

**MENDOCINO COUNTY LODGING BUSINESS
IMPROVEMENT DISTRICT 2020-2021
ANNUAL REPORT**

At Large Rep: (Available)

Coast Rep: John Dixon: Glendeven Inn & Lodge

Coast Rep: Jon Glidewell: Beachcomber Hotel Group

Inland Rep: Marcus Magdaleno, Chair: The Boonville Hotel

Inland Rep: (Available)

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EXECUTIVE SUMMARY:

This fiscal year 2020-2021 BID annual report required by the BID ordinance as part of the annual renewal process conforms to the requirements outlined in section 5.140.220 of the Mendocino County code. It contains information collected by members of the BID Advisory Board, Mendocino County sources, the staff of Mendocino County Tourism Commission (MCTC) & board members of the Mendocino County Tourism Commission. In addition to providing historical data, previous year accomplishments, forthcoming year predictions, goals, standards and guidelines it also provides recommendations actionable by Mendocino County Tourism Commission and the County of Mendocino.

The process of producing this report is one that is thorough, practical and efficient. Mendocino County Tourism Commission Executive Director and staff are responsible for compiling the majority of the information and producing the report in its current format. However, BID Advisory Board Members ultimately provide the direction and have had the opportunity to thoroughly vet, comment, edit and provide input.

Tourism is one of the main economic driving forces in Mendocino County. Promotion of tourism is therefore vital in continuing to strengthen the economy of the County. This report is part of the fully transparent process which allows for tourism promotion under a structure that provides multiple sources of information and a strong set of checks and balances. This process assures that the funds generated by the BID self-assessment and the 50% county match are used equitably and most effectively to promote tourism.

This report provides but is not limited to the following: a history of the BID ordinance in Mendocino County; history of governance structure and how it has evolved; organizational structure of the Mendocino County destination marketing organization MCTC, the 2020-2021 fiscal year budget for MCTC, past and future goals, strategic objectives and accomplishments and recommendations actionable by the Mendocino County Tourism Commission and the County of Mendocino. These recommendations are provided by BID Advisory Board members as appointed representatives of lodging operators in Mendocino County. The purpose of these recommendations is to continue to improve and evolve county tourism promotion. Once this report is approved by the Mendocino County Board of Supervisors, all that is contained in this report, specifically the budget and strategies set forth, must be adhered to by MCTC.

Lastly, it is important to note that this report was produced during an unprecedented time in history. At the time of this writing, Mendocino County and the rest of the world are in the midst of the COVID-19 pandemic. It is uncertain just how much of an effect this pandemic will have for the residents, businesses and economy of Mendocino County. This report is being submitted with no adjustments to the strategic direction, operation or budget due to the pandemic. Adjustments will be made but, not until such time that the pandemic has passed, and the economic damage can be quantified.

Respectfully,

Marcus Magdaleno
BID Advisory Board Chair

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 in which assessments will be collected. This FY 2020-2021 BID Annual Report conforms to 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 BID oversight and accomplishments as detailed in the FY 2018–2019 BID Annual Report.
- A proposed FY 2019-2020 BID budget.
- A review of the BID Advisory Board's recommendations for FY 2019–2020 and FY 2020–2021 recommendations for consideration and approval by the BOS.

II. INTRODUCTION AND UPDATE OF BID HISTORY

A. Impact of BID on 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 2018, the most recent year for which complete baseline information is available, total direct travel spending in the county increased 9.15% to \$482.2 million. Tourism remains a notable employer within the county with the industry supporting 6,900 jobs and generating earnings of more than \$214 million.

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 is top of mind for marketing efforts in 2020–2021. However, it is clear that enhancing this essential segment of the county's economy is an ongoing challenge in an increasingly competitive environment. One measure of the impact of the BID is the amount of TOT that is collected. The County Treasurer-Tax Collector's September 2019 Transient Occupancy Tax (TOT) report for FY 2018-2019 shows that revenue from lodging businesses in unincorporated areas decreased \$5.6 million, a .457% decrease over the prior year. The Tax Collector reported that the countywide 1% BID assessment generated \$970,404.18, earning \$485,202 in matching funds for marketing and promotion. (For planning purposes, MCTC revenue projections are based on actual assessment receipts as reported by the Tax Collector for the last completed fiscal year (FY 2018-2019).

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) 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) 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 coming 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 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:

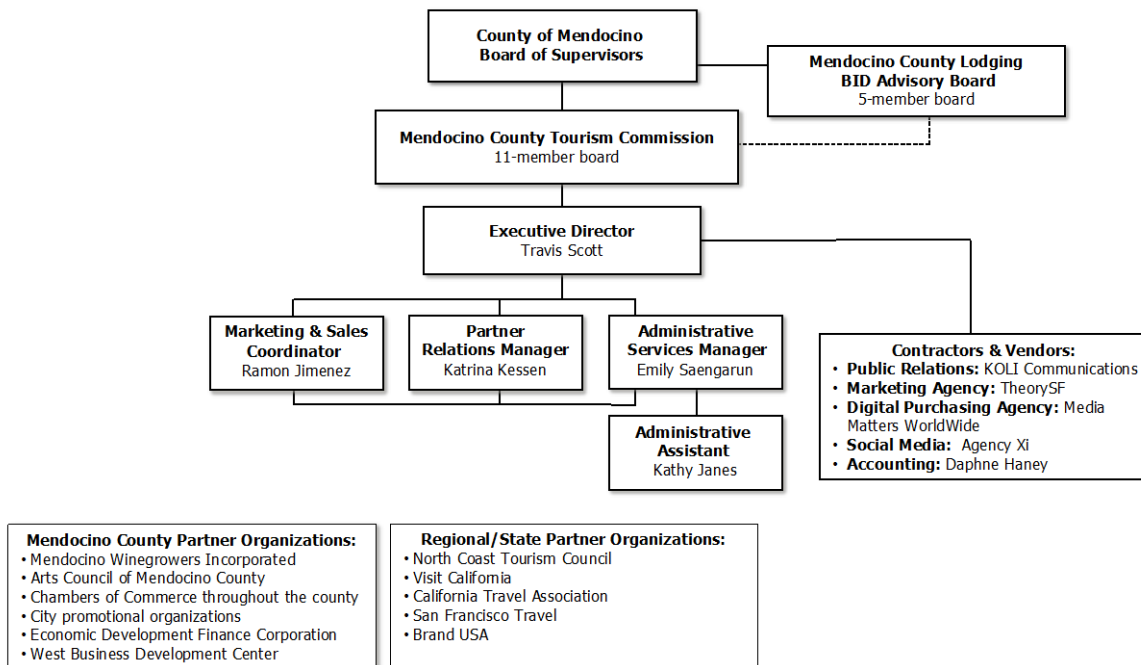
- 2006: Business Improvement District established by vote of Mendocino County lodging owners and operators.
- 2006-2015: Pursuant to annual contracts with the County of Mendocino, funds from 1% BID assessment were overseen and invested in countywide promotion by Mendocino County Lodging Association (MCLA). 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, comprising 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 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 VMC'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: VMC 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 and stakeholders and VMC.

