



Tourism Marketing District Renewal Task Force (TMD-RTF)

Kick-Off Meeting - December 2, 2020

Notes

Maggie Ivy, Visit Santa Cruz County CEO, began the meeting at 10 a.m. with an introduction of the moderator, Joe Terzi. Joe provided information on his experience and career in the tourism industry, including DMO and hotel operations. Following his introduction, TMD-RTF members introduced themselves.

Maggie Ivy then provided an overview presentation of the TMD, reviewing how the district was created, sharing accomplishments and focus of the organization over the last few years, as well as an overview of what is happening to the industry due to COVID-19. Her presentation included the following for historical reference:

- Current TMD structure will be the 4th renewal
- Countywide district and all lodging facilities are included, except individually owned/managed vacation rentals like those through AirBnB
- Exempt categories: campgrounds, non-profit organizations (such as 1440)
- Duration (current is 7 years)
- Five jurisdictions remit assessments on different schedules

She also provided a comparison of how various other districts within California are structured. Maggie noted that the Santa Cruz County TMD collections have suffered due to the impacts from COVID, which impacted both TMD and TOT collections. In 2019, the Santa Cruz County tourism industry economic impact was over \$1 billion, but due to COVID, it has seen a significant decrease (projected decreases of 30%-50%).

Regarding the budget, VSCC focused the funds as follows:

- 80% of marketing efforts are directed to the drive market (those within a 2-hour drive of our region – leisure/tourism which is approximately 85% of the market as a whole)
- 12% of marketing efforts have been directed to the international tour and travel (helps to bolster the shoulder seasons – currently on pause because of COVID)
- 8% of marketing efforts are directed to the group meetings and weddings

Maggie then highlighted the following TMD accomplishments and focus for marketing:

- Rebranding effort: “Let’s Cruz”
- Website redesigns
- Expansion of digital advertising
- Segmented e-marketing
- Shoulder season campaign expansion
- Social media growth
- Expansion into the meetings market

- Expanded international marketing efforts
- Extensive content creation

Maggie then reviewed the timeline for the TMD renewal process. A general discussion was held, including the following topics:

- Request for chart showing the number of properties at each tier, year-by-year from 2015 through present
- What the future projections are for TMD, which will be partially dependent on the final choice for the assessment

Joe Terzi then started a general discussion by recommending that the group look at a longer term for the district, as it makes it easier to work within. He posed the following questions for the group to consider:

1. What term length?
2. What is the strategy for the assessment?

Maggie also noted that the group should decide what the primary focus will be at the next meeting. A request to have the following shared via email before the next meeting:

- General budget information (high level, including reserves)
- Assessment information
- TMD assessments structures for other communities

Maggie provided an overview of the reserves, explaining that VSCC was able to build reserves through the success of the cooperative marketing programs and unspent increases in TMD collections. Reserves have been built through the years as well to ensure that marketing efforts could continue through the down times.

Joe noted that many of the districts in the state are struggling with budgets and how to have the resources to get back in the market. He commended VSCC for their efforts to build reserves.

Kent Berman then reviewed the peer-to-peer communication efforts. He explained that each TMD-RTF member would take 3-5 other hotel representatives to have one-on-one communication about the TMD renewal process. It will also allow for feedback from the different properties. Bijal Patel also suggested having “town hall” style meeting and webinar with the full TMD membership to ensure transparency for the process.

A discussion was held regarding the feeling that some hotels had during the last renewal process not hearing about the process, so it is important to ensure that this renewal is transparent. Tejal Sood stressed the importance of utilizing several different types of communication including email, personal contact and town hall/webinar format meetings.

Maggie reminded the TMD-RTF members of the upcoming meetings, and that the goal is to have an assessment structure by the end of February.

The group confirmed the next meeting would be held on January 14 at 10 a.m.

The meeting was adjourned at 11:13 a.m.