

AGENDA NO: III

MEETING DATE: December 8, 2016

CITY OF MORRO BAY
MINUTES - TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ADVISORY BOARD
REGULAR MEETING – NOVEMBER 10, 2016
VETERAN'S MEMORIAL HALL – 9:00 A.M.

PRESENT:	Aaron Graves	Chairperson
	Charlie Yates	Vice Chairperson
	Maggie Juren	Member
	Jayne Behman	Member
ABSENT:	Taylor Newton	Member
	Paul VanBeurden	Member
STAFF:	Jennifer Little	Tourism Manager
	Craig Schmollinger	Finance Director
	Scot Graham	Community Development Director
	Lori Kudzma	Deputy City Clerk

I. ESTABLISH QUORUM AND CALL TO ORDER

<https://youtu.be/TKgHhrxZAoE?t=47s>

A quorum was established and the meeting was called to order at 9:00 a.m.

II. PUBLIC COMMENT

<https://youtu.be/TKgHhrxZAoE?t=1m37s>

The public comment period was opened.

Erica Crawford from the Morro Bay Chamber of Commerce spoke regarding the upcoming Membership Summit open to the entire business community on November 16th from 8:00am – Noon.

Public comment was closed.

III. APPROVAL OF PRIOR MEETING MINUTES

- A. August 11, 2016 Regular Meeting
- B. September 15, 2016 Regular Meeting
- C. October 13, 2016 Regular Meeting
- D. October 13, 2016 Special Meeting

<https://youtu.be/TKgHhrxZAoE?t=3m27s>

Public Comment: None

MOTION: Board Member Juren made a motion to approve the minutes as submitted. Board Member Yates seconded the motion. The motion passed 3-0-1 with Board Member Behman abstaining due her absence from some of the meetings.

There was Board consensus to hear item V before item IV.

<https://youtu.be/TKgHhrxZAoE?t=4m53s>

- V. TRANSIENT OCCUPANCY TAX (TOT) REVIEW IN NEW FORMAT – PRESENTATION BY CRAIG SCHMOLLINGER, FINANCE DIRECTOR CITY OF MORRO BAY
<https://youtu.be/TKgHhrxZAoE?t=5m3s>
Finance Director Schmollinger gave a presentation and answered questions from the Board.

There was a discussion regarding the format for future reporting. Director Schmollinger shared that TOT information is usually not available until the 5th – 8th of the following month. There was a discussion about the possibility of moving the meeting date back one week and possibly later in the day. Tourism Manager Little will look into options and room availability.

Public Comment: None

- IV. PRESENTATION – OVERVIEW OF VACATION RENTALS BY SCOT GRAHAM, DIRECTOR OF COMMUNITY DEVELOPMENT
<https://youtu.be/TKgHhrxZAoE?t=20m29s>
Community Development Director Graham gave a presentation on the history of Vacation Rentals, the Moratorium, and Vacation Rentals in relation to the TBID.

There was discussion regarding the process to add vacation rentals and RV parks to the TBID. There was also discussion as to whether or not the percentage collected could be lowered and what that process would be.

There was discussion regarding how the efforts of the TBID benefit not only lodging businesses, but also restaurants, gas stations and local merchants, yet those businesses do not contribute toward the TBID.

There was further discussion on how to move forward and the type of outreach that would be required.

Public Comment:

Joan Solu shared information she had regarding the initial setup of the TBID, the number of protests received from vacation rentals and RV parks and how they were a small percentage of the total. She suggested that hoteliers would like to see RV parks and vacation rentals included in the TBID and the assessment be reduced to 2%.

There was a brief discussion regarding the process of weeding out those that applied during the moratorium period that are not active vacation rentals nor paying TOT.

Public Comment:

Joan Solu urged the Board to continue with this conversation and not to table it. If there is going to be a change in the ordinance it would have to be before May. Working backwards, the Board would need to make a recommendation to City Council in February.