Below is our current organizational chart:



Mendocino County Destination Marketing Organizational Chart



III. MCTC ACCOMPLISHMENTS

A. Overall Goal and Strategic Objectives

VMC’s overall goal in FY 2017-2018 remained to: Increase overall demand for overnight visitation (leisure and group) 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 coastal 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, 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 2018-2019 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
- Sales
- Visitor Services
- Operations and Administration

C. Accomplishments for FY 2018-2019

As noted above, both TOT collections and the BID assessment decreased over the prior years performance, changing a 10 year trend of increase. While this isn't an accomplishment, it should be made clear here that; over the past 3 fiscal years the Treasurer-Tax Collectors office was working with Host Compliance to ensure that all vacation rental properties we're brought into compliance with TOT/BID. We saw sharp increases over those years. When the program ended at the beginning of the fiscal year we knew there would be a natural flattening.

The VMC Board and its standing committees met on a regular monthly schedule throughout the year. The VMC ED and Partner Relations Manager continued their education with the DMAI accreditation process to obtain the designation of CDME (Certified Destination Management Executive). The VMC team and committee worked on several new "product" launches to include; a revised Visitor Guide, a Players Guide, spring promotion and beer trail as well as new digital assets launching on a monthly basis.

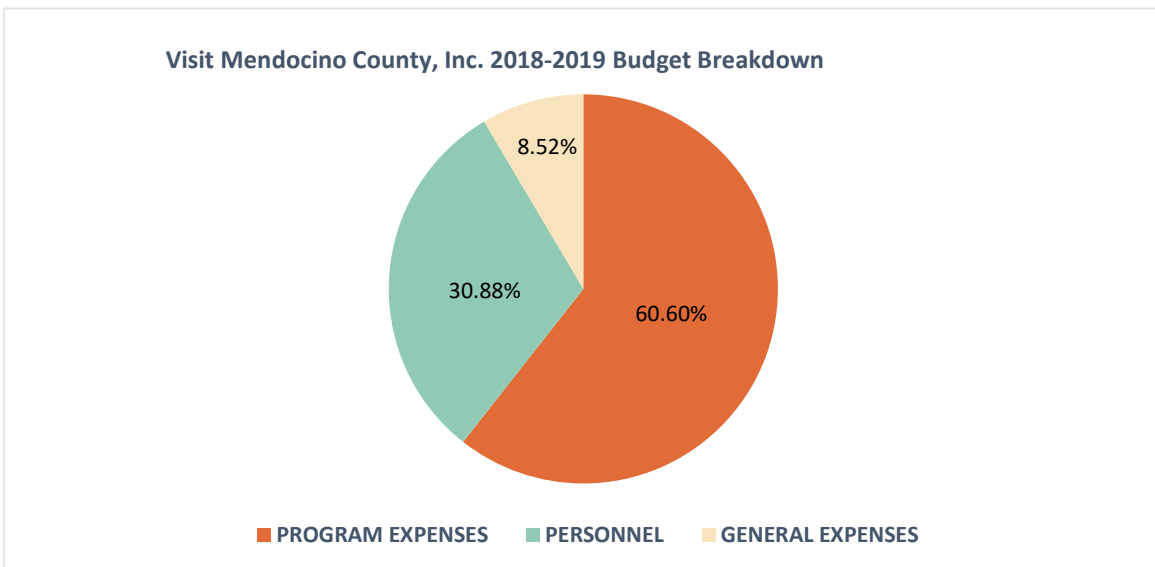
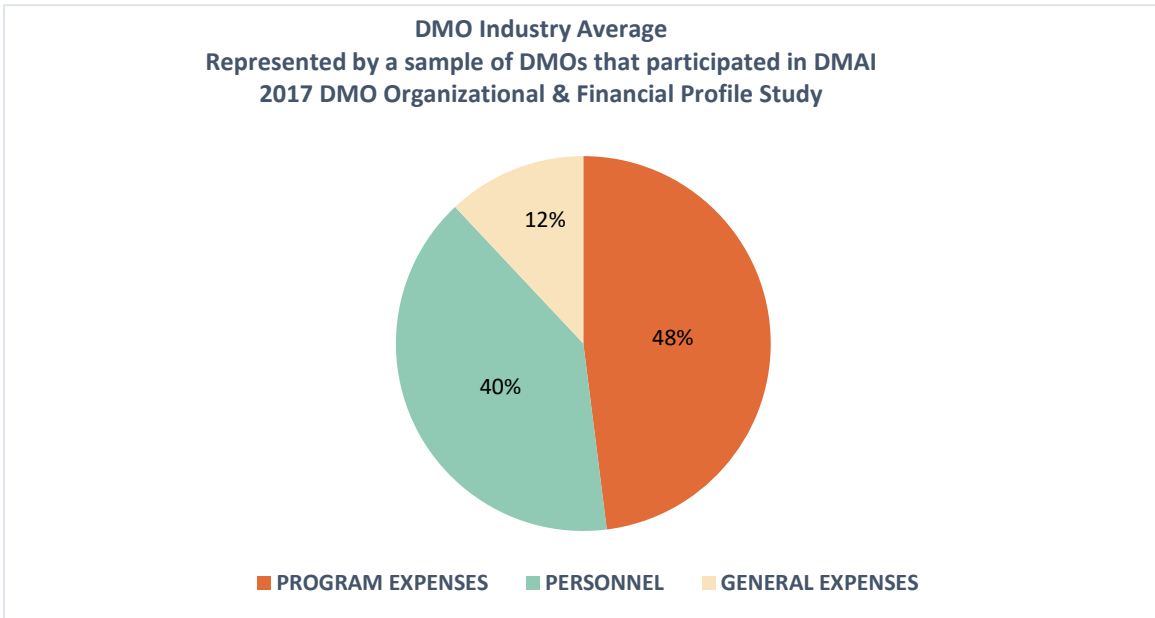
As part of the FY 2013-2014 DMAI accreditation process, VMC adopted standardized budget categories to permit it to benchmark against organizations of comparable size. The graphs below compare actual VMC spending in FY 2018-2019 to industry averages for each budget category. The figures for DMO industry averages come from 2018 Destination Marketing Analysts International (DMAI) 2018 Organizational and Financial Profile Study.

