

City of Morro Bay

Tourism Business Improvement District

Advisory Board

Mission Statement

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

NOTICE OF SPECIAL MEETING

THURSDAY, DECEMBER 10, 2015
VETERAN'S MEMORIAL HALL – 8:00 A.M.
209 SURF STREET, MORRO BAY, CA

- I. ESTABLISH QUORUM AND CALL TO ORDER
- II. PUBLIC COMMENT PERIOD REGARDING ITEMS ON THE AGENDA
- III. APPROVAL OF MINUTES FROM THE NOVEMBER 19, 2015 TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ADVISORY BOARD SPECIAL MEETING
- IV. DISCUSSION AND DIRECTION TO CITY COUNCIL REGARDING CITY TOURISM MARKETING AND PROMOTIONS MANAGEMENT
- V. DECLARATION OF FUTURE ITEMS
- VI. ADJOURNMENT

DATED: December 4, 2015

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Michele Jacquez, Chair

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 24 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS, OR CALL CITY HALL AT 772-6201 FOR FURTHER INFORMATION.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

MINUTES - TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ADVISORY BOARD
SPECIAL MEETING – NOVEMBER 19, 2015
MORRO BAY COMMUNITY CENTER STUDIO ROOM – 9:00 A.M.

PRESENT:	Michele Jacquez	Chair
	Todd Baston	Member
	Jayne Behman	Member
	Aaron Graves	Member
	Taylor Newton	Member
	Joan Solu	Member

STAFF:	Sam Taylor	Deputy City Manager
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TOURISM

BUREAU STAFF:	Brent Haugen	Tourism Director
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I. CALL TO ORDER

The meeting was called to order at 9:10 a.m. Chair Jacquez introduced the new board members and welcomed them to the board. She also announced Board Member Jack Smith resigned from the board as of last night, so there will be a citizen-at-large seat open.

The new board members introduced themselves

II. PUBLIC COMMENT PERIOD

<https://youtu.be/9R7wUYcbMOU?t=3m10s>

The public comment period was opened.

Nancy Castle, of AGP Video and Art Goes Places, spoke regarding the Community Thanksgiving Dinner being held at the Veteran’s Hall. They are going to be accepting donations of nonperishable foods and charitable donations for their Monday Night Meal Program. She thanked Morro Bay for being such a caring community to the homeless. She is also planning on doing some community projects over the next year to get geared up for the Open Arts Tour in 2016.

The public comment period was closed.

III. APPROVAL OF MINUTES FROM THE OCTOBER 8, 2015 TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ADVISORY BOARD SPECIAL MEETING.

<https://youtu.be/9R7wUYcbMOU?t=8m18s>

MOTION: Board Member Solu moved the Board approve the October 8, 2015 minutes. The motion was seconded by Board Member Newton and carried unanimously, 5-0. Board Member Behman abstained from the vote.

IV. APPROVAL OF MINUTES FROM THE OCTOBER 27, 2015 SPECIAL JOINT MEETING OF THE CITY COUNCIL AND TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ADVISORY BOARD

<https://youtu.be/9R7wUYcbMOU?t=9m38s>

MOTION: Board Member Solu moved the Board approve the October 27, 2015 minutes. The motion was seconded by Board Member Newton and carried unanimously, 5-0. Board Member Behman abstained from the vote.

V. ELECTRONIC READER BOARD PARTNERSHIP VERBAL UPDATE

<https://youtu.be/9R7wUYcbMOU?t=10m09s>

Deputy City Manager Taylor researched the idea and found the City's Sign Ordinance does not allow movable signs. The Community Development Department is currently working on updating the Sign Ordinance and once it is updated, the electronic reader board will be brought back in the future.

VI. REVIEW OF TRANSIENT OCCUPANCY TAX (TOT)

<https://youtu.be/9R7wUYcbMOU?t=13m2s>

Board Member Solu presented the Transient Occupancy Tax Report that she prepared based on information provided by the City. That presentation can be viewed at the following link: <http://morrobayca.gov/DocumentCenter/View/9244>.

Board Member Behman questioned the total number of hotel rooms available in Morro Bay and made suggestions of additional information to include in the report, including a standard number of rooms and a comparison of seasons. She also stated City staff should be preparing the report.

Deputy City Manager Taylor stated the City will take over preparing this report, as well as the quarterly reports in the future.

Tourism Director Haugen stated Morro Bay has 919 rooms. He also stated that although the summer months are the peak season, they did do a mini-marketing campaign to promote rooms due to new inventory in the County.

Board Member Newton questioned why there was not an assessment on vacation rentals and recreational vehicle parks.

