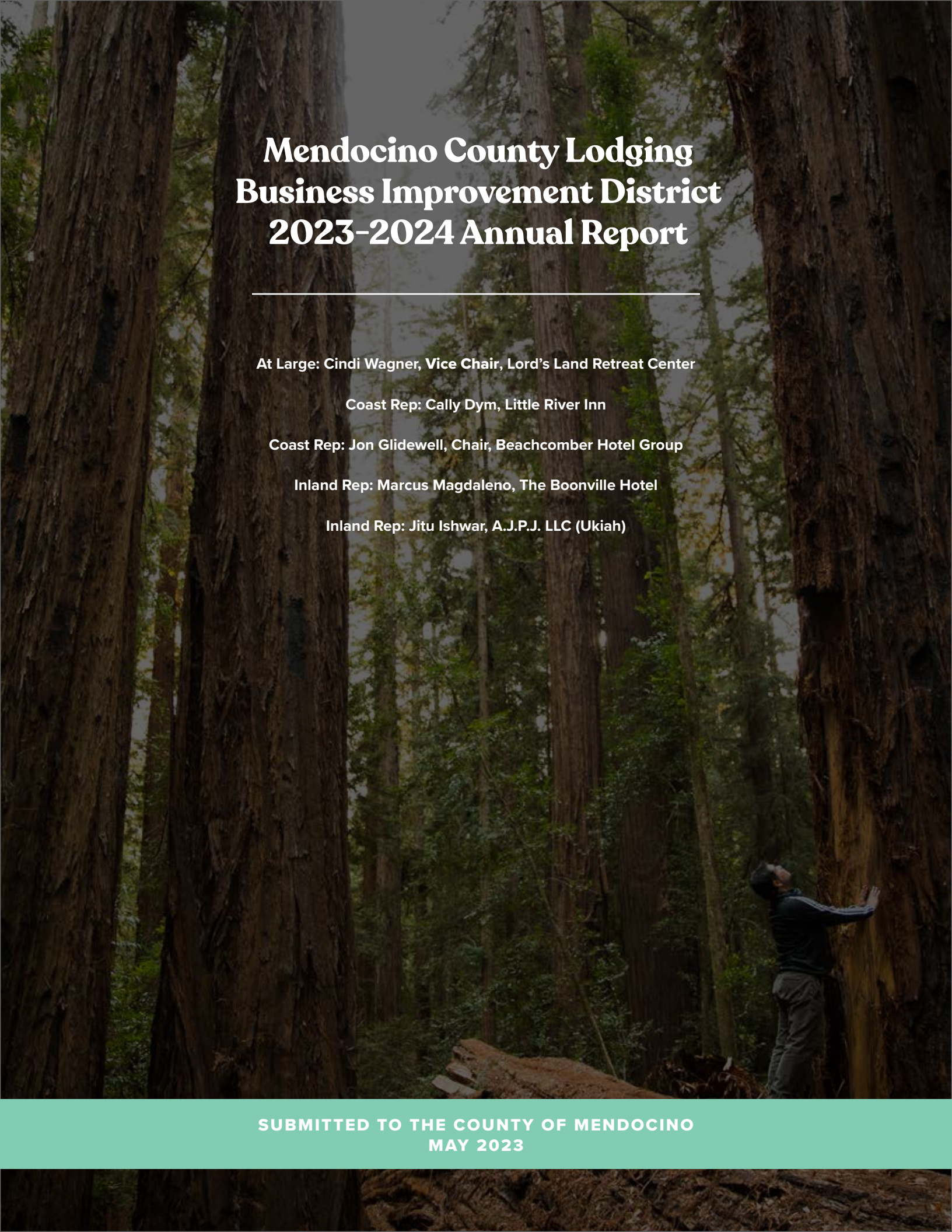




Mendocino County Lodging Business Improvement District 2023-2024 Annual Report

At Large: Cindi Wagner, Vice Chair, Lord's Land Retreat Center

Coast Rep: Cally Dym, Little River Inn

Coast Rep: Jon Glidewell, Chair, Beachcomber Hotel Group

Inland Rep: Marcus Magdaleno, The Boonville Hotel

Inland Rep: Jitu Ishwar, A.J.P.J. LLC (Ukiah)

**SUBMITTED TO THE COUNTY OF MENDOCINO
MAY 2023**

Executive Summary from the BID Advisory Board Chair:

As the end of another fiscal cycle draws near, I am pleased to look back on a successful year of marketing and promoting Mendocino County as a premier travel destination. Visit Mendocino County (VMC), as our Destination Marketing Organization (DMO), has continued to work diligently to raise awareness of our area and its many attractions. These accomplishments reinforce the sentiment that tourism is Mendocino County's industry. Through its efforts, VMC has recorded its most productive and promising results in the many years since its inception. Specifically, the DMO:

- Recorded its highest fiscal year collections in TOT and BID funds
- Generated approximately \$39 million in direct spending and a total of \$55 million in overall spending (Travel Analytics Group, 2022)
 - ↳ From over \$17.5 million in lodging revenue,
 - ↳ \$8.5 million in food and beverage revenue,
 - ↳ And over \$10 million in entertainment, shopping, transportation, and other recreation
- Contributed to over \$6.6 million in local, state, and federal taxes (Travel Analytics Group, 2022)
- Enjoyed a program return on investment (ROI) of \$62 for every \$1 spent

The DMO's success is due in part to its innovative marketing and public relations (PR) campaigns, which have reached a wide audience of visitors. Even midway through the 2022/2023 fiscal year, VMC had already exceeded its goals of advertising equivalency value by \$340 million and its total ad impressions by 1.7 billion. This is particularly helpful as VMC plans to carry this momentum into the next operating year with a full rebranding initiative, strategically designed to differentiate our market position and sharpen our efforts to attract an evolving target audience.

Not surprisingly, realizing this vision will require reliable finances so the organization can remain strong and continue to operate efficiently. Unfortunately, there have been indications that the existing funding vehicle may be in jeopardy, causing VMC to lose the 50% revenue match currently allotted by the County. If these matching funds are not renewed, the future of the marketing organization, and its significant contributions to the tourism industry, will be at risk.

Therefore, seeing the need to develop a more secure funding mechanism, the BID Advisory Board is asking the tourism community for help in creating a new structure. To ensure our trajectory does not decline, the board recommends proactive, supplemental funding with:

- An increased assessment of 1% to lodging
- The introduction of a 1% assessment on visitor attractions
- The introduction of a 1% assessment on wine tasting room sales

During the process of research and formation of this initiative, the board further requests that the County renew this year at Supervisor Gjerde's request of 40% of the original funding arrangement. With the help of its financial reserves, this will allow VMC to continue operating without interruption while the new funding mechanism is confirmed.

The tourism industry has experienced a significant rebound in the past year, with many sectors reporting record-breaking numbers of visitors and revenue generated. This is a testament to the resilience of the industry and the continued demand for travel. As VMC continues to play a vital role in the development and success of our tourism destination, I hope we can make the sustainability of its high-performing operations a priority.

Best regards,

Jon Glidewell
Lodging Operator
Chair, BID Advisory Board

Table of Contents

4	I. OVERVIEW
4	II. INTRODUCTION AND UPDATE OF BID HISTORY
8	III. MCTC ACCOMPLISHMENTS
12	IV. BASIS FOR PLANNING AND BUDGETING FOR FY 2023-2024
13	V. PRELIMINARY PLAN FOR FISCAL YEAR 2023-2024
16	VI. RECOMMENDATIONS (TO MCTC AND COUNTY OF MENDOCINO) AND ACTIONS TAKEN PREVIOUS TO 2021-2022 FY
16	VII. RECOMMENDATIONS ACTIONABLE BY THE MENDOCINO COUNTY TOURISM COMMISSION 2021-2022
17	VIII. RECOMMENDATIONS ACTIONABLE BY THE COUNTY OF MENDOCINO 2021-2022 (2022-2023 NO NEW RECOMMENDATIONS)
18	IX. FY 2023-2024 BID ADVISORY BOARD RECOMMENDATIONS
19	APPENDIX 1: TOT/BID COLLECTIONS
19	APPENDIX 2: MCTC BOARD ROSTER
20	APPENDIX 3: BID ADVISORY BOARD ROSTER
20	APPENDIX 4: MCTC BOARD SELECTION
23	APPENDIX 5: MCTC BALANCE SHEET AT OF 12/31/2022
24	APPENDIX 6: 2021-2022 MCTC EXECUTIVE DIRECTOR FORWARD
26	APPENDIX 7: 2021 – 2023 STRATEGIC PLAN

I. OVERVIEW

- Chapter 5.140.210 to Title 5 of the Mendocino County Code requires that an Annual Report of the Mendocino County Business Improvement District (BID) be prepared and presented to the Board of Supervisors by the BID Advisory Board approximately ninety (90) days before the start of each new fiscal year (FY) in which assessments will be collected. This FY 2023-2024 BID Annual Report conforms to the requirements outlined in Section 5.140.220 of the County Code and provides the following:
 - An introduction to the role of lodging and tourism in Mendocino County.
 - An update to the overview of the BID oversight and accomplishments as detailed in the FY 2021-2022 Annual Report.
 - A proposed FY 2023-2024 MCTC Budget
 - A review of the BID Advisory Board's recommendations to Mendocino County Tourism Commission (MCTC) for FY 2022-2023 and recommendations to the County of Mendocino (COM) for consideration and approval by the Board of Supervisors (BoS).
 - Recommendations to MCTC and the COM for FY 2023-2024

II. INTRODUCTION AND UPDATE OF BID HISTORY

a. Impact of BID on the Lodging and Tourism Industry

Lodging and tourism promotion is vital to Mendocino County's economy because of the impacts of visitor spending on taxpayers, businesses and employees.