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



For FY 2018–2019, VMC set goals for each area of responsibility and outcomes and KPIs were recorded for each goal. Results in each key area are discussed in detail in the Visit Mendocino County FY 2018-2019 Annual Report, which is available online at: http://1lmo5u1yd9e7vpr6s3zkdv9p.wpengine.netdna-cdn.com/wp-content/uploads/Annual-Report-2018_19_20191021.pdf

- PUBLIC RELATIONS:** Generate \$6.6 million in measured advertising equivalency; reach an estimated audience of 150 million; achieve 300 placements in key media outlets; attract 18 media 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 2018/19 Goals	FY 2018/19 Actual	YOY % Gain/Loss
Hits	150	613	260%
Press releases	11	14	27%
Impressions	150 Million	902 Million*	501%
Ad Equivalency	\$6.6 million	\$86.6 million*	1212%
FAM Programs	18	54	200%
Trade Shows	9	9	100%
Media Missions	3	2	-33%

*The major skew is due the mentions of Mendocino County due to the fires

- ADVERTISING AND MARKETING:** Increase unaided awareness of Mendocino County in a comparative study. Since 2017, research was undertaken by TheorySF 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 2020-2021, TSF will again undertake a research initiative to measure awareness against the baseline. The Marketing team is working with TSF to develop a rebranded and reimagined Visitor Guide, new and additional tag lines to be used in new-to-launch campaigns. This will also include the newly recreated Visitor Guide.
- SOCIAL MEDIA:** Total Facebook Fan Base: 59,222; Total Instagram Followers: 17,405. These goals were revisited over the course of the year to focus less on raising “likes” and “followers” than to increase engagement and awareness among VMC’s target audiences. The chart below indicates the success of these revised goals over the previous year.

Social Media Results YOY FY 2018 v. FY 2019					
	FACEBOOK			INSTAGRAM	
	FY 2018	FY 2019		FY 2018	FY 2019
Impressions	2,751,057	18,571,281	Followers	11,818	16,330
Engagement	139,918	398,935	Comments	789	757
Posts	119	116	Likes	47,442	52,874
Impressions/Post	11,367	8,503	Posts	110	112
Engagements/Post	890	775	Avg Likes/Post	431	484
Fan Base	57,409	59,108			

- **SALES:** Currently sales operations of VMC are halted due to reorganization of the sales department however, we continue to rely on research from Visit CA and Visa Vue to define and refine our sales efforts. We also use anecdotal evidence from our hotel partners, regional partners and various tour operators to adjust our sales activities to match the ever-changing market.
- **VISITOR AND CONSTITUENT SERVICES:** Completion and distribution of new tear-off maps for both the North and South coasts. The Crab FEAST and Mushroom FEAST each celebrated their 20th year and staff distributed festival guides and other festival collateral. The Almost Fringe Festival was held however it was not under the VMC Festival umbrella. The Festival and Marketing committees are now meeting together to create new and exciting event options such as; a year-round Beer Trail with map. The grant program continued to distribute funds to partner organizations.
- **OPERATIONS AND STAFFING:** The Executive Director's second year of leadership, a search was launched to hire for a new Partner Relations Manager. This new position was created as a need for better communication between VMC and partners & stakeholders and would house many of the daily operations of the sales department, this position was filled in December 2018.

D. Year to Date Progress for FY 2019-2020

Marketing Plan outcomes are tracking well for the fiscal year. We track these in our Quarterly and Annual Reports against our strategic plan and it's outlined goals imperatives, 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, 2019.

MENDOCINO COUNTY TOURISM COMMISSION								
2019-2020 Projections								
MONTH	HITS	AD. EQUIV	IMPRESSIONS	RELEASES	FAM VISITS	MEDIA MISSIONS	TRADE SHOWS	NOTES/MISC.
July	44	\$11,259,602.00	101,717,546	0	5			
August	46	\$49,753,433.00	224,672,826	1	0			
September	37	\$16,614,838.00	74,268,572	1	6			
October	200	\$1,638,210.00	68,952,217	2	7		SATW/El Paso	Koli
November	34	\$600,423.00	22,337,905	2	2			
December	54	\$914,861.25	30,139,447	1	1			
January				1				
February								
March							Visit Cal/France	Tbd
April							Visit Cal/LA	Koli
May							IPW/Las Vegas	Tbd
June						Vancouver		
TOTAL	415	\$80,781,367.25	522,088,513	8	21		0	
GOAL	300	\$6.6 Million	150 Million	11	18	0	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 TSF to develop the marketing plan for the last half of the fiscal year and continued working with Media Matters WorldWide (MMWW) as their media buyer in the digital realm. The Marketing Plan can be viewed in its entirety here:

http://1lmo5u1yd9e7vpr6s3zkdv9p.wpengine.netdna-cdn.com/wp-content/uploads/Marketing-Plan_2019_20_final-1-1.pdf

The marketing team launched its second aggressive digital campaign including programmatic advertising, static and video ad buys on Facebook and Instagram to reach the organization's target audiences in the greater Bay Area and Sacramento. In February 2020, the Marketing Committee decided that while the digital engagement results look incredibly strong they did not believe in comparison to TOT/BID collections we we're being as effective as they would like. The organization ended its contract with Media Matters WorldWide for digital purchasing. At the time of writing, the marketing and PR teams are working on a mid-year adjustment plan to be presented to the Board.

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 schedules visits to meet the owners and record the information in the team's FileMaker database and MailChimp email resource.

One of the major ways VMC gets buy in from partners is their participation in festivals.

- **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 2019 Q1 & Q2			
FACEBOOK		INSTAGRAM	
Impressions	5,705,548	Likes Received	29,090
Engagement	145,768	Comments	409
Link Clicks	55,557	Impressions	305,929
Posts	61	Posts	59
Impressions/Post	7,948	Likes/Post	493
Engagements/Post	721	Comments/Post	7
Fan Base	59,108		

- **PARTNERSHIPS:** The ED and staff maintain close ties with partner organizations throughout the county. Staff represents Visit Mendocino County on the boards of Destination Hopland, Anderson Valley Winegrowers Association, Mendocino Winegrowers Inc., Coast Chamber of Commerce, Visit Fort Bragg, Visit Ukiah, and Visit Willits. Staff continues to visit stakeholder properties (known as the Hotel Adoption Program) in order to “put a face to the name.”
- **SALES** goals and ROI are undetermined at this time.
- **VISITOR SERVICES:** The reactivated Visitor Services committee is currently working on options for updated Gateway signs at the entrances to Mendocino County.

IV. BASIS FOR PLANNING AND BUDGETING FOR FY 2020-2021

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.

At its March 2019 City Council meeting, the City of Point Arena adopted the following: “Resolution 2019-09 Supporting City of Point Arena Lodging Establishments Participating in the Countywide Business

Improvement District for Tourism Promotion.” The resolution was developed with the cooperation of the Point Arena lodging owners. Upon completion of the reinstatement process, the city’s lodging properties will rejoin the BID at the beginning of the new fiscal year.

