



TOURISM BUSINESS IMPROVEMENT DISTRICT
ADVISORY BOARD SPECIAL MEETING
AGENDA SUMMARY

Monday, April 28, 2025, 3:00 p.m.

In person at:

Arroyo Grande City Council Chamber
215 East Branch Street, Arroyo Grande, CA 93420

AND via Zoom at:

https://arroyogrande-org.zoom.us/webinar/register/WN_zpJmmNwESi21P2khl0ImuA

Please click the link above to register to join the Zoom Meeting

This Tourism Business Improvement District Advisory Board special meeting is being conducted in a hybrid in-person/virtual format.

1. CALL TO ORDER
2. ROLL CALL AND FLAG SALUTE
3. AGENDA REVIEW
4. STAFF COMMUNICATIONS
5. APPROVAL OF THE MINUTES OF THE FEBRUARY 25, 2025 SPECIAL BOARD MEETING
Approve the minutes of the February 25, 2025 Special Board Meeting, as submitted.
6. APPROVAL OF THE MINUTES OF THE MARCH 13, 2025 SPECIAL BOARD MEETING
Approve the minutes of the March 13, 2025 Special Board Meeting, as submitted.
7. PUBLIC COMMENT
8. RECEIVE AND FILE FINANCIAL STATUS REPORTS FOR MARCH 2025 WITH REVENUE RECEIVED FOR TBID ASSESSMENTS THROUGH FEBRUARY 2025.
Recommended Action:
Receive and File Financial Status Reports for March 2025 with Revenue Received for Tourism Business Improvement District (TBID) Assessments through February 2025.
9. FY 2025-26 CO-OPS WITH VISIT SLO CAL
Recommended Action:
 - 1) Review planned cooperative program opportunities with Visit SLO CAL; and
 - 2) Provide direction and level of interest for each Co-Op.

10. **REVIEW AND APPROVE THE PRELIMINARY FY 2025-26 BUDGET FOR THE ARROYO GRANDE TOURISM IMPROVEMENT DISTRICT**

Recommended Action:

- 1) Review and provide direction to staff on the Preliminary FY 2025-26 Budget for the Arroyo Grande Tourism Improvement District (AGTBID), and
- 2) Forward the Preliminary FY 2025-26 operating budget to City Council for approval.

11. **6-MONTH MARKETING PROGRESS REVIEW AND CONTRACT EXTENSION PROPOSAL FOR COMMUNE COMMUNICATION**

Recommended Action:

- 1) Receive 6-Month Marketing Progress Review from Commune Communication and provide feedback on strategic direction, creative execution, and accomplishments to support Visit Arroyo Grande; and
- 2) Recommend One Year Contract Extension to City Council.

12. **BOARD MEMBER COMMUNICATIONS**

13. **ADJOURNMENT**

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the City Clerk's office, 300 E. Branch Street, Arroyo Grande. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for disability-related modification or accommodation, contact the Legislative and Information Services Department at 805-473-5400 as soon as possible and at least 48 hours prior to the meeting date.

This agenda was prepared and posted pursuant to Government Code Section 54954.2 Agenda reports can be accessed and downloaded from the City's website at www.arroyogrande.org If you would like to subscribe to receive email or text message notifications when agendas are posted, you can sign up online through the "Notify Me" feature.



**ACTION MINUTES
FOR THE SPECIAL MEETING OF THE
TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

**February 25, 2025, 1:00 p.m.
Hybrid City Council Chamber/Virtual Zoom Meeting
215 East Branch Street, Arroyo Grande**

Board Members Present:	Chair Sean Dasmann, Vice Chair Sarah Kunkle, Board Member Jeannie Miranda, Board Member Tricia Kesselring
Staff Present:	Director of Recreation Services Sheridan Bohlken Deputy City Clerk, Julie Hawkins

This meeting was conducted in a hybrid in-person/virtual format.

1. CALL TO ORDER

Chair Dasmann called the Tourism Business Improvement District Advisory Board Meeting to order at 1:01 P.M.

2. ROLL CALL AND FLAG SALUTE

Board took roll call and Chair Dasmann led the flag salute. Board members Dasmann, Kunkle, Miranda, and Kesselring were present. One vacancy remains on the board at this time.

**3. SELECTION OF THE ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT
ADVISORY BOARD CHAIR AND VICE CHAIR FOR 2025**

Chair Dasmann invited public comment. No public comment received.

Moved by Jeannie Miranda

Seconded by Tricia Kesselring

To Select Sean Dasmann as Chairperson and Sarah Kunkle as Vice Chairperson for the Arroyo Grande Tourism Business Improvement District (AGTBID) Advisory Board for the calendar year 2025 to preside over meetings and perform duties as directed by the Board and City Council

AYES (4): Sean Dasmann, Sarah Kunkle, Jeannie Miranda, and Tricia Kesselring

NOES (0)

Passed (4 to 0)

Item 5

4. **STAFF COMMUNICATIONS**

Director Bohlken provided marketing updates.

5. **APPROVAL OF MINUTES OF THE DECEMBER 17, 2024 BOARD MEETING**

Chair Dasmann invited public comment. No public comment received.

Moved by Sarah Kunkle

Seconded by Jeannie Miranda

Approve Minutes of the December 17, 2024 Board Meeting as Submitted.

AYES (4): Sean Dasmann, Sarah Kunkle, Jeannie Miranda, and Tricia Kesselring

NOES (0)

Passed (4 to 0)

6. **PUBLIC COMMENT**

Chair Dasmann invited public comment. No public comment received.

7. **RECEIVE AND FILE FINANCIAL STATUS REPORTS FOR JANUARY 2025 WITH REVENUE RECEIVED FOR TBID ASSESSMENTS THROUGH DECEMBER 2024**

Item moved after Item 3. Director of Administrative Services Nicole Valentine presented. No questions or comments from the board.

Chair Dasmann invited public comment. No public comment received.

Receivesd and File Financial Status Reports for January 2025 with Revenue Received for Tourism Business Improvement District (TBID) Assessments through December 2024.

8. **2025 MEETING SCHEDULE FOR THE ARROYO GRANDE TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

Director of Recreation Services introduced and presented to the Board. The Board discussed. Chair Dasmann invited public comment. No public comment received.

Moved by Sarah Kunkle

Seconded by Jeannie Miranda

To set regular AGTBID Board Meetings for the Second Thursday of Every Other Month at 3:00 P.M. at the City Council Chambers.

AYES (4): Sean Dasmann, Sarah Kunkle, Jeannie Miranda, and Tricia Kesselring

NOES (0)

Item 5

Passed (4 to 0)

9. **RECEIVE AND PROVIDE FEEDBACK ON MARKETING EFFORTS TO DATE INCLUDING LOCATION VISITATION REPORTING AND OPTIMIZATION RECOMMENDATIONS**

Moved by Sarah Kunkle

Seconded by Jeannie Miranda

Approve reallocation of funds for billboard.

AYES (4): Sean Dasmann, Sarah Kunkle, Jeannie Miranda, and Tricia Kesselring

NOES (0)

Passed (4 to 0)

10. **BOARD MEMBER COMMUNICATIONS**

No Board Member Communications

11. **ADJOURNMENT**

There being no further business to come before the Board, Chair Dasmann adjourned the meeting at 2:31 P.M.



**ACTION MINUTES
SPECIAL MEETING OF THE
TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

**March 13, 2025, 2:00 p.m.
Hybrid City Council Chamber/Virtual Zoom Meeting
215 East Branch Street, Arroyo Grande**

Board Members Present: Chair Sean Dasmann, Vice Chair Sarah Kunkle,
Board Member Jeanie Miranda

Staff Present: Director of Recreation Services Sheridan Bohlken,
City Clerk Jessica Matson

This meeting was conducted in a hybrid in-person/virtual format.

1. CALL TO ORDER

Chair Dasmann called the Tourism Business Improvement District Advisory Board Meeting to order at 2:00 P.M.

2. ROLL CALL AND FLAG SALUTE

Board took roll call and Chair Dasmann led the flag salute. Board Member Kesselring and Nakazono-Klapper were absent.

3. STAFF COMMUNICATIONS

Director Bohlken updated the board on recent events and activities including the addition of Chiasa Nakazono-Klapper as the fifth member to complete the AGTBID Advisory Board, Arroyo Grande was mentioned in the top 11 best downtowns in World Atlas, SLO County Airport changes including: daily non-stop service to Portland, conclusion of season of daily direct flights to Las Vegas and an increased plane size and additional passenger space on flights to Dallas Fort-Worth.

4. APPROVE PROPOSED BILLBOARD ADVERTISING AND LOCATIONS

Board received presentation by Richardson Reigart of Commune Communications on three billboards, their proposed locations and overlap of time. Mr. Reigart and team responded to questions from the Board and discussion followed regarding SEO and the Google search engine, what advertisements were there previously, the use of images and words on the billboards, and the opportunity for renewal.

Chair Dasmann invited public comment. No public comment received.

Moved by Board Member Kunkle
Seconded by Board Member Miranda

RECOMMENDATION: Approve proposed billboard advertisements and locations.

AYES (3): Sean Dasmann, Sarah Kunkle and Jeannie Miranda

NOES (0)

Passed (3 to 0)

5. **RECEIVE AND PROVIDE FEEDBACK ON UPDATES NECESSARY FOR THE VISIT ARROYO GRANDE WEBSITE**

Board received presentation by James Whales of Commune Communications on the updates necessary to maintain functionality to benefit user experience on website while allowing the ease for updates, identifying a cost of approximately \$15,500. The estimate of work was identified as work that could be performed by Commune within the \$225,000 budget identified in contract.

Chair Dasmann invited public comment. No public comment received.

Moved by Board Member Kunkle

Seconded by Board Member Miranda

RECOMMENDATION: Receive and provide feedback on updates necessary for the Visit Arroyo Grande website.

AYES (3): Sean Dasmann, Sarah Kunkle and Jeannie Miranda

NOES (0)

Passed (3 to 0)

6. **APPROVE ANNUAL REPORT AND FORWARD TO CITY COUNCIL**

Board received presentation by Richardson Reigart of Commune Communications on the marketing efforts of Commune Communications as well as adjustments in marketing reports to date. Creative was reviewed in addition to specific demographic and geographic markets, fresh visual content for the website, access markets for destination campaigns, email marketing, social media, paid media, event promotion, and partnerships.

Chair Dasmann invited public comment. No public comment received.

Moved by Board Member Miranda

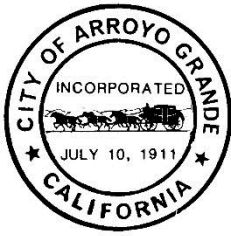
Seconded by Board Member Kunkle

RECOMMENDATION: 1) Receive and approve the Annual Report, which provides information on the activities of the Arroyo Grande Tourism Business Improvement District (AGTBID) during the past year; and 2) Forward to City Council for consideration and approval.

