CARMEL HOSPITALITY IMPROVEMENT DISTRICT (CHID)
VISIT CARMEL
BOARD OF DIRECTORS REGULAR MEETING
Sunset Center and on Zoom
Carmel-by-the-Sea, CA 93921
Thursday, June 18, 2026
2:30 PM

MINUTES

BOARD MEMBERS PRESENT: Carrie Theis, Hofsas House; Susan Dampier, Marc & Rose Hospitality; Greg Ahn, 7D/Folktale; Tim Twomey, CRA; Katie Enea, Carmel Chamber; Chris Morello, MRY; Amy Herzog, Executive Director; Brandon Swanson, City of Carmel; Candace Fecteau, Stillwell Hotels; Pam Sheppard, Horizon Inn and Ocean View Lodge; Mark Stilwell, Stilwell Hotels (virtual); Rich Pepe, Pepe International.

ALSO IN ATTENDANCE: Jeff Burghardt, Visit Carmel; Nicole Dore, Visit Carmel (virtual); Marrissa Mallory, J/PR (virtual); Sophia Stewart, J/PR (virtual); Suzanne Cravell, CARS; Rob O'Keefe, See Monterey (virtual); Monique Black, Chez Noir (virtual); Christine Sandin, Sunset Center; Emily Kim (Chamber intern).

BOARD MEMBERS ABSENT: Mark Watson, Inns-by-the-Sea

Carrie Theis, Chairperson, called the meeting to order at 2:30pm and confirmed that a quorum was present. She thanked attendees for dialing in via Zoom. Introductions were made for new attendees.

PUBLIC COMMENT:

Christine Sandin, Sunset Cultural Center

- Announced the 2026–27 season is now on sale; 23 performances, with ticket sales up 37% year-over-year.
- Requested the board consider re-establishing a Hospitality Partners Program to provide lodging support for visiting artists, as lodging has become a deciding factor in booking talent. Visit Carmel noted the program lapsed during COVID and that philanthropy staff will reach out to relevant properties.

See Monterey Funding

- The board previously voted to withdraw its $120,000 funding ask from the city; the city subsequently passed its budget without including See Monterey funding.
- Local media (KSBW, Pine Cone, Monterey Weekly) have framed the funding cut around an "over-tourism" narrative; the board noted Visit Carmel has not been contacted for comment in any of the recent stories.
- Discussion distinguished overcrowding (a real, manageable issue) from over-tourism (disputed framing); Carmel's occupancy (~69%) is below comparable peer destinations.
- Rob O'Keefe (See Monterey) reported he has declined press interviews in favor of a written statement reaffirming the 20-year partnership with Carmel and outlined a proposed two-part response: (1) a county-wide visitor profile study with a Carmel-specific deep dive, and (2) a tourism management study addressing paid parking, resident sentiment, and remote employee parking.

- Budget context: city-wide structural deficits are driven largely by unfunded PERS pension liabilities and ~$100M in deferred maintenance; this is affecting most county jurisdictions, not unique to Carmel.
- The City Council meeting on the See Monterey funding question is scheduled for Monday, July 6 at 3pm; a separate meeting on TOT/sales tax ballot measure language follows the next night.
- Board discussed a possible op-ed or paid ad placement to clarify Visit Carmel's role, correct the over-tourism narrative, and support See Monterey funding — but agreed the board cannot take a position on the TOT ballot measure itself, since that falls outside the current fiscal year's funding relationship.
- Agreed approach: key points/talking points to be drafted by Amy and Carrie (with input from Mark Stillwell and Mark Watson), then refined by J/PR into op-ed or ad form. Timing and coordination with Rob/See Monterey to be confirmed before publishing, given sensitivities with the City Council.
- Additional ideas raised: a CRA-hosted town hall to engage residents directly; a more "humanized" campaign featuring local business owners/innkeepers rather than data alone; continued visibility on social media to maintain Visit Carmel's voice in the narrative.
- Brandon noted that if the board wants any communication included in the July 6 council packet, it must be submitted by June 26.

<u>MINUTES</u>

The minutes from the May 21 meeting were distributed in advance via email. Candace Fecteau made a motion to approve the minutes, Pam Sheppard seconded and the motion passed unanimously.

<u>DRAFT BUDGET – FY 2027</u>

- Forecasted TOT revenue unchanged at $10.4 million; the $120,000 (previously reduced to $90,000) in city marketing funding has been fully eliminated from the budget.
- $200,000 from cash balance is still recommended to balance the budget.
- Total expenses reduced by $153,000 since last month's draft, primarily from the marketing line ($130,000), with smaller reductions in PR and sales/promotion.
- Projected revenue (excluding city funds) is $2,695,000, a 3% increase over last year.
- PR/social budget reduced $18,000 by consolidating a planned content mission and shifting from a group media FAM trip to individual one-on-one media visits.
- Marketing budget down 18% year-over-year, driven by reduced TV buy and removal of a $50,000 line item earmarked for Chicago flight marketing (previously a contribution to See Monterey). Board discussed reinstating support if the Chicago flight continues, reallocating from existing fly-market marketing rather than a direct check to a partner organization.
- RID revenue has grown 22% over the past four years — outpacing CPI growth of 20.7% with a 66.7% RID revenue increase since the district's 2019 inception, including the COVID period.
- Administrative salary increased 3% (COLA); benefits/health coverage costs up 12% year-over-year.
- Motion to approve the FY 2026–27 budget made by Susan Dampier, seconded by Greg Ahn and approved unanimously.