B. Allowable Services, Activities and Programs

The services, activities and programs to be provided through the BID in FY 2020–2021 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 of 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 2020-2021

A. Strategic Direction

The three-year strategic plan developed with the Coraggio Group identifies nine initiatives for VMC to work towards. This section will briefly outline the FY 2020-2021 organizational goals as they relate to those initiatives.

1. Increase tourism revenue through the development & implementation of the annual integrated marketing, public relations, and sales plan.

The staff will continue to work closely with their marketing consultants and partners to create a focused and successful marketing plan for the next fiscal year. Based on the public relations successes of the past four years, the staff and KOLI Communications, VMC’s PR agency of record, will craft an ambitious PR effort that will attract traditional media to the county as well as reaching out to the millennial, Gen-X and Gen-Y generation of social media influencers. Sales plan activities for FY 2020-2021 will include attendance at the California State Fair, Pet Expo in Santa Clara, National Tour Association, and the Los Angeles and Bay Area Travel & Adventure Shows.

2. Improve data-driven decision making through increased participation and “buy in” from all of our partners.

Engaging with lodging stakeholders and partners is an ongoing effort for the VMC team. One of the goals for FY 2019-2020 is to develop closer relationships with our stakeholders and partners through regular visits and conversations. Tracking these visits, and more, in VMC’s internal proprietary database will keep the team informed about properties. The PR team will continue its monthly distribution of articles in A-list publications. VMC will seek closer collaboration with the county to identify additional partners (vacation rentals are top priority), create relationships with the owners, add a website listing for each, and bring them into the reporting fold. Coordination with the Treasurer-Tax Collector’s office will be essential to continue to obtain a quarterly report of currently compliant properties to ensure that VMC only promotes those that are eligible for promotional services.

3. Develop a data sharing process that offers context and insights for partners.

The PR team has been tracking media coverage of inland vs. coastal areas. Analysis shows that the split is about even to date. The website is set to auto-send a monthly report to stakeholders and partners showing website hits and outbound referrals. VMC staff will work with stakeholders and partners to improve their website presence and participation in events, which is currently the bulk of inbound website traffic.

4. Foster collaboration and countywide alignment by creating and developing the ‘go-to’ website for all tourism stakeholders.

VMC’s consumer-facing website is its most valuable asset. Part of VMC’s educational efforts for the year will be to ensure that all stakeholders are represented on the site. Additionally, VMC staff maintains the MendocinoTourism.org website that is the go-to resource for documentation, reporting, and opportunities that relate to stakeholders.

5. Strengthen regional tourism relationships to leverage broader marketing opportunities.

The ED will continue to maintain a strong relationship with Visit California by attending conferences and forums, submitting content for the Visit CA website that highlights unique aspects of Mendocino County, and by collaborating on VCA initiatives such as Restaurant Week. This is an ongoing project. VMC has become the administrator of the North Coast Tourism Council. This relationship allows VMC to further the goals of the organization by working so closely with that group.

6. Proactively educate and communicate with all tourism stakeholders.

The PR team will continue to issue a monthly newsletter to stakeholders. VMC staff regularly communicate with tourism stakeholders in person, by phone, and via email. The team maintains the VMC Partners at Work social media page for promulgation of news hits and other relevant information. Staff will collaborate with the West Business Development Center on a series of workshops designed to appeal to partners and stakeholders. As of the writing of this report, this goal is currently on hold as WBDC has taken over economic relief due to the COVID-19 pandemic.

7. Increase Mendocino County brand awareness and positive perception.

This initiative speaks to all the marketing strategies that will be developed in a collaboration by the VMC, TSF, and the Marketing Committee. A marketing strategy outline will be contained in the FY 2020-2021 Marketing Plan.

8. Work with partners to develop, promote and grow strong and beneficial tourism activities and events.

The Partner Relations Manager is tasked with taking VMC's annual festivals to a new level.

9. Explore our options to influence and shape potential cannabis tourism.

This initiative is being addressed in the organizations 20/21 Marketing Plan.

B. Estimated Bid Assessment Revenue for FY 2020-2021

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 2018-2019 the Mendocino County Tax Collector recorded total BID assessments in the amount of \$970,404 to provide services, activities and programs on behalf of the District.

The Budget contained in this BID Annual Report is based on actual FY 2018-2019 BID assessments. The county matching funds for the same period are \$485,202.

C. Contributions from Mendocino County Matching Funds for FY 2020-2021

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.*

Totals for "the prior fiscal year" are not known at the time the MCTC Finance Committee must prepare the budget contained in the BID Annual Report. For this reason, estimates of future assessment revenue and the county match are based on actual FY 2018-2019 assessments as reported annually in the Treasurer-Tax Collector's October report.

D. Proposed Budget for FY 2020–2021

The total budgeted cost of services, activities, and programs for the District in FY 2020-2021 is \$1,353,422.61.

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 \$135,342 Contingency Fund proposed in the Annual Marketing Plan and Budget for FY 2020-2021 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.

BUDGET AMENDMENTS WILL BE MADE AFTER SIP IS RELEASED

PROPOSED FY 2020-2021 ANNUAL BUDGET INCLUDING BID ASSESSMENTS,

MENDOCINO COUNTY MATCHING FUNDS AND MISCELLANEOUS INCOME

INCOME	
MCTC BID Assessment	903,264.00
County of Mendocino Matching Funds	451,632.00
County Administrative Fee	[27,097.00]
Event Brochure Ads	0
Interest	240.00
	1,327,799.00
EXPENSES	
Advertising/Media	258,709.00
Marketing/Public Relations	236,096.00
Website Maintenance & Development	80,208.00
Leisure & Group Sales	42,740.00
Visitor Services	88,917.39
Partnerships	96,387.50
Administrative Expenses	119,085.00
Personnel	405,656.11
	1,327,799.00
Portion of Unrestricted Reserve	0
BOTTOM LINE	0
Reserve/Contingency Fund	135,342.20