- In 2021 the most recent year for which complete baseline information is available, total direct travel spending in the county increased 52% to \$488.1 million dollars. There was a strong increase of 8.9% in tourism related employment; tourism remains a notable employer within the county with the industry supporting 5,000 jobs and generating earnings of more than \$280 million dollars.

Mendocino County, its incorporated cities and taxpayers have a direct interest in the optimal investment of BID funds to promote countywide tourism and related industries. Building and maintaining awareness of the county as a viable and vital tourism destination continues to be top of mind for marketing efforts in 2023-2024. It is clear now more than ever that enhancing this essential segment of the county's economy is essential in the economic development of Mendocino County. The California tourism market is more competitive than ever, with regions competing for the "road-trip" segment of Californians and surrounding state residents. One measure of the impact of the BID funds is the amount of transient occupancy tax (TOT) that is collected. The County Treasurer-Tax Collector's October 2022 Transient Occupancy Tax Report for FY 2020-2021 shows that revenue from lodging businesses increased to \$8.4 million, a solid increase of 16.33% over the prior year. These increases were realized as early as the first quarter of the FY, showing that the continued brand awareness marketing MCTC undertook beginning in the FY 2017-2018 was successful. The Treasurer-Tax Collector reported that the countywide 1% BID assessment generated \$1,326,758.91 earning a match of \$663,379.46, a 11.7% increase in funds for marketing and promotion. (For planning purposes, MCTC revenue projections are based on actual assessment receipts as reported by the Treasurer-Tax Collector for the last completed fiscal year (FY 2021-2022).

b. Establishment and Requirements of the Lodging BID

The Mendocino County lodging industry and the County of Mendocino collaborated to establish the Lodging Business Improvement District (District) in the spring of 2006. Ordinance 4170 added the terms of the BID to the Mendocino County Code as Chapter 5.140 to Title 5. It created an assessment equal to one percent (1%) of rents paid for transient occupancy, to be collected by lodging for the purpose of countywide promotion. The Ordinance also created a county match of 50% of the total BID assessment.

Pursuant to Section 5.140.210 to Title 5 of the Mendocino County Code, and as required by the "Parking and Business Improvement Area Law of 1989," the BoS established a five-member BID Advisory Board responsible for preparing a BID Annual Report for each fiscal year. This report is presented to the BoS for approval approximately 90 days before the start

of each fiscal year. The BoS appoints Advisory Board members based on nominations from the MCTC Board, pursuant to its contract with the county. This contract requires MCTC staff and board to assist in preparing the Report.

Section 5.140.220 outlines specific information to be included in the BID Annual Report:

- A.** A. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.
- B.** B. The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following:
 - 1.** Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.
 - 2.** The improvements and activities to be provided for that fiscal year.
 - 3.** An estimate of the cost of providing the improvements and the activities for that fiscal year.
 - 4.** The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
 - 5.** The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
 - 6.** The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

The BID Annual Report advises the BoS on the state of the BID and the proposed Annual Marketing Plan and budget for the upcoming fiscal year. State law requires that this report be prepared and adopted by the BoS annually in order for the BID to be renewed. Once adopted by the BoS, it dictates how BID funds and the Mendocino County match are to be spent and provides a road map for implementation by the designated contractor. The report ensures transparency by communicating to stakeholders how BID and county funds are being invested and how impacts on visitor spending are being evaluated.

Section 5.140.245 requires that: The Board of Supervisors shall designate a contractor that shall be responsible for the administration of the Business Improvement District (BID) including hiring and oversight of the individual or entity charged with implementation of the Annual Marketing Plan that is annually approved by the Board of Supervisors. Since January 2016, the county has met this requirement by contracting with the Mendocino County Tourism Commission to fulfill these functions.

C. Historical Overview of the Implementation and Oversight of the BID

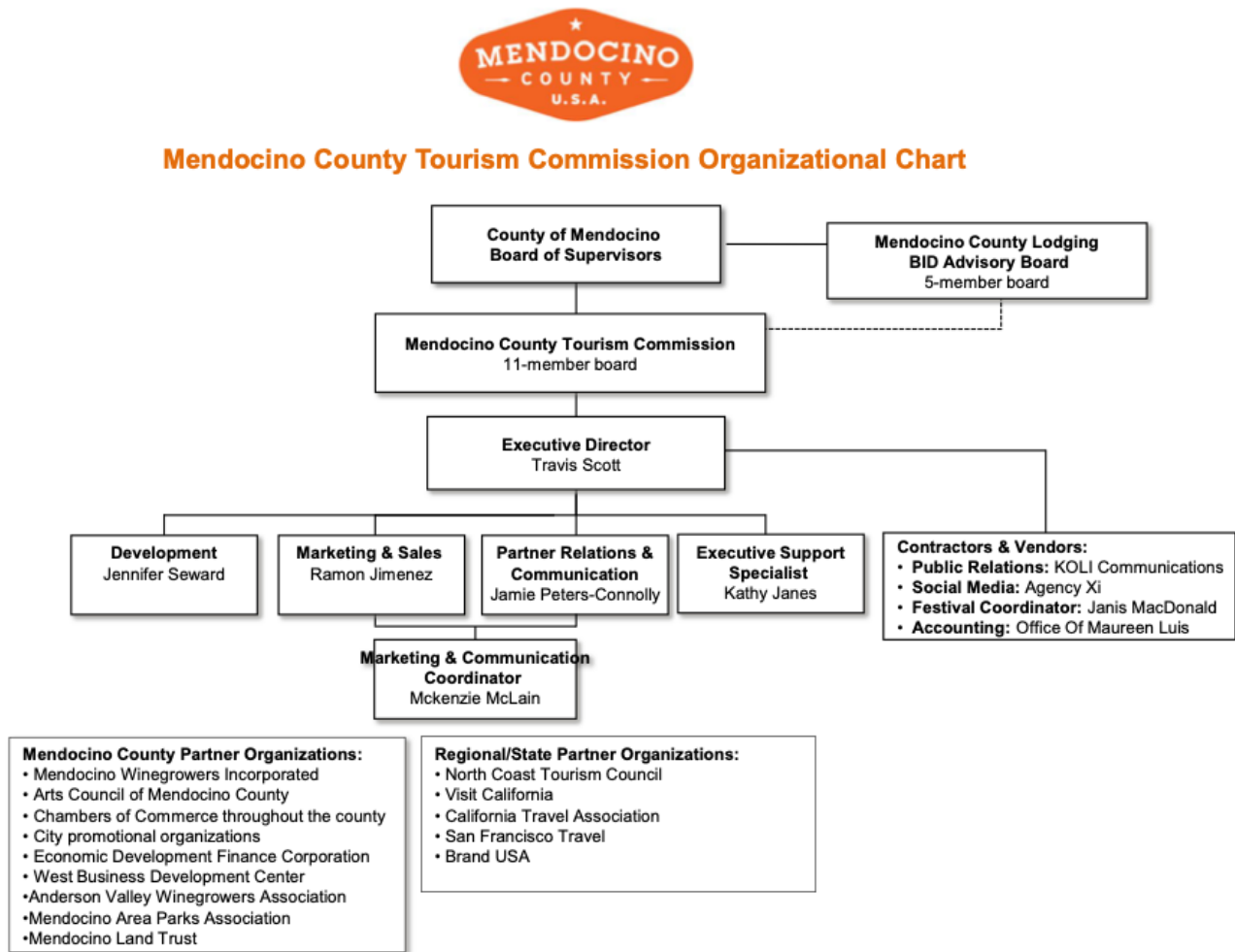
BID Annual Reports comprise the official record of program implementation, oversight and outcomes funded through the BID assessment and county matching funds. They may be accessed on the county website. The following timeline summarizes the history of BID oversight:

- 2006: Business Improvement District established by vote of Mendocino County lodging owners and operators.
- 2006-2015: Pursuant to annual contracts with the County of Mendocino, funds from 1% BID assessment were overseen and invested in countywide promotion by Mendocino County Lodging Association (MCLA). The 50% county match was overseen and invested in countywide promotion by Mendocino County Promotional Alliance (MCPA).
- 2009: MCLA and MCPA collaborated to establish VMC as a 501 (c)(6) organization and contracted with VMC to prepare and implement an annual Marketing Plan and budget prior to the start of each fiscal year.
- 2012: VMC earned accreditation by the Destination Marketing Association International (DMAI) and was designated by the Board of Supervisors (BOS) as the official destination marketing organization of Mendocino County.
- 2013-2014: MCLA and MCPA jointly funded in-depth marketing and organizational management studies with the goals of addressing internal issues, simplifying the organizational structure, strengthening promotional programs, and building capacity for accountability.