<u>CARMEL CULINARY WEEK DEBRIEF</u>

- 1,337 tickets sold; gross ticket revenue of $167,800 (net estimated ~$150,000), exceeding the 80% guaranteed minimum ($104,000) well ahead of the event.
- 47% of ticket buyers were from the Monterey Peninsula; 53% were drive-market or out-of-state visitors.

- Guest survey (114 respondents): 60% visited specifically for Culinary Week; 31.6% of out-of-area visitors stayed in a Carmel hotel, with 24.1% of those staying 3+ nights; 67.7% said they would attend again.

Marketing, PR, Social

- Event marketing began in January (vs. April in prior years), supported by an expanded multimedia mix: connected TV, traditional TV/radio, print (Sunset Magazine as lead sponsor, Pine Cone, Carmel Weekly), digital/carousel ads, e-blasts, and direct mail.
- Pre-event earned media included features in Los Angeles Magazine, NBC Los Angeles, and Travel + Leisure, plus upcoming placements in Elle (this month) and Vogue (summer issue).
- Owned social: 32 feed posts, 245 Instagram story slides, 600,000+ impressions, ~20,000 engagements, 1,000+ shares, and 420 saves.
- During event hosted 7 visiting journalists/content creators (staggered visits across the week), generating 82 social stories and 6 in-feed posts to date.

Financial Summary

- Total all-in investment across event production, marketing, and JPR retainer allocation: approximately $318,000.
- Of this, $117,250 was paid to Good Roots (event producer), which includes $41,750 in stipends paid back to participating restaurants/wineries; an additional $14,000 covered branded materials (glassware, lanyards, wristbands, signage).
- Assuming a 50/50 RID/HID cost split, Culinary Week represents approximately 46% of RID revenue and 8% of HID revenue.
- Board discussion raised questions about cost transparency and value relative to Good Roots' production fee; no resolution reached, to be revisited at a future RID meeting.

Areas for Improvement (Guest & Internal Feedback)

- Early sell-outs frustrated guests; consider holding back some tickets for later release and establishing a wait list.
- Seating/cocktail-table availability remains a recurring complaint.
- VIP early-access ratio needs adjustment so VIP guests aren't waiting in line; ultimate-pass and event-specific badges were confusing/redundant.
- Restroom and trash-can availability/visibility were inadequate at several events (e.g., Piccadilly Park, La Dolce Vita); recommend each event bring in its own trash cans and additional restroom facilities.
- Crowd flow issues noted at Soiree.
- Good Roots will move to a new ticketing system next year with improved guest communication.

2027 Event Timing

- Board favors locking in the first Friday in June (June 4–12 window) annually for consistency, positioning the event before U.S. Open-related business ramps up.

EXECUTIVE DIRECTOR REPORT

- Visitor center foot traffic has trended down year-over-year; contributing factors discussed include reduced tour bus traffic since COVID, inconsistent counting methods, and signage/visibility issues (small visitor center sign, unclear directional signage on Ocean Avenue).
- Hotel booking data reported to the Visitor Center is incomplete, since walk-ins who book independently aren't tracked; board to revisit reporting process with Rose and Suzanne.
- Stakeholder Communications
    - Eblast went out detailing Culinary Week Recap, Chicago Flight, and Social Media Call for Content
    - Will do a half print run of the tear pad map as the street address rollout for Carmel properties remains in flux. The upcoming Carmel guide will continue using directional/locational addresses until the numbering system stabilizes.
- Airport/Chicago Flight Update

    - The inaugural Chicago flight celebration received strong local coverage, including a United Airlines local pilot.
    - Passenger volumes are strong. United will decide on expanded frequency or a longer season for 2027 by early fall.
    - LA and Denver upgauges are performing well; a second Denver upgauge may be considered once ramp capacity allows.
- Upcoming Meetings & Calendar
    - July City Council meetings: June Monterey funding decision (July 6, 3:00 p.m.) and TOT/sales tax ballot measure language on July 7.
    - Next board meeting: July 16 at Stillwell Hotel (Carmel Bach Festival will occupy Visit Carmel's usual venue in July).
    - Board agreed to skip the August meeting per tradition (ahead of Car Week).
    - September meeting moved to Thursday, September 24 to avoid conflict with See Monterey's annual meeting.

MARKETING & ADVERTISING REPORT

- Hotel web referrals for March–May were the highest in 10 years of tracking; visitor IP data shows visit nights up ~10% over the last 12 months, with the Bay Area, LA, Sacramento, and Dallas as strongest source markets, and a notable spike in New York (+113%) and World Cup-related international visitors.
- New hotel "sizzle reel" video content in production; ongoing OTA (Booking.com) campaign showing 12x return on ad spend.
- KQED proposed an exclusive culinary getaway package opportunity for its (affluent, 61+) membership base; cost is modest (~$7,500) but requires 8–10 hotels to assemble participating packages. Board expressed interest in pursuing this.
- "Book direct" rate-search tool on the Visit Carmel website was discussed; some properties' reservation systems are incompatible, and the group deferred a decision on renewal (paid through January) to a future dedicated agenda item.
- J/PR is developing FAQs/blog content addressing AI search visibility and public-facing tourism-management questions, to roll out in July.

PR & SOCIAL MEDIA REPORT

June's PR and social efforts were focused almost entirely on Culinary Week recap coverage, full monthly report to follow in early July.

No further agenda items raised. Meeting adjourned at 5:26pm.