VI. ACTIONS TAKEN IN PRESPONSE TO FY 2019-2020 BID ADVISORY BOARD RECOMMENDATIONS

A. Recommendations Actionable by Mendocino County Tourism Commission 2019-2020

1. The BID Advisory Board supports the recommendation of the MCTC Personnel Committee that the Executive Director enroll in the personal destination marketing certification course offered by Destination Marketing Association International in 2020.
 - STATUS UPDATE: The Executive Director began DMAI's Professional in Destination Management Executive course in November 2019. The continuing education course provides the ED with the skills and knowledge critical to the travel and tourism industry. There are seven required courses taught through both in-person and self-paced, online delivery that will take two years to complete. The personal accreditation is a requirement for MCTC's continuing DMAI accreditation.
2. The BID Advisory Board recommends that the MCTC staff and Board of Directors 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: On May 23, 2019, the ED and DMM met with Nichole Farley of Civitas to explore and evaluate the possibility of the transition of MCTC to the Property & Business Improvement District Law of 1994, Streets & Highways Code §36600 et seq. This process will be ongoing throughout the fiscal year.
3. The BID Advisory Board further recommends that MCTC reconnect with the Corragio Group to refresh and refine its current strategic plan to extend from FY 2020-2021 through FY 2023-2024. The plan MCTC developed with Corragio for FY 2017-2018 through FY 2019-2020 has proven to be a flexible and robust tool. It has shaped staff activities and contributed to the effectiveness and stability of the organization. Working with the same team will contribute to continuity and enable MCTC to build on its strengths.
 - STATUS UPDATE: VMC staff recommends working with the Corragio Group to extend the current strategic plan for one additional fiscal year: to June 30, 2021 in order to explore and evaluate the possibility of transitioning to the Property & Business Improvement District Law of 1994, Streets & Highways Code §36600 et seq. This additional year will give VMC staff the time needed to coordinate efforts with Civitas Advisors, or comparable BID consultants. The original BID process began in 2006 for inception in 2009. Civitas has advised that while the process timeline for a change from the 1989 to the 1994 law would be reduced that is all based on development of a project timeline. This project timeline would have to be followed by VMC and staff of Mendocino County, to complete within timing specified. VMC staff suggests working under the current successful strategic plan during this potential project. The need to the BID process and strategic plan to match are integral to the annual project load of VMC staff.
4. After reviewing assessment metrics, the BID Advisory Board recommends that the Sales Department only pursue activities that demonstrate a clear return on the investment made, i.e., travel, trade shows, conferences, and FAMs, and report such measurable data on a quarterly basis as is required for other organizational departments. MCTC operates under the previously referenced three-year Strategic Plan, which states that organizational decision-making should be data driven. A thorough evaluation of metrics reveals the Sales Department is unable to report return on investment on its activities.

- STATUS UPDATE: In July 2019, the MCTC Board instructed the ED to begin a reorganization of the sales department. The ED anticipates that implementation of a best practices DMO sales model will begin operations in July 2020. This new sales model will enable the reorganized sales department to supply trackable KPIs and ROI metrics. Due to the COVID-19 pandemic and its relation to doing business in Mendocino County, VMC staff doesn't believe that implementation will happen by this date. However, VMC staff is adjusting to implementation of the newly designed Sales Department in the 20-21 FY.

B. Recommendations Actionable by the County of Mendocino 2019-2020

1. The BID Advisory Board respectfully requests that the BOS direct staff to routinely assign tentative placeholders on BOS agendas from mid-April, May, and June for BID Annual Report review by the BOS and the subsequent required public meeting. Two dates will be confirmed by Planning Department staff when the report is complete. State law requires that this process be completed prior to the start of MCTC's new fiscal year on July 1.
 - STATUS UPDATE: The ED has built a relationship with staff at Building & Planning and is working with County staff and the Clerk of the Board to ensure that dates and timelines are adhered to.
2. The Advisory Board recommends that the BOS direct its staff to provide a quarterly report that flags properties that are newly added or have fallen out of compliance with the TOT and BID Ordinances.
 - STATUS UPDATE: Since July 2019, the Treasurer-Tax Collector's staff has delivered (and continues to deliver) to MCTC staff the requested quarterly report as outlined in the recommendation.
3. As previously recommended in the FY 2018-2019 BID Advisory Report, the Advisory Board asks that the BOS direct the County Treasurer Tax-Collector to a) revise TOT/BID collection forms and that as of July 1, 2019, it begin collecting data on: i) Average Daily Occupancy (ADO); and ii) Average Daily Rate (ADR); and, b) employ software upgrades and technical assistance to enable quarterly reporting of the aggregated anonymous data to the contractor for the purpose of program assessment. It is in the best interests of the county to begin collecting this important data prior to the implementation of the software in order to eliminate a lag time between implementation and data collection. These data are important to MCTC in order to better analyze performance of programs at key times of year. It is also recommended that the county begin distributing an updated version of the current TOT and BID collection forms to lodging owners as of July 1, 2019 (see Appendix VI and VII).
 - STATUS UPDATE: VMC's ED and Director of Marketing & Media met with the Treasurer-Tax Collector to discuss implementation of the revised forms and collection of data. The Treasurer-Tax Collector's office is slated to begin the process of transition to a new online system of collecting and reporting BID/TOT data at a future date, still to be determined. As the Treasurer-Tax Collector learns what data can be collected in the new system, reporting possibilities, and other elements as yet unknown, the Treasurer-Tax Collector will work with Visit Mendocino County to ensure that the metrics outlined in this recommendation are within the scope of work. In the meantime, the Treasurer-Tax Collector's office will supply VMC with a quarterly report that delineates new property additions to the BID/TOT tax rolls and any properties that have fallen into delinquency.
4. As previously recommended in the FY 2018-2019 BID Advisory Report, given the underfunding of tourism promotion relative to nearby target markets, it is recommended that the BOS designate a member or working committee to research potential ways to further enhance revenue for tourism promotion.

- This recommendation is appropriate from MCTC, through the Annual Report. No response from Planning and Building Services (PBS) is required as only the Board of Supervisors has authority to create a working group or Adhoc Committees within the County.
5. The BID Advisory Board recommends that the BOS approve the reinstatement of the City of Point Arena to the BID as resolved by the City of Point Arena City Council, and subject to acceptance by at least 51% of Point Arena lodging owners. In 2015, a majority of lodging properties within the City of Point Arena protested their inclusion in the countywide Lodging Business Improvement District. In FY 2018-2019, the MCTC Executive Director initiated discussions with Point Arena lodging owners and the City of Point Arena City Manager and staff to begin the process of reinstating the Point Arena lodging properties in the BID. Discussion among the parties resulted in the City of Point Arena Resolution 2019-09 that was adopted in March 2019. Once reinstated, Point Arena lodging properties and attractions will be added to the MCTC website, VisitMendocino.com, and will be included in future MCTC public relations and marketing outreach. The process by the county is as follows; a resolution of intention goes before the Board of Supervisors followed by a 45-day public noticing period that requires 3 consecutive weeks newspaper noticing. Then a public meeting before the Board of Supervisors followed by a public hearing before the Board of Supervisors including the introduction of the ordinance adding Pt. Arena into the BID. The following week would hold the second reading of the ordinance on the Supervisors consent agenda.

VII. FY 2020-2021 BID ADVISORY BOARD RECOMMENDATIONS

A. Recommendations Actionable by Mendocino County Tourism Commission 2020-2021

The BID Advisory Board sets forth the following recommendations to be actionable by Mendocino County Tourism Commission during fiscal year 2020–2021.