- 2014-2015: The Board of Supervisors Ad Hoc Committee, comprised of supervisors and stakeholders, formulated a plan for restructuring to replace Mendocino County Lodging Association and Mendocino County Promotional Alliance with a single oversight organization with designated seats on the board of directors for representatives of lodging and other tourism-related economic sectors. This restructuring was subsequently approved by the two organizations. Ordinance changes were adopted to reflect the revised structure.
- 2016-2017: The Mendocino County Tourism Commission (MCTC) held its first meeting on January 12, 2016 and contracted with the County of Mendocino as the sole contractor responsible for BID oversight and implementation. The legal transition was completed, and remaining funds were transferred from MCLA and MCPA to MCTC. Further Ordinance amendments were adopted on September 12, 2017 to align the Ordinance with the new structure.
- 2017: MCTC undertook a strategic planning process with leadership by the Coraggio Group. The process engaged stakeholders to revisit MCTC's vision, mission, values, reputation and market position, and identify imperatives, objectives, and initiatives to guide the work from FY 2017-2018 through FY 2019-2020.
- 2018: MCTC continued to work toward the organizational goals as set out in the Strategic Plan.
- 2019: Staff continued work set forth in the strategic plan. The ED closed the non-functioning sales portion of the team and worked to redistribute these functions throughout the organization, to streamline operations and pave the way for clearer communication between partners, stakeholders and VMC.
- 2020: MCTC continued to achieve great success in its digital and social marketing campaigns, achieving larger than ever success with marketing of the annual Crab FEAST and Whale Festivals. The City of Point Arena was returned to the BID District at the BoS meeting on December 8, 2020. With the onset of the COVID-19 Pandemic under the direction of the MCTC BoD, the Executive Director executed significant organizational changes designed to allow MCTC to reemerge from the Pandemic in a viable state to begin the process of marketing and welcoming tourism back to Mendocino County, safely. The organization worked side-by-side with other community partners to develop and deploy safety campaigns surrounding the Pandemic.
- 2021: The organization, under direction of the MCTC BoD continued brand awareness campaigns to keep Mendocino County top-of-mind to potential road trippers. The tourism rebound quickly became apparent to not only tourism facing businesses but the community at-large, a need for in-county partnerships and programs to manage the number of visitors and their waste. MCTC worked in collaboration with local chambers and Mendocino Area Parks Association to address issues surrounding visitor waste. There also became a need for lodging properties to work in collaboration to address supply chain, legal and human resources, MCLA reemerged as an anchor organization for collaboration and information sharing, with Visit Mendocino County working side-by-side with proprietors in navigating the tourism industry during these unprecedented times. In summer and fall the water shortage became critical and VMC worked to design and distribute water saving window clings to all tourism facing business to keep water saving and reduction in view for our visitors. The organization began work with Coraggio Group to aid in the development of a new three-year strategic plan, the staff began working under the direction of this plan at the beginning of FY 2021-2022 (Appendix 7). MCTC began to restaff bringing on a new Partner Relations and Communications Manager, Jamie Peters-Connolly and returning its Marketing & Sales Coordinator, Ramon Jimenez to full-time with a promotion to Marketing & Sales Manager. The organization also began the search to fill the position of Marketing & Sales Coordinator. In Late 2021, the BoD directed the E.D. to augment the budget to bring organizational spending in-line with its income. The Marketing Committee directed staff to begin working with Agency Xi, website, social media, and media purchasing agency to rebrand the organization and buildout a new website. This work is slated to begin in the winter of 2022 in-house.
- 2022: At the BoS hearing in May of 2022 members of the BoS brought forward concerns with the amount of matching funds being contributed on behalf of the incorporated areas of Mendocino County. Due to the fact that the incorporated areas of the county maintain the collected TOT funds, the county sees no direct return on the matching dollars it contributes on behalf of the incorporated areas. The BoS directed county staff to form an Ad-hoc committee to investigate options for and potentially reducing the amount of financial support from the County of Mendocino to the Mendocino County Tourism Commission. In June of 2022 by a 3/2 vote, the BoS approved the annual contract to MCTC. Following the approval of the 2022/2023 contract the MCTC BoD instructed the E.D. to begin conversations with Civitas Advisors to research and understand alternate funding options to keep the organization revenue at its current level. The MCTC BoD approved a retainer agreement with Civitas Advisors to research the potential of increasing the BID assessment on lodging businesses

and the potential of assessing other tourism facing business sectors. The E.D. and Civitas Advisors Project Manager, Emily Brown worked with county staff to request sales tax data for lodging properties, restaurants, wine tasting room direct sales, brewery direct sales and attractions. However, an official request to the BoS was required for Civitas Advisors to access the requested data and this request of the BoS was not given priority until finally an appointment on the BoS calendar was ultimately granted in November of 2022. The Resolution and NDA agreement between the County of Mendocino and Civitas Advisors was granted by a 3/2 vote of the BoS. In late December of 2022, the E.D. was invited to a meeting with Planning & Building Services and County Counsel where the E.D. was made aware that the county was not comfortable with the Resolution for the NDA, contracting with Civitas and the use of funding by MCTC to contract with Civitas Advisors thereby putting the research, and future funding for the organization in great jeopardy. Earlier meetings with the county's Ad-hoc committee it was made clear that a "ROI Study" be conducted. In August of 2022 the BoD of MCTC directed the E.D. to engage with Travel Analytics Group led by Carl Ribaudo to conduct a "MCTC Influence and Website ROI" study. The preliminary results of the study were delivered to the MCTC BoD at its annual meeting in January of 2023. This study shows that MCTC's ROI is \$62 for every \$1 invested in its marketing programs. The organization continued its Brand Awareness marketing initiatives, launched TV & Radio commercials in Mendocino County feeder markets, launched a video podcast series hosted by Bay Area TV personality Roberta Gonzales, relaunched its annual "shoulder season" festivals, and moved forward with rebranding and the build out of a new website, set to launch in Spring 2023. The organization at the request of supervisors to engage in a three county Leave No Trace campaign, researched and developed and incorporated cannabis business into its marketing assets.

Below is the current organizational chart:



III. MCTC ACCOMPLISHMENTS

a. Overall Goal and Strategic Objectives

VMC's overall goal in FY 2022-2023 remained to: Increase overall demand for overnight leisure visitation during key times of the year in an effort to increase revenues, employment and taxes in Mendocino County.

Strategic objectives include:

1. Continue to effectively position Mendocino County as one of California's premier vacation destinations.
2. Educate consumers on the different coastal and inland experiences that can be found within the county.
3. Maintain marketing focus on key lifestyle and passion segments including outdoor/recreation, wine, beer & spirits, food, and romance.
4. Maintain the role of technology and digital marketing efforts in order to broaden the reach and increase effectiveness.

b. Tactical Goals Related to Strategic Initiatives

Fiscal year 2022-2023 tactical goals remained closely aligned with the strategic objectives. Impact was tracked and measured against established goals in six key performance areas:

- Public Relations
- Advertising and Paid Media
- Website and Social Media
- Visitor Services
- Sales
- Administration and Operations

c. Accomplishments for FY 2022-2023

As noted above, both TOT and BID assessment increased significantly over prior year performance and occupancy levels hovered all year at record highs. The organization records this as direct accomplishment; the Mendocino County brand has gained traction in recent years with current brand awareness efforts as a driving force of the organization. As the world emerged from the COVID-19 pandemic, Mendocino County continued to show itself as a leading destination for our target market segment(s) in the road trip market.

MCTC's strong marketing and public relations programs hit new milestones with increased website traffic and engagement on social media. New heights in numbers of articles in favorable national and international travel publications and glossy magazines were achieved. These developments demonstrate the organization working towards its best year yet.

With COVID-19 reaching endemic status, the organization ramped up operations, with a fully funded budget while continuing to work in partnership with the local Chambers of Commerce, MCLA, and other business leaders to address ongoing tourism operations coming out of the Pandemic.