Deputy City Manager Taylor stated there will be future discussions about either including them or creating a new BID to include those, as well as retail and restaurant. This is being considered as part of a city-wide economic development strategy.

Board Member Solu reported most of top retail sales tax producers are visitor serving. She suggested a shop local campaign.

VII. DISCUSSION AND DIRECTION REGARDING CITY TOURISM MARKETING AND PROMOTIONS MANAGEMENT.

<https://youtu.be/9R7wUYcbMOU?t=41m8s>

Chair Jacquez informed the Board Council will not be considering this item until January, so she would recommend to discuss the item today and hold another meeting in December to provide a recommendation to Council.

Deputy City Manager Taylor presented his staff report, listened to concerns, and responded to inquiries from the Board.

Board Member Newton stated the power of executive decision making should be about money not about style. The current Board and Tourism Bureau staff are professionally motivated.

Board Member Graves recommends keeping the dialogue going to create a precise plan.

Board Member Baston feels it is important to have the City involved, but he needs time to digest all of the information received.

Board Member Behman would like to see the model become less convoluted, but retain the level of professionalism. She is looking forward to more time and information to make an informed decision.

Board Member Solu recommends the TBID work for a year as is with Deputy City Manager Taylor to foster the relationship with the City and better understand how the mechanisms meet; joint monthly meetings between the MBTB and TBID; a TBID subcommittee to work with the City on updating the vision, values and goals; future discussions regarding the visitor center; and if the City, implements the changes recommended, they should immediately move for a 5-year 1994 Act TBID through a nonprofit, that includes vacation rentals and RV parks, with a 2 year goal to include other retail.

Chair Jacquez recommends a City commitment of funds whether or not TOT increases, because the City is the one who wants the change. She recommends the City work with the current model and Tourism Bureau for a year as a partnership before making any recommendations to change the model. She would also like a delineation between the Chamber of Commerce and Tourism. She stated she is committed to working with Deputy City Manager Taylor on all Tourism Bureau and TBID agendas to keep City apprised of any new contracts/agreements the Tourism Board is considering. She would like the Board to make a recommendation at the next meeting to be presented to Council in January.

VIII. DECLARATION OF FUTURE ITEMS

The Board recommended holding a special meeting on Thursday, December 10th at 8:00 a.m. to continue the discussion regarding tourism marketing and promotions management and to provide a recommendation to Council.

IX. ADJOURNMENT

MOTION: Board Member Solu moved to adjourn the meeting at 11:50 a.m. The motion was seconded by Board Member Graves and carried unanimously, 6-0.

Recorded by:

Brooke Austin
Deputy City Clerk



AGENDA NO: IV

MEETING DATE: December 10, 2015

Staff Report

TO: TBID Advisory Board Members

DATE: Dec. 4, 2015

FROM: Sam Taylor, Deputy City Manager

SUBJECT: City Tourism Marketing & Promotions Management

RECOMMENDATION

TBID Advisory Board members should make a recommendation to City Council regarding the attached resolution providing for an alternative management model for City tourism operations.

ALTERNATIVES

No alternatives are suggested.

BACKGROUND

City Council members adopted FY 15-16 Goals & Objectives that specifically called for staff to enhance economic development operations.

In particularly, Goal 6G requires staff to:

“Evaluate, analyze and present to council alternate models for partnerships between the City and both the Chamber of Commerce (Chamber) and the Morro Bay Tourism Bureau (MBTB).”

Over several meetings the TBID Advisory Board, City Council, and community have discussed this issue since June. Staff have also met with numerous hotel stakeholders regarding this issue. City Council members have asked staff to provide detail related to the alternative management model that would mean bringing tourism operations back under the umbrella of the City.

Staff has developed a resolution outlining this model for council consideration, and is first bringing it to the TBID Advisory Board for consideration. This resolution consists of numerous inputs from the hotelier stakeholder community.

Prepared By: ST

Dept Review: _____

City Manager Review: DWB

City Attorney Review: _____

Additional detail and previous staff reports on this issue can be found under the Hot Topics section of the City's website at www.morrobayca.gov.

DISCUSSION

Per previous discussions, the TBID Advisory Board is being asked to review the alternative management model details and make a recommendation to the City Council related to the attached resolution.

The board previously discussed details of this model at its November meeting, and has discussed this overall topic since June. The Board is being asked at its December 10 meeting to have final consideration of a resolution that will be considered by the Council in January.

