



**San Luis Obispo County  
Tourism Business Improvement District Advisory Board  
(CBID)**

Board Meeting Minutes

September 27, 2017

12:00 p.m.

Apple Farm ~ Harvest Room  
2015 Monterey Street  
San Luis Obispo, CA 93401

**DRAFT UNTIL APPROVED**

SLO CBID Members Present:

Board: Shirley Lyon, John King, Mike Hanchett, Laila Kollmann, Lori Keller, Matt Masia  
County Liaison: Nikki Schmidt (arrived at 12:30); CAO Cheryl Cuming

Absent: Bram Winter (excused)

Guests: John Sorgenfrei, Bill Stansfield, Michelle Wright, Marjorie Ott, Toni LeGras

**Call to Order**

At 12:08 p.m.

**Public Comment**

CAO Cuming shared 9/19 CTB minutes to ensure the CBID Advisory board is aware of Jim **Bahringer's** comments. **CAO Cuming confirmed that minutes have been shared with the County** in order to prepare a response.

Michael Hanchett provided a Highway 1 update that progress is being made and a temporary one-way access bypass road is a new proposed solution but no timeline can be confirmed because of winter weather. He said any pressure on Cal Trans to keep it a priority does help.

Laila Kollmann introduced Toni LeGras to the board.

## **Administrative Items**

- Roll Call

Shirley Lyon, John King, Mike Hanchett, Laila Kollmann, Lori Keller, Matt Masia. Bram Winter is absent.

- Consent Agenda

A motion was made by Mike Hanchett, seconded by Shirley Lyon, to approve the August 16 minutes; Laila Kollmann, Lori Keller and Matt Masia abstained. With no further discussion, these minutes were approved by a voice vote of the Advisory Board.

- Financials

CAO Cuming reviewed the monthly financials including budget to actual, balance sheet and local fund financials and TOT stats.

Nikki Schmidt confirmed that she is still validating the carryforward amount, and anticipates to report her findings at the October CBID Advisor Board meeting.

- **Administrator's Report and Partner Update**

CAO Cuming reviewed the report and Lori Keller reviewed the SLO CAL board progress, **including symposium, PR RFP, airport opening 11/2, JP Patel's resignation** (sold property), Airbnb agreement, and website preview. John King asked Nikki Schmidt about the open CAO position; she indicated Guy Savage is acting CAO and a firm has been hired to conduct a candidate search. No date has been set for selection.

- Upcoming Events

Next board meetings will be October 25, November 15 (3<sup>rd</sup> Wednesday) and December 13 (2<sup>nd</sup> Wednesday).

## **Presentations**

None

## **Discussion Items**

- **Strategy/Topic Discussion**

Chair Laila Kollmann introduced the topic of County TOT compliance and Airbnb and explained that she will open for public comment, then close public comment to allow for

board discussion, and then re-open to public comment. Upon opening public comment Toni LeGras indicated that she would prefer to listen initially; public comment was closed.

Laila asked John King about his meeting with Supervisor Peschong. John commented that **the County's belief that it is now a "level playing field" is inaccurate and provided examples** of what other counties are doing. He suggested that the CBID go on record as not agreeing **with the County's approach. He believes Jim Erb convinced the Board of Supervisors to** accept the Airbnb agreement by promoting it as creating a 'level playing field' and that it would result in the specific VRs registering and paying TOT. Nikki Schmidt encouraged the board to invite the tax collector to a future meeting. Nikki referred to the staff report and how many agreed to collect TOT from Airbnb in all unincorporated areas. Negotiations are continuing and TOT projections are unclear, and the hope is that the future will bring more VRs into compliance. Shirley Lyon noted that Airbnb is not required to list properties and VR management companies will be unclear on which properties have been paid. She said she met with Supervisor Gibson in an effort to create a cohesive situation and he said it is as it is. John King noted that the three supervisors he met with are considering forming a subcommittee. Shirley confirmed that her VRMC speaks directly to each renter and companies like Airbnb do not. She feels that the issue is that there is no enforcement. The situation is complaint based and John suggests there needs to be larger fines. Shirley said **the playing field isn't level as there are several conditions that VRMCs must meet that** Airbnb does not. Nikki asked if control of Airbnb is a state issue. Shirley has issues with the bulk check approach of the system. Mike Hanchett noted that individual property owners are violating the ordinance; Airbnb is a digital marketplace and as a new business model the regulations have yet to catch up. He feels that zoning and health department issues are also a concern and that more needs to be done. Laila Kollmann closed board comment and re-opened public comment.

Toni LeGras **feels that the county "gave" Airbnb** too much authority at the expense of local VRMCs. She questioned if the county expected to have special one-off agreements with all platforms in the industry and thinks the county can do better. She feels the county is placing the onus on VRMCs to keep Airbnb compliant. John Sorgenfrei noted how the industry is affecting communities like Shell Beach and is concerned if VRs essentially take over neighborhoods. Laila Kollmann closed public comment.

Chair Kollmann asked the board what steps they would like to take. John King spoke to the **use of "granny units" as VRs in places like San Francisco and feels that there is a need to** get the BOS more information so they are better informed. The board asked to invite Jim Erb to the next meeting. Mike Hanchett asked about encouraging supervisors to take a more holistic approach to address overall issues. John King suggested writing a letter encouraging the formation of a committee to get a cross-section of views. Matt Masia asked Lori Keller if SLO CAL has been involved, and CAO Cuming noted that Chuck Davison has been in contact with several VR constituents and the County. Lori said she will contact Cal Travel to confirm their role. Laila Kollmann re-opened public comment.