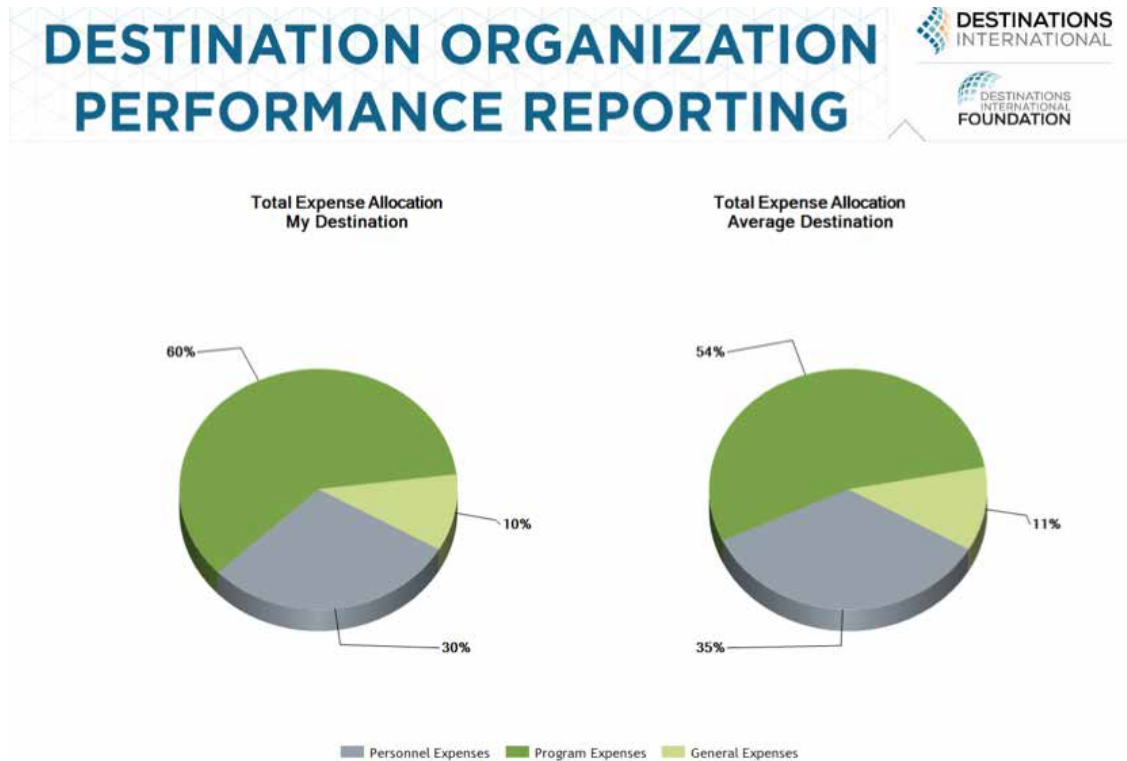
As part of the FY 2013-2014 DMAI accreditation process, VMC adopted standardized budget categories to permit it to benchmark against organizations of comparable size. The graphs below compare actual VMC spending in FY 2021-2022 to industry averages for each budget category. The figures for DMO industry averages come from Destinations International Organization Performance Reporting portal. This analysis is completed by each accredited DMO annually. For a copy of the full report, please contact the MCTC office.

Categories defined as follows:

- **General Expenses:** office supplies, computer expenses, rent/utilities, interest, etc.
- **Personnel:** salaries & wages, payroll taxes, and employee benefits
- **Program Expenses:** Advertising, Public Affairs, Marketing, Promotions, Sales, Partnerships

As shown in the chart below, MCTC has again outperformed the average of DMO's, spending significantly more in the Programming Expense category.

For FY 2022-2023, VMC set goals for each area of responsibility. KPIs were recorded for each goal. Results in each key area are discussed in detail in the Visit Mendocino County FY 2022-2023 Annual Report, which is available online at: www.mendocinotourism.org/wp-content/uploads/Annual-Report-for-2022-2023.pdf



- **PUBLIC RELATIONS:** Generate \$10 million in measured advertising equivalency; reach an estimated audience of 250 million; achieve 500 placements in key media outlets; attract 20 writers to visit the destination; attend two trade shows; and support VMC marketing and promotional objectives. The results of PR efforts for the year are set out in the table below. As noted in the table below, the PR team achieved results well beyond their goals.

	FY 2022/23 Goals	FY 2022/23 Actual	YOY % Gain/Loss
Hits	500	595	19.00%
Press releases	11	9	-18.18%
Impressions	250 Million	1.96 Billion	683.51%
Ad Equivalency	\$10 Million	\$351.42 Million	3414.21%
FAM Programs	18	15	-16.67%
Trade Shows	2	2	0.00%
Media Missions	1	0	N/A

- **ADVERTISING AND MARKETING:** Increase unaided awareness of Mendocino County in a comparative study. Since 2017, research was undertaken by TheorySF (then marketing and advertising consultant) to establish a baseline for awareness of the county as a tourism destination. Research revealed that awareness of the county was very low among target audience and location. This result drives current marketing and promotional efforts, all of which are focused on raising awareness of the county as a tourist destination. In FY 2022-2023, MCTC will undertake a research initiative to measure awareness against the baseline in partnership with Travel Analytics Group. The Marketing team has developed a video podcast, relaunched its signature festivals and integrated cannabis businesses in marketing campaigns among many other marketing projects.
- **SOCIAL MEDIA:** Total Facebook Fan Base: 61,000; Total Instagram Followers: 29,600. These goals were revisited over the course of the year to focus less on raising “likes” and “followers” with an emphasis on increasing engagement and awareness among VMC’s target audiences. The chart below indicates the success of these revised goals over the

Social Media Results YOY FY 2021 vs FY 2022					
FACEBOOK			INSTAGRAM		
	FY 2021	FY 2022		FY 2021	FY 2022
Impressions	15,297,893 Total	33,538,268	Impressions	3,808,332	4,944,443
	(14,239,893	(32,691,066			
	Paid / 1,058,636	Paid / 857,202			
	Organic+Viral)	Organic+Viral)			
Engagement	235,567	337,271	Likes Received	70,697	58,451
Link Clicks	154,330	266,207	Comments	700	763
Posts	117	106	Posts	108	110
Impressions/Post	130,751	316,399	Likes/Post	655	531
Engagement/Post	2,013	3,182	Comments/Post	6.5	7
Fan Base	59,996	61,008	Followers	22,561	25,353

previous year.

- **SALES:** Sales is an important piece of the VMC promotional efforts plan. Much of sales is inspirational, reminding potential visitors how close geographically we are to our main markets of the SF Bay area and the Sacramento/Central Valley; informing them how easily they can get here; and getting them excited about what they can do once here. This messaging became key in tourism recovery post COVID-19. Our key sales activities annually are based on the research generated by Visit California (VCA). It also adds economic feasibility to participate in VCA’s already arranged sales efforts. Through the North Coast Tourism Council (NCTC), the team represents Mendocino County at various Travel & Adventure shows.
- **VISITOR AND CONSTITUENT SERVICES:** MCTC supports the various Chambers and Visitor Centers in the county by making sure they have collateral such as Mendocino County Explorers Guides, wine maps, event guides and tear off maps. The Visitor Services (VS) committee in partnership with Travel Analytics Group launched resident and visitor perspective studies in 2022. These studies were delivered to the organization at its annual meeting in January 2023 and the results show that both visitors and residents believe that tourism contributes to the vitality of Mendocino County among many other positive reactions (please contact the VMC offices for access to the study results). The VS committee continued working toward new Mendocino County Gateway signs to include replacement of existing signs and the expansion of the gateway sign program to all road entry points in the county.
- **OPERATIONS AND STAFFING:** In the Executive Director’s fifth year of leadership, the organization contracted with Janis MacDonald to reignite shoulder season festivals (Harvest Mendocino and Seafood & Sips Mendocino). The BoD directed the ED to analyze the budget against income and propose augmentation as necessary to keep spending in-line with income; these augmentations were approved at MCTC’s November 2022 Finance Committee meeting.

d. Year to Date Progress for FY 2022-2023

Marketing Plan outcomes are tracking exceptionally high. We track these in our Quarterly and Annual Reports against our strategic plan and its outlined imperatives, objectives, and initiatives.

- **PUBLIC RELATIONS** is on course to exceed all goals in terms of ad equivalency, FAM visits, media hits, impressions, etc. The chart that follows shows FY goals and successes to December 31, 2022.

MENDOCINO COUNTY TOURISM COMMISSION								
2022-2023 Projections								
MONTH	HITS	AD. EQUIV	IMPRESSIONS	RELEASES	FAM VISITS	MEDIA MISSIONS	TRADE SHOWS	NOTES/MISC.
July	98	\$86,779,175.00	388,992,427	1	0			
Aug	144	\$67,741,153.00	331,544,912	2	2			
September	156	\$134,885,335.00	772,086,381	1	3		San Francisco	Visit Cal
October	71	\$25,052,244.00	209,979,119	1	2			
November	56	\$24,728,190.00	208,326,696	1	6		Pacific Northwest	Visit Cal
December	70	\$12,235,435.00	47,856,748	2	0			
January				1				
February					2			
March								
April							Los Angeles	Visit Cal
May							IPW	Texas
June								
TOTAL	595	\$351,421,532.00	1,958,786,283	9	15	0	2	
GOAL	500	\$10 Million	250 Million	11	18	1	2	

- **ADVERTISING AND MARKETING:** The VMC Strategic Plan defines certain initiatives that correlate with the organization's marketing goals for the fiscal year. They include:
 - ↳ Increase tourism revenue through the development and implementation of the annual integrated marketing, public relations, and sales plan.
 - ↳ Foster collaboration and countywide alignment by creating and developing the “go to” website for all tourism stakeholders.
 - ↳ Increase Mendocino County brand awareness and positive perception.
 - ↳ Develop a data-sharing process that offers context and insights for partners.

Staff worked with the Festival & Marketing committees to develop a marketing plan and execute new campaigns that highlight the natural assets and events of Mendocino County. The organization continued managing all marketing duties in-house and management of all campaign development and execution with the oversight of the MCTC committees. This plan can be viewed here: <https://www.mendocinotourism.org/wp-content/uploads/VMC-2223-Marketing-Plan-Final.pdf>

The team continued to develop and grow MCTC's Room to Roam campaign which was released in February 2021, to large potential visitor attention. As of writing, this campaign is active and continues to gain attention of potential visitors and national and international media. Though the team was set to prepare for the fall and winter “shoulder” season(s), it quickly became clear that the annual Harvest Festival Mendocino was tracking ticket sales much greater than anticipated. As the Seafood & Sips Mendocino quickly approached, the Marketing & Festival committees directed the team to begin using “calls to action” in their event marketing, pushing potential ticket purchasers directly to ticket buying pages. At the time of writing the Winter Seafood & Sips Festival hasn't taken place to report further on those sales.

