



CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)

VISIT CARMEL

BOARD OF DIRECTORS REGULAR MEETING

Sunset Center and on Zoom

Carmel-by-the-Sea, CA 93921

Thursday, APRIL 16, 2026

2:30 PM

MINUTES

BOARD MEMBERS PRESENT: Carrie Theis, Hofsas House; Amy Herzog, Executive Director; Brandon Swanson, City of Carmel; Candace Fecteau, Stilwell Hotels; Mark Stilwell, Stilwell Hotels (virtual); Pam Sheppard, Horizon Inn; Mark Watson, Inns-by-the-Sea; Rich Pepe, Pepe International (virtual); Chris Morello, MRY; Tim Twomey, CRA.

ALSO IN ATTENDANCE:

Jeff Burghardt, Visit Carmel; Nicole Dore, Visit Carmel; Sophia Stewart, J/PR (virtual); Annika Berg, J/PR (virtual); Marrissa Mallory, J/PR (virtual); Hella Rothwell, Carmel Art Festival; Janine Chicoraut, CRA; Becca Lancaster and Nathan Lutz, Carmel Bach Festival.

BOARD MEMBERS ABSENT: Kati Enea, Carmel Chamber; Greg Ahn, Folktale; Susan Dampier, Marc + Rose.

Carrie Theis, Chairperson, called the Meeting to order at 2:32 pm in honor of Kenny Spilfogel of Flaherty's. Kenny was recognized

PUBLIC COMMENT:

Hella Rothwell from the Carmel Art Festival provided an update:

- Dates: May 15–17, 2026 and marks the 33rd year of the event
- Food will be provided by the owners of Nora's restaurant (stepping in following the passing of Kenny Spilfogel)
- This year's theme returns to plein air painting; sculpture will not be featured.
- Saturday programming includes a Quick Draw competition (Mission Street closed) with 60 paintings displayed and auctioned, starting at \$500
- New interactive element: 2–3 live painting demonstrations with 5 different artists collaborating on one painting, explaining their technique to the audience
- Friday evening gala opening event: 6–9 PM, tickets available online; features live band (Santana-style), food from Nora's, and wine from local vendors
- Board encouraged to attend and promote

Chris Morello announced an upcoming event to celebrate the inaugural flight from Chicago to Monterey. Saturday, May 23rd. Invitation to follow.

An announcement was made regarding an upcoming workshop hosted by the Carmel Innkeepers Association:

- Date: Wednesday, April 22, 2026 at 4:00 pm, Hofsas House
- Topic: Transient Occupancy Tax (TOT) issue facing the city; review of white paper prepared by Mark
- Attendance to be limited to innkeepers for this first session; a second, broader meeting may be scheduled for other business stakeholders and the Chamber

MINUTES:

Motion to approve March 19, 2026 minutes. Mark Stillwell moved to approve. Seconded by Mark Watson. No objections. Passed. Candace Fecteau was recognized for her work as Secretary and the baton is being passed to Susan Dampier who will serve as Secretary moving forward.

Guest Presentation: Carmel Bach Festival:

Festival Highlights

- Expecting 50,000 patrons in 2026; average household income of approximately \$270,000 – a rising figure
- Over 90 events scheduled in July: concerts, pre-concert lectures, open rehearsals, library performances
- 100+ musicians fly in from around the world; musicians housed locally at a cost exceeding \$500,000 per summer
- New Artistic Director: Greta Peterson (former head conductor at Yale and led top choir in Norway)
- Featured composer: Angelica Negron – a Puerto Rico-based composer incorporating electronics, plants, and unconventional instruments; Yo-Yo Ma will premiere her concerto at LA Phil in May 2026
- Featured performers include Caleb Teicher and Conrad Tao (tap dance + piano fusion)
- Artwork by Emil Norman to be showcased
- Ticket sales at approximately 60% of goal; opened March 2 (VIPs) and March 16 (general public)
- Strong demand for 3-day mid-week packages (Tue–Thu); these are already selling out

Partnership Opportunities Discussed

- Visit Carmel to organize a dedicated marketing Zoom with PR/social team and Bach Festival representatives
- Sophia Stewart proposed a 'Stay & Seek' social media post featuring Bach Festival as the 'seek' element with participating hotel deals
- Native digital collateral (banners, e-blast assets) to be shared via marketing toolkit
- Bach Festival recently engaged Bucklesweet, a New York PR firm specializing in travel PR – cross-promotion and journalist hosting opportunities identified
- Potential for an exclusive landing page for hotel packages (3 – 5 night stays) tied to the festival
- Discussion of linking Bach Festival website to Visit Carmel hotel/dining content; 90th anniversary (2027) flagged as a major promotional opportunity; off-season concerts planned in advance

FINANCIAL REPORT: Presented by Mark Watson

March Financials (YTD vs. Budget)