1. Upon the County Board of Supervisors' approval of the reinstatement of the City of Point Arena to the BID as resolved by the City of Point Arena City Council and having been accepted by at least 51% of Point Arena lodging owners, that MCTC staff work with County staff, Point Arena lodging owners and the City of Point Arena Manager and staff to ensure that lodging properties and attractions become part of VMC's annual public relations and marketing outreach. VMC will ensure there continues to be a concerted effort by County and VMC staff to fully communicate with all City of Point Arena lodging stakeholders to achieve full transparency regarding this matter.
2. 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, will go 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.
3. 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.

4. MCTC staff will work with the Corragio Group to extend the current strategic plan that is slated to expire on June 30, 2020 to a new expiration date of June 30, 2021. This will allow staff and the board to properly develop a continuation of the current strategic plan which has successfully guided the organization since FY 2017-2018.
5. Continue to assess the return on investment of a reorganized Sales Department, which will begin operation at VMC in July 2020. An end result of the reorganization will include a list of sale-oriented goals, a set of Key Performance Indicators (KPIs), and metrics for success. These metrics will become part of VMC's annual marketing plan and will be evaluated each quarter in the organization's quarterly report to the Board of Directors and County Board of Supervisors.
6. MCTC form an ad hoc committee to investigate and explore any and all possible ways to enhance revenue for tourism promotion. The BID Advisory Board also recommends the ad hoc committee be comprised of a mix of lodging stakeholders, MCTC Board members, County staff, County elected officials and MCTC staff.
7. The MCTC Board of Directors engage a discussion and potential action item; adjusting the current MCTC board meeting schedule to not conflict with any Board of Supervisor meetings. This would allow Supervisors to attend MCTC Board of Directors meetings.

B. Recommendations Actionable by the County of Mendocino 2020-2021

The BID Advisory Board sets forth the following recommendations to be actionable by Mendocino County during fiscal year 2020–2021.

1. The county shall assign staff to sit on the proposed ad hoc committee referenced in MCTC recommendation #6, if and when the committee is formed.
2. It is also recommended that this ad hoc include a member of the County Board of Supervisors.
3. 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.
4. As previously recommended in the FY 2019-2020 BID Advisory Report, the Advisory Board asks that the BOS direct the County Treasurer Tax-Collector to a) revise TOT/BID collection forms and that as of July 1, 2020, it begin collecting data on: i) Average Daily Occupancy (ADO); and ii) Average Daily Rate (ADR).
5. It is also recommended that the Treasurer-Tax Collector employ software upgrades and technical assistance to enable quarterly reporting of the aggregated anonymous data to the contractor for the purpose of program assessment. It is in the best interests of the county to begin collecting this important data prior to the implementation of the software in order to eliminate a lag time between implementation and data collection. These data are important to MCTC in order to better analyze performance of programs at key times of year. It is also recommended that the county begin distributing an updated version of the current BID and TOT collection forms to lodging owners as of July 1, 2020.

**TREASURER-TAX COLLECTOR
COUNTY OF MENDOCINO
(Data as of September 1, 2019)**

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
2010-11	\$ 1,159,942.85	\$ 738,735.49	\$ 509,240.81	\$ 870,484.86	\$ 3,278,404.01
2011-12	\$ 1,257,508.60	\$ 784,212.12	\$ 604,215.73	\$ 926,946.51	\$ 3,572,882.96
2012-13	\$ 1,295,039.41	\$ 785,491.85	\$ 617,128.37	\$ 984,800.75	\$ 3,682,460.38
2013-14	\$ 1,377,790.23	\$ 894,744.19	\$ 676,573.91	\$ 1,072,883.77	\$ 4,021,992.10
2014-15	\$ 1,483,327.89	\$ 996,032.33	\$ 779,025.16	\$ 1,195,852.18	\$ 4,454,237.56
2015-16	\$ 1,651,009.69	\$ 1,073,998.95	\$ 835,844.53	\$ 1,298,416.75	\$ 4,859,269.92
2016-17	\$ 1,771,396.93	\$ 1,149,101.65	\$ 820,094.23	\$ 1,452,094.06	\$ 5,192,686.87
2017-18	\$ 1,994,982.25	\$ 1,223,461.26	\$ 1,018,540.84	\$ 1,457,731.72	\$ 5,694,716.07
2018-19	\$ 1,968,361.87	\$ 1,270,846.67	\$ 929,184.41	\$ 1,500,273.08	\$ 5,668,666.03

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
2010-11	\$ 200,677.35	\$ 120,225.57	\$ 88,797.28	\$ 146,920.70	\$ 556,620.90
2011-12	\$ 214,391.01	\$ 127,996.14	\$ 103,057.37	\$ 158,824.10	\$ 604,268.62
2012-13	\$ 228,091.30	\$ 155,123.16	\$ 108,135.40	\$ 171,533.18	\$ 662,883.04
2013-14	\$ 243,828.04	\$ 149,944.46	\$ 116,839.01	\$ 185,967.80	\$ 696,579.31
2014-15	\$ 259,245.43	\$ 167,825.51	\$ 139,735.12	\$ 204,382.49	\$ 771,188.55
2015-16	\$ 273,600.95	\$ 178,776.82	\$ 147,456.87	\$ 222,007.69	\$ 821,842.33
2016-17	\$ 305,169.89	\$ 190,066.75	\$ 148,194.72	\$ 247,927.29	\$ 891,358.65
2017-18	\$ 333,850.91	\$ 213,895.87	\$ 171,966.42	\$ 252,024.26	\$ 971,737.46
2018-19	\$ 344,190.66	\$ 207,171.54	\$ 165,784.35	\$ 253,257.63	\$ 970,404.18

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. Previous fiscal year collections have been adjusted to reflect delinquent payments received in FY 2018-19.

APPENDIX II: MCTC Board Roster

Bernadette Byrne
Winery/Winegrowers
Term expires: Feb 01, 2023

Open Seat
Regional Promotional: Inland

Brett Schlesinger
Food & Beverage | Midterm Delegate
Term expires: Oct 1, 2022

Cally Dym
Large Lodging Operator: Coastal
Term expires: Dec 31, 2022

Jamie Peters Connolly
Arts Organization/Attractions | Midterm Delegate
Term expires: Jan 30, 2021

Jan Rodriguez
Large Lodging Operator: Inland
Term expires: Dec 31, 2020

Jennifer Seward
At Large
Term expires: Jan 01, 2022

Jitu Ishwar
At Large – Large Lodging Operator: Inland
Term expires: Dec 31, 2021

Martha Barra
Small Lodging Operator: Coastal
Term expires: Dec 31, 2021

Scott Connolly
Medium Lodging Operator: Coastal
Term expires: Dec 31, 2020

Sharon Davis
Regional Promotional: Coastal
Term expires: Feb 01, 2023

APPENDIX III: BID Advisory Board Roster

John Dixon

Coastal Region: Glendeven Inn & Lodge

Term expires: January 1, 2021

Jon Glidewell

Coastal Region: Beachcomber Hotel Group

Term expires: November 1, 2020

Marcus Magdaleno

Inland Region: The Boonville Hotel

Term expires: January 1, 2022

Open Seat

Inland Region

Open Seat

At Large

APPENDIX IV: 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 Director.