The PR team continues to communicate with partners and stakeholders on a monthly basis informing them of high-profile media stories. The VMC team actively identifies new businesses opening in Mendocino County and new management of existing businesses and schedules visits to meet the owners/managers and record the information in the team's internal database and MailChimp email resource.

- **SOCIAL MEDIA:** Social media also plays an important role in creating and raising brand awareness. The figure below shows the YOY metrics for the fiscal year to date.

Social Media Results FY 2022 Q1 & Q2			
FACEBOOK		INSTAGRAM	
Impressions	13,938,685	Likes Received	21,748
Engagement	178,182	Comments	243
Link Clicks	147,377	Impressions	3,642,198
Posts	52	Posts	52
Impressions/Post	268,051	Likes/Post	418
Engagements/Post	3,427	Comments/Post	5
Fan Base	61,584		24,132

- **PARTNERSHIPS:** The E.D. and staff maintain close ties with partner organizations throughout the county. Staff represents Visit Mendocino County on the boards or committees of Destination Hopland, Anderson Valley Winegrowers Association, Coast Chamber of Commerce, Visit Ukiah, and Visit Fort Bragg. Staff continues visits to stakeholder properties (a program known as the Hospitality Appreciation Program) to further their knowledge as to the offerings of stakeholders and partners.
- **SALES** goals and ROI are undetermined at this time. This will remain an undeterminable set of metrics until Budget/BID restrictions have been alleviated. However, the VMC Development Manager, Jennifer Seward, has undertaken a small group & wedding program to launch Summer 2023 to promote the gathering spaces and retreat style lodging properties. The program will also point the spotlight on the many wedding venues and event spaces available to potential group and meeting planners.
- **VISITOR SERVICES:** The Visitor Services committee is currently working on options for updated Gateway signs at the entrances to Mendocino County and continual disbursement of the Mendocino County Explorers Guide. The committee received the results of the resident and visitor perspective studies at the January BoD meeting and are processing those results for strategic action as of writing.

IV. BASIS FOR PLANNING AND BUDGETING FOR FY 2023-2024

a. District Boundaries and Assessment

Pursuant to Section 5.140.060 each hotel or lodging business that collects rent and benefits from overnight guests and operates in the District will be assessed a share of the costs of the services, activities and programs, according to the rent revenues and the benefits to be received; with the assessment levied as one percent (1%) on gross rent. This assessment is calculated on a daily basis from gross rent revenues collected by each lodging establishment.

b. Allowable Services, Activities and Programs

The services, activities and programs to be provided through the BID in FY 2023–2024 are defined by Section 5.140.050 of the Mendocino County Code for the purpose of benefiting lodging by promoting tourism in the District. Those services, activities and programs, which are to be accomplished through implementation of the approved Annual Marketing Plan and Budget by MCTC, are as follows:

- A. The general promotion of hotels operating within the District;
- B. The marketing of products and events that have a connection with the hotel industry operating in the District;
- C. The marketing of the District to the media and travel industry in order to benefit local tourism and the hotels in the District.
- D. Any activities permitted under the Parking and Business Improvement Law of 1989 that are included as costs as specified in the annual report to be prepared by the advisory board and adopted annually by the Board of Supervisors. Activities means, but is not limited to, all the following:

1. Promotion of public events which benefit businesses in the area and which take place on or in public places within the area;
2. Furnishing of music in any public place in the area;
3. Promotion of tourism within the area;
4. Activities which benefit businesses located and operating in the area.

V. PRELIMINARY PLAN FOR FISCAL YEAR 2023-2024

a. Strategic Direction

The current three-year strategic plan developed with the Coraggio Group identifies nine initiatives for MCTC to work towards. This section will briefly outline the FY 2023-2024 organizational goals as they relate to those initiatives.

1. Create a campaign to promote the value of VMC in driving positive results to local businesses.

The ED and Development Manager will work with the Marketing Committee to outline an in-county marketing campaign that will interest community members in the work VMC is doing to highlight Mendocino County as a world-class tourism destination. This program will also address the value of tourism as an economic driver in Mendocino County and how the dollars generated by tourism impact each household in the county.

2. Perform a needs assessment of our stakeholders and partners.

Engaging with lodging stakeholders and partners is an ongoing effort for the MCTC team. One of the goals for FY 2023-2024 is to continue to curate our current relationships with stakeholders and partners while building relationships with new partners in our community. We do this by making in-person visits to local businesses, introducing VMC as an organization and resource to tourism facing businesses. A key conversation during these visits will be focused on how owners and managers believe that we can further support their business. This information can be aggregated and presented to the ED and appropriate committees for discussion, and creation of a preliminary plan to bolster our internal offerings to partners and stakeholders.

3. Enhance VMC's portfolio of stakeholder offerings and resources.

Following the needs assessment referred to above, the team will have the information necessary to create the necessary plans and build out offerings and resources that are requested from our partners and stakeholders.

4. Evaluate and diversify visitor target market segments and competitive set.

In January 2023, the delivery of Travel Analytics Group Visitor and Resident Perspective Study outlined several key West Coast markets that are currently under-advertised by destinations. This research comes with other data that must be analyzed for the team to make market recommendations to the marketing committee. This data could allow VMC to either retarget its marketing efforts to a new demographic, if necessary to capture the largest share of marketing attention.

5. Refresh our brand identity to align with target segments and competitive advantage.

In January 2023, the BoD and public was offered a preview of the new Visit Mendocino County brand sporting the tagline "Magic is Real". The new branding allows the organization to lean into the natural assets of Mendocino County in a more cohesive manner. This new brand will allow the VMC team to expand on the successful "Room to Roam" branding that the organization has been promoting. The focus groups presented with this brand concept found that this new generation of branding will resonate more with potential travelers to further capture the attention of the markets and demographics identified in our Visitor Study by Travel Analytics Group. The team is working toward a spring launch of the "Magic is Real" brand and the launch will include a newly crafted website that optimizes the user experience to extend the length of time spent on the site. This brand platform relies heavily on photo and video assets. It will allow the team to expand on the successful "Room to Roam" campaign.

6. Create process and framework for the evaluation and investment in event promotion with an emphasis on shoulder seasons.

At the February 2022 meeting of the Festival Committee a discussion was held to look at current local events, identify their success and strategy and outline a “grading” system to assist in the identification of successful events (tourism drivers). This system will allow the committees and team to partner with the appropriate organizations to better market successful events, year-round.

The Festival Coordinator and PRCM worked to create an “event grant” program framework. This framework was approved by the Marketing, Festival and Visitor Services committees at their August and September meetings and launched in January 2023.

7. Advocate for the development of pro-business county regulations.

As the needs assessment of partners and stakeholders is completed, it will become clearer to the BoD as to the direction of the organization under this initiative. Once we understand where the advocacy of the organization is best utilized with the county, the BoD will direct staff in its efforts toward accomplishing this goal.

8. Advocate for County investment and development of sustainable tourism infrastructure.

The organization will work hand-in-hand with the BID Advisory Board toward identification of infrastructure projects and place those recommendations in this report moving forward. This will allow the BoS to review and understand the long-term sustainability goals and needs of the tourism community and visitors to Mendocino County.

9. Align destination development activities to Visit California’s Stewardship Objectives.

As the organization moves forward with marketing the brand of Mendocino County, it remains top-of-mind with staff, committees, and the BoD through our strategic plan to embrace and practice Visit California’s Destination Stewardship and Sustainable Travel Plan. This plan identifies 5 key points that should be addressed in all VMC programs. Those points are:

- i. Expand: Sustainable Practices Through the Mendocino County Tourism Industry
- ii. Encourage: Responsible Tourism
- iii. Develop: Approaches to Shape Visitation Patterns
- iv. Infuse: the Mendocino County brand with Stewardship Ethics
- v. Amplify: the sense of pride Mendocino County residents have in their county

b. Estimated BID Assessment Revenue for FY 2023-2024

Pursuant to Section 5.140.245 of the Mendocino County Code, the County of Mendocino has entered into an agreement with MCTC as its contractor to provide promotional services, activities and improvements for the District. The balance sheet and profit and loss statements regarding budget vs. actual reports are to be provided to the county on a quarterly basis.

In FY 2021-2022 the Mendocino County Tax Collector recorded total BID assessments in the amount of \$1,326,758.91 to provide services, activities and programs on behalf of the District.

The Budget contained in this BID Annual Report is based on actual FY 2021-2022 BID assessments. The proposed county matching funds for the same period are \$265,351.80.

C. Contributions from Mendocino County Matching Funds for FY 2023-2024

As the county's designated contractor, MCTC will receive and will be responsible for ensuring that the county match of BID assessments is used to provide allowed services, activities, and programs to benefit the District.