AYES (3): Sean Dasmann, Sarah Kunkle and Jeannie Miranda

NOES (0)

Passed (3 to 0)



MEMORANDUM

TO: Arroyo Grande Tourism Business Improvement District Advisory Board

FROM: Sheridan Bohlken, Director of Recreation Services

BY: Nicole Valentine, Director of Administrative Services

SUBJECT: Receive and File Financial Status Reports for March 2025 with Revenue Received for TBID Assessments through February 2025

DATE: April 28, 2025

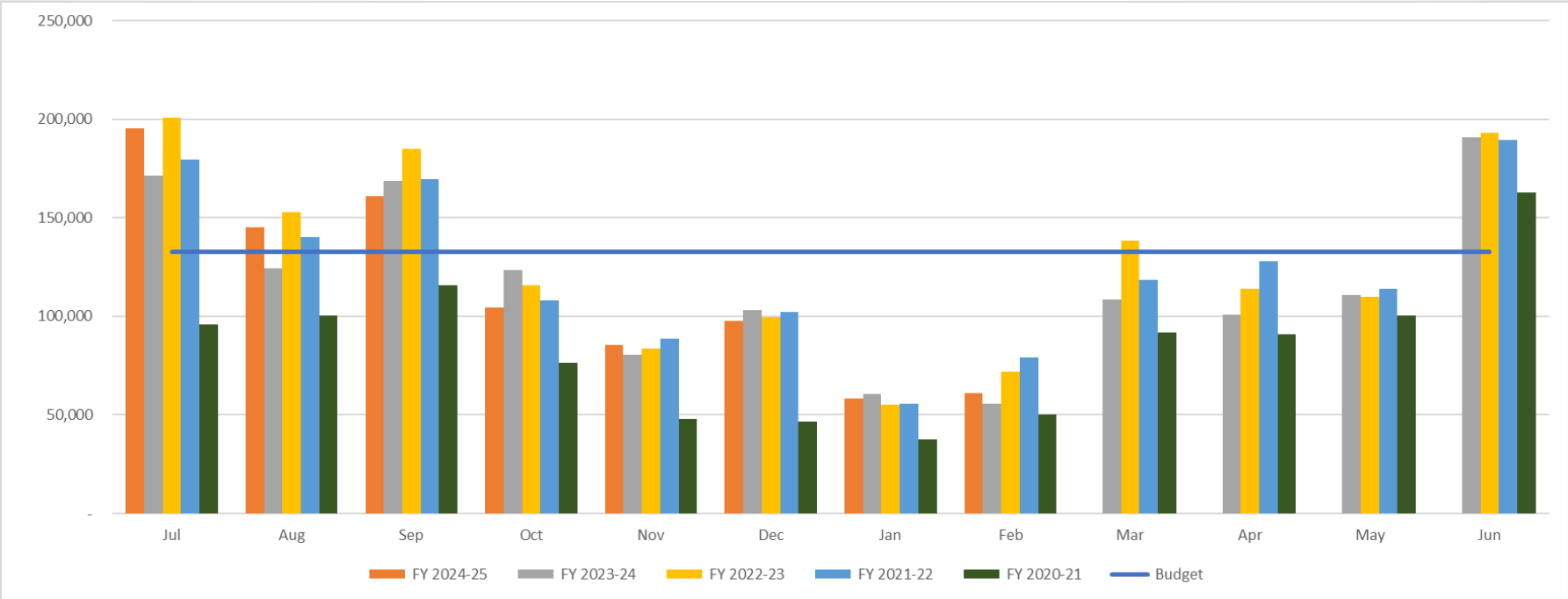
RECOMMENDATION:

Receive and File Financial Status Reports for March 2025 with Revenue Received for Tourism Business Improvement District (TBID) Assessments through February 2025.

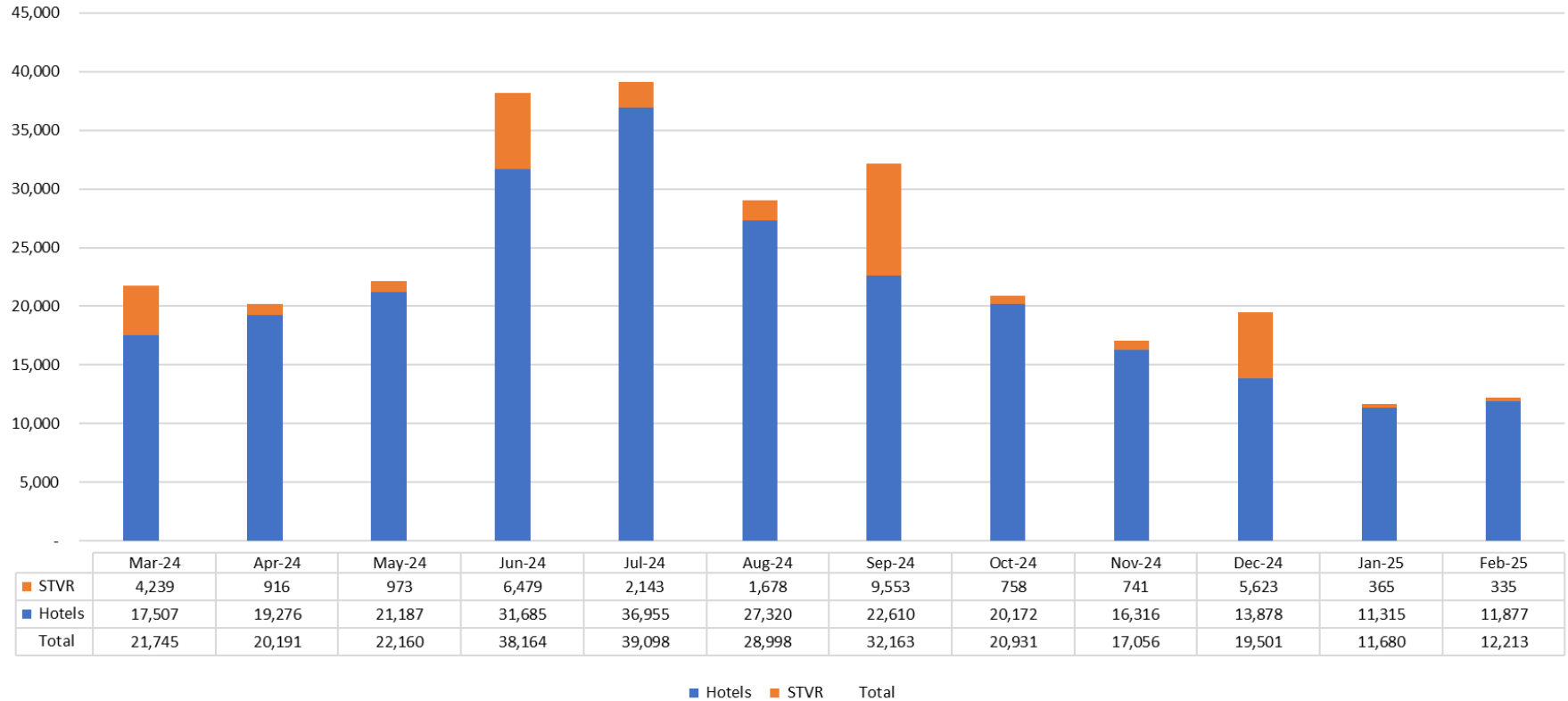
ATTACHMENTS:

1. Revenue Trends for Transient Occupancy Tax (TOT) and Revenue Received for TBID Assessments through February 2025.
2. TBID FY 2024-25 Year-to-Date Actuals through March 2025

TOT Revenue by Fiscal Year



TBID Revenue Trend by Hotel/STVR



City of Arroyo Grande
Tourism Business Improvement District (TBID)
FY 2024-25 Year-to-Date (YTD) Actuals

Beginning Fund Balance	\$ 405,833	\$ 436,489	\$ 438,184	\$ 438,184
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Revenue	FY 2022-23 Actuals	FY 2023-24 Unaudited Actuals	FY 2024-25 Adopted Budget	YTD February
TBID Assessments	\$ 303,626	\$ 281,764	\$ 318,270	\$ 172,430
Interest	4,078	17,990	750	7,789
Total Revenue	\$ 307,704	\$ 299,754	\$ 319,020	\$ 180,219

Expenditures	FY 2022-23 Actuals	FY 2023-24 Unaudited Actuals	FY 2024-25 Adopted Budget	YTD March
Advertising				
Marketing Services	\$ 196,254	\$ 218,340	\$ 250,000	\$ 184,709
Photo/Video Assets	11,595	1,890	25,000	7,750
Promotional Product	-	600	5,000	
Website	16,695	-	-	
Travel and Trade Shows	-	-	7,500	
Coop Advertising	-	14,400	50,000	33,000
Sub-total Advertising	\$ 224,544	\$ 235,230	\$ 337,500	\$ 225,459

Contractual Services				
Chamber - Contract admin.	\$ 44,500		\$ -	\$ -
STR Compliance Annual Support	-	11,350	11,350	11,350
Sub-total Contractual Services	\$ 44,500	\$ 11,350	\$ 11,350	\$ 11,350

Membership & Subscriptions				
CCTC	\$ -	\$ 475	\$ 500	\$ 475
Sub-total Membership & Subs.	\$ -	\$ 475	\$ 500	\$ 475

Public Relations				
Event Sponsorships	\$ -	\$ 1,000	\$ 50,000	\$ 9,799
Influencers	-	-	10,000	-
Sub-total Public Relations	\$ -	\$ 1,000	\$ 60,000	\$ 9,799

Services & Supplies				
City - administrative	\$ 3,000	\$ 45,000	\$ 45,000	\$ 33,750
Supplies/Domains	-	-	2,500	-
Vacation rental code compliance	5,004	5,004	5,000	3,753
Sub-total Services & Supplies	\$ 8,004	\$ 50,004	\$ 52,500	\$ 37,503

Total Expenditures	\$ 277,048	\$ 298,059	\$ 461,850	\$ 284,586
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Ending Fund Balance	\$ 436,489	\$ 438,184	\$ 295,354	\$ 333,817
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MEMORANDUM

TO: Arroyo Grande Tourism Business Improvement District Advisory Board

FROM: Sheridan Bohlken, Director of Recreation Services

SUBJECT: FY 2025-26 Co-Ops with Visit SLO CAL

DATE: April 28, 2025

RECOMMENDATION:

- 1) Review planned cooperative program opportunities with Visit SLO CAL; and
- 2) Provide direction and level of interest for each Co-Op.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The estimated investment levels range from \$500 to \$15,000 per opportunity. Total participation in all opportunities would exceed \$70,000 and is not currently budgeted. Any participation would require allocation from AGTBID's FY 2025–26 advertising funds and future formal action by the Board.

BACKGROUND:

Visit SLO CAL (VSC), the regional Destination Marketing Organization (DMO), annually offers cooperative marketing initiatives designed to amplify tourism marketing efforts through shared investment and collaborative promotion. These opportunities allow local destinations such as Arroyo Grande to leverage broader regional campaigns, access professional production resources, and benefit from market research and analytics tools.

ANALYSIS OF ISSUES:

Below is a summary of the FY 2025–26 co-op opportunities offered by Visit SLO CAL (Attachment 1):

1. Detour-ists Welcome Campaign Production & Media Rotation
 - Cost: \$10,000
 - Value: Custom video/still assets, drone footage, and inclusion in VSC's content library and media buy.
 - Advantage: High-quality content production and regional exposure.
2. Sojern Media Co-Op
 - Cost: \$5,000–\$15,000

Item 9

Arroyo Grande Tourism Business Improvement District
FY 2025-26 Co-Ops with Visit SLO CAL
April 28, 2025
Page 2

- Value: Digital advertising (display/native/video) with 200% match from Sojern and VSC.
 - Advantage: Strong ROI and measurable media impact.
3. Lodging Forecast Report Co-Op (Attachment 2: FY 2024-25 Report)
- Cost: \$4,000–\$7,000
 - Value: Lodging and tourism data forecasting through 2027.
 - Advantage: Supports strategic planning for AG lodging and tourism trends.
4. Economic Impact Report Co-Op (Attachment 3: FY 2024-25 Report)
- Cost: \$6,000–\$9,000
 - Value: Annual economic report including visitation and spending trends.
 - Advantage: Quantifies the impact of tourism in Arroyo Grande.
5. Visitor Profile Study Co-Op
- Cost: \$5,000–\$8,000+
 - Value: Survey data with destination-specific questions.
 - Advantage: Understands visitor demographics, behavior, and preferences.
6. IPW 2026 Trade Show
- Cost: \$7,500
 - Value: Trade show participation in Fort Lauderdale with VSC booth.
 - Advantage: Expands Arroyo Grande’s international tourism reach.
7. HotelBeds Digital Campaign
- Cost: \$5,000–\$6,000
 - Value: Joint campaign with Hotelbeds and Visit California.
 - Advantage: Reaches international travelers via established travel networks.
8. Spartan Race Co-Op
- Cost: \$5,000
 - Value: Marketing alignment with November 2025 Spartan Race in Santa Margarita.
 - Advantage: Increased visitation and brand awareness tied to a major sporting event.
9. Sales FAM Opportunities
- Cost: \$1,500–\$2,500+
 - Value: Hosting industry professionals and travel planners.
 - Advantage: Builds destination familiarity and future bookings.
10. Media Events (Los Angeles & Phoenix)
- Cost: \$500 each (plus travel)
 - Value: Exposure to top-tier media and influencers.
 - Advantage: Targeted marketing in key fly/drive markets.

ALTERNATIVES:

The following alternatives are provided for the Boards's consideration:

1. Review planned cooperative program opportunities with Visit SLO CAL and provide direction and level of interest for each Co-Op;
2. Defer decision and request additional detail or presentations from Visit SLO CAL; or
3. Decline participation in FY 2025–26 co-ops and pursue alternate marketing strategies.

