



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE

Carmel-by-the-Sea, CA 93921

Thursday, July 9, 2020

2:30 PM

MINUTES

Board Members Present: Mark Watson, Pamela Sheppard, Ken Spilfogel, Mary Crowe, Chip Rerig, Rich Pepe, Jenny MacMurdo, Berit Keeble, Ramon Serrano, John Lloyd

Board Members Absent:

Also in Attendance: Amy Herzog, Visit Carmel Exec Director; Steven Smith, Abbi Agency; Jeff Burghardt, Brian Tracey and Nicole Dore, Madden Media; Beth Bowman, Sunset Center; Suzanne Gravelle, CARS; Carrie Theis, Hofsas House and Carmel City Council; Rob O'Keefe, MCCVB; Jo Todd, Resident; Staci Giovino, Carmel Food Tours; Virginia Marine, Monterey Symphony

Rich Pepe called the Meeting to order 2:32pm

Public Comment: Berit Keeble announced big changes at Stilwell Inc. Lark Hospitality Management Co will take over management of the Tradewinds and Carmel Lodge. Renovations at Carmel Lodge are about to begin. Berit announced she will be partially retiring, only working 2-3 days a week.

Minutes: **John Lloyd made a motion to approve the minutes from June 18, 2020, Jenny MacMurdo seconded the motion.** Motion passes unanimously.

Create Nominating Committee: We currently will need 2 lodging members to fill seats on the Board. Chip Rerig and Mary Crowe agreed to serve as the nominating committee chairs.

MCCVB Update: Rob O'Keefe reported that data from the Starr Report showed occupancy at the end of May at 31% and by end of last week at 60%. In general, the numbers are trending up. ADR recovering at a slightly faster rate. Rate integrity is important as it speaks to how we value the product. With the new restrictions, they will continue to boost their Responsibility Campaign. There is still a need for collaboration with the other DMOs to create contingency plans if this goes beyond the projected 3 weeks. MCHA Government Affairs committee met, Mark Watson commented on the meetings discussions relaying that residents are blaming hospitality for the reason we have seen increased

closures. From committees' perspective 80% of the cases are not on the Monterey Peninsula. MCCVB needs to be factual and pro-active addressing the public by pointing out all the positive steps hospitality is taking to ensure the safety of the community. According to the committee a new wave of media engagement is needed. Chip Rerig added that he attended a zoom call with Supervisor Adams, the Mayor, as well as other city managers and mayors to discuss their frustration with the leadership at the State level. Chip offered up Sunset Center as a COVID testing site for the service industry but so far, there has been a distinct lack of response. These are very challenging times and we need to shift our message to get out in front of this. Jo Todd offered to help distribute signage regarding the usage of masks when in public. Rob reminded the Board that the Meetings and Events Task Force continues to meet to discuss a list of protocols for gatherings based on size. The task force who has been meeting regularly hopes to have something to review by September.

CHID Formation/Renewal: Changes to the existing HID Management District Plan would include:

- 10 year term (from 5 years)
- 2% assessment (from 1%)
- Assessment was projected at \$750K for 2020, however, due to COVID that number has been changed to \$386K. An increase to 2% would bring the projected revenue back up to \$800K.

The Committee identified the following reasons to support the renewal with the above changes:

- Need to increase occupancy. We are looking at a multi-year recovery due to disruption in travel patterns, unstable economy and limited international travel.
- Opportunity to increase City tax revenue.
- Stable funding for tourism promotion and to educate the visitor on responsible travel.
- Better able to compete with our competitor set. 1% currently puts us at the bottom. With the addition of another percent that moves us somewhere in the middle. The Committee feels strongly this is a responsible increase.

The timeline includes:

- Board agrees on revisions – July 2020
- Draft has been completed and now needs to be finalized.
- Submit the necessary petition to the City – September 2020 – Need 50% of those stakeholders based on revenue collection.
- 1st City Council hearing on the proposed renewal – October 2020
- Vote – January 2021
- If approved – Implementation of the CHID Renewal – March 2021

The Board gave their unanimous approval of the proposed CHID Renewal with changes.

Executive Director's Report: Amy Herzog reported:

- Banners and Signs are up. A big thank you to all sponsoring organizations including Nicole Dore from Madden Media who donated her time and designs for the project. Jenny MacMurdo and the Chamber have been key to the distribution of the collateral. City of Monterey, with Visit Carmel and Madden Media's approval, will use the same artwork to create their own signage campaign for the City of Monterey.
- Stakeholder Communication has been consistently going out. Amy H is being sensitive to the amount of information being distributed.
- Website updates have been a primary focus to help provide timely updates for visitors. Press Kit has been updated. Restaurant pages have been updated and redesigned to give visitors even more filters. Photo Assets have been updated to show responsible travel.

- CCTC budget has been drastically reduced due to a reduction in the grant from Visit CA from \$60K per year to \$15K.
- Visit CA has been busy revamping their website. Amy H is asking for help from everyone to audit the site for CBTS accuracy.
- Next scheduled meeting is August 13. Do we need to meet sooner? Revisit at end of today's meeting.

Marketing and Advertising: Jeff Burghardt reported:

- Review of the Recovery Marketing Calendar considering the increased restrictions. On July 2 MM paused all paid digital media. Tourism has increased. Organic social continues. Book Direct Hotel referral saw June traffic was up by 10K and performing better than in 2019. Traffic to the website continues to show SF, LA and SJ in the top 3 search areas.
- JSX Cross Promotion has begun with 20% off all fares through September 30, 2020. Orange County flights started July 2 and Burbank will begin July 23.
- New RID Digital ads promote Al Fresco Dining and Gourmet to Go.
- MM is looking for direction on spending, so far, being cautious with the fund. Marketing is still ongoing with our competitor set. Group discussion followed. The Board felt we need to resume marketing with responsible travel leading. Focus on Mid-Week travel with inspirational messaging including quieter/safer for social distancing.
- Tear Pad map status. Need to take inventory of how many tear pads are left. Printing was halted at start of Pandemic. Amy H has been waiting to see what the effects of COVID will have on the viability of businesses and whether major changes are needed to the existing maps before another print run.

Public Relations and Social Media: Report provided in advance of the meeting for Board's review.

Additions to the Agenda:

The Board decided to meet in two weeks, July 23rd 2:30pm.

Meeting Adjourned at 4:02pm