

# 2025 Year End Report - Summary

Unincorporated San Luis Obispo County Tourism Business Improvement District  
Highway 1 Tourism Alliance

The Unincorporated San Luis Obispo County Tourism Business Improvement District (CBID) | Highway 1 Tourism Alliance (H1TA), with the public facing brand Highway 1 Road Trip (H1RT), promotes tourism across ten communities in the unincorporated areas of San Luis Obispo County. Its programs benefit assessed lodging businesses, support local fund area beautification & infrastructure projects and events, and strengthen the H1 coastal economies through sustained, strategic marketing investment. This summary presents the organization’s key accomplishments for 2025, its completed transition to a nonprofit structure, and its outlook for 2026 | 2027.

## THE IMPACT of TOURISM

Tourism is a foundational economic driver for the communities along Highway 1. According to recent EI study, tourism supports more than 22,800 jobs countywide, contributes \$60 million in transient occupancy tax annually, and accounts for more than 10% of countywide GDP. Without visitor revenue, each county household would pay an estimated \$1,914 more in taxes each year to maintain the same level of public services.

With 33 contracted professionals, the H1TA exists to foster and grow that economic foundation, and its 16-year track record demonstrates that the investment works. TOT in the unincorporated areas has grown 183% since the district’s inception in 2009, outpacing every comparable market in the county. Since 2018, while Paso Robles and San Luis Obispo each added multiple new hotels, H1TA added only one nine-room property. Despite that, H1TA leads all comparable SLO County destinations in TOT growth relative to room count...a direct result of demand-driven marketing rather than supply expansion.

## FY 2024–2025 PERFORMANCE

Despite continued softness in California travel demand, which is driven by inflationary pressures, shifting traveler behavior, and the ongoing Highway 1 closures, the organization delivered strong marketing results across every major channel. For the third consecutive year, Highway 1 Road Trip surpassed one-million in performance metrics across all disciplines.

The website attracted more than 1.39 million sessions, up 31% year-over-year, with an engagement rate of 95.4%. The email database grew to more than 149,000 subscribers - the largest of any destination marketing organization in the county. Paid media delivered its most efficient results in six years, generating 64 million impressions and 241,000 key event conversions at a record-low cost per conversion. Public relations efforts secured 65 national placements with a combined audience reach of 1.22 billion, including coverage in National Geographic, Travel + Leisure, Forbes, and AFAR.

A YouTube Brand Lift Study, the organization’s statistically validated brand measurement, confirmed that the new Just Coast creative is building meaningful awareness among target audiences, with the 35–44 age group showing the strongest response. These results provide an evidence base for continued investment in video and upper-funnel awareness programs.

In 2025, H1TA completed a independent member satisfaction survey, commissioned in response to the Board of Supervisors interest to better understand constituent interests & needs. Of the over 200 lodging businesses surveyed, 90% of hotels and motels responded. Members ranked tourism marketing as their top priority at both the regional and local fund area levels, and impact scores were highest among respondents who were most familiar with the organization’s work — a finding that reinforces the value of ongoing stakeholder communication.

**183%**

TOT growth since inception

**\$14.25M**

Invested in local communities

**Over 700**

Local events, projects & programs funded

**LOCAL COMMUNITY INVESTMENT**

Half of every assessment dollar is directed back to the Local Fund Area that generated it, ensuring that lodging businesses in each community see a direct, tangible return on their contributions. Seven local fund area boards, supported by over 30 volunteer members, working with professionally contracted administrators and marketing partners, oversee these funds independently and invest them in the priorities of their own communities.

Since the program's inception, local fund areas have funded 705 programs and projects totaling \$14.25 million. This includes 221 local events totaling \$1.75 million including Harvest on the Coast and the Scarecrow Festival to BlendFest and the SLO International Film Festival. And 88 beautification and infrastructure projects totaling \$582,000 with projects ranging from the restoration of the Cayucos Veterans Hall and the installation of Cambria Skate Park bathrooms, to Whale Trail interpretive signs and gateway signage welcoming visitors to individual communities. These investments improve the visitor experience while serving residents year after year.

The organization holds 69 annual public meetings across 8 boards, with 35 local business representatives serving as volunteer board members. According to Civitas Advisors, H1TA has more stakeholder oversight than any other district of its kind in California.

**ORGANIZATIONAL TRANSITION**

In FY 2024–2025, the CBID completed the formation of the Highway 1 Tourism Alliance (H1TA) as a 501(c)(6) nonprofit corporation, the standard governance model for destination marketing organizations nationwide. The transition was completed on schedule in May 2025.

The new structure provides greater operational flexibility, cleaner fiscal management, and a governance model purpose-built for tourism promotion, while keeping every program, partnership, and community relationship intact. The brand, team, marketing plan, and local fund area structure are unchanged.

The district's annual renewal protest rate thru FY 2024 2025 has been below 1% for nine consecutive years, reflecting consistent member support for the organization and its mission.

**HIGHWAY 1 CLOSURE & RECOVERY**

The nearly three-year closure of Highway 1 near Big Sur was the most significant external challenge facing the northern communities throughout FY 2024–2025. A September 2025 economic impact study commissioned by Visit California documented \$438 million in cumulative losses to the region since January 2023, with San Simeon bearing the steepest proportional decline.

Highway 1 reopened in mid-January 2026, and early TOT data reflects an immediate and meaningful recovery. District-wide collections for the first quarter of calendar year 2026 increased 7.32% year-over-year. San Simeon posted a 26.54% quarterly gain. Cambria recorded a 10.32% increase. The organization coordinated a reopening campaign in partnership with Visit California, Visit SLO CAL, and Visit Monterey, and continues to advocate with state officials for transparent Caltrans communication and long-term infrastructure resilience.

**LOOKING AHEAD: FY 2026-2027**

The FY 2026–2027 budget projects \$1,407,750 in assessment revenue, bolstering Y/Y collections with the reopening of H1. The LFAs will look to continue to support new events, marketing and infrastructure projects that build strong communities. H1 Tourism Alliance's strategic priorities for the coming year include a coordinated Highway 1 reopening campaign, a post-survey communications plan to strengthen member engagement and transparency, and pursuit of major event marketing opportunities presented by the 2026 FIFA World Cup in Los Angeles and the 2026 Super Bowl in Santa Clara. The organization is also undertaking the process of transitioning the district to a 1994 Property and BID law structure to modernize its legal framework and improve long-term alignment with its mission.