CONCLUSION

City Council members specifically asked staff to evaluate, analyze and report on an alternative City tourism marketing and promotions model. Staff has now completed this work, and will recommend Council provide direction regarding how the City undertakes its tourism marketing and promotions efforts in the future.

TBID Advisory Board members should review the resolution outlining an alternative management model for City tourism marketing and promotions and provide a recommendation to Council regarding this model. The intent of this discussion is to make this alternative model the best it can be for the community and local stakeholders. The TBID Advisory Board's recommendation will be brought to the City Council by staff during a planned January discussion and potential decision related to the City's tourism operations.

ATTACHMENTS

Resolution

RESOLUTION NO. XX-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City Council adopted the Tourism Business Improvement District (TBID) Law – Chapter 3.6 MBMC – via Ordinance 546 in 2009; and

WHEREAS, pursuant to MBMC 3.60.030, creation of the TBID is intended to provide a stream of revenue to the City to defray the costs of services, activities and programs promoting tourism which will benefit the operators of hotels in the district through the promotion of scenic, recreational, cultural and other attractions in the district as a tourist destination; and

WHEREAS, the City has managed its tourism promotions and marketing operations both internally in the past, though with no specific tourism staff, as well as contracted for said services with the Morro Bay Tourism Bureau; and

WHEREAS, since the inception of the TBID assessment, tourism has increased tremendously in the City, and Transient Occupancy Taxes collected from hotel stays has increased by more than \$1 million annually; and

WHEREAS, the City has greatly enhanced its focus on communitywide economic development, which includes tourism as Morro Bay's major economic engine; and

WHEREAS, it is imperative that the City strategically align all economic development operations to ensure efficiency, strong coordination, and enhanced long-term operations; and

WHEREAS, the City recognizes the important commitment to the hotelier stakeholder community when managing the community's TBID assessment funds; and

WHEREAS, the City Council intends for the City to directly manage its tourism promotions and marketing, and provide for a structure of said management both as a way to outline the program and provide continued commitment to the hotelier stakeholder community;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

The City Council finds it appropriate for the City to manage its tourism promotions and marketing directly. To that end, the following structure for management of the community's TBID assessment funds shall be as follows:

- 1) The City shall directly manage its tourism promotions and marketing, including expenditure of the community's TBID assessment funds. Expenditures shall be made pursuant to City and state law. A state-required annual report and work plan, recommended by the TBID Advisory Board and approved by the City Council, shall guide the expenditure of these funds.
- 2) Expert tourism staff, reporting to the City Manager or their designee, will manage the City's tourism promotions and marketing. This staff shall be contractors, and will be required to follow all rules related to contracted services including, but not limited to, acquiring a Morro Bay business license. The existing Morro Bay Tourism Bureau staff will be offered these positions. The City may modify this contracted relationship in the future should there be a more cost-effective approach to management of tourism marketing and promotions. Changes shall be reviewed by the TBID Advisory Board, which will make a recommendation to the City Council prior to operational changes.
- 3) The TBID Advisory Board shall participate in the annual review of the City's tourism manager and will assist in setting goals and metrics to measure the success of the community's tourism promotions and marketing undertaken by this contracted employee. The Advisory Board shall participate in the selection of any future tourism manager hiring process.
- 4) The TBID Advisory Board shall have enhanced duties that include not only the general tourism marketing and promotions, but any efforts to enhance the destination of Morro Bay as it relates to tourism. This can include citywide brand management, destination-promoting community event management or review, and more. The Advisory Board shall assist staff in developing the overall duties of the Board, and will make a recommendation to City Council in order to update the Advisory Body's bylaws as appropriate.
- 5) The City shall commit \$300,000 in Transient Occupancy Taxes to the City's tourism operations. It is intended that the budget shall provide for this amount incrementally, with 20 percent of annual TOT increases being set aside for these purposes until the maximum is reached. The TBID Advisory Board will provide recommendations through its Annual Report and Workplan on the appropriate expenditure of this funding to City Council.
- 6) The City's professional tourism staff shall be provided office space in a City facility.
- 7) In order to focus as much of the TBID assessment as possible on directly promoting and marketing Morro Bay, the City shall provide for accounting, legal advice, IT support, as well as the aforementioned office space.
- 8) In order to transition to direct management of tourism operations, the City does not intend to extend its current contract with the MBTB past the May 2016 expiration of

the existing contract. The City will coordinate a transition plan to direct management with Bureau input.

- 9) The City intends to work with the local business community on the formation of an additional Business Improvement District that could include retail and restaurant businesses for the purposes of enhanced marketing of those businesses that help make Morro Bay the destination that it is.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this ____ day of _____, 2015 on the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk