



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE

Carmel-by-the-Sea, CA 93921

Thursday, March 11, 2021

2:30 PM

MINUTES

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

Board Members Absent: Chris Whitman, John Lloyd

Also in Attendance: Amy Herzog, Visit Carmel Executive Director; Ashley Brune and Dylan Anderson, Abbi Agency; Jeff Burghardt, Nicole Dore and Bryan Tracey, Madden Media; Suzanne Gravelle, CARS; Carrie Theis, Hofsas House and Carmel City Council; Jenny MacMurdo, Carmel Chamber of Commerce; Janine Chicourrat, MCHA and Carmel Residents Asso. (CRA); Beth Bowman, Sunset Cultural Center; Tim Twomey, CRA; Lindsey Guinn, MCCVB

Rich Pepe called the Meeting to order 2:33pm

Public Comment: Chip Rerig announced that there will be no Concours rally in CBTS on Thursday during Concours week. Kenny Spilfogel informed everyone that meetings have been underway to get Carmel Film Festival resurrected. The Festival would include music, film and food. A targeted date for the event would be Fall 2023 if not sooner. Today's attendees suggested hosting the event in the off-season.

Minutes: **Chip Rerig made a motion to approve the minutes from February 11, 2021. Mark Watson seconded the motion.** Motion passes unanimously.

MCHA Update: Janine Chicourrat reported on the most recent board meeting of the MCHA. Three key points were identified that need to be addressed so the County can move forward into less restrictive tiers and accelerate businesses fully reopening: 1) Adjust population base, 2) increase testing in the community and 3) vaccinate all hospitality workers in Phase 1C. Mary Adams is going to work closely with Dr. Moreno. Currently, projections for moving into the "Red Tier" are March 17. Janine also commented on the effort in progress to vaccinate the Ag sector here locally and vaccinate those migrant ag workers before they get to our community.

MCCVB Update: Lindsey Guinn reviewed with the Board the “Come Back Campaign” highlighting their plans for a nationally broadcasted TV commercial, called “Now is the Moment,” which will comprise 4 areas of the County including Carmel Beach. This 30-second spot will also be repurposed to fit digital campaigns across all channels. There will also be a series of 5 “POV videos” showcasing multiple scenes that will highlight a larger portion of the County. Filming at Carmel Beach will be March 23 and 24. Lindsey reviewed for the Board the Media Trends, Strategy and Plans for the campaign. The PR plan will be a big part of this “Come Back Campaign” with 6 focused topics: Road Trips, Wellness Escapes, Outdoor Adventures, Reconnecting, Luxury and Hybrid Meetings (1/2 in person, ½ Virtual). This campaign will bring back Media FAMs and Influencers. Discussions have begun on how to rebuild the international trade markets. International travel is not expected to reach 2019 levels till 2025. MCCVB intends to rely heavily on Visit California to lead that marketing effort.

Executive Director’s Report: Amy Herzog reported:

- Today is the one year anniversary of the start of the COVID 19 pandemic
- Work has begun on the Annual Report due in April
- The HID 2% increase went into effect March 1, 2021
- Next Ad Hoc discussion on the future of Outdoor Dining is scheduled for March 29. Hoteliers are encouraged to participate in the discussion. A survey is being created to distribute to residents, restaurants and hotel.
- VC is officially down a board member with the departure of Andrew Jay. The vacancy must be filled by a lodging partner. The candidate will be taking over Andrew’s term which terminates in November 2022. Board members were asked to come with ideas for potential candidates to the next board meeting.
- Carmel Wine Walk is reimagining the passport program with the use of existing Bandwango app to promote their “Mobile Guide to Wine Tasting.” This app will not be offering discounts. The consensus being that discounts devalue the Brand. *Carmel Wine Walk by the Sea* new brand will be a cohesive effort under the VC brand. Amy has already taken the liberty to secure 3 domain names in anticipation of this new program. The plan is to assess any tasting room that wishes to participate on the app \$750 per year marketing fee. So far, 9 tasting rooms have committed to the new program. VC expects that most expenses for the program will be covered by the annual assessment but any overflow expense would be covered by VC but that would be minimal.
- VC proposal to adopt a name change at the Monterey Regional Airport to include Carmel is on the airport board agenda on March 17. Amy, Mark and Mary will make the presentation on behalf of VC Board. Amy feels the committee has made a very good case with lots of industry data and industry support for the change. Mark Watson made sure to note that Amy has done a stellar job in creating the presentation and making her case for the name change.
- VC is currently working on projects in conjunction with MCCVB and California Live.
- Visit CA brief recap of the 2021 Forum. Good news is data shows CA residents are reacting positively to tourism marketing. Visit CA is currently budgeted to spend \$21M for their instate and national marketing plan.
- April 8 is the next Board Meeting. In the past May has been our Annual Presentation meeting. Amy would like the Board to decide at the next meeting if we would like to keep the May date for the Annual Presentation.
- The movie, “All the Old Knives” is currently shooting scenes in downtown CBTS. Later this month Dax Shepherd’s, Top Gear, is scheduled to film in CBTS.