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
- Approving the annual budget and all major items of capital expenditure as defined by written expenditure protocols
- 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
- Insure 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 V: DMAI 2017 Organizational & Financial Profile Study

2017 ORGANIZATIONAL & FINANCIAL PROFILE STUDY

The 2017 Organizational and Financial Profile Study is the most comprehensive benchmark study on destination organization structures and organizational practices in the destination marketing sector today. The following content provides some key highlights at an industry-wide level. More detailed results are presented through an online platform at destinationinternational.org.

Funding & Revenue

MEDIAN OPERATING BUDGET

\$3,280,438

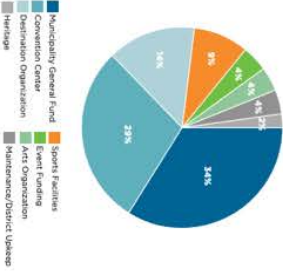


MEDIAN TAXES AND FEES ON HOTEL ROOMS

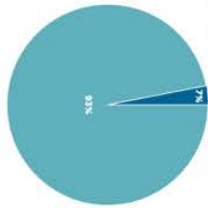
13%



OCCUPANCY TAX ALLOCATION



PUBLIC VS. PRIVATE FUNDING SOURCES



TOP PUBLIC FUNDING SOURCES:

- Occupancy Tax: 73%
- Sales Tax: 12%
- TID/Marketing Charge: 9%
- Grants: 3%

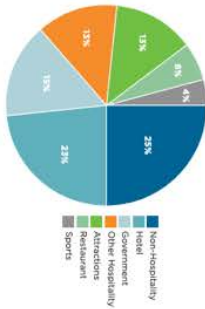
TOP PRIVATE REVENUE SOURCES

- Membership/Partnership Revenue: 35%
- Marketing/Publications/Promotion Revenue: 31%
- Building Related Revenue (Convention center revenue, registration, VIC): 20%
- Other (private grants, service fees, private donations): 14%

Operations



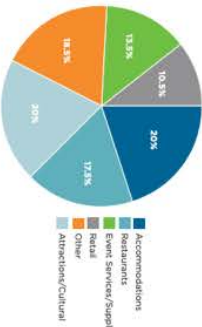
BOARD PARTICIPANTS



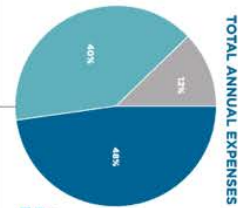
Membership



MEMBER/PARTNER BREAKDOWN



Expense Allocation



TOTAL ANNUAL EXPENSES

PROGRAM EXPENSES ALLOCATION



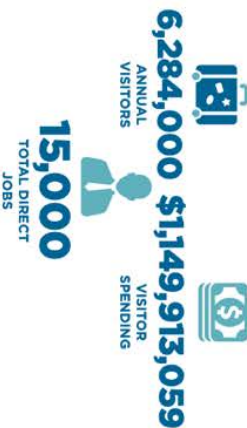
SALES & MARKETING EXPENSES



PERSONNEL EXPENSES



Visitor Economy



APPENDIX VI: Draft Mendocino County TOT Collection Form

COUNTY OF MENDOCINO, STATE OF CALIFORNIA

Number of Rental/Unit days available in period _____
 (ADR: # rooms/units times # days in period)

Number of Rental/Unit days occupied in period _____
 (Occupancy: sum of # rooms/units actually rented each day in period)

REPORTING PERIOD

-TO- _____

TRANSIENT OCCUPANCY TAX RETURN

TAX IS DUE IMMEDIATELY FOLLOWING THE CLOSE OF THE REPORTING PERIOD SHOWN ABOVE. IF NOT REMITTED BY _____, APPLICABLE PENALTIES AND INTEREST APPLY.

DBA

Owner

Mailing Address

TOT# _____

Situs Information

Address

City, State, Zip

1. NET RECEIPTS FROM ROOM RENTALS		\$ _____
2. LESS ROOMS OCCUPIED MORE THAN 30 DAYS		\$ _____
3. TAXABLE RECEIPTS (Line 1 less Line 2)		\$ _____
4. TAX RATE 10% OF TAXABLE RECEIPTS		\$ _____
5. 1st 10% Penalty		\$ _____
6. 2nd 10% Penalty		\$ _____
7. Interest at 1.5% No. of Months _____ @ \$ _____ =		\$ _____
8. TOTAL AMOUNT DUE (add lines 4 to 7)		\$ _____

PLEASE COMPLETE THIS FORM, MAKE A COPY FOR YOUR RECORDS, AND MAIL THIS AND YOUR REMITTANCE TO:

MENDOCINO COUNTY TAX COLLECTOR
 501 Low Gap Road, Room 1060
 Ukiah, CA 95482

Any questions? We can be reached at (707) 234-6879.

I DECLARE UNDER PENALTY OF PERJURY THAT THE ABOVE IS TRUE AND CORRECT TO THE THE BEST OF MY KNOWLEDGE AND BELIEF.

SIGNED _____

TITLE _____ DATE _____

Transient Occupancy Tax Information

MENDOCINO COUNTY ORDINANCE NO. 4024

1. Even if there is no tax due, a tax return must be filed each reporting period.
2. Delinquent date is the last day of the month following the close of the reporting period.
3. PENALTIES: If tax is not remitted by the delinquent date, add a penalty of ten percent (10%) of the amount of the tax. If tax remains unpaid for a period of more than 30 days following the date upon which the remittance first became delinquent, add a second penalty of ten percent (10%) of the amount of the tax.
4. INTEREST: In addition to any penalties, add interest at the rate of one and one-half percent (1 1/2 %) per month of the original tax, from the date on which the tax first became delinquent.
5. REMITTANCE: Personal checks are accepted by the Tax Collector but do not constitute payment until all funds have cleared the bank.
6. All records substantiating the return must be retained for a period of not less than three years from the date of payment.
7. Change of address or ownership must be reported immediately to the Tax Collector.
8. If business is sold or suspended, closing return and payment shall be sent immediately to the Tax Collector's office.

APPENDIX VII: Draft Mendocino County BID Collection Form

COUNTY OF MENDOCINO, STATE OF CALIFORNIA

Number of Rental/Unit days available in period _____
 (ADR: # rooms/units times # days in period)

Number of Rental/Unit days occupied in period _____
 (Occupancy: sum of # rooms/units actually rented each day in period)

REPORTING PERIOD

-TO-

BUSINESS IMPROVEMENT DISTRICT RETURN

ASSESSMENT IS DUE IMMEDIATELY FOLLOWING THE CLOSE OF THE REPORTING PERIOD SHOWN ABOVE. IF NOT REMITTED BY _____, APPLICABLE PENALTIES AND INTEREST APPLY.