ADVANTAGES:

- Cost-effective access to professional-grade marketing campaigns.
- Ability to leverage Visit SLO CAL's regional influence and established media relationships.
- Access to research tools that inform strategic marketing decisions and justify budget allocations.

DISADVANTAGES:

- Financial commitment may reduce flexibility for other AGTBID initiatives.
- Some opportunities are regionally focused and may not directly target Arroyo Grande's unique offerings.
- Limited control over creative and distribution strategy compared to in-house campaigns.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Visit SLO CAL FY26 Co-Op Partner Opportunities
2. Lodging Forecast Report Co-Op FY 2024-25
3. Economic Impact Report Co-Op FY 2024-25



FY 26 Co-Op Partner Opportunities

Visit SLO CAL is offering the following cooperative marketing opportunities for partners to collaborate and invest in for FY 26. This is intended to be a comprehensive list of offerings; however additional opportunities may be offered throughout the year. Please review the list and fill out the interest form at the end.

Detour-ists Welcome Campaign Production & Media Rotation Co-Op

- Investment Level: \$10,000
- Destination specific assets :15s video, :06s video, stills, b-roll (drone)
- Assets included in VSC's media mix
- Inclusion in VSC's Content DAM Pilot Program

Sojern Media Co-Op

- Flight Duration: 3 months
- Available Products: Display, Native Video
- Investment Level:
 - \$5,000 minimum can select 2 products
 - \$10,000 investment can select 2 – 3 products
 - \$15,000 maximum
- 100% match from Sojern and 100% match from VSC

Lodging Forecast Report Co-Op

- Investment Level: \$4,000 - \$7,000 depending on number of participating destinations (*cost is an estimate based on FY 25 rates*)
- Includes:
 - Lodging performance indicators (e.g. supply, demand, occupancy, ADR, RevPAR) with monthly, quarterly and annual estimates looking through 2027

Economic Impact Report Co-Op

- Investment Level: \$6,000 – \$9,000 depending on number of participating destinations (*cost is an estimate based on FY 25 rates*)
- Economic Impact Study on 2025 Calendar Year
 - Annual Visitation with visitation trend over the past 5 years
 - Visitor Spending by Industry for 2025
 - Economic Impacts for 2025

Visitor Profile Study Co-Op

- Investment Level:
 - \$5,000 (2 questions)

- \$8,000 (4 questions)
 - Plus \$2,000 for each additional question beyond 4
- Destination specific standard questions with a single selection or “select all that apply” response from survey takers
- Survey to occur in Q1 of FY 26

IPW 2026 Co-Op

- Investment Level: \$7,500 (*cost is an estimate based on FY 25 rates*)
- Attendance at show May 17 – 21, 2026 in Fort Lauderdale, FL
- Participation in VSC's shared booth

HotelBeds Co-Op

- Investment Range: \$5,000 – \$6,000 (*cost is an estimate based on FY 25 rates and number of participating partners*)
- Continuation of 6-month digital marketing campaign in partnership with Hotelbeds and Visit California

Spartan Race 2025 Co-Op

- Investment Level: \$5,000
- Event Details: Santa Margarita Ranch, November 8 – 9, 2025
- VSC is looking to secure a minimum of 4 co-op partners in FY 26

Various Sales FAM Opportunities

- Suggested Investment Level: \$1,500 – \$2,500+
- Opportunities Hosting support may include Meeting Planner FAM in Summer 2025, Travel Trade Reverse Mission, Travel Trade Agent FAMs and other misc. opportunities

Los Angeles Media Event Co-Op

- Investment Level: \$500 (*not including travel expenses*)
- Connecting Visit SLO CAL and co-opting destination partners with top tier media and vetted influencers from SLO CAL's top fly/drive market
- Dates TBD

Phoenix Media Event Co-Op

- Investment Level: \$500 (*not including travel expenses*)
- Connecting Visit SLO CAL and co-opting destination partners with top tier media and vetted influencers from one of SLO CAL's premium fly/drive markets
- Dates TBD

FY 26 Co-Op Participation Interest Form

Please mark the interest box for the program(s) your organization is considering for FY 26. This form is intended to gauge interest levels only for planning purposes. Separate co-op commitment forms will be collected from participating partners once final commitments are made.

Interest	Co-Op Program
	Detour-ists Welcome Campaign Production & Media Rotation Co-Op
	Sojern Media Co-Op
	Lodging Forecast Report Co-Op
	Economic Impact Report Co-Op
	Visitor Profile Study Co-Op
	IPW 2026 Co-Op
	HotelBeds Co-Op
	Spartan Race 2025 Co-Op
	Various Sales FAM Opportunities
	Los Angeles Media Event Co-Op
	Phoenix Media Event Co-Op

Organization: _____

Name: _____

Title: _____

Date: _____



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ATTACHMENT 2

Arroyo Grande, CA Lodging Forecast

December 2024

Prepared for:



Context

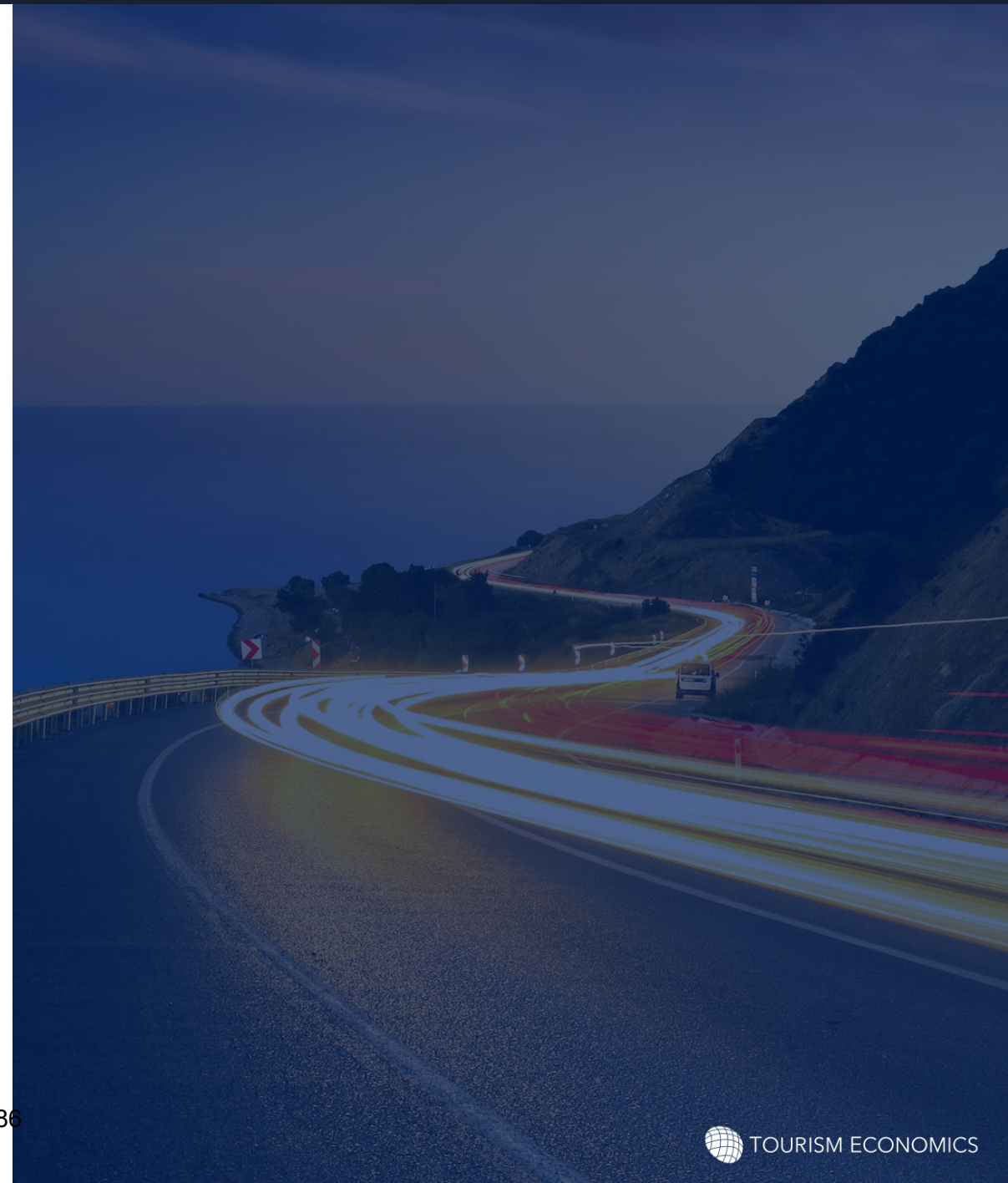
Visit SLO CAL engaged Tourism Economics to prepare a lodging forecast of key indicators for Arroyo Grande, CA and the following additional geographies (which will be delivered separately).

- San Luis Obispo County
- North County
- South County
- Atascadero, CA
- Morro Bay, CA
- Paso Robles, CA
- Pismo Beach, CA
- San Luis Obispo, CA

This forecast relies on:

- Monthly STR hotel data through October 2024;
- Weekly STR hotel data through November 30, 2024;
- Economic forecasts prepared by Oxford Economics, parent company of Tourism Economics; and,
- Assumptions on the future path of the tourism sector in the context of economic trends.

Due to standard forecast variability, future hotel performance may vary from the estimates presented in this forecast.



Forecast Tables

Quarterly

Forecast Table: Quarterly
Arroyo Grande, CA

							Supply	Demand	Occ.	ADR	RevPAR	Room revenue
Levels							Growth					
2024	Q2	39,858	26,500	66.5%	\$151.04	\$100.42						
	Q3	40,296	29,791	73.9%	\$164.43	\$121.56						
	Q4	40,296	23,772	59.0%	\$134.75	\$79.49						
2025	Q1	39,420	21,543	54.7%	\$119.60	\$65.36						
	Q2	39,858	26,898	67.5%	\$152.55	\$102.94	0.0%	1.5%	1.5%	1.0%	2.5%	2.5%
	Q3	40,296	29,880	74.2%	\$166.90	\$123.76	0.0%	0.3%	0.3%	1.5%	1.8%	1.8%
	Q4	40,296	23,843	59.2%	\$136.36	\$80.69	0.0%	0.3%	0.3%	1.2%	1.5%	1.5%
2026	Q1	39,420	21,608	54.8%	\$121.04	\$66.34	0.0%	0.3%	0.3%	1.2%	1.5%	1.5%
	Q2	39,858	26,978	67.7%	\$154.68	\$104.70	0.0%	0.3%	0.3%	1.4%	1.7%	1.7%
	Q3	40,296	30,358	75.3%	\$169.40	\$127.62	0.0%	1.6%	1.6%	1.5%	3.1%	3.1%
	Q4	40,296	24,273	60.2%	\$139.36	\$83.95	0.0%	1.8%	1.8%	2.2%	4.0%	4.0%

Source: STR, Tourism Economics

Forecast Tables

Annual

Forecast Table: Annual
Arroyo Grande, CA

	Supply	Demand	Occ.	ADR	RevPAR	Room Revenue		Supply	Demand	Occ.	ADR	RevPAR	Room Revenue
	Levels							Growth					
2025	159,870	102,164	63.9%	\$146.02	\$93.31	\$14,918,054							
2026	159,870	103,217	64.6%	\$148.37	\$95.79	\$15,313,856		0.0%	1.0%	1.0%	1.6%	2.7%	2.7%

Source: STR, Tourism Economics



TOURISM
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SLO CAL Lodging Forecast

December 2024

Prepared for:



Context

Visit SLO CAL engaged Tourism Economics to prepare a lodging forecast of key indicators for San Luis Obispo County and the following additional geographies (which will be delivered separately).

- North County
- South County
- Atascadero, CA
- Arroyo Grande, CA
- Morro Bay, CA
- Paso Robles, CA
- Pismo Beach, CA
- San Luis Obispo, CA

This forecast relies on:

- Monthly STR hotel data through October 2024;
- Weekly STR hotel data through November 30, 2024;
- Economic forecasts prepared by Oxford Economics, parent company of Tourism Economics; and,
- Assumptions on the future path of the tourism sector in the context of economic trends.

Due to standard forecast variability, future hotel performance may vary from the estimates presented in this forecast.