Marketing and Advertising: Jeff Burghardt and Bryan Tracey reported:

- VC continues to expand its digital targeting. Everything is turning on. Ad Performance shows Google CPS is #1 sending 57K to our website, FB coming in second overall with a combined 30K to our website. Digital ads are driving 55% of our traffic. Website traffic is up 33.42% over last month.
- Expedia conquering ads went live last Thursday. The ads have links to a dedicated landing page. ROI is trackable.
- Accolade Campaign continues to perform well. There are no signs of “ad fatigue.” Remarketing is getting high engagement. Prospecting is also higher than industry average. Welcome Back video campaign seeing high engagement.
- Airport Campaign focuses on Digital Google Prospecting in Seattle. This co-op campaign with the airport will run for 2 months with links to VC sweepstakes. Mark mentioned that the Portland flight is scheduled to start May 28. Jeff will put the Portland flight on the April agenda.
- Pure Inspiration Campaign is currently on hold. Madden is waiting for the mood to be appropriate. Currently the release date for this campaign is April 1, 2021. If Carmel enters the red tier sooner, the launch timeline may be sped up. The consensus of the Board is to proceed asap. After some discussion, it was decided to launch the campaign in conjunction with the move to the red tier out of an abundance of caution. Mark announced that budget revenue projections show a surplus of \$250K and can be added to additional marketing efforts.
- New exterior shots for all the lodging stakeholders have been completed and efforts are underway to update the VC site. The new iconic photography and video to expand our assets has been postponed till Fall of 2021.
- RID Marketing continues to highlight takeout, outdoor dining, deals and sweepstakes. VC continues to update the restaurant listings to add more defining characteristics.

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

- Ashley announced that Steven Smith has left the Abbi Agency to pursue other opportunities. Dylan Anderson will be filling in with the SM role.
- Travel and Leisure placement gave CBTS national exposure and has a huge readership. We saw the placement in the Top 10 in our Google placement because of the back link to VC website.
- CBTS continues to get a lot of attention from Visit CA.
- Media FAM has been rescheduled for the summer. Two influencers are lined up. SF-based influencer coming in April/May 2021 and a Seattle-based influencer TBD.
- Dylan reported that Social Media saw a 51% increase in followers over last month and a 23.5% increase in engagements over last month. VC is leading all our competitors on FB.

Financial Report: Mark Watson gave the following report:

- \$557K in the bank at the end of February
- EIDL funds will begin being paid back in August 2021 according to the terms of the loan.
- The February report showed VC just shy of their revenue goal by \$5K. However, the revenue from the restaurants exceeded our budget. PR outpaced the budget a little bit. While marketing was \$28K less than projected for the month and is currently \$56K under budget YTD. Cash flow is \$21K better for the month and \$48K better YTD. Mark is planning to reconvene the budget committee to revise the budget. He anticipates adding \$200-\$250K more. Overall projected revenue was \$1.054M for 2021 and now looks to be closer to \$1.250M. He attributes

this uptick to more public confidence due to the roll out of the vaccine. Consumer confidence is growing translating to a larger booking window of 22 days as oppose to 7 days over the past 7 months.

- Mark reported on Market Share vs our comp set. Calistoga is currently leading with 88% increase for the current period, Carmel is next with 46% increase, followed by Santa Barbara with 10% increase. Monterey is the only one seeing a loss of 30%. YOY Santa Barbara is seeing the biggest increase with 19.5%, Carmel at 13%, followed by Calistoga at 10.5% and again Monterey showing an overall loss of 19%.

Additions to the Agenda: Mark Watson is interviewing new Executive Director candidates for the MCHA. No one even comes close to Amy Herzog. With humor, Amy reminded the Board that her contract is up in May 2021. Rich Pepe is hoping even if the Board decides not to have the Annual Presentations at the May meeting that Board members will still bring new marketing ideas to discuss with the group.

Meeting Adjourned at 4:43pm