency, based on two percent (2%) of the rent charged by the operator per occupied room per night in revenues for the previous month. New lodging businesses within the boundaries shall not be exempt from the levy of assessment authorized by Section 36531 of the law. Assessments pursuant to the SLOCTBID shall not be included in gross room rental revenue for the purpose of determining the amount of the transient occupancy tax. The value of extended stays of more than thirty (30) consecutive calendar days shall be exempt from the assessment. Other exclusions shall be based on benefit and policies/ordinances of the collecting agency.

Surplus or Deficit Revenues

Please refer to the balance sheet that's included within this report.

Contributions Made from Other Sources

There are no additional contributions made from other sources.

CBID Advisory | Highway 1 Tourism Alliance Board

Aaron Graves (Chair), Everlygrove (Cambria)

Melissa Kurry (Vice Chair), SeeLyon Beach Rentals (Cayucos)

Gary Setting (Past Chair), Sea Pines Golf Resort (Los Osos)

Mike Hanchett, Cavalier Oceanfront Resort and Sands by the Sea (San Simeon)

Laila Kollmann, Shoreline Inn (Cayucos)

Bram Winter, Moonstone Hotel Properties (Cambria)

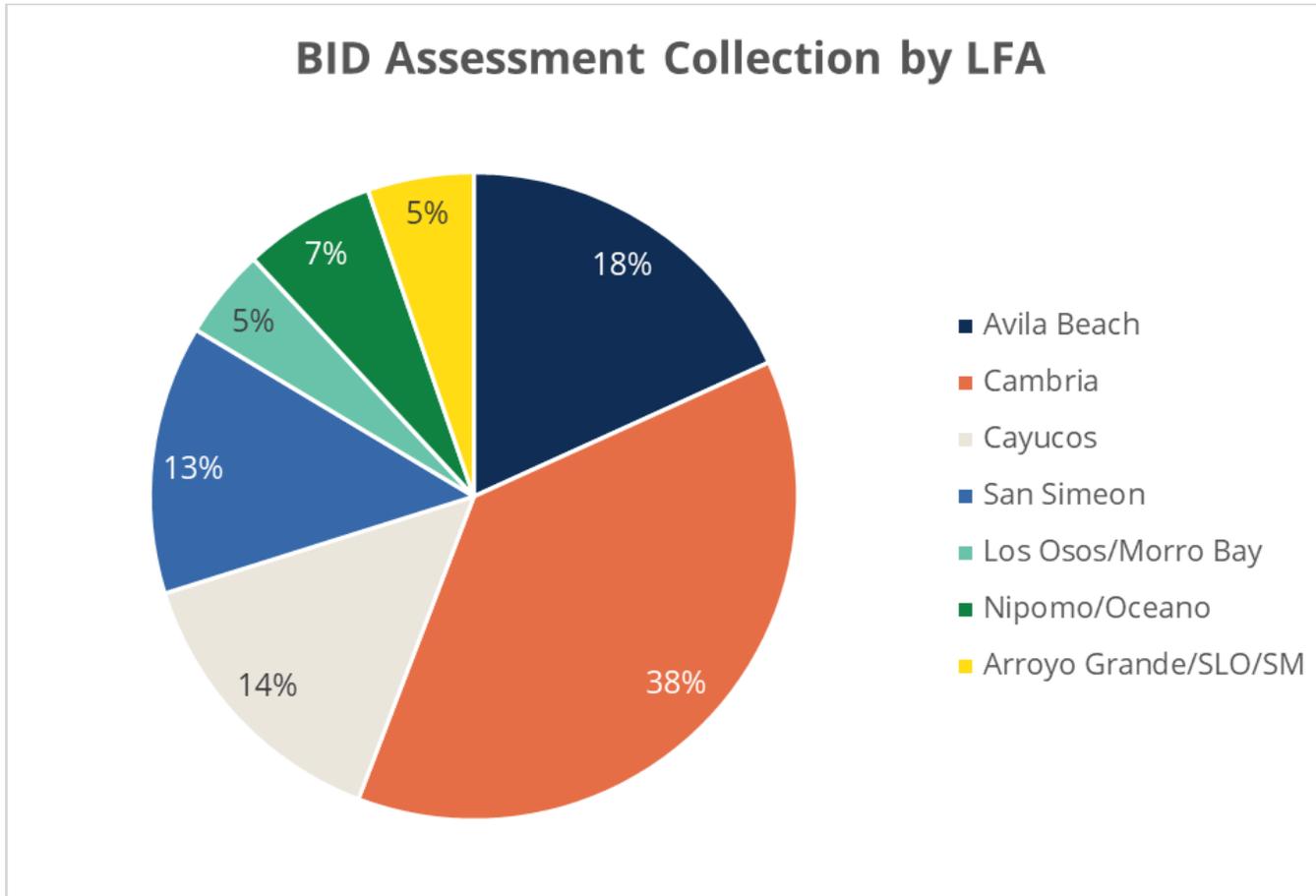
Tessa Cornejo, County Advisor



Income Statement

Highway 1 Tourism Alliance Profit & Loss by Local Area July 2024 through June 2025