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- 1 Forecast Summary**
 - 2 US Economy Assumptions
 - 3 US Travel Demand Assumptions
 - 4 Key Findings
 - 5 Forecast Tables

Forecast Summary

- **San Luis Obispo County hotel RevPAR is expected to grow 0.1% in 2025 and then decline 0.7% in 2026.**
- **San Luis Obispo County hotel room revenue is expected to grow 2.1% in 2025 and 2.9% in 2026.**
- As a result of the recent US elections, we assume a Republican-led Congress will extend the 2017 personal tax cuts and enact higher spending. We also assume President-elect Donald Trump will use his presidential power to reduce immigration and impose targeted tariffs on China, Mexico, Canada, and the European Union. Even with all the recent changes in the balance of power, the outlook for 2025 doesn't change appreciably because it will take time for changes in fiscal, trade, and immigration policy to be implemented and impact the economy.
- Our new tax policy assumptions support a higher level of real GDP through the end of the decade, though the negative macroeconomic consequences of higher tariffs and immigration restrictions still predominate in the out-years.
- The US economy is doing well. The savings rate, real disposable income growth, and corporate profit margins have all been recently revised upward. These revisions plus the results of the recent election suggest consumer spending will strengthen next year.
- Our forecast is for solid growth in consumer spending over the next few years, but that is largely attributed to the resilience of high-income households, who account for most of the consumption. By contrast, spending patterns of low-income households will take many years to recover. The share of low-income household spending on discretionary items fell sharply in 2020 and has barely begun to recover, a clear sign that more of their incomes are going toward necessities.

Forecast Summary

Forecast Summary San Luis Obispo County

	2019	2020	2021	2022	2023	2024	2025	2026
Levels								
Supply (millions)	3.55	3.64	3.65	3.71	3.75	3.75	3.83	3.96
Demand (millions)	2.44	1.83	2.39	2.51	2.44	2.43	2.47	2.54
Occupancy	68.7%	50.3%	65.3%	67.7%	65.1%	64.8%	64.7%	64.1%
ADR	\$149.91	\$157.36	\$197.09	\$187.68	\$189.41	\$190.30	\$190.83	\$191.16
ADR, Real	\$149.91	\$155.63	\$187.01	\$167.17	\$162.67	\$159.50	\$156.46	\$153.60
RevPAR	\$102.98	\$79.11	\$128.64	\$127.07	\$123.23	\$123.29	\$123.40	\$122.56
RevPAR, Real	\$102.98	\$78.24	\$122.06	\$113.18	\$105.83	\$103.34	\$101.17	\$98.48
Room Revenue (millions)	\$365.2	\$287.8	\$470.2	\$472.0	\$461.8	\$462.2	\$472.1	\$485.9
Growth								
Supply		2.6%	0.5%	1.6%	0.9%	0.0%	2.1%	3.6%
Demand		-24.9%	30.5%	5.4%	-3.1%	-0.4%	1.9%	2.7%
Occupancy		-26.8%	29.8%	3.7%	-3.9%	-0.4%	-0.2%	-0.9%
ADR		5.0%	25.2%	-4.8%	0.9%	0.5%	0.3%	0.2%
RevPAR		-23.2%	62.6%	-1.2%	-3.0%	0.0%	0.1%	-0.7%
Room Revenue		-21.2%	63.4%	0.4%	-2.2%	0.1%	2.1%	2.9%
<i>Relative to 2019</i>		-21.2%	28.8%	29.3%	26.5%	26.6%	29.3%	33.1%

Source: STR, Tourism Economics

- 
- 1 Forecast Summary
 - 2 US Economy Assumptions**
 - 3 US Travel Demand Assumptions
 - 4 Key Findings
 - 5 Forecast Tables

US Economy Assumptions

Economic Assumptions

- Economic assumptions are based on Oxford Economics' November 2024 US Outlook (released November 12) and October 16 research briefing.
- As a result of the recent US elections, we assume a Republican-led Congress will extend the 2017 personal tax cuts and enact higher spending. We also assume President-elect Donald Trump will use his presidential power to reduce immigration and impose targeted tariffs on China, Mexico, Canada, and the European Union. Even with all the recent changes in the balance of power, the outlook for 2025 doesn't change appreciably because it will take time for changes in fiscal, trade, and immigration policy to be implemented and impact the economy.
- Our new tax policy assumptions support a higher level of real GDP through the end of the decade, though the negative macroeconomic consequences of higher tariffs and immigration restrictions still predominate in the out-years.
- The US economy is doing well. The savings rate, real disposable income growth, and corporate profit margins have all been recently revised upward. These revisions plus the results of the recent election suggest consumer spending will strengthen next year.
- We expect the Fed will continue cutting the federal funds rate throughout 2025. The labor market and inflation are close to the Fed's targets, so we think 2025 will be a year of policy normalization and believe the Fed will aim to get the federal funds rate closer to its long-run neutral rate.
- Our forecast is for solid growth in consumer spending over the next few years, but that is largely attributed to the resilience of high-income households, who account for most of the consumption. By contrast, spending patterns of low-income households will take many years to recover. The share of low-income household spending on discretionary items fell sharply in 2020 and has barely begun to recover, a clear sign that more of their incomes are going toward necessities.

US Economy Assumptions

GDP

US: GDP Forecast

% annualized

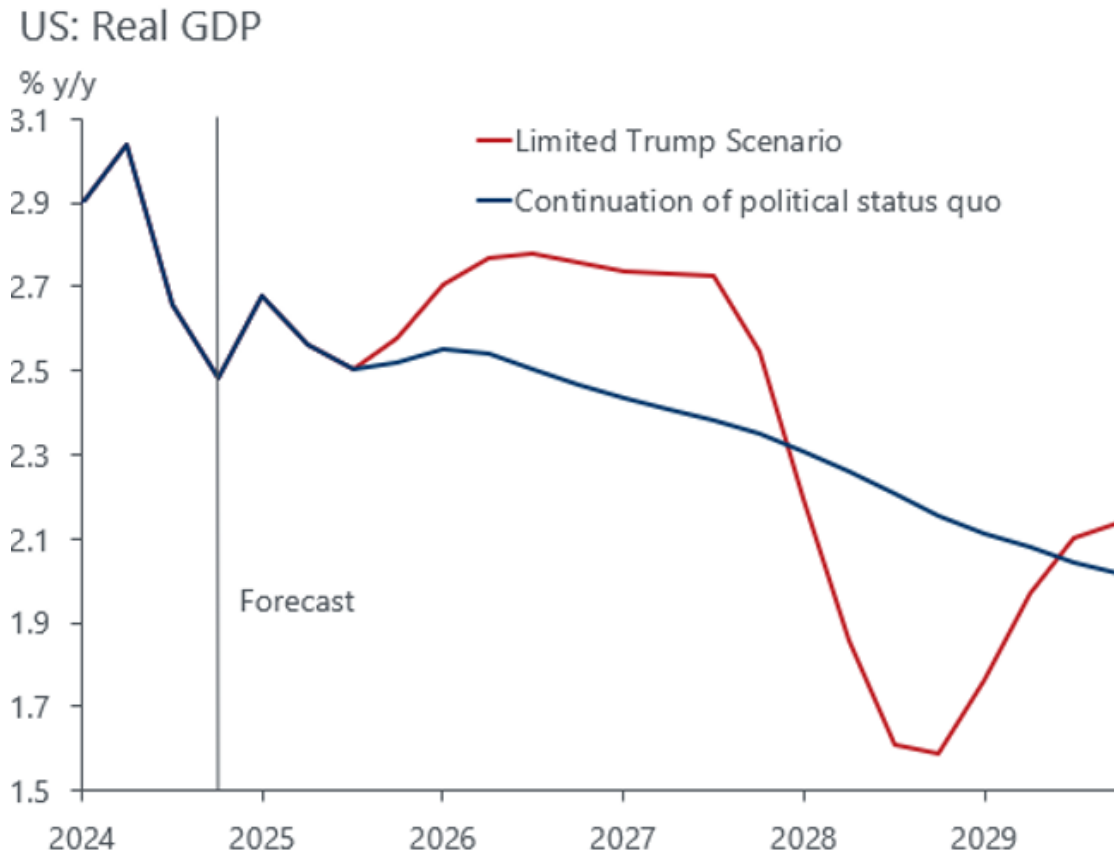


- We expect US GDP growth of 2.8% in 2024 and 2.6% in 2025, ultimately avoiding a recession with a successful “soft-landing”.

Source: Oxford Economics (November 2024 Forecast)

US Economy Assumptions

GDP under a limited Trump scenario

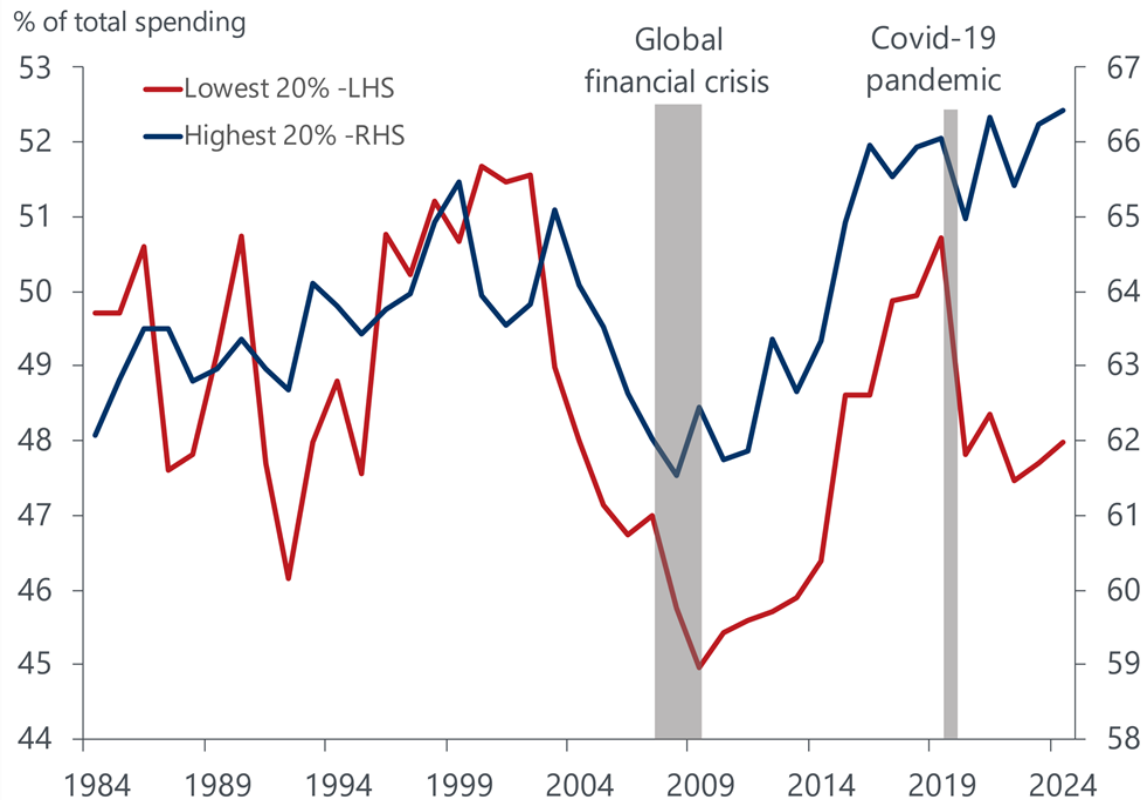


- Our new tax policy assumptions support a higher level of real GDP through the end of the decade, though the negative macroeconomic consequences of higher tariffs and immigration restrictions still predominate in the out-years.