Marjorie Ott said she likes the idea of a meeting. She feels there should be a written document to outline each issue. John King noted that language and ideas can be pulled from other communities. Toni LeGras **noted that the "roll-out" was noticed for 9/27 with a** 10/1 effective date. Nikki said that the timing is similar to formation timeframe of CBID and

**TMD. Bill Stansfield commented on Host Compliance's presentation at the SLO CAL** symposium and suggested they be used as a resource.

The CBID Advisory board supports CAO Cuming working with SLO CAL to confirm a meeting with VR constituents and the County. As a follow up, the CBID Advisory Board will then confirm when/if Jim Erb (or others) should be invited to a future CBID Advisory Board meeting.

- **Core Marketing Team & STP**

John Sorgenfrei spoke to the Bucket List getaway. Rural Road Trip for San Simeon so far has 2,350 emails collected and 18,000 video views. Destination guide views also increased dramatically with Ragged Point at 2,132 and San Simeon at 6,345.

John shared the Yosemite Journal ad with eleven destination members participating in the overall promo. Year over year web sessions are up 43%. CAO Cuming noted the RoadTrippers.com native content effort and that the site has 2.5M visitors per month. Laila commented that more visitors have been commenting on the Highway 1 closure and are aware that they can go north to Ragged Point. John said the effort has been to emphasize that this stretch of Highway 1 is open. Mike Hanchett commented that the low-end market is struggling with hotels dramatically cutting rates; some are seeing a 40% year-over-year decrease. Laila noted that SSTA is working on a marketing plan.

**Committee Reports & Recommendations:** CAO Cuming summarized the marketing reporting, including that the influencer survey results will be shared at the October meeting.

CAO Cuming also reviewed the details from the Strategic Planning meeting with SLO CAL and Matt Masia, noting the focus on how our organizations can continue to collaborate and remove duplication.

### **Action Items**

Laila Kollmann asked about quorum as the discussion moves to action items. Shirley questioned if swearing in was required, and Nikki noted that the positions were not considered vacant so the board is fine to proceed with the Action Discussion items.

**Operational Plan Development Funding:** The 3 operational plan development options were reviewed, and Laila Kollmann noted that CAO Cuming prefers option 3 at \$7,150. Matt Masia commented that he felt good about moving forward.

A motion was made by Shirley Lyon, and seconded by Lori Keller, to approve up to \$7,150 for the Option 3 Plan. CAO Cuming discussed the timing with a goal of having a workshop in early November. With no further discussion, the motion was approved by a voice vote of the advisory board.

**CAO Contract:** Laila Kollmann discussed the current contract parameters and asked the board to consider a two-year contract with additional expense coverage for cell phone, tourism event tickets and office space.

A motion was made by Shirley Lyon, and seconded by Matt Masia, to approve the contract extension for the period 1/1/18-12/31/19. Michael Hanchett asked about COLA and Nikki Schmidt confirmed it is based upon the annual evaluation. With no further discussion, the motion was approved by a voice vote of the advisory board.

**Outlook Forum:** Laila noted that the program is not yet posted. Mike asked if there is a DMO-specific conference and Lori suggested DAMI conference. Lori noted that Carolyn Betteta is in SLO County often, and that SLO CAL provides a strong connect to Visit CA. Laila asked CAO Cuming to research DMO-specific conferences and Lori suggested checking with SLO CAL.

### **Local Fund and Matching Fund Applications**

#### **Cambria Art & Wine Festival:**

Mike asked about their surplus of \$17,000 and their ability to self-fund. Lori seconded a concern for funding requests that have a surplus and are continually funded year after year. Marjorie Ott suggested asking the Chamber how the money was invested.

A motion was made by Mike Hanchett, and seconded by Shirley Lyon, to approve \$7,000 for the event. With no further discussion, the motion was approved by a voice vote of the advisory board.

#### **San Simeon Solterra Digital Marketing:**

Nikki Schmidt indicated that she advocated for the sole source justification, however, County Counsel and interim-CAO Savage did not support sole source. Nikki then recommend six-month contract and an RFP will be required. Mike noted that there are upfront costs that will be needed, such as website.

A motion was made by Lori Keller, and seconded by Matt Masia, to approve \$99,600 for six months from October 2017 through March 2018. With no further discussion, the motion was approved by a voice vote of the advisory board.

#### **San Simeon Friends of the Elephant Seal brochure distribution:**

Lori Keller shared concerns that FES is not well-versed in evolved marketing strategy and questioned how they will measure success. Mike noted that they are also in Certified Folder and Lori agreed that H1DR should look closely at the brochure distribution model. It was agreed that it is an important attraction, but there is concern that the brochures may end up in the trash. Matt asked that they offer a digital version. Lori challenged FES to look at more up-to-date marketing strategies. Mike noted that SSTA would like to integrate Solterra as future funding is considered and how Solterra can better support these types of marketing efforts.

A motion was made by Matt Masia, and seconded by Shirley Lyon, to approve \$9,366 for brochure distribution. With no further discussion, the motion was approved by a voice vote of the advisory board.

**Los Osos Red Barn Beautification:**

Although funding under \$4,999 does not require CBID Advisory Board approval, CAO Cuming noted that \$2,648 had been approved for the Red Barn beautification.

**Future Agenda Items**

Influence survey data

Structure of CBID vs. LFA vs. SLO CAL (organization and brand)

Continuing discussion on local fund operations/duplication of effort

**Closing Comments**

None

**Adjournment**

The meeting was adjourned at 2:15 p.m.