Erica Crawford from the Morro Bay Chamber of Commerce suggested looking at Pacific Grove as an example of the “use it or lose it” vacation rental permit policy. Ms. Crawford asked for clarification as to whether the vacation rental permit is attached to the home or

home owner. Director Graham clarified the permit can be transferred to a new owner of the property within two weeks of the sale of the property.

There was Board consensus to continue moving forward with the process.

VI. SEARCH ENGINE OPTIMIZATION (SEO) CONTRACT OPTIONS – REVIEW

- a. Mental Marketing
- b. Pacific Leisure Marketing

<https://youtu.be/TKgHhrxZAoE?t=1h4m27s>

Tourism Manager Little gave the staff report and answered questions from the Board.

Public Comment:

Joan Solu asked if there had been an RFP for this project. Ms. Solu stated she has no preference which agency is chosen. Ms. Solu also made statements regarding the marketing report included in the packet that is to be discussed during item VII.

Tourism Manager stated she did not believe an RFP was required as the amount was under \$25,000. She will verify that information with the City Manager.

MOTION: Board Member Juren made a motion to select Pacific Leisure as the SEO provider and added 2 caveats – 1) assuming that an RFP is not required to move forward, and 2) add an “out” clause to the contract for poor performance. Board Member Yates seconded the motion. The motion passed 3-0-1 with Board Member Behman abstaining.

VII. MARKETING & PUBLIC RELATIONS UPDATE

- a. October 2016 Marketing Report
- b. October 2016 Press Clips

<https://youtu.be/TKgHhrxZAoE?t=1h31m27s>

Tourism Manager Little went over the items provided in the agenda packet and answered questions from the Board.

Public Comment:

Joan Solu, owner of 456 Embarcadero, would like the Board to find a way to increase Minimum Length of Stay (MLOS) and increase the booking window. She also asked why there are no events to market for December and what are the campaigns for January and February.

VIII. VISIT SAN LUIS OBISPO COUNTY (VSLOC) BOARD MEETING UPDATE

<https://youtu.be/TKgHhrxZAoE?t=2h5m37s>

Chairperson Graves gave highlights from the recent VSLOC meeting and answered questions from the Board.

Public Comment: None

IX. DISCUSSION ON HOTEL OUTREACH FROM TOURISM OFFICE

<https://youtu.be/TKgHhrxZAoE?t=2h15m46s>

Tourism Manager Little gave a brief update on outreach from her office to the hotels.

There was a discussion about assigning Board Members to several hotels as contacts to help keep the hoteliers informed of what is going on in the City and with the TBID.

There was also a brief discussion about making the meeting format less intimidating to encourage more participation.

Public Comment:

Joan Solu shared that participation is tough during morning hours when hotels are serving continental breakfast and then dealing with check out. Ms. Solu suggested a quarterly letter from the Board to hoteliers.

There was a discussion about how Board Members may be seen as competition when entering another establishment and that owners may be reluctant to share information. The suggestion was made that hoteliers may be more open to sharing with staff members.

X. DECLARATION OF FUTURE ITEMS

<https://youtu.be/TKgHhrxZAoE?t=2h28m23s>

Chairperson Graves would like to see a staff report at the December meeting regarding folding vacation rentals and RV parks into the TBID, along with a budget pro-forma scenario if the TBID assessment rate were to be reduced to 2%. Tourism Manager Little will check in with the new Deputy City Manager regarding the economic development portion of this request.

Board Member Behman would like to see a list of benefits to vacation rentals and RV parks of joining the TBID.

Board Member Behman would like to know what the events and marketing plans are for December – May so they can start promoting those events now.

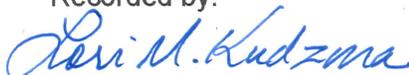
Board Member Juren would like to have a discussion about the grant program. Tourism Manager Little stated she will provide an overview of the grant program at the December meeting.

XI. ADJOURNMENT

<https://youtu.be/TKgHhrxZAoE?t=2h39m20s>

The meeting adjourned at 11:39 a.m. to the next Regular Meeting to be held on Thursday, December 8, 2016 at 9:00 a.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:



Lori M. Kudzma
Deputy City Clerk