Section 5.140.250 (C) establishes how the county match will be calculated and paid to the county contractor: *...The fifty percent (50%) County match shall be based on the prior fiscal year assessment collected and shall be paid out in twelve equal installments. After the fiscal year is closed, an adjustment amount will be determined to make the annual County match amount equal to fifty percent (50%) of the total current fiscal year assessment collected. This adjustment amount will be applied no later than September 30 of the following fiscal year. The County may provide an advance in funds to the District and the contract shall provide for the terms and conditions of the advance.*

d. Proposed Budget for FY 2023-2024

The total budgeted cost of services, activities, and programs for the District in FY 2023-2024 is \$1,732,656.75. This number follows a decision by the MCTC Finance Committee and Board of Directors to write a budget that is below the past years BID collections by 10%, based on the fact that the Mendocino County BoS may choose to no longer financially support tourism promotion and marketing.

Pursuant to Section 5.140.240 the County of Mendocino is entitled to charge an amount equal to its actual costs for the collection of assessments and administration. The cap on this fee is three percent (3%) of the total countywide BID assessments. This fee is collected when the books are closed, approximately two months after the end of each fiscal year. Section 5.140.260 of the Mendocino County Code excludes enforcement costs from the cap on administration fees. The Budget shows the administrative fee as a reduction in income.

The \$170,357.43 Contingency Fund proposed in the Annual Marketing Plan and Budget for FY 2023-2024 fulfills the BOS approved recommendation of the BID Advisory Board that the Reserve Fund be equal to \$100,000 or ten percent (10%) of the annual expenses, whichever is greater. This sum is to be held in an interest-bearing account for the purpose of providing funds that can be accessed to address shortfalls in revenue projections or unexpected expenses consistent with applicable laws and the annual contract between the County of Mendocino and MCTC. Allowable uses might include promotional expenditures required to assist the District's recovery from a natural disaster or other adverse circumstance in which inadequate funding could pose a threat to the local tourism economy. Expenditures from the Contingency Fund must be authorized by a vote of the MCTC Board of Directors.

**Proposed Budget for FY 2023-2024 Annual Budget Including BID assessments,
Mendocino County Matching Funds and Miscellaneous Income**

INCOME	
MCTC BID Assessment	\$1,326,759.00
County of Mendocino Matching Funds	\$ 265,351.80
County Administrative Fee	(\$ 39,802.77)
Event Brochure Ads	\$0.00
Interest	\$0.00
Total	\$1,552,308.03
EXPENSES	
Advertising/Media	\$651,500.08
Marketing/Public Relations	\$181,700.10
Website Maintenance & Development	\$55,200.00
Leisure & Group Sales	\$54,650.00
Partnerships	\$95,511.79
Visitor Services	\$50,800.04
Administrative Expenses	\$130,729.89
Personnel	\$512,564.85
Total	\$1,732,656.75
Portion From Unrestricted Reserve	-\$180,348.72
BOTTOM LINE	-\$180,348.72

VI. RECOMMENDATIONS (TO MCTC AND COUNTY OF MENDOCINO) AND ACTIONS TAKEN PREVIOUS TO 2021-2022 FY:

- County Planning and Building Services staff work with the Clerk of the Board to schedule quarterly reviews by the Board of Supervisors of the recommendations actionable by the County of Mendocino that are listed in this report for official adoption and provide progress updates to the BID Advisory Board.
 - STATUS UPDATE: No Action taken due to the COVID-19 Pandemic and the limited space on the BoS agenda(s).

VII. RECOMMENDATIONS ACTIONABLE BY THE MENDOCINO COUNTY TOURISM COMMISSION 2021-2022

- Originally recommended in the 2019-2020 report: With the passing of the Ordinance Amending Chapter 5.20 of the Mendocino County Tax Code – Tax Imposed on Transients, MCTC staff will work with County staff to incorporate the verbiage “private campgrounds” in the current BID Chapter 5.140. In March 2020, a proposed ordinance # 19-1082, Ordinance Amending Chapter 5.20 of the Mendocino County Tax Code – Tax Imposed on Transients, went before County voters to provide for the collection of Transient Occupancy Tax on short-term visitor accommodations in private campgrounds. This process would be done simultaneously as the reintroduction of Pt. Arena into the BID.
 - STATUS UPDATE: On May 25, 2021, County PBS and County Council put forward the above requested amendment to chapter 5.20 of the Mendocino County Tax code – Tax Imposed on Transients. Upon proper notice of the amendment, MCTC’s ED received communication from CAL CAMP NOW, a business advocacy organization for private campgrounds. The communication informed MCTC that the amendment to the ordinance could be voted against and would not pass without further discussion and planning with those stakeholders. Upon writing the MCTC ED and the ED of CAL CAMP NOW are working on the outline of a program to be presented to private campground

stakeholders to show them the value of the BID contribution by them to the organization. Once it is deemed that there is buy-in from these partners, MCTC will work with county PBS and County Counsel to forward this initiative.

- STATUS UPDATE: With the threat of the BoS removing matching funding to MCTC and the subsequent action of the BID Advisory Board and MCTC BoD, this recommendation is no longer valid. With the potential of a new BID ordinance increasing BID assessment, private campgrounds would be brought into the BID at that time.
2. As previously recommended in the 2020-2021 report: the BID Advisory Board recommends that when appropriate - MCTC staff and Board of Directors will work with Civitas Advisors, or comparable BID consultants, to explore and evaluate the possibility of an organizational transition from operating under the 1989 BID Law to doing so in accordance with the Property & Business Improvement District Law of 1994, Streets & Highways Code §36600 et seq.
- STATUS UPDATE: No Action: This recommendation is acknowledged by the MCTC BoD who finds that at this time it is not appropriate for the organization to act on this recommendation.
 - STATUS UPDATE: In August 2022, the BoD directed the E.D. to engage with Civitas Advisors to explore the expansion of the BID to potentially include other tourism facing business sectors and the percentage assessed on transient occupancy and private campgrounds. The E.D. and Civitas Project Manager, Emily Brown went before the BoS in November 2022 to request sales tax data for other business sectors under an NDA between Civitas Advisors and the County of Mendocino. MCTC is still waiting for this information to be provided to Civitas from the County of Mendocino. The E.D. met with county CEO Antle to discuss the process hold ups with information delivery and she has agreed to lean into the departmental areas that are not responding to the requests for information.
3. As recommended in FY 2020-2021, MCTC form an ad hoc committee to investigate and explore any and all possible ways to enhance revenue for tourism promotion in addition to the existing BID Assessment and county matching funds. The BID Advisory Board also recommends the ad hoc committee be composed of a mix of lodging stakeholders, MCTC Board members, County staff, County elected officials and MCTC staff.
- STATUS UPDATE: No Action: This recommendation is acknowledged by the MCTC BoD who finds that at this time it is not appropriate for the organization to act on this recommendation.
4. MCTC should work with stakeholders (and possibly Corragio Group) to select the most appropriate competitive set or sets as a means of evaluating its market positioning and performance. MCTC can then adjust marketing strategies relative to its competitive set, in order to establish benchmarking metrics and capture greater shares of its primary visitor segments.
- STATUS UPDATE: No action was taken during the fiscal year on this recommendation. However, the E.D. will recommend to the MCTC BoD that the organization engage with T.A.G. to further explore its competitive set(s) as requested above.

VIII. RECOMMENDATIONS ACTIONABLE BY THE COUNTY OF MENDOCINO 2021-2022

1. The BID Advisory Board recommends that the Board of Supervisors adopt one or preferably both of the following options to increase the pool of lodging applicants for the Board of Directors of Mendocino County Tourism Commission as well as BID Advisory Board:

In the BID Ordinance, change the definition of “Lodging Operator” to include “General Manager or similar employee designated as responsible for top-level business operations” in the following sections 5.140.030 (w), 5.140.070. [Click here](#) to view the ordinance.

AND / OR

Change the “Large, At Large” lodging board seat to “Medium or Large, At Large”. This change should be made in the ordinance and by-laws of the BID Advisory Board and MCTC. [Click here](#) to view the ordinance.

- STATUS UPDATE: PBS Staff has been working with County Counsel to produce a red-line Ordinance revision that would address a definition change to Chapter 5.14 of Mendocino County Code. At this time, a final document has not been completed for approval by the Board of Supervisors, however County staff anticipates completion of this item by the end of the fiscal year.

2. As previously recommended in the FY 2019-2020 and FY 2020-2021 BID Advisory Reports, the Advisory Board asks that the BOS direct the County Treasurer Tax-Collector to a) revise TOT/BID collection forms and that as of First Quarter FY 2021-2022, it begin collecting information on: i) Average Daily Occupancy (ADO); and ii) Average Daily Rate (ADR).
 - STATUS UPDATE: The Tax Collector is working toward bringing TOT/BID and TOT Camp online to Tax Collector Public Access page so operators can report and pay online. Bringing this process live will take approximately 6 months as they work through each stage from legacy conversion of accounts into Aumentum, development of Public Access and testing, and interfacing with the new online payment provider. Before bringing the reporting online we will send a notice to lodging operators announcing the new site and provide instructions for how to create an account, report, and pay online.
3. With the knowledge that there is a new software solution being implemented, we recommend that the Treasurer-Tax Collector work with the MCTC Executive Director to analyze what data is available in that new system and how that information be shared anonymously to MCTC.
 - STATUS UPDATE: The MCTC ED has shared with the Treasurer-Tax Collectors office what data would be beneficial to the organization. It is not guaranteed that those data points will be available, however the goal is to capture the most important: Average Daily Rate and Average Daily Occupancy (ADR, ADO).

