



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE

Carmel-by-the-Sea, CA 93921

Thursday, February 11, 2021

2:30 PM

MINUTES

Board Members Present: Mark Watson, Pamela Sheppard, Mary Crowe, Chip Rerig, Rich Pepe, Chip Rerig, Ken Spilfogel, Chris Whitman, John Lloyd

Board Members Absent: Andrew Jay

Also in Attendance: Amy Herzog, Visit Carmel Executive Director; Ashley Brune, Abbi Agency; Jeff Burghardt, Nicole Dore and Bryan Tracey, Madden Media; Suzanne Gravelle, CARS; Carrie Theis, Hofsas House and Carmel City Council; Ashlee Wright, City of CBTS; Jenny MacMurdo, Carmel Chamber of Commerce; Janine Chicourratt, Carmel Residents Assoc. (CRA); Scott Richards, Tradewinds Carmel and Carmel Lodge; Beth Bowman and Christine Sandin, Sunset Cultural Center; Tim Twomey, CRA; Dale Bryne, Carmel Cares; Sarah Kabat-Marcy, Cultura; and Jo Todd, resident.

Rich Pepe called the Meeting to order 2:34pm

Public Comment: None

Minutes: **Chip Rerig made a motion to approve the minutes from January 14, 2021. Chris Whitman seconded the motion.** Motion passes unanimously.

Financial Report: Mark Watson gave the following recap:

- Visit Carmel currently has \$546K in the bank. \$149,900 of that money is part of the SBA Loan that we will start paying back on in August 2021. We received 24K from the City which is on pace. PR is currently \$1800 over budget. Overall, we spent \$27,400 less than anticipated in marketing which leaves us currently \$26,700 under budget for the beginning of the year. Revenues for Nov/Dec 2020 came in at \$520,075 which is slightly under our projected income of \$614,000.
- ADR was down 7% from November to December in comparison to November which showed a 14% increase over the previous period. Occupancy is still looking weak. December was down 25%. Looking ahead at occupancy for December/January, percentages are estimated to be down YOY 27% and February 31%. Mark commented that ADR has been hammered and the focus should be on rate integrity and increasing the ADR going forward. Carmel is currently experiencing a 38% downturn in ADR. The booking window has opened a bit but pace is still trailing the previous "normal" year. Chip Rerig suggested that we use 2019 as a baseline for measuring YOY to gauge

where we are at. It was suggested that we go back to 2018 for the month of June due to the 2019 US Open. Mary Crowe suggested using a 3-year average if possible.

Executive Director's Report: Amy Herzog reported:

- Administrative update included the signing of the finalized contract between VC and the City that allows VC to administer the HID funds. Amy found out the Form 700 was not necessary. Co-authored a letter to the stakeholders informing them of the about the impending TOT increase of 1% beginning March 1, 2021. VC website updates include ADA enhancements and Travel Advisory information regarding Hwy 1 closure. Amy also informed all board members that to watch a YouTube training video on the Brown Act was an acceptable method.
- Stakeholder Communication included the weekly email update to all stakeholders. All restaurants are open except for Casanova which is under renovation. Jackrabbit is performing a review of all book direct links for hospitality stakeholders. Inns will work directly with Jackrabbit to fix bugs. Take Out flyers, new tear pads and stickers with holders were distributed. Feb 23 is the upcoming Wine Walk/Tasting Room meeting to discuss mobile passport and fun free guide to wine tasting rooms.
- Amy highlighted her "Community Collaboration" involvement on behalf of VC which includes CRA Board, Chamber Business Round Table, CCTC VP, Visit CA Rural Committee, Ad Hoc Committee on Outdoor Dining, Team Fly Monterey and MCCVB Recovery Council.
- Reminder that the Ad Hoc Outdoor Dining committee met Feb 8 and will meet again on Feb 16 at 4pm. Current marketing is leaning into outdoor dining, highlighting the new atmosphere for visitors. Hoteliers are encouraged to share their thoughts on outdoor dining. Input is critical now. A google video link will provide access for all participants.
- Airport update: Alaska Airlines will begin their Seattle Flight on February 11. VC plans a co-op marketing campaign and sweepstakes to promote the new flight. Amy drafted a letter to the Airport Board requesting to be on their agenda to further discuss changing the name of the airport to "Carmel-Monterey Airport". Amy will provide an update at the next meeting.
- Update on Events include: AT&T Pro Am will proceed without spectators, Carmel Culinary Week postponed till January 2022, Jeff Galloway Fitness Retreats postponed till May, Laguna Seca Raceway started selling tickets for main races beginning in April 2021, Winemaker's Celebration postponed till May 2022, Quail Lodge Motorcycle event cancelled until May 2022, Big Sur Marathon cancelled until 2022, Carmel Art Festival is currently unknown (Amy will follow up). Taste of Carmel is now a Harvest Table Event scheduled for the fall.
- MCCVB's 3 Year Recovery Approach Plan has hired a marketing agency and anticipate this to be a 5-month project. MCCVB newest representative, Lindsey, is new to the area and needs more exposure to CBTS. Amy will follow up.
- CA Live segment in the works
- At the request of Visit CA, a backlink has been added to the Visit Carmel website. CCTC is working with Visit CA on content for rural regions. Getty images are in the works to be used for marketing efforts.
- March 11, 2021 is our next Board Meeting.