US Economy Assumptions

Discretionary spending by income

US: Share of spending on discretionary items by income

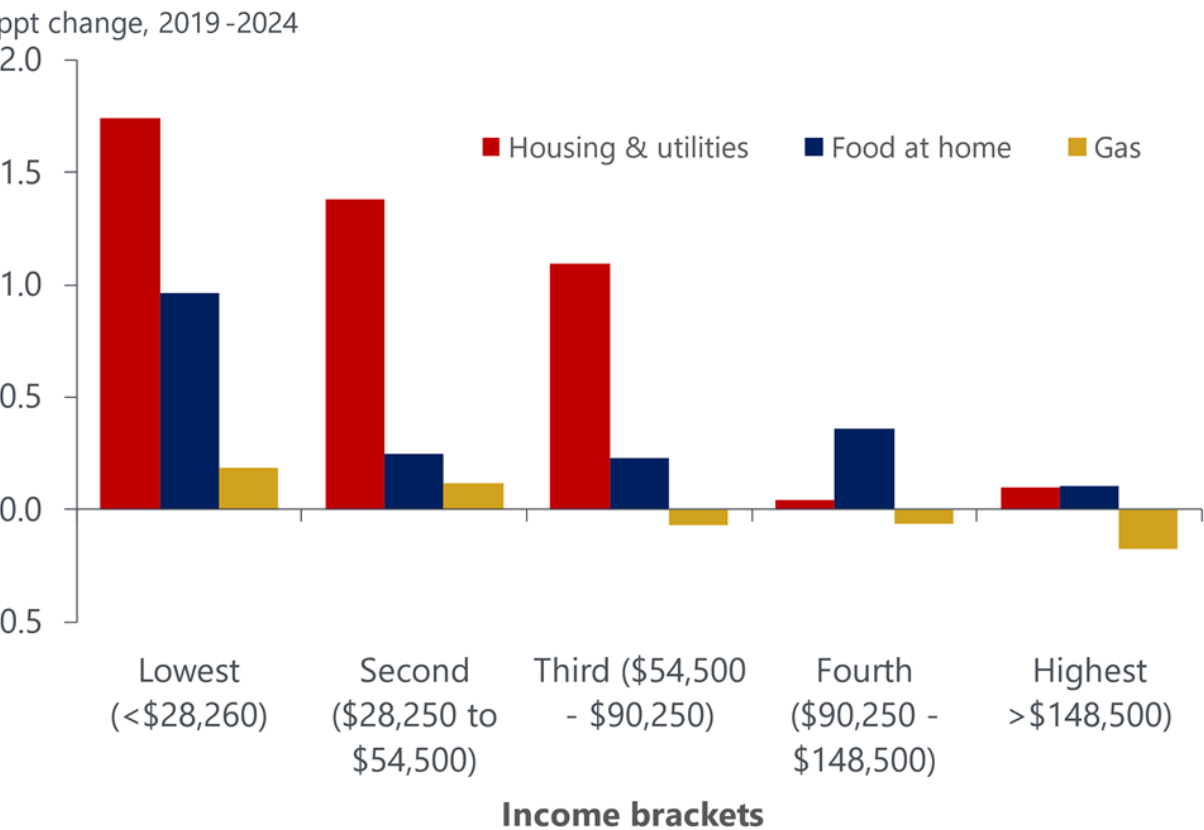


- Low-income discretionary spending has barely begun its recovery.
- High-income discretionary spending has remained resilient.

US Economy Assumptions

Spending share on essentials

US: Spending share on essentials by income quintile



- Low-income households are dedicating more of their budget to essentials.

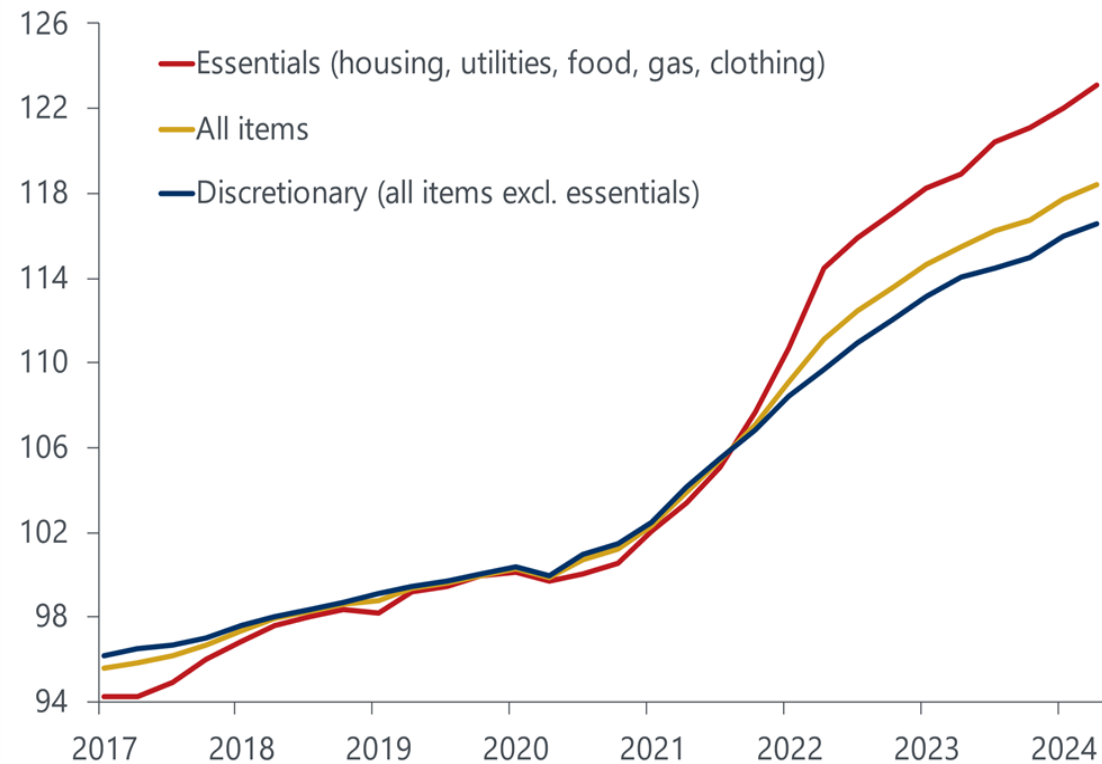
Source: Oxford Economics/Haver Analytics

US Economy Assumptions

Inflation by essential/discretionary purchases

US: PCE price index

2019 Q4 = 100

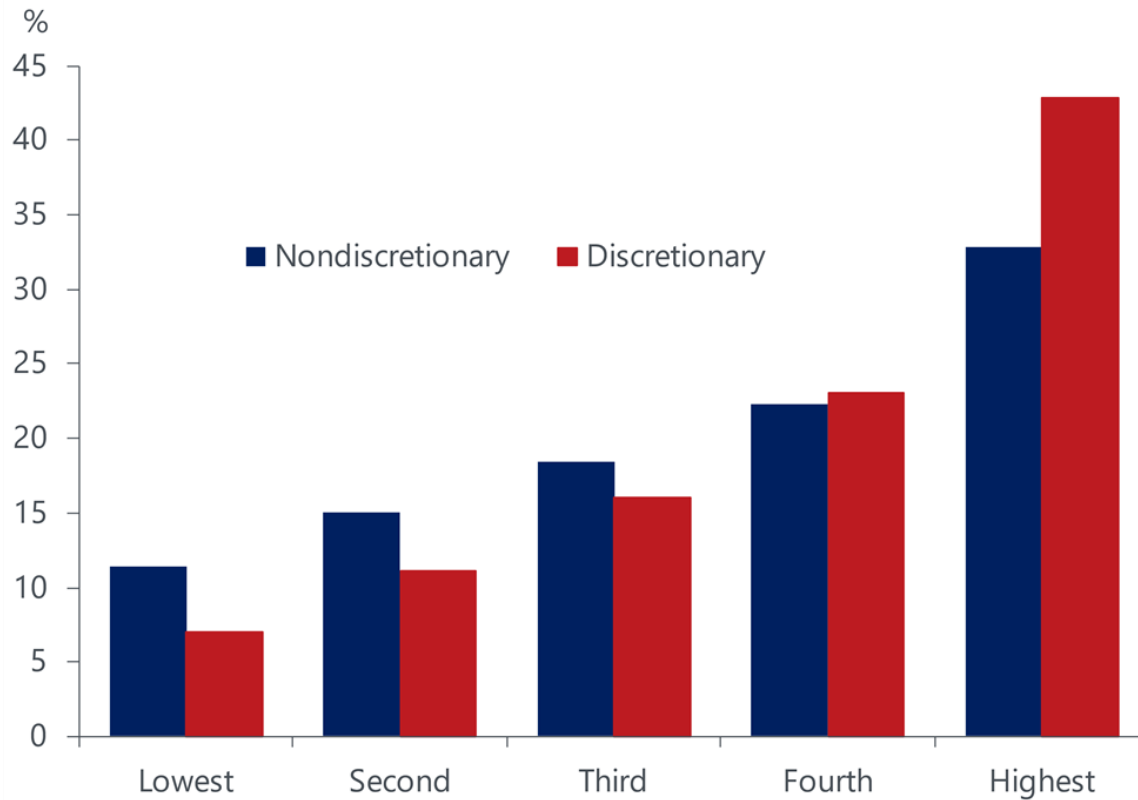


- Inflation has hit essentials more intensely than discretionary purchases.

US Economy Assumptions

Spending share by income bracket

US: Share of spending by income bracket



- Our forecast is for solid growth in consumer spending over the next few years, but that is largely attributed to the resilience of high-income households, who account for most of the consumption.

- 
- 1 Forecast Summary
 - 2 US Economy Assumptions
 - 3 US Travel Demand Assumptions**
 - 4 Key Findings
 - 5 Forecast Tables

US Demand Assumptions

Leisure demand activity: US

- Positive factors contributing to leisure demand activity:
 - Strong leisure travel intentions among higher-income households
 - Solid labor market conditions, steady growth in real disposable incomes, and declining interest rates
- Impediments to leisure demand activity:
 - Low-income households spending more on essentials than discretionary purchases
 - Capacity limitations (peak demand for certain months, holidays, weekends, in certain destination types)
 - A growing unemployment rate could cause a pullback on consumption and discretionary spending

Group demand activity: US

- Positive factors contributing to group demand activity:
 - Continuing recovery from the pandemic as businesses and groups resume event routines
 - Corporate profit margins remain strong
- Impediments to group demand activity:
 - Capacity limitations (peak demand for certain months, holidays, weekends, in certain destination types)
 - A growing unemployment rate could cause a pullback on consumption which would cause businesses to cut back on labor demand and other spending

US Demand Assumptions

Business travel demand activity: US

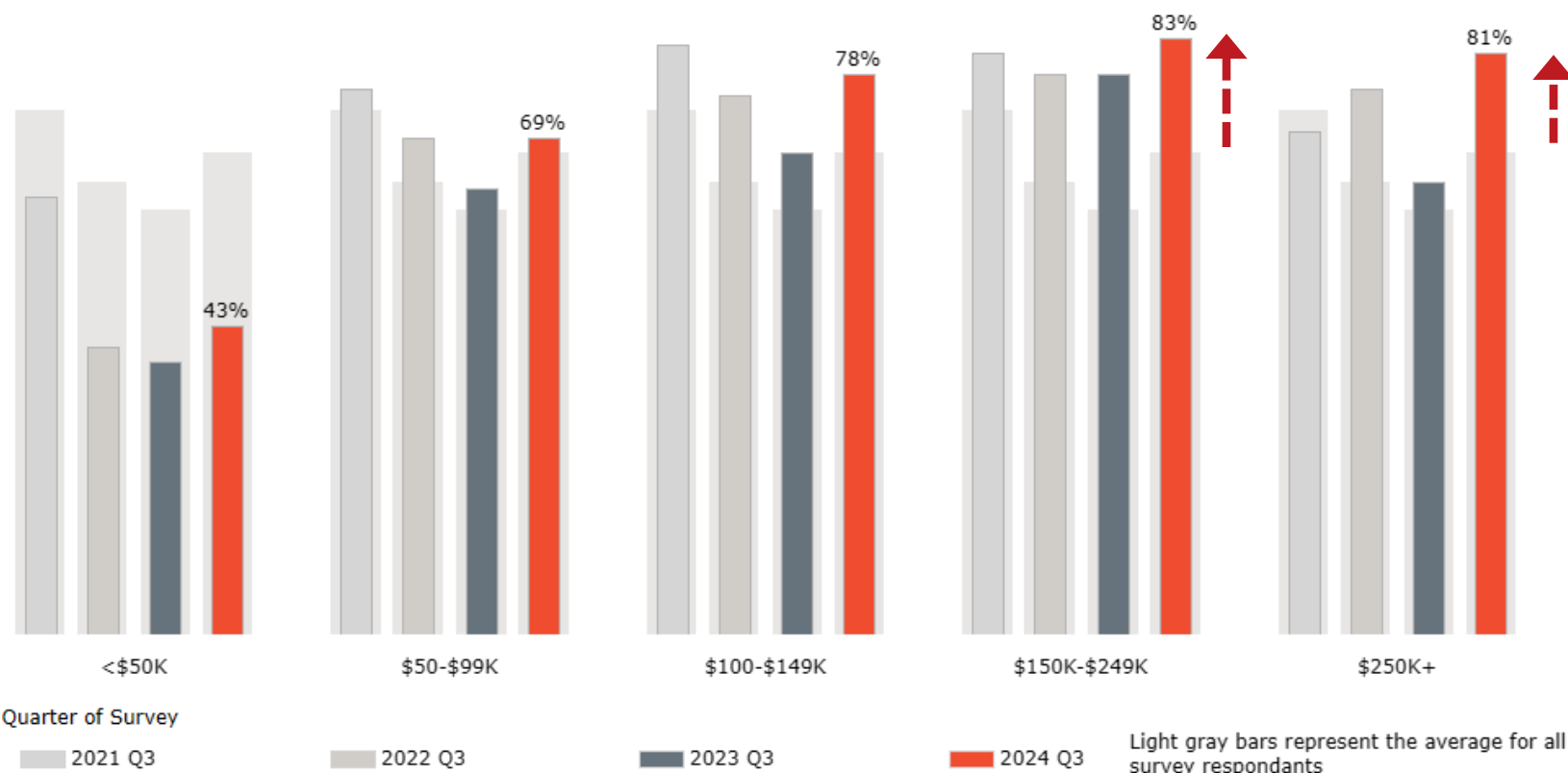
- Positive factors contributing to business demand activity:
 - Continuing recovery from the pandemic as businesses resume travel
 - Corporate profit margins remain strong
- Impediments to business demand activity:
 - A growing unemployment rate could potentially cause a pullback on consumption which would cause businesses to cut back on labor demand and other spending