IX. FY 2023-2024 BID ADVISORY BOARD RECOMMENDATIONS

1. Recommendations Actionable by Mendocino County Tourism Commission 2023-2024

- a) MCTC acts as the official coordinator of the below proposed BID ordinance change, update, and assessment increase as outlined. This also includes funding the proposed changes to the below referenced ordinance.
- b) Under the advisement and direction of Civitas Advisors, MCTC move forward with the process of updating Mendocino County BID ordinance 5.140 from operating under the 1989 BID Law to doing so in accordance with the Property & Business Improvement District Law of 1994, Streets & Highways Code §36600 et seq.
- c) In moving to the Property & Business Improvement District Law of 1994, Streets & Highways Code §36600 et seq. MCTC update the BID assessment amount from 1% on Transient Lodging properties (including private campgrounds) to 2% transient paid assessment. It is further recommended that the organization lobby “tourism facing” businesses to join the BID at 1%. With NO DATA having been provided by the County of Mendocino on tax revenues of the other “tourism facing” industries, we feel that those businesses should include: wine tasting rooms (walk in sales only) and local attractions (Skunk Train, Mendocino Coast Botanical Gardens, sporting equipment rentals and tours and animal preserve ticket sales).
- d) As part of the new ordinance, to increase the pool of lodging applicants for the Board of Directors of Mendocino County Tourism Commission as well as BID Advisory Board: change the definition of “Lodging Operator” to include “General Manager or similar employee designated as responsible for top-level business operations”.

2. Recommendations Actionable by the County of Mendocino 2023-2024

- a) The County of Mendocino and its departments comply with all requests of Civitas Advisors in a timely manner to aid MCTC’s facilitation of updating the BID in a time-efficient manner.
- b) The Auditor-Controller, Treasurer-Tax Collector explore the option of returning to a monthly TOT/BID collection system. This will alleviate the collecting businesses of holding these funds for quarterly payment.
- c) The Treasurer-Tax Collectors office work with the MCTC E.D. to coordinate elections of new lodging officers to the MCTC Board of Directors with the organizational calendar and fiscal year. This would allow new BoD members to be seated in July of each year more closely matching MCTC elections with the MCTC organizational calendar.

APPENDIX 1: TOT/BID COLLECTIONS

TREASURER - TAX COLLECTOR
COUNTY OF MENDOCINO
(Data as of 10/31/2022)

Transient Occupancy Tax (TOT) Collections by Calendar Quarter

Fiscal Year	1st Quarter (July-Sept.)	2nd Quarter (Oct.-Dec.)	3rd Quarter (Jan.-March)	4th Quarter (April-June)	Fiscal Year Collections
2014-15	\$ 1,483,327.89	\$ 997,260.83	\$ 779,025.16	\$ 1,199,048.43	\$ 4,458,662.31
2015-16	\$ 1,651,009.69	\$ 1,074,781.45	\$ 835,844.53	\$ 1,299,992.81	\$ 4,861,628.48
2016-17	\$ 1,780,216.37	\$ 1,167,144.03	\$ 829,814.09	\$ 1,468,462.17	\$ 5,245,636.66
2017-18	\$ 2,019,644.14	\$ 1,227,713.38	\$ 1,026,731.35	\$ 1,463,623.39	\$ 5,737,712.26
2018-19	\$ 1,977,385.88	\$ 1,280,880.02	\$ 961,022.83	\$ 1,575,991.66	\$ 5,795,280.39
2019-20	\$ 2,147,423.50	\$ 1,384,005.43	\$ 802,609.14	\$ 316,554.17	\$ 4,650,592.24
2020-21	\$ 2,024,631.64	\$ 1,665,875.86	\$ 1,305,497.08	\$ 2,265,156.69	\$ 7,261,161.27
2021-22	\$ 2,888,831.93	\$ 1,925,364.42	\$ 1,457,063.23	\$ 2,175,686.89	\$ 8,446,946.47

Business Improvement District (BID) Assessment Collections by Calendar Quarter

Fiscal Year	1st Quarter (July-Sept.)	2nd Quarter (Oct.-Dec.)	3rd Quarter (Jan.-March)	4th Quarter (April-June)	Fiscal Year Collections
2014-15	\$ 259,245.43	\$ 167,947.01	\$ 139,735.12	\$ 204,452.24	\$ 771,379.80
2015-16	\$ 273,600.95	\$ 178,894.32	\$ 147,456.87	\$ 222,164.94	\$ 822,117.08
2016-17	\$ 306,111.45	\$ 192,168.41	\$ 149,161.15	\$ 249,550.90	\$ 896,991.91
2017-18	\$ 336,333.39	\$ 214,398.57	\$ 172,188.75	\$ 252,939.31	\$ 975,860.02
2018-19	\$ 345,414.74	\$ 208,182.17	\$ 169,013.36	\$ 266,870.80	\$ 989,481.07
2019-20	\$ 356,681.19	\$ 228,223.25	\$ 151,009.41	\$ 79,074.22	\$ 814,988.07
2020-21	\$ 345,912.88	\$ 258,702.54	\$ 215,421.63	\$ 367,722.16	\$ 1,187,759.21
2021-22	\$ 455,894.60	\$ 297,723.80	\$ 228,586.87	\$ 344,553.64	\$ 1,326,758.91

PLEASE NOTE: The collections reflected above represent the actual quarters in which the lodging establishments collected the taxes and assessments. If applicable, penalties and interest collected by the County are also included in the above totals. Prior fiscal year totals indicated above also reflect any past due amounts collected to date.

APPENDIX 2: MCTC BOARD ROSTER

- Makenzie Blaylock
Winery/Winegrowers
Term expires: Feb 01, 2026
- Brett Schlesinger
Food & Beverage
Term expires: Oct 2, 2025
- Christopher "Cab" Boettcher
Large Lodging Operator: Coastal
First term expires: Dec 31, 2025
- Elizabeth Cameron
Arts Organization/Attractions
Term expires: July 1, 2024
- Raakesh Patel
Large Lodging Operator: Inland
Term expires: Dec 31, 2023
- Katrina Kessen
At Large
Term expires: Feb 01, 2025
- Open Seat
At Large – Large Lodging Operator:
Term expires:
- Open Seat
Small Lodging Operator:
Initial term:
- Scott Connolly
Medium Lodging Operator: Coastal
Term expires: Dec 31, 2023
- Tawny MacMillan
Regional Promotional: Coastal
Term expires: Dec 01, 2025
- Kasie Gray
Regional Promotional: Inland
Term expires: May 01, 2023

APPENDIX 3: BID ADVISORY BOARD ROSTER

- Cindi Wagner, Vice Chair, Lord's Land Retreat Center
At Large
Term expires: November 1, 2024
- Jon Glidewell, Chair, Beachcomber Hotel Group
Coast Region
Term expires: February 1, 2025
- Cally Dym, Little River Inn
Coast Region
Term expires: May 1, 2024
- Marcus Magdaleno, The Boonville Hotel
Inland Region
Term expires: January 1, 2024
- Jitu Ishwar, A.J. P.J., LLC.
Inland Region
Term expires: September 1, 2024

APPENDIX 4: MCTC BOARD SELECTION

QUALIFICATIONS:

All current and applicant Board members must meet the following requirement to be considered for a seat on the Board of Directors—whether appointed by the Board of Supervisors or placed on a lodging industry ballot:

- Be 21 years or older
- Have a strong belief in and commitment to enhanced development, growth and future capacity of tourism as an important economic driver throughout Mendocino County
- Be a resident of the County and/or have evident business or community interest in the tourism industry of the County
- Be prepared to function as a Board of Director member at both a strategic level and related to operational oversight of the organization
- Be willing to operate within a policy-oriented governance model
- Be prepared to fulfill the Director's role as a volunteer with no compensation
- Have the ability to contribute the time necessary to fulfill the Director's role, as well as other committee, and tourism industry related roles that may emerge from the organization's strategic plan, annual marketing plans, initiatives, etc
- Be prepared to represent the organization, both within and outside the county, at various forums, events and/or special functions
- Accept the governing by-laws of the organization and the policy of the Board of Directors, and apply appropriately to the decision-making process
- Have commitment to fulfill a minimum three-year term of office as a Board of Director member (unless otherwise stipulated)
- Have the capacity and potential interest to hold Board Leadership positions in the future, ranging from committee chairs to Board of Directors Chair
- Have the ability to work in a team-oriented environment that builds on consensus and represents a diverse industry with a multitude of interests and needs

- Indicate interest in participating in industry professional development and governance training opportunities as needed and/or required
- Ability and commitment to follow the Ralph M. Brown Act

Selection Criteria:

Prior to being considered by the Board of Supervisors for appointment or being considered on a lodging industry ballot, individuals must demonstrate the following criteria to, at least, a satisfactory level:

- Competency and experience as a board member
- Proven track record of creating value for stakeholders
- Ability to apply strategic thought to key issues
- Willingness to understand and commit to the highest standards of governance
- Ability to take a countywide view
- Proven leadership qualities
- Ability to develop a clear vision for the industry and monitor its implementation
- Proven skills in at least one of the following:
 - ↳ Marketing
 - ↳ Tourism
 - ↳ Legal
 - ↳ Financial Management
 - ↳ Strategic Planning and Development
- Company, industry or organization which is directly impacted by the tourism industry and the work of the Bureau
- Proven interest in serving on behalf of the entire county and the entire tourism industry, not just a special interest, nor any single socioeconomic or geographic sector. (organization's purposes and interests above their own)
- Professional experience, skill sets, and education required to lead an innovative and successful tourism bureau
- Willingness, the necessary time and enthusiasm to serve on the board
- Committed to the mission and philosophy of the organization

Questionnaire:

Aside from basic information (such as name, business, title, etc.), the following should be included in a questionnaire to all prospective board members – whether by appointment or election:

- What overall qualities will you bring to the Board of Directors?
- What is your current or previous involvement with Mendocino County destination marketing?
- What do you see as the organization's major priority and/or opportunity and how do you see addressing it?
- What do you see as the organization's major challenge and how do you see addressing it?
- What leadership experience would you bring to the Board of Directors?
- Where do you see the organization in 3-5 years?

