



Tourism Marketing District Renewal Task Force (TMD-RTF)

Meeting #2 – January 14, 2021

Notes

Maggie Ivy, Visit Santa Cruz County CEO, began the meeting at 10:04 a.m. with an introduction of Michael Harris, who is a representative from the Hampton Inn – Watsonville, as he was unable to join the TMD-RTF meeting in December.

After a welcome from TMD-RTF Co-Chairs Tejal Sood and Kent Berman, Joe Terzi began with a highlight of the follow-up paperwork that was requested and forwarded to the TMD-RTF members before the meeting.

In reviewing the chart showing how properties have migrated from different RevPAR tiers, he noted that the number of properties from 2015 to 2020 have remained relatively flat, and that there was a primary migration from Tier 1 to Tier 2. He shared that this is due in part to the resources that were available to VSCC to market because of the TMD assessment. He also noted that the budget recap from 18/19 to 20/21, it showed the budget is down \$653,000 in revenue as a result of COVID. He recommended the TMD-RTF consider how the TMD can rebuild the organization and have the right funding for when Santa Cruz County will be back in the market to bring visitors back here.

He then shared that the reserve policy can be used to support the organization. He reminded the task force members that there is a policy in place for VSCC reserves, and that any requests to use it are sent to the Executive Committee and the Board of Directors. He noted that these type of requests are handled through the Executive Committee and Board, not at the task force level.

Finally, he reviewed the summary of over 100 California TMD's and that based on the summary, there are three primary options being used:

- Percentage of rate
- Flat tier rates (varying approaches)
- RevPAR tier rates (what is being used currently)

Maggie then moved on to the brainstorming session for the various structures, using pros and cons for evaluation. TMD-RTF members gave input for the pros and cons of each level. The TMD-RTF members shared the following additional thoughts (see attached document for the summary chart):

- Percentage would allow for natural growth of the budget. As the rates increase, so will the assessment amount being collected.

- Concerns were expressed about ease of collection and implementation.
- Focus should be on ensuring that whatever assessment is chosen, that the budget level keeps the organization prepared for the future to remain competitive.
- TMD-RTF needs to be aware of the community needs and try to choose an assessment that will work for everyone.
- Importance of staying competitive with other destinations who compete for the same customers.
- Consider the year 2019 to base any budget figures for planning purposes.
- What issues would there be for the properties with placing a cap if the assessment is a percentage of rate.

Kent Berman then moved on to the discussion about communication and outreach. He focused first on the importance of the peer-to-peer communication, email updates to the full TMD membership, the additional of documents on the TMD page of the VSCC website, and the town hall style updates for the full membership. The peer-to-peer list was shared with the group for review.

TMD-RTF members gave feedback on the communication/outreach as follows:

- Good communication so far, with the update emails being sent to the full membership at least once a month.
- Documentation on the website is important, as anyone can access information on their time.
- “Cheat-sheet” would be good to have with the basic information about history, tier levels and other items would be helpful.
- Request for staff to provide talking points as to what should be accomplished from the first peer-to-peer outreach, ensuring all TMD-RTF members are gathering the same information.

Maggie asked that all TMD-RTF members sign up for properties to reach out to prior to the next meeting and to help fill in the pros and cons with a broader perspective based on the feedback they get from other TMD members. Any comments that are received from these calls should be recorded on the Google document – there is a column for notes.

Joe Terzi recommended that for the next meeting, discussion should be had about the length of the assessment, in addition to finalizing the pros and cons of the assessment structure.

The group confirmed the next meeting will be on January 28.

Meeting was adjourned at 11:33 a.m.