International inbound demand activity: US

- Positive factors contributing to international inbound demand activity:
 - Continuing recovery from the pandemic
- Impediments to international inbound demand activity:
 - Prolonged visa wait times
 - A historically strong dollar

US Demand Assumptions

Planning Leisure Travel Within the Next 6 Months
% of American Consumers

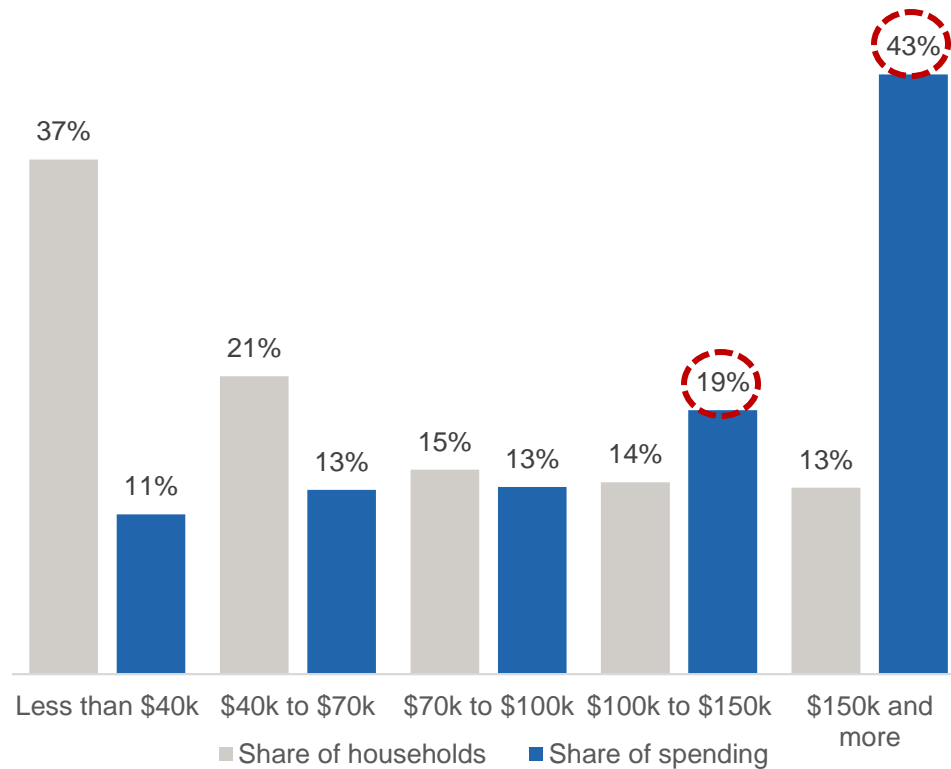


- Leisure travel intentions in the short term are expected to be resilient for high-income earners.

US Demand Assumptions

Lodging spending by household income

Leisure travel



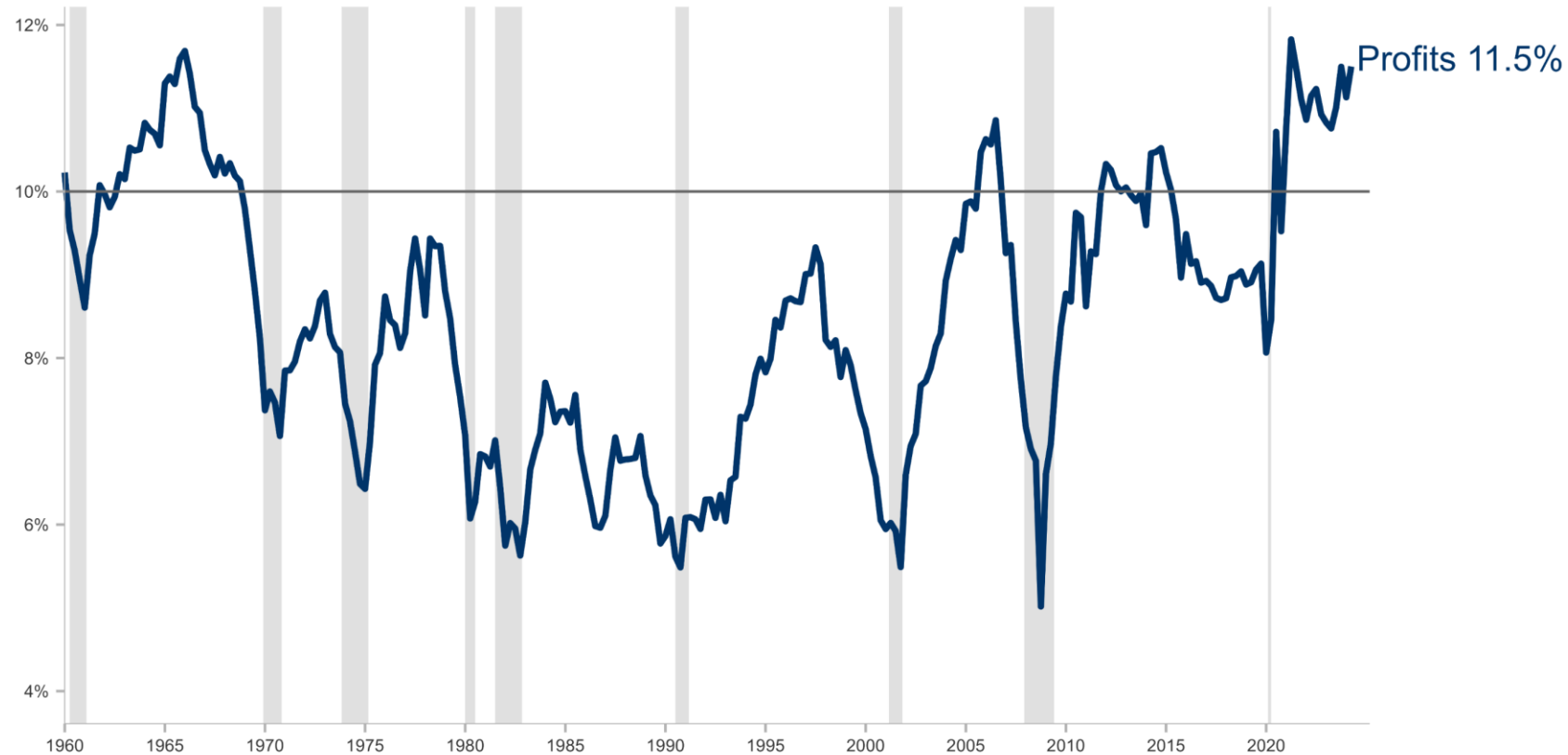
- Households that earn more than \$100k account for more than 60% of lodging spending.

Note: Based on three-year average through 2020.
Source: BLS, Tourism Economics

US Demand Assumptions

Corporate profit margins

Corporate profits before tax as a ratio to GDP

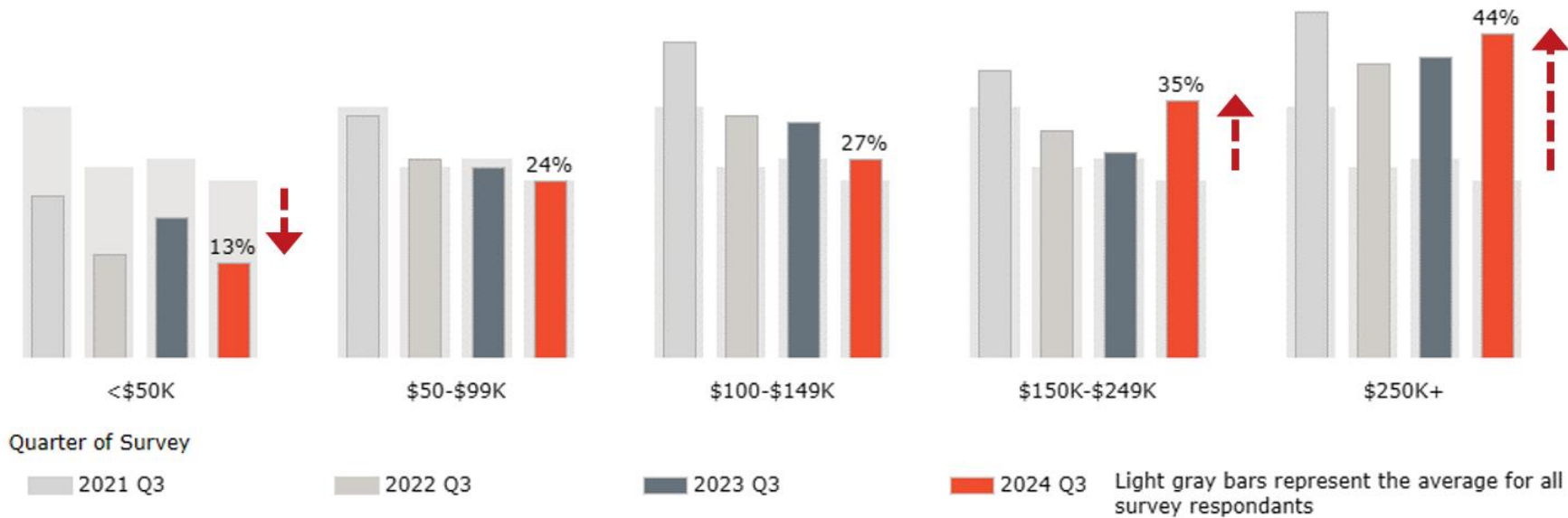


Note: Quarterly data through 2024Q2. Grey bars indicate recessions. Based on corporate profits with inventory valuation and capital consumption adjustments, domestic industries. Source: BEA, NBER

