



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS MEETING

Sunset Center – Chapman Room

San Carlos and 9th

Carmel-by-the-Sea, CA 93921

Thursday, May 10, 2018

2:30 PM

MINUTES

Board Members Present: Amy Johnson, Pamela Sheppard, Mary Crowe, Mark Watson, Rich Pepe, Christine Sandin, Amrish Patel, Kevin Krueger

Board Members Absent: Jenny MacMurdo

Also in Attendance: Amy Herzog CHID Exec Director; Ashley Brune and Steven Smith, Abbi Agency; Rob O’Keefe & April Locke from MCCVB; Carrie Theis, City Council and Hofsas House; Chip Rerig, City Administrator for Carmel; John Lloyd, Pine Inn and Tally Ho; Sandra Book, Carmel Visitors Center; Valerie Schad, Carmel Resident; Jo Todd, Carmel Art Walk; Jeff Burghardt, Burghardt and Dore Advertising; Berit Keeble, Tradewinds Carmel.

MEETING CALLED TO ORDER: Amy Johnson called the meeting to order at 2:36 PM

Public Comments: Christine Sandin highlighted several upcoming events including: Run In The Name of Love on June 17, 2018; Mystical Arts of Tibet on May 19, 2018 at the Forest Theater; and Tuesday – Friday, May 15 – 18, 2018, 10am – 5pm at Sunset Center residency events with the monks. Free to the public. Jo Todd reminded everyone that Saturday, May 20, 2018 is the Carmel Art Walk, which is always the second Saturday of every month. Amy Herzog announced that “Takeaways” from the Marketing Workshop held on May 9, 2018 were available for anyone who wanted a copy. Also available are referral cards with the Visit Carmel website to remind from desk staff to refer it to visitors. Carrie Theis clarified the new CA Legislative guidelines. Businesses that get 4 yds of garbage picked up weekly need to begin organic recycling beginning in 2019. Mark Watson reported on a webinar concerning an increase in lawsuits against business whose websites are not ADA compliant including any third party booking engine associated with the website. Mark will make sure Amy Herzog gets a copy of the webinar to distribute to all the businesses.

Approval of Minutes: **Mark Watson made a motion to approve the minutes from April 5, 2018. Christine Sandin seconded the motion. Minutes approved.**

Carmel Restaurant Improvement District: Amy Herzog reported that the CRID management plan is mostly a mirror copy of the CHID Plan. The two proposed differences for the RID Management District Plan include: increasing the percentage of the City's collection fee from 1% to 2% and changing the assessment start date from October, 2018 to January 1, 2019 to align with Visit Carmel's fiscal year.

If the CRID comes to fruition, the proposed changes to the Visit Carmel bylaws are as follows:

- 2 of the current board seats will be occupied by restaurant representatives and given a 3-year term each.
- A committee comprised of at least 3 and up to 5 persons; at least 2 of the members must be active Visit Carmel Board members, will be appointed to make recommendations to the Board on how best to spend the RID funds. Each committee member will have a term limit of 12 months.

Pam Sheppard made a motion to accept the management of the CRID with the proposed changes to the CRID Management Plan was put before the Board; Mark Watson seconded the motion. Motion approved. Christine Sandin abstained from the vote.

Mark Watson made a motion to approve the revised Visit Carmel Bylaws to accommodate the addition of the CRID, contingent on the RID being passed and managed by Visit Carmel Board. Kevin Krueger seconded the motion. Motion approved. Christine Sandin abstained from the vote.

Executive Director's Report: Amy Herzog reported:

- The Annual Report was submitted. Highlights include: ADR is outpacing occupancy resulting in even larger relative growth in Rev PAR. This allows for continued growth in tax revenue with less day-to-day impact. We are also seeing a larger growth in the "off season period" which is the focus of the Visit Carmel marketing strategy.
- Monthly highlights included: Stakeholder Communication Workshop held May 9; emphasized promoting local events, referred to Visit Carmel website for individualized promotional opportunities and access to the Annual Report.
- Provided Cross Promotion for Sunset Center and Carmel Art Festival.
- Carmel purchased the "Hidden Gem" spot on the newly released CCTC fold-out map which has a 250K distribution. They recently held their annual retreat where "crisis management" was a main topic. They discussed "lessons on recovery" expressing the need for a communication plan. Four DMO's shared their "Crisis Management" plans to help other areas with their own implementation plans. CCTC's 3-year marketing plan will focus 75% on East and North East travel and 25% International travel to the Central Coast.
- Via CCTC, *En Route* (Air Canada's In-Flight magazine) made it to Big Sur.
- American Airlines discussions for flights from Dallas to Monterey went well.
- Visit California highlighted Carmel in its recent Eblast in their write-up titled "12 Great Beaches". They also reshared "10 Best" & "Spring in Carmel." Conde Nast article also mentioned Carmel.
- MCCVB earned media support in several publications benefiting Carmel and *Big Little Lies* continues to be a good marketing tool for the Peninsula, including Carmel.