- Why do you want to serve on the Board of Directors?
- How long have you owned your business and/or been in a leadership role with your organization in Mendocino County?
- Is your business for sale?
- Please provide up to three professional references related to prior service related to a Board of Directors.

BOARD OF DIRECTORS ROLES AND RESPONSIBILITIES:

The Board of Directors is responsible for the development of tourism throughout Mendocino County. Some functions of the Board may be delegated to Board committees and the Executive Director. However, the Board has final responsibility for the successful operation of the organization.

Key roles of Board members include, but are not limited to:

- Setting of major goals and strategic direction for the Bureau
- Approval of all major plans
- Determine all policies governing the Board
- Establishing and determining the duties of Board committees
- Ensuring compliance with legal and ethical requirements
- Monitoring the implementation of strategic plans
- Commitment to the mission and philosophy of the organization
- Place the organization's purposes and interests above their own professional and personal interests when making decisions
- Ensure the long-range image of the organization is a positive one
- Follow the Ralph M. Brown Act
- Attending 10-12 Board meetings annually of approximately two hours duration
- Attending 1-2 potential special meetings per year of under two hours duration
- Attending at a minimum of one, and potentially two planning, strategy, orientation sessions per year ranging from three to six hours in duration
- Participating in at least one Board committee and possible additional special task groups or ad hoc committees
- Undertaking of adequate preparation for all Board meetings and events
- Participating actively and fully at Board meetings in order to advance agenda discussion, reach consensus and provide strategic direction and operational oversight to the organization
- Being an advocate for the organization taking an active role in industry partner relations
- Keeping confidential information confidential
- Participating annually in a Board self-assessment and board training workshop

APPENDIX 5: MCTC BALANCE SHEET AT OF 12/31/2022

Mendocino County Tourism Commission

Balance Sheet
As of December 31, 2022

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1005 SBMC Checking	555,857.15
1010 SBMC Contingency/Savings	966,292.31
1015 MLCU Checking	0.00
1020 MLCU Savings	0.00
1030 Cash drawer	100.00
Total Bank Accounts	\$1,522,249.46
Accounts Receivable	\$302,553.45
Other Current Assets	
1230 Prepaid Expenses	39,509.60
1250 Refundable Deposits	1,800.00
1270 Receivable Other	-7,147.53
1290 Loan to Employee	1,800.00
Undeposited Funds	0.00
Total Other Current Assets	\$35,962.07
Total Current Assets	\$1,860,764.98
Fixed Assets	
1510 Furniture and Equipment	41,311.75
1600 Accumulated Depreciation	-18,819.00
Total Fixed Assets	\$22,492.75
Other Assets	\$0.00
TOTAL ASSETS	\$1,883,257.73
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	19,010.10
Total Accounts Payable	\$19,010.10
Other Current Liabilities	\$41,480.73
Total Current Liabilities	\$60,490.83
Total Liabilities	\$60,490.83
Equity	
3100 Contingency-Restricted	187,622.35
3900 Unrestricted Net Assets (RE)	2,042,725.51
Opening Bal Equity	0.00
Net Income	-407,580.96
Total Equity	\$1,822,766.90
TOTAL LIABILITIES AND EQUITY	\$1,883,257.73

Forward from Mendocino County Tourism Commission Executive Director:

On March 19, 2020 the COVID-19 Pandemic and subsequent shelter-in-place orders (SIP) closed all tourism activities in Mendocino County. The following forward is to highlight the halt of the organization's marketing efforts and summarize Mendocino County Tourism Commission's (MCTC) work during SIP. In April, the second month of the SIP order, MCTC approved an adjusted budget for fiscal year (FY) 2019-2020. The adjustment of the budget was necessary for two reasons 1) the close of tourism in Mendocino County and 2) the need for organizational spending to reflect actual BID and match payments to MCTC.

- The Executive Director (ED) and the MCTC Finance Committee finalized the revised budget which was presented to the Board of Directors (BoD) and approved at its April 14, 2020 meeting. Due to the closure of tourism, halt of MCTC marketing activities and the necessary organizational changes the revised budget tracked better than planned.
- The ED made the necessary and required changes to operations of the organization based on the COVID-19 Pandemic SIP.
 - ↳ The MCTC offices were closed to all staff
 - ↳ The team was reduced to the ED and Marketing & Sales Coordinator (part-time)
 - § The ED streamlined all necessary duties to ensure successful organizational operations keeping MCTC's focus on safe tourism marketing
 - ↳ MCTC entered into a contract with WiPFLi Financial Services to act as the organization's financial services contractor, removing all finance duties from the reduced MCTC staff.
 - ↳ The ED negotiated exits from contracts with marketing consultants Media Matters Worldwide and TheorySF.
- The Executive Director worked with the BID Advisory Board to finalize the annual report, which was approved by the BID Advisory Board at their April 21, 2020 meeting and was approved by the Board of Supervisors (BoS) at their June 2, 2020 meeting.
- MCTC and Mendocino County entered into the annual services contract for 2020-2021.
- The ED continued recruitment for the Business Improvement District (BID) Advisory Board and the MCTC BoD.
- MCTC took the following marketing actions as a result of the COVID-19 Pandemic and SIP:
 - ↳ Paused all brand awareness digital marketing
 - ↳ Paused promotions of its newly developed Spring Beer Trail
 - ↳ Removed all event listings from our website
 - ↳ Cancelled all scheduled tradeshows and marketing missions
 - ↳ Redirected social media channels to static scenery with no "call to action"
 - ↳ Kept the VMC.com website updated with tourism and health updates
 - ↳ Marketing Committee and staff continued to meet and develop reopening campaigns and renewed fall and winter programs.

- ↳ The ED and PR team continued to push Mendocino to media with great success in promoting to potential media as “arm-chair travelers”.
- ↳ The team worked in collaboration with MCLA to help guide the reopening process and in that collaboration created and launched the #SafeMendocino program to coincide with the reopening of lodging.
- ↳ The team worked in collaboration with the Mendocino Coast, Greater Ukiah and Willits Chambers of Commerce to develop and deploy the #MaskUpMendo campaign targeted to community members and visitors alike.
- ↳ Due to the number of visitors to the county and the lack of tourism infrastructure, the team worked in partnership with Mendocino Area Parks Association (MAPA) to develop the “Leave Nothing but Footprints Behind” campaign designed to remind visitors to take their trash and dispose of it properly.
- The MCTC staff continued to track their work as relating to the Strategic Plan

Thank you for the opportunity to promote our beautiful county.

Respectfully,



Travis Scott

Visit Mendocino County

2021–2023 Strategic Plan



Vision		Mission	Position	Values	Reputation
A diversified and thriving economy supported by our community, offering enriching experiences for our guests.		Visit Mendocino County stewards and amplifies the total Mendocino County experience	In order to support our stakeholders, generate economic activity for county residents through tourism, and inspire our visitors, Visit Mendocino County:	Transparency: We foster trust through openness and integrity. Accountability: We are outcome-oriented and professional. Partnership: We create alignment through inclusive and meaningful relationships. Community: We contribute to the fabric of Mendocino County. Innovation: Our creativity reflects the uniqueness of our cultures and landscapes.	Leader: We motivate and facilitate the tourism community. Accessible: We welcome—and are responsive to—input from community members and stakeholders Collaborative: We actively seek engagement and collaboration with our stakeholders and partners. Bold: We deliver on smart, effective, and forward-thinking ideas.
Imperatives		Objectives			
Optimize and demonstrate our impact through relationships and collaborations		• Increase Participation Rate in VMC Programs • Increase VMC Communication Engagement Rate • Boost Community's Support of the Tourism Industry			
Raise visitor awareness of Mendocino County and strengthen tourism's contribution to County vitality		• Increase Website Traffic • Grow the BID Fund 5% Over 3 Years • Increase Shoulder Season Visitation Rates			
Steward and Advocate for the Mendocino County Experience		• Increase County Investment in Tourism Products and Infrastructure • Increase Mendocino County Sales Tax Receipts Over 3 Years			
		• Evaluate and diversify visitor target market segments and competitive set • Refresh our brand identity to align with target segments and competitive advantage • Create process and framework for the evaluation and investment in event promotion with an emphasis on shoulder seasons			
		• Advocate for the development of pro-business county regulations • Advocate for County investment and development of sustainable tourism infrastructure • Align destination development activities to Visit California's Stewardship Objectives			