DBA

Owner

Mailing Address

BID# _____

Situs Information

Address

City, State, Zip

1. NET RECEIPTS FROM ROOM RENTALS	\$	
2. LESS ROOMS OCCUPIED MORE THAN 30 DAYS	\$	
3. TAXABLE RECEIPTS (Line 1 less Line 2)	\$	
4. ASSESSMENT RATE 1% OF TAXABLE RECEIPTS	\$	
5. 1st 10% Penalty	\$	
6. 2nd 10% Penalty	\$	
7. Interest at 1.5% No. of Months _____ @ \$ _____ =	\$	
8. TOTAL AMOUNT DUE (add lines 4 to 7)	\$	

PLEASE COMPLETE THIS FORM, MAKE A COPY FOR YOUR RECORDS, AND MAIL THIS AND YOUR REMITTANCE TO:

MENDOCINO COUNTY TAX COLLECTOR
 501 Low Gap Road, Room 1060
 Ukiah, CA 95482

Any questions? We can be reached at (707) 234-6879.

I DECLARE UNDER PENALTY OF PERJURY THAT THE ABOVE IS TRUE AND CORRECT TO THE THE BEST OF MY KNOWLEDGE AND BELIEF.

SIGNED _____

TITLE _____ DATE _____

Mendocino County Lodging Business Improvement District

MENDOCINO COUNTY CODE CHAPTER 5.140

1. **Even if there is no assessment due, an assessment return must be filed each reporting period.**
2. Delinquent date is the last day of the month following the close of the reporting period.
3. **PENALTIES:** If assessment is not remitted by the delinquent date, add a penalty of ten percent (10%) of the amount of the assessment. If assessment remains unpaid for a period of more than 30 days following the date upon which the remittance first became delinquent, add a second penalty of ten percent (10%) of the amount of the assessment.
4. **INTEREST:** In addition to any penalties, add interest at the rate of one and one-half percent (1 1/2 %) per month of the original assessment, from the date on which the assessment first became delinquent.
5. **REMITTANCE:** Personal checks are accepted by the Tax Collector but do not constitute payment until all funds have cleared the bank.
6. All records substantiating the return must be retained for a period of not less than three years from the date of payment.
7. Change of address or ownership must be reported immediately to the Tax Collector.
8. If business is sold or suspended, closing return and payment shall be sent immediately to the Tax Collector's office.

APPENDIX VIII: Glossary of Terms

This glossary is included to explain terms used in this report and in other reports and documents issued by Visit Mendocino County or the Business Improvement District Advisory Board. While staff and contractors are familiar with the terminology, some of the terms need a brief explanation.

Advertising equivalency:

This dollar figure represents the amount of money it would take to purchase the equivalent in advertising space in a print publication or digital equivalent. The VMC PR team uses a 1:1 ratio unlike many PR firms who use a multiplier to boost numbers.

Impressions:

The number of views a print or digital article is estimated to reach based on circulation and subscription data. Media Placement A story (print or digital) about an aspect of Mendocino County that arises from PR efforts.

Media Mission:

A trip by the PR team to a particular market, e.g., Vancouver BC, to meet local journalists and writers and inspire visitation to and coverage of Mendocino County.

Releases:

This can either refer to a press release or a “hot sheet,” which is distributed to the press and highlights new and upcoming businesses and openings in the county.

FAM:

Familiarization tour or trip. Media FAMs involve members of the media who are vetted by the PR team prior to a visit. Sales FAMs apply to tour group operators who are visiting the county with the aim of including Mendocino in tour packages.

Millennials:

The segment of the population born between the early and the mid-1990s to early 2000s. Also known as Generation Y, they are the children of baby boomers and older Gen Xers.

Gen-Xers:

The population segment born between the early-to-mid 1960s and ending birth years ranging from the late 1970s to early 1980s. Children of the Baby Boomers.

Baby Boomers:

Those born between the early-to-mid 1940s up to about 1964.

Content marketing:

Content marketing is a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience — and, ultimately, to drive profitable customer action.

Google Analytics:

A reporting tool provided by Google that can be used to analyze traffic, ad words, digital marketing campaigns, demographics, etc. for VisitMendocino.com.

Facebook Insights:

A reporting tool for analyzing traffic, advertising campaigns, and other activities on Facebook.

Activity Provider:

A person located in a tourist destination who provides a unique, local activity for a visitor to do while on vacation. Examples of such activities include kayaking, bike riding or arts and crafts, among others.

Free Independent Traveler (FIT):

A person or a couple that is not traveling with a group; usually references foreign travelers out on their own (Foreign Independent Traveler).

Inbound Tour Operator:

Someone specializing in providing tours to overseas travelers to a destination, either operating the tour themselves or working through established partnerships with local suppliers.

Receptives:

In effect, "middle men" between tour operators and hotel/lodging owners, chiefly in overseas markets. Receptives obtain contracts with hotels for booking arrangements and offer these to tour operators looking to satisfy tourist demand.

Search Engine Marketing:

A marketing tactic using paid advertising services so that interested clients and customers can reach a business quicker and easier while searching online.

Block:

A number of rooms, seats, or spaces reserved in advance, usually by wholesalers, tour operators, or receptive operators who intend to sell them as components of tour packages.

Conversion:

Getting "heads in beds" or otherwise closing the sale. Differs from "hospitality." Hospitality is being warm, friendly and helpful. Conversion is active selling.

Demand generators:

Strategies and programs developed by DMOs and suppliers to generate destination demand. Examples include festivals, events, cultural tours, and consumer promotion.

Engagement:

On Facebook (and other social media platforms), engagement is when people perform actions on your Page. They may like a post, click on a link, or comment on an image for example. With Facebook Insights, engagement is measured as the number of times a post is clicked, liked, shared, or commented on.

Reach:

A measure of the range of influence of any content; it is the measurement of how content is spread across various social media channels. Think of it as the number of eyeballs a piece of content is getting. On Facebook, for example, "total reach" is the number of people that have seen a particular post.

Selected Key Industry Associations**DMA West:**

Destination Marketing Associations West, a membership organization of visitor bureaus throughout the western United States.

Visit California:

The tourism marketing agency for the state.

California Travel Association:

Membership organization offering education and advocacy for state tourism operators.

U.S. Travel Association:

National, non-profit organization representing and advocating for all components of the travel industry.

Destination International:

Global association of travel industry agencies and groups, offering education and advocacy for members. Visit Mendocino holds a certification from the globally recognized Destination Marketing Accreditation Program (DMAP); this serves as a visible industry distinction that defines quality and performance standards in destination marketing and management.

Brand USA:

Agency chiefly responsible for marketing the USA as a destination to the rest of the world.