- Equity analysts expect 2024 earnings growth for S&P of 9%
- *FactSet Research*

US Demand Assumptions

Planning Business Travel Within the Next 6 Months
% of American Consumers



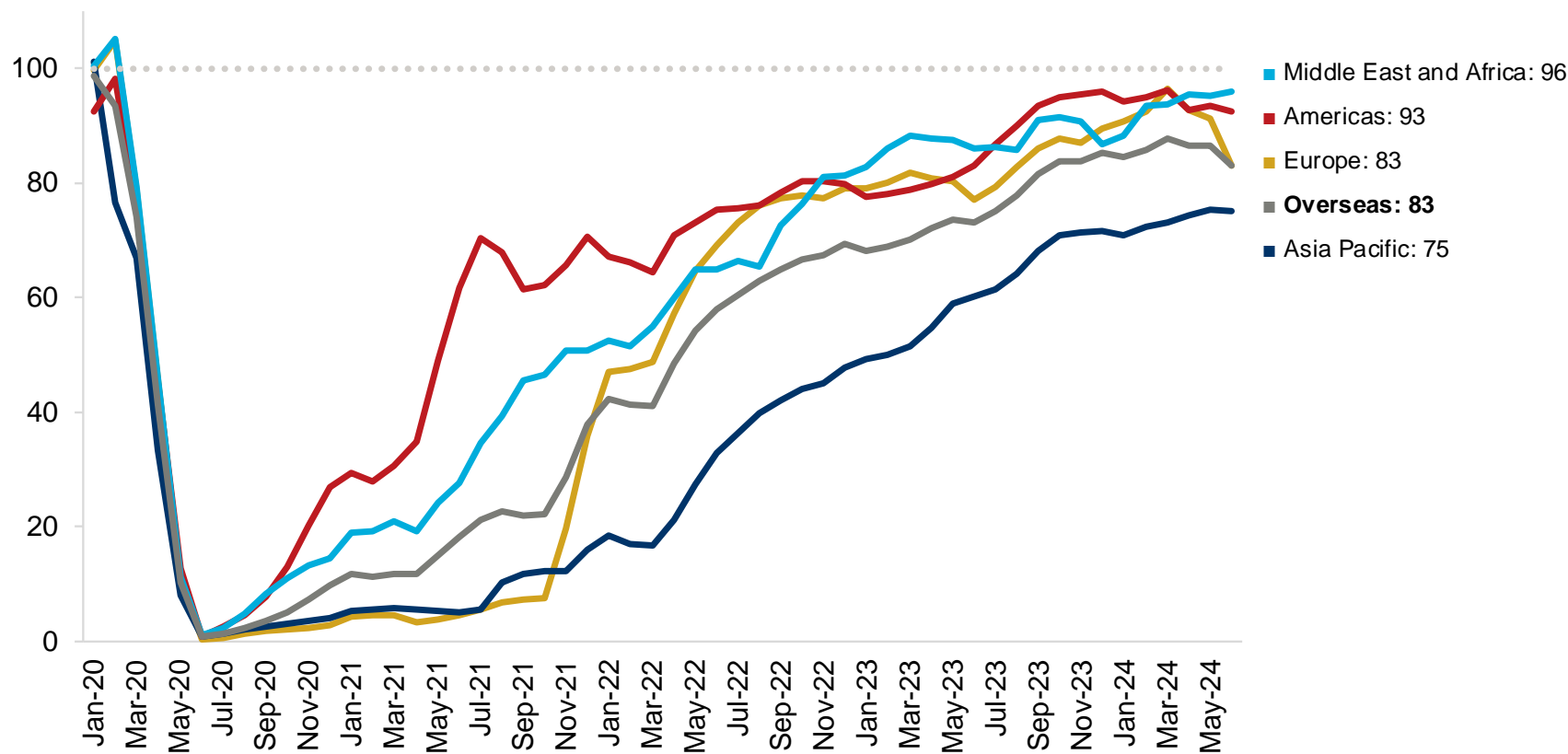
- Business travel intentions are also growing.

Source: MMGY Portrait of American Travelers; Tourism Economics Symphony

US Demand Assumptions

Visits to US by global region

Index (2019=100, same month comparison), three-month moving average



- Inbound recovery pace has slowed but remains positive.

Note: Americas excludes Canada and Mexico. Most recent data point is June 2024.
Source: NTTO

US Demand Assumptions

US Room Demand

By chain scale, quarterly

	Total	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent
Year-over-year growth								
2023 Q1	6.4%	20.4%	22.3%	10.7%	6.1%	0.0%	-5.2%	2.6%
2023 Q2	-0.5%	1.4%	4.5%	2.9%	1.4%	-2.1%	-6.6%	-3.7%
2023 Q3	-0.2%	3.9%	3.9%	2.8%	0.9%	-1.8%	-5.2%	-2.8%
2023 Q4	-1.1%	6.2%	3.2%	1.4%	-0.4%	-3.8%	-5.1%	-3.9%
2024 Q1	-1.2%	9.3%	3.2%	0.1%	-0.8%	-4.2%	-4.4%	-3.5%
2024 Q2	1.7%	11.7%	4.7%	2.8%	2.3%	1.0%	-1.5%	-0.5%
2024 Q3	0.3%	10.0%	3.2%	1.3%	0.9%	0.1%	-2.3%	-2.0%
Relative to 2019								
2023 Q1	-0.1%	-6.5%	-2.7%	7.4%	9.0%	3.8%	-8.3%	-7.1%
2023 Q2	-2.3%	-5.2%	-2.2%	5.7%	5.8%	-1.3%	-10.8%	-9.4%
2023 Q3	-2.5%	-5.3%	-1.4%	5.1%	5.7%	-2.0%	-11.5%	-9.3%
2023 Q4	-2.0%	-2.4%	-1.8%	4.0%	6.1%	-1.7%	-9.7%	-8.6%
2024 Q1	-1.3%	2.2%	0.4%	7.5%	8.1%	-0.5%	-12.4%	-10.3%
2024 Q2	-0.6%	5.9%	2.4%	8.6%	8.2%	-0.3%	-12.1%	-9.8%
2024 Q3	-2.2%	4.2%	1.7%	6.5%	6.6%	-1.9%	-13.5%	-11.1%

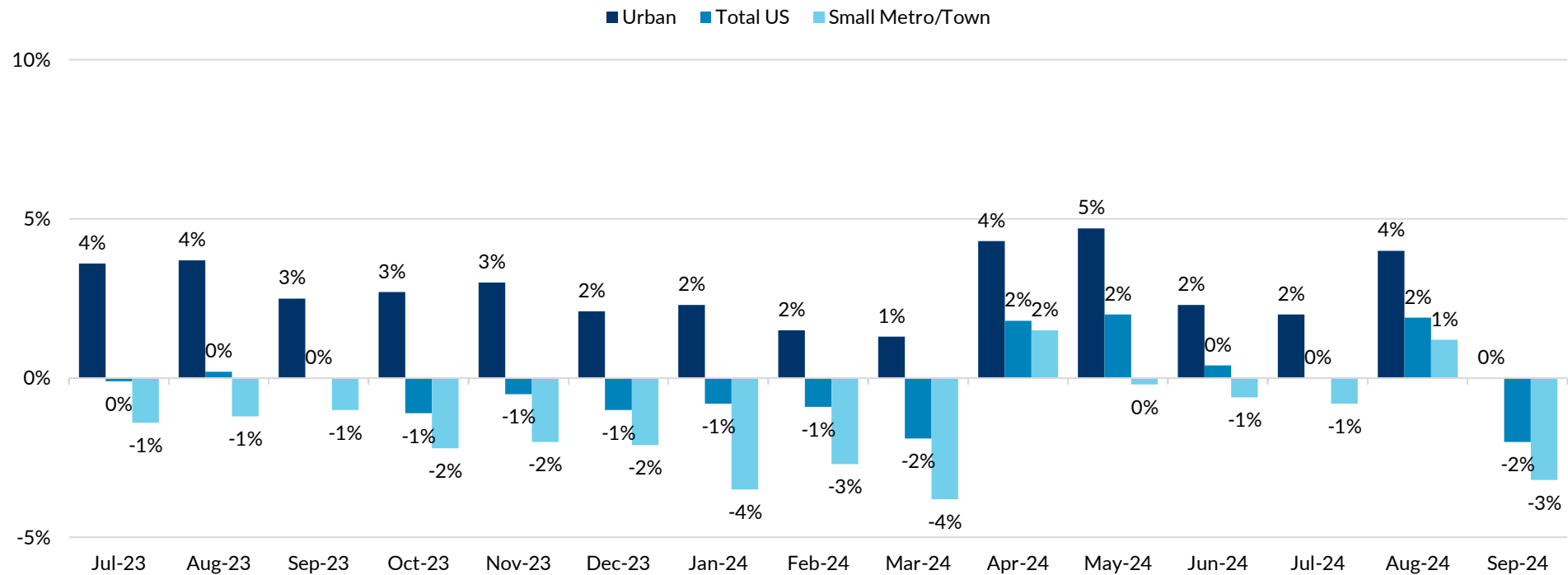
Source: STR, Tourism Economics

- The upper chains more associated with high-income households have seen continued demand growth above 2019 levels in 2023-2024.
- Midscale room demand is near recovery but has declined or had flat growth through 2023-2024.
- Economy room demand has continued to decline below 2019 levels.

US Demand Assumptions

US Room Demand by Location

Year-over-year growth



Source: STR, Tourism Economics



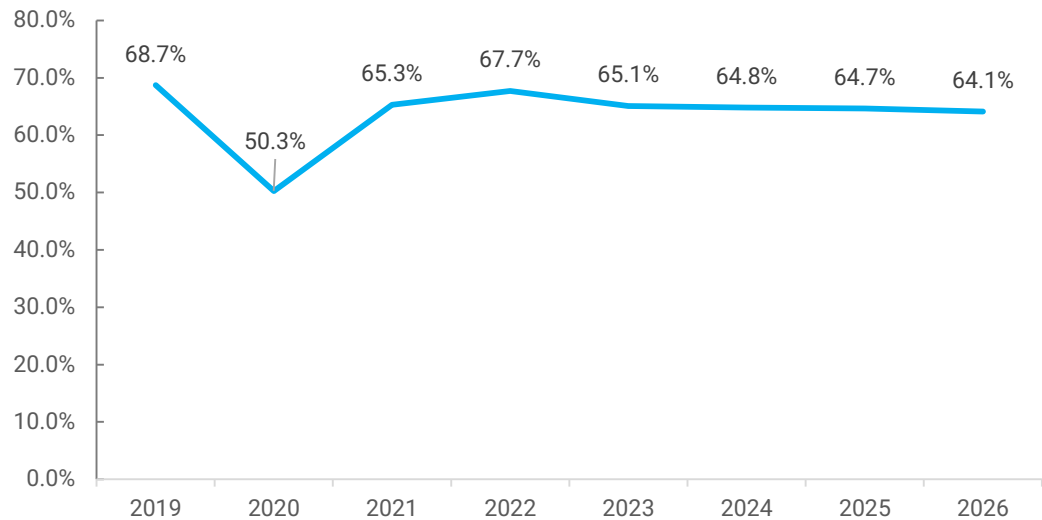
- 1 Forecast Summary
- 2 US Economy Assumptions
- 3 US Travel Demand Assumptions
- 4 Key Findings**
- 5 Forecast Tables