- March revenues: \$50,000 (includes a late city payment previously budgeted in February, resulting in \$27,000 ahead of budget)
- PR spending: ~\$21,100 under budget (timing-based; expected to normalize by year-end)
- Marketing spending: ~\$37,000 under budget (\$1.3M spent vs. budget)
- Admin spending: ~\$5,600 under budget

- Overall: \$38,000 under on expenses; \$111,000 ahead on cash flow

Comp Set Report (January – February)

- Carmel REVPAR: \$172 → \$191 (11% increase year-over-year)
- Monterey: +6% | Santa Barbara: +10% | Solvang: +5% | Yountville: +12% | Calistoga: -3% (January only; February not yet reported)
- Buellton noted as significantly impacted by its TOT increase (-16%)
- Carmel and Santa Barbara trending upward, gaining share – primarily from Calistoga and Yountville
- Full Composite Report pending: awaiting Calistoga February data and Carmel ADR/occupancy figures

DRAFT FY 26-27 BUDGET REVIEW: presented by Amy Herzog

Budget Considerations (Headwinds)

- High costs and economic instability; elevated air travel and fuel costs
- Decline in international travel sentiment
- At least two Carmel hotels offline for part of the year due to renovation
- Approximately 1,000 new hotel rooms added regionally (250 already open in Sand City/Pacific Grove)
- Potential TOT increase – if approved by ballot, estimated enactment January 2027

Budget Considerations (Tailwinds)

- Domestic/California drive-market travel strengthened by high international travel costs
- Carmel's 'European feel' appeals to travelers canceling international trips
- Visit California projects improved growth in 2026; luxury/high-end travel more insulated from economic headwinds
- Highway 1 reopening generating organic media coverage
- US Open at Pebble Beach in June 2027
- Two hotels returning from renovation will increase inventory at higher ADR – compounding TOT growth

Revenue Notes

- Projecting TOT increase of 11.3% YOY based on historical trend plus hotel improvements and inventory back online
- CRID revenue generally about 3.4% of total TOT revenue, projected at \$372,775
- Assuming \$120K from City. Not secured.
- Recommend \$200K from Cash Balance. (Prior year was \$250K)
- Reserve fund policy requires at least 11% (\$299K) with \$232K projected remaining unrestricted at end of this fiscal year

Revenue Sources (FY 2026–27 Draft)

- HID funding: ~\$2.1M (approximately 80% of TOT)
- City of Carmel contribution: \$120,000 assumed – though this figure is under review
- RID funding: ~\$372,000–\$373,000 (historically ~3.4% of TOT)
- Other income: ticket sales (Meet the Makers, etc.), interest income (projected to decrease as rates decline)
- Proposed: \$200,000 draw from cash reserve to supplement spending

Operating Reserve Discussion

- Board policy: maintain 11% operating reserve (~\$300,000)
- With the \$200,000 reserve draw, projected ending cash balance: ~\$532,000 (\$300,000 required reserve + \$232,000 discretionary)
- Discussion on whether to hold back the \$200,000 given economic uncertainty; board debated merits of conservatism vs. continued investment
- Key insight: paid media (largest expense) is the most nimble – can be cut month-to-month if needed
- Board consensus leaned toward including the \$200,000 draw but monitoring closely; ability to pull back mid-year if conditions deteriorate
- Point raised: if the 11% reserve is insufficient, the board may need to revisit the reserve policy rather than informally holding additional funds

City Funding (\$120,000) – Strategic Discussion

- Brandon Swanson flagged that the City Council is actively reviewing all department budgets (5–10% cuts across the board)
- Brandon recommended Visit Carmel consider proactively offering a reduced ask (e.g., \$90,000) to be seen as a cooperative partner
- Board discussion: Visit Carmel's marketing directly drives TOT, which is the city's primary revenue source – cutting marketing funding is counterproductive
- Counter-strategy raised: educate newer council members on the revenue-generating nature of Visit Carmel's work
- County of Monterey: for the first time, actively pursuing a 5-year funding agreement with See Monterey (positive signal for longer-term stability)
- No vote taken; budget remains in draft form pending further discussion

Upcoming Info & Meetings

May

- May 5th: City Council Meeting
- May 21st: Regular Board Meeting
 - FY 26/27 Budget presented for potential vote approval
 - Closed Session to renew J/PR contract

June

- June 5th – 13th: Carmel Culinary Week!
- June 18th: Regular Board Meeting

COLLABORATIVE MARKETING PRESENTATION: presented by Jeff Burghardt and J/PR

Destination Marketing

Integrated Plan

- Promote Carmel-by-the-Sea as a world-renowned destination
- Execute strategic integrated marketing for maximum results
- Drive off-season and midweek overnight stays (book direct!)
- Attract “quality” over “quantity” by targeting high-intent visitors who live in our primary drive and fly markets and are “conscious” travelers