Marketing and Advertising: Jeff Burghardt reported:

- February 1 campaigns were adjusted for a soft opening. Hotel Web Referrals YOY are much lower. Jeff discussed this trend in relationship to COVID related travel trends. We expanded our digital winter campaign to focus on our core drive markets. Jeff is planning a rebound campaign including a media mix and an eblast that will be sent to Visit CA 183K mailing list. Expedia conquering ads on our comp set markets are all set to go but has not been activated yet. Jeff

wants to start this campaign ASAP or certainly by March 1. It is possible to track our ROI with the Expedia campaign.

- Bryan Tracey reported on performance data including our Accolades Campaign. 55-64 top converting age group. Remarketing, .29% CTR, men are leading the way with 3.5 million impressions. Prospecting, .14% CTR, with women leading the way includes 6.6million impressions. The messaging for the campaign has been updated to “Welcome Back” and is focusing on our core drive market. We are seeing great engagement with video views.
- Media buys with Visit CA are planned for the Spring and Fall Season.
- Seattle Digital Campaign includes an Alaska Air Sweepstakes in collaboration with the airlines that is pushing people to the Visit Carmel website. Mike at the Monterey Airport is supporting the Seattle Flight with a \$4K contribution to the campaign citing CBTS as their strongest local partner.
- E-Newsletter is ready to go using accolades as the key message. Tuesday, February 16 is the release date.
- Pure Inspiration Display Ads are tentatively scheduled to launch April 1. Locally Madden is waiting for more comfort level. Want to wait for a more aggressive launch when things are more stable.
- VC website has added an Accessibility widget and functionality button making the site now 100% compliant to ensure protection against lawsuits.
- Hotel Photoshoot on behalf of VC to refresh the website. One exterior shot and one interior shot. 17 exterior shots were completed last week. Interior shots will be scheduled with the Innkeepers. New iconic photography and video with David Martinez is planned to add to our library of shots. Priorities will include more ethnicity, more aspirational beach scenery, outdoor courtyard dining and wine tasting.
- RID Take Out has shifted back to Take Out and Dining Guide. Madden has seen a 75% increase in traffic to the restaurant page.

Public Relations and Social Media: Ashely Brune sent the PR report out in advance of today’s meeting for Board Review.

- Highlights include 6 stories for the month of January. Two had a national reach, 4 had a regional or local reach. Themes included cancelled vacations abroad and accolades campaign.
- Abbi Agency attended the Visit CA Virtual TravMedia IMM event. 3 Days of one on one with national journalists. Abbi Agency met with over 17 high profile journalists for 15 minutes each. The goal is to nurture those relationships.
- Social Media saw impressions across all channels. 71% new followers from the previous month. FB and IG had higher than average fan growth.

Additions to the Agenda: Christine Sandin announced that Sunset Center is working on a reopening plan for the fall. They have also offered to open their patio area for restaurant outdoor dining. Tim Twomey let the Board know that a Bag Piper plays at Carmel Beach on Thursdays and felt there might be some good promotional value. Amy Herzog alerted the Board that we are potentially down a Board member. Andrew Jay is no longer at L’Auberge but we have not officially received his letter of resignation. Mark Watson will assist Amy H to develop a list of bullet points for the airport pitch. Mark felt the Board needs to remain quiet till we have a focused game plan.

Meeting Adjourned at 5:07pm