	General Fund	Avila Beach (Local Fund)	Cambria (Local Fund)	Cayucos (Local Fund)	San Simeon (Local Fund)	Los Osos/Morro Bay (Local Fund)	Nipomo/Oceano (Local Fund)	Arroyo Grande/SLO/SM (Local Fund)	Total Local Fund	TOTAL
Income										
BID Assessment Collection	1,415,057.85	257,723.12	531,980.71	203,105.81	190,094.00	63,558.86	93,561.91	75,033.18	1,415,057.59	2,830,115.44
Carryforward	488,532.98	321,730.76	243,808.17	653,258.87	524,716.43	34,911.51	112,761.83	76,425.14	1,967,612.71	2,456,145.69
Total Income	<u>1,903,590.83</u>	<u>579,453.88</u>	<u>775,788.88</u>	<u>856,364.68</u>	<u>714,810.43</u>	<u>98,470.37</u>	<u>206,323.74</u>	<u>151,458.32</u>	<u>3,382,670.30</u>	<u>5,286,261.13</u>
Gross Profit	1,903,590.83	579,453.88	775,788.88	856,364.68	714,810.43	98,470.37	206,323.74	151,458.32	3,382,670.30	5,286,261.13
Expense										
Administration	152,089.77	45,792.54	100,109.22	26,184.22	18,559.19	12,453.47	15,233.66	11,785.65	230,117.95	382,207.72
Marketing/Advertising	1,232,095.11	21,925.00	59,210.45	147,201.45	211,790.72	69,100.66	7,500.00	58,583.46	575,311.74	1,807,406.85
Memberships/Sponsorships	0.00	44,295.00	45,000.00	0.00	14,500.00	0.00	0.00	3,100.00	106,895.00	106,895.00
Project Management	0.00	0.00	36,000.00	0.00	0.00	0.00	0.00	0.00	36,000.00	36,000.00
Social Media	0.00	129,835.58	296,031.52	0.00	0.00	0.00	4,973.66	0.00	430,840.76	430,840.76
Stewardship/Sustainability	24,999.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,999.96
Strategy & Research	44,042.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44,042.00
Tourism Infrastructure	0.00	0.00	720.00	0.00	0.00	0.00	15,738.73	0.00	16,458.73	16,458.73
Web Development	48,678.28	24,000.00	0.00	0.00	0.00	0.00	49,466.04	0.00	73,466.04	122,144.32
Contingency	29,859.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,859.37
Total Expense	<u>1,531,764.49</u>	<u>265,848.12</u>	<u>537,071.19</u>	<u>173,385.67</u>	<u>244,849.91</u>	<u>81,554.13</u>	<u>92,912.09</u>	<u>73,469.11</u>	<u>1,469,090.22</u>	<u>3,000,854.71</u>
Net Income	<u><u>371,826.34</u></u>	<u><u>313,605.76</u></u>	<u><u>238,717.69</u></u>	<u><u>682,979.01</u></u>	<u><u>469,960.52</u></u>	<u><u>16,916.24</u></u>	<u><u>113,411.65</u></u>	<u><u>77,989.21</u></u>	<u><u>1,913,580.08</u></u>	<u><u>2,285,406.42</u></u>



Note: the above chart represents 50% of the assessment collections attributed to the local fund areas.



Balance Sheet

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Highway 1 Tourism Alliance Balance Sheet As of June 30, 2025

09/25/25

Accrual Basis

	Jun 30, 25
ASSETS	
Current Assets	
Checking/Savings	
Mechanics Bank #4780	
H1TA Checking Account	-327,472.33
Local Fund Checking Accounts	
Avila Beach	475,228.98
Cambria	604,845.29
Cayucos	761,543.25
EV / AG Valley	116,934.04
Los Osos	41,369.06
Nipomo / Oceano	173,807.43
San Simeon	607,641.93
Total Local Fund Checking Accounts	2,781,369.98
Total Mechanics Bank #4780	2,453,897.65
Total Checking/Savings	2,453,897.65
Total Current Assets	2,453,897.65
TOTAL ASSETS	2,453,897.65
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	
H1TA	25,561.17
Oceano / Nipomo	7,456.20
Total Accounts Payable	33,017.37
Total Accounts Payable	33,017.37
Total Current Liabilities	33,017.37
Total Liabilities	33,017.37
Equity	
H1TA Unrestricted Net Assets	339,466.09
Local Unrestricted Net Assets	-203,992.23
Net Income	2,285,406.42
Total Equity	2,420,880.28
TOTAL LIABILITIES & EQUITY	2,453,897.65



Statement of Cashflows

09/09/25

Highway 1 Tourism Alliance Statement of Cash Flows July 2024 through June 2025

	<u>Jul '24 - Jun 25</u>
OPERATING ACTIVITIES	
Net Income	2,285,406.42
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Payable:H1TA	25,561.17
Accounts Payable:Oceano / Nipomo	7,456.20
Net cash provided by Operating Activities	<u>2,318,423.79</u>
FINANCING ACTIVITIES	
H1TA Unrestricted Net Assets	339,466.09
Local Unrestricted Net Assets	<u>-203,992.23</u>
Net cash provided by Financing Activities	<u>135,473.86</u>
Net cash increase for period	<u>2,453,897.65</u>
Cash at end of period	<u><u>2,453,897.65</u></u>