Brand Campaign

- Campaign Theme: A Storybook Kind of Place
- Brand Positioning: California’s Coastal Gem
- Regional Strategy:
 - Heart of the Monterey Peninsula

- Crown Jewel of Monterey County Wines
 - Gateway to the Best of Big Sur
- Call to Action:
 - Book Hotel Specials & Stay Longer

Social Strategy presented by Sophia Stewart

- Storybook Kind of Place
- Gateway to Highway 1
- Timeless Charm
- Something for everyone with great taste

Content Strategy & Ecosystem presented by Marissa Mallory

- Focus on AI Search
- Discovery & Visibility
- Partnerships with Creators
- Content Ecosystem: Discoverability is a result
 - Paid Media: Advertising
 - Owned Media: Website & Blog
 - Shared Media: Social
 - Earned Media: PR

2026 Objectives presented by Jeff Burghardt

- Evolve “Storybook Carmel” Brand Campaign
- Optimize Fly Market Campaign
- Update RID Campaign
- Increase Occupancy
- Elevate Destination Stewardship
- Start Online Merchandise Sales through the Shop Carmel online store
- Optimize the following events and niche campaigns
 - Culinary Week & Meet the Makers
 - Carmel Wine Walk & Art Walk
 - Carmel Car Week
 - Best of Big Sur & Fairytale Cottages
 - Opt-In Email Digital Campaign
- Paid Advertising: Media Mix
 - Digital Media
 - Print Media
 - TV & CTV Media
- Trends & Opportunities
 - AI First Travel World
 - Reduced organic website traffic = less hotel web referrals
 - Need LLM-oriented content such as Blogs & FAQs
 - LLMs reward long-term credibility
 - New GEO Content
 - Generative Search Optimization (GEO)
 - Create ongoing content with a new blog and provide answers to top AI search questions with a new FAQs page for LLMs
 - Optimize Paid Digital
- Creator First Trends & Opportunities
 - Destination Marketing Trends
 - Creator First TV
 - Purpose Driven Storytelling

- Creator First Campaign to elevate the “Storybook Carmel” brand campaign using a new cinematic style
- Research Proposal
 - Consider third-party visitor research investment
 - Audience segmentation
 - Travel behavior insights
 - Campaign effectiveness testing
 - Estimated cost: \$35K - \$40K
- OTA vs. Book Direct
 - Visit California predicts that occupancy will increase slightly over the next four years
 - OTAs continue to dominate the hotel booking industry with 36% to 37% of hotel bookings made through OTAs and independent properties as high as 63%
 - Maintain OTA presence for demand generation; Booking.com identified as a target for ad spend
 - Simultaneously strengthen book direct efforts
 - New Initiatives
 - Dedicated Book Direct social campaign
 - Evaluate replacing booking tool with:
 - Simplified pricing tiers
 - Alternative platforms (Ripe, aRes)
 - Potential OTA affiliate models
- The “Instagram Effect” presented by Sophia Stewart
 - Social media driving:
 - Overcrowding
 - Strain on local infrastructure
 - Shift from authentic experience to photo-driven tourism
 - Strategy response
 - Promote responsible tourism
 - Highlight less crowded experiences
 - Reinforce messaging “Timeless charm worth protecting”
- J/PR Performance & FY 26-27 presented by Marissa Mallory & Sophia Stewart
 - Past 10 Months
 - Earned media quality score: 97/100
 - 100+ partners featured
 - 15+ media/influencers hosted
 - Significant improvements in:
 - Social voice
 - Visual identity
 - Engagement
 - FY 26-27 Objectives
 - Elevate signature events through earned media
 - Expand into new media (e.g. Substack, Reddit, emerging platforms)
 - Align storytelling with emerging trends
 - Spotlight local businesses and community
- Campaign Highlights & Expansion
 - Active/Expanding Campaigns
 - Best Seat in the House
 - Stay & Seek (multi-day itineraries)
 - By the Sea, By the Plate (local dining insights)
 - Timeless Charm Worth Protecting (stewardship messaging)
 - New Initiatives
 - Sea-cret Season Press Trip
 - Target: off-season visitation

- 3 – 4 top-tier media attendees
- Timing: Fall 2026
- Substack & Emerging Media Outreach
 - Engage high-trust creators influencing AI discovery
- Content Mission presented by Annika Berg
 - Capture updated assets across:
 - Hotels
 - Dining
 - Retail
 - Nature experiences
 - Support all major campaigns
 - Creative Concept
 - Carmel Then & Now
 - Blend historical imagery with modern content
 - Reinforce timeless identity of the destination

ADDITIONS TO THE AGENDA

- Local PR campaign to educate local community on responsible marketing

Adjourned

Carrie Theis adjourned the meeting at 5:02 pm