The MCCVB jurisdictional support is up for renewal with the City of Carmel. Currently the City is providing the MCCVB 3% of our TOT for marketing efforts, \$182K comes out of the City's general fund

from TOT collected by the City. Amy Herzog wants direction from Visit Carmel board. The following points were made on behalf of continuing support for the MCCVB:

- Carmel needs a diversified marketing partnership. Visit Carmel does not have the bandwidth to cover all important geographic markets or in case of a crisis.
- Small independent hotels are impacted by OTA which cuts into our bottom line and affects the health of the industry. Visit Carmel working with MCCVB are coordinating their efforts to combat this trend.
- Amrish pointed out that investing \$182K with the MCCVB has a much broader reach than a single city's marketing can reach. Since the \$182K comes from the General Fund all businesses in Carmel are, in fact, investing in a \$7M comprehensive marketing plan.
- Without this funding, only the Inns would be represented by the MCCVB leaving approximately 236 businesses affected.
- Also, Mary mentioned that if market compression goes down, it forces hotels to drop rates which then might have unintended negative effects on the community.

The Board suggested that graphs representing the historic occupancy levels be provided to Carmel-by-the-Sea residents who feel they are being overrun by visitors. These graphs would demonstrate that Carmel is still not at previous occupancy levels and that occupancy is leveled off during peak periods but is gaining in the off-season and midweek to lessen the overall impact on the area. Also worth mentioning, is the MCCVB focus on sustainable tourism.

Public Relations and Social Media: Ashley Brune and Steven Smith reported:

- Abbi Agency attended Visit CA - LA Media Reception. Ashley felt that next year it would be better to attend the one in NYC. She had 4 Desksides with LA based media outlets.
- Two big placements: Westways and AAA
- Two big Bay Area influencers came to Carmel in April which saw 547 new followers on Instagram.
- Upcoming FAMs include Coast Magazine and CA Community Magazine
- Earned Media Partnership with Bay Area News Group helped promote Winemakers Celebration with tradeout that gave us \$27,920 in ad value. 7x7 earned media partnership for a Weekend Getaway provided 531 new followers on Instagram at a marketing value of \$28,750.
- Carmel continues to add to its listicle coverage. Steven is building a campaign that includes a photo of the "listicle" list with a bit-ly link that is Carmelcentric.
- A video is also in the works highlighting Carmel's passage ways for social media channels. This has proven to be very popular social content.
- Upcoming projects include a campaign to highlight our lodging properties titled "Room with a view."

Ashley proposed that in the near future she'd like to explore the idea that every hotel stakeholder provide two gift cards for overnight stays to help facilitate lodging for FAMs, and this also would work well from to use at restaurants.

Marketing and Advertising Report: Jeff Burghardt reported:

- Fall campaign will focus on the LA market. TV, online, Print, Sweepstakes and Eblast will concentrate on all encompassing attributes of a world-class destination.
- United and Alaska Air media spots are ready for launch
- Spending during high season has stopped and as a result online activity has dropped.

- Fall and Winter Fitness and Mindfulness retreat schedules are in the works. Jeff feels strongly that it is worth keeping Rich Hernandez invested in the Carmel area. Jeff would like to make the La Playa hotel Rich's home base for any upcoming Mindfulness Retreats. Jeff would like to rebrand the retreat as a small, unique, exceptional experience. It also was suggested that we possible move some marketing dollars to appeal to the Silicon Valley business market. Also, perhaps we can explore a way for the inns to send that info to their own contact lists.

Financial Report: Mark Watson reported we currently have \$67,073 cash in the bank. We are currently under budget by \$46K for the year.

The 2017 Tax Return is ready to be filed. The Board had been sent the return in advance of the meeting for review. **Rich Pepe made a motion to approve the filing of the 2017 Visit Carmel Tax Return, Christine Sandin seconded the motion. Motion approved.**

Mark reported that Carmel lost market share to all other markets in January/February 2018. 22% to Santa Barbara as a result of displaced residents from mudslides and 18% to Monterey as a result of the re-opening of the conference center. Calistoga saw a big rebound. Marketing efforts for their area are targeting people to come spend money to support business affected by the fires. Carmel was up 2.7% overall which Mark attributed to natural disasters in other areas. Mark commented that we are still not as busy as we should be. Kevin reported that Napa is booming right now due to the coordinated marketing and special events that are being promoted.

Additions to the Agenda: Amy Herzog reminded the Board that a RID meeting will be held on Wednesday, May 16 at 9:30 am at Anton & Michel. Jeff Burghardt will be in attendance. Discussion will focus on ideas of how the funds will be spent. The petition drive will begin. The 2nd installment to CIVITAS for the formation of the RID has been paid. The City will be billing Visit Carmel for reimbursement. Amy Herzog mentioned Matt Little Jr., our insurance agent, will be at the next meeting to give the Board an overview of our insurance policy. As a reminder, there will be no meeting in July.

General Meeting Adjourned at 4:32 PM