Key Findings

Annual

Occupancy: Annual

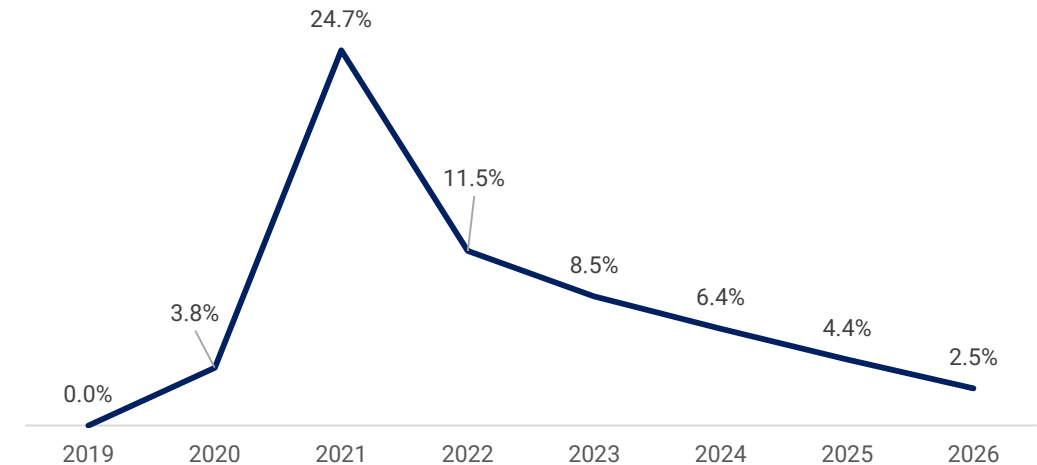
San Luis Obispo County



Sources: STR, Tourism Economics

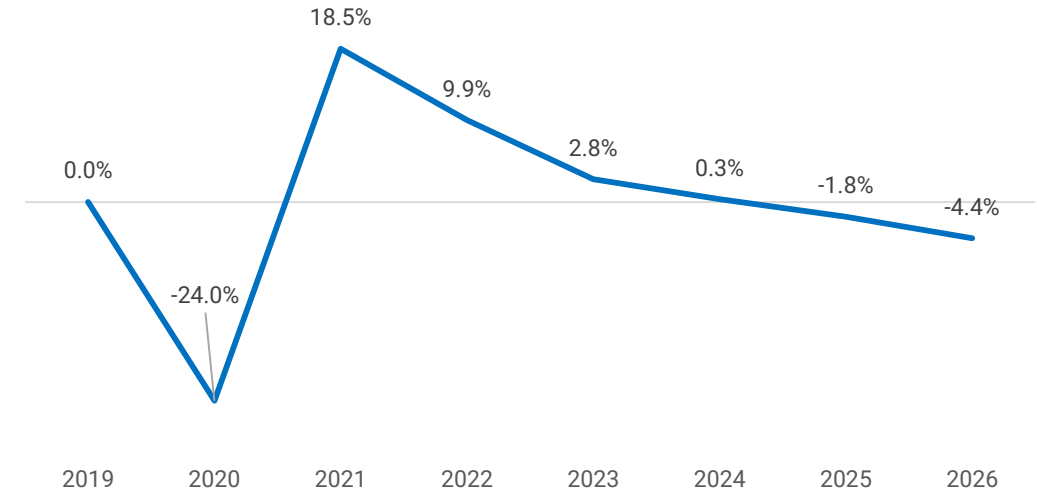
ADR, Real: Annual

San Luis Obispo County, Relative to 2019



RevPAR, Real: Annual

San Luis Obispo County, Relative to 2019



Sources: STR, Tourism Economics

- 
- 1 Forecast Summary
 - 2 US Economy Assumptions
 - 3 US Travel Demand Assumptions
 - 4 Key Findings
 - 5 Forecast Tables**

Forecast Tables

Annual

Forecast Table: Annual
San Luis Obispo County

	Supply	Demand	Occ.	ADR	RevPAR	Room Revenue	Supply	Demand	Occ.	ADR	RevPAR	Room Revenue	Supply	Demand	Occ.	ADR	RevPAR	Room Revenue
Levels							Growth						Relative to 2019					
2019	3,545,841	2,435,803	68.7%	\$149.91	\$102.98	\$365,159,927							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2020	3,637,343	1,828,622	50.3%	\$157.36	\$79.11	\$287,759,028	2.6%	-24.9%	-26.8%	5.0%	-23.2%	-21.2%	2.6%	-24.9%	-26.8%	5.0%	-23.2%	-21.2%
2021	3,654,801	2,385,523	65.3%	\$197.09	\$128.64	\$470,164,095	0.5%	30.5%	29.8%	25.2%	62.6%	63.4%	3.1%	-2.1%	-5.0%	31.5%	24.9%	28.8%
2022	3,714,624	2,514,972	67.7%	\$187.68	\$127.07	\$472,020,437	1.6%	5.4%	3.7%	-4.8%	-1.2%	0.4%	4.8%	3.3%	-1.4%	25.2%	23.4%	29.3%
2023	3,747,400	2,438,055	65.1%	\$189.41	\$123.23	\$461,799,251	0.9%	-3.1%	-3.9%	0.9%	-3.0%	-2.2%	5.7%	0.1%	-5.3%	26.3%	19.7%	26.5%
2024	3,748,787	2,428,822	64.8%	\$190.30	\$123.29	\$462,194,987	0.0%	-0.4%	-0.4%	0.5%	0.0%	0.1%	5.7%	-0.3%	-5.7%	26.9%	19.7%	26.6%
2025	3,825,713	2,473,808	64.7%	\$190.83	\$123.40	\$472,087,039	2.1%	1.9%	-0.2%	0.3%	0.1%	2.1%	7.9%	1.6%	-5.9%	27.3%	19.8%	29.3%
2026	3,964,339	2,541,627	64.1%	\$191.16	\$122.56	\$485,854,009	3.6%	2.7%	-0.9%	0.2%	-0.7%	2.9%	11.8%	4.3%	-6.7%	27.5%	19.0%	33.1%

Source: STR, Tourism Economics

Forecast Tables

Quarterly

Forecast Table: Quarterly

San Luis Obispo County

		Supply	Demand	Occ.	ADR	RevPAR	Room revenue	Supply	Demand	Occ.	ADR	RevPAR	Room revenue	Supply	Demand	Occ.	ADR	RevPAR	Room revenue
Levels								Growth						Relative to 2019					
2022	Q1	914,341	545,252	59.6%	\$155.72	\$92.86	\$84,907,416	1.7%	14.8%	12.8%	3.2%	16.4%	18.4%	7.1%	7.1%	0.0%	23.6%	23.6%	32.4%
	Q2	922,085	671,108	72.8%	\$196.91	\$143.31	\$132,148,595	1.4%	3.7%	2.2%	-1.2%	1.0%	2.4%	5.8%	4.8%	-1.0%	25.5%	24.3%	31.6%
	Q3	938,325	727,043	77.5%	\$214.25	\$166.01	\$155,771,146	2.0%	5.1%	3.1%	-8.4%	-5.6%	-3.7%	4.4%	3.4%	-1.0%	25.8%	24.6%	30.1%
	Q4	939,873	571,569	60.8%	\$173.55	\$105.54	\$99,193,280	1.4%	0.0%	-1.4%	-7.9%	-9.2%	-7.9%	1.9%	-2.0%	-3.8%	25.2%	20.4%	22.7%
2023	Q1	919,620	509,858	55.4%	\$154.49	\$85.65	\$78,765,961	0.6%	-6.5%	-7.0%	-0.8%	-7.8%	-7.2%	7.7%	0.2%	-7.0%	22.6%	14.0%	22.8%
	Q2	934,628	654,909	70.1%	\$199.84	\$140.03	\$130,873,958	1.4%	-2.4%	-3.7%	1.5%	-2.3%	-1.0%	7.3%	2.3%	-4.6%	27.4%	21.5%	30.3%
	Q3	947,233	703,065	74.2%	\$217.51	\$161.44	\$152,923,124	0.9%	-3.3%	-4.2%	1.5%	-2.8%	-1.8%	5.4%	0.0%	-5.2%	27.7%	21.1%	27.7%
	Q4	945,919	570,223	60.3%	\$174.03	\$104.91	\$99,236,208	0.6%	-0.2%	-0.9%	0.3%	-0.6%	0.0%	2.5%	-2.3%	-4.7%	25.6%	19.7%	22.7%
2024	Q1	923,037	510,708	55.3%	\$155.23	\$85.89	\$79,276,156	0.4%	0.2%	-0.2%	0.5%	0.3%	0.6%	8.1%	0.3%	-7.2%	23.2%	14.3%	23.6%
	Q2	937,057	639,658	68.3%	\$199.39	\$136.11	\$127,539,120	0.3%	-2.3%	-2.6%	-0.2%	-2.8%	-2.5%	7.6%	-0.1%	-7.1%	27.1%	18.1%	27.0%
	Q3	949,164	708,788	74.7%	\$217.27	\$162.25	\$153,999,400	0.2%	0.8%	0.6%	-0.1%	0.5%	0.7%	5.6%	0.8%	-4.6%	27.6%	21.7%	28.6%
	Q4	939,529	569,668	60.6%	\$177.96	\$107.91	\$101,380,312	-0.7%	-0.1%	0.6%	2.3%	2.9%	2.2%	1.8%	-2.3%	-4.1%	28.4%	23.1%	25.4%
2025	Q1	923,580	514,400	55.7%	\$158.00	\$88.00	\$81,273,487	0.1%	0.7%	0.7%	1.8%	2.5%	2.5%	8.2%	1.1%	-6.6%	25.4%	17.1%	26.7%
	Q2	935,282	648,598	69.3%	\$201.29	\$139.59	\$130,555,207	-0.2%	1.4%	1.6%	1.0%	2.6%	2.4%	7.4%	1.3%	-5.6%	28.3%	21.1%	30.0%
	Q3	969,899	716,829	73.9%	\$217.83	\$160.99	\$156,145,869	2.2%	1.1%	-1.0%	0.3%	-0.8%	1.4%	8.0%	1.9%	-5.6%	27.9%	20.8%	30.4%
	Q4	996,952	593,981	59.6%	\$175.28	\$104.43	\$104,112,476	6.1%	4.3%	-1.7%	-1.5%	-3.2%	2.7%	8.1%	1.8%	-5.8%	26.5%	19.2%	28.8%
2026	Q1	977,220	530,027	54.2%	\$155.97	\$84.60	\$82,668,450	5.8%	3.0%	-2.6%	-1.3%	-3.9%	1.7%	14.5%	4.1%	-9.0%	23.8%	12.6%	28.9%
	Q2	988,078	666,270	67.4%	\$199.61	\$134.60	\$132,991,536	5.6%	2.7%	-2.8%	-0.8%	-3.6%	1.9%	13.4%	4.1%	-8.2%	27.2%	16.7%	32.4%
	Q3	998,936	738,835	74.0%	\$218.85	\$161.87	\$161,695,265	3.0%	3.1%	0.1%	0.5%	0.5%	3.6%	11.2%	5.1%	-5.5%	28.5%	21.5%	35.0%
	Q4	1,000,105	606,494	60.6%	\$178.90	\$108.49	\$108,498,758	0.3%	2.1%	1.8%	2.1%	3.9%	4.2%	8.4%	4.0%	-4.1%	29.1%	23.8%	34.2%

Source: STR, Tourism Economics

Forecast Tables

Monthly

Forecast Table: Monthly

San Luis Obispo County

							Supply	Demand	Occ.	ADR	RevPAR	Room revenue		Supply	Demand	Occ.	ADR	RevPAR	Room revenue	
Levels							Growth							Relative to 2019						
2024	Jan	317,967	156,780	49.3%	\$142.56	\$70.29	\$22,350,883	0.4%	5.4%	5.0%	2.4%	7.5%	7.9%	8.2%	0.5%	-7.1%	22.5%	13.8%	23.1%	
	Feb	287,196	154,050	53.6%	\$154.82	\$83.04	\$23,849,629	0.4%	-11.8%	-12.1%	-2.3%	-14.1%	-13.8%	8.2%	-4.3%	-11.5%	21.2%	7.3%	16.0%	
	Mar	317,874	199,878	62.9%	\$165.48	\$104.05	\$33,075,643	0.4%	7.2%	6.8%	1.5%	8.4%	8.8%	8.1%	4.1%	-3.7%	25.0%	20.4%	30.2%	
	Apr	308,310	205,638	66.7%	\$186.92	\$124.67	\$38,437,343	0.6%	-6.3%	-6.8%	-3.3%	-9.9%	-9.4%	8.4%	-2.6%	-10.1%	27.7%	14.9%	24.5%	
	May	319,207	208,586	65.3%	\$192.33	\$125.68	\$40,116,686	0.0%	-0.5%	-0.5%	1.1%	0.6%	0.6%	7.2%	1.5%	-5.3%	28.4%	21.6%	30.4%	
	Jun	309,540	225,434	72.8%	\$217.29	\$158.25	\$48,985,091	0.2%	-0.2%	-0.4%	1.0%	0.6%	0.8%	7.1%	0.8%	-5.9%	25.3%	17.9%	26.3%	
	Jul	319,858	260,102	81.3%	\$229.53	\$186.65	\$59,700,516	0.2%	1.6%	1.4%	0.0%	1.4%	1.6%	6.4%	6.0%	-0.4%	26.9%	26.4%	34.4%	
	Aug	319,796	238,215	74.5%	\$222.39	\$165.66	\$52,976,165	0.2%	3.8%	3.6%	3.1%	6.8%	7.0%	5.3%	-0.4%	-5.4%	26.4%	19.5%	25.8%	
	Sep	309,510	210,471	68.0%	\$196.33	\$133.51	\$41,322,719	0.2%	-3.3%	-3.5%	-4.4%	-7.7%	-7.5%	5.3%	-3.7%	-8.6%	29.1%	18.1%	24.3%	
	Oct	315,797	210,281	66.6%	\$189.22	\$125.99	\$39,788,404	-1.0%	-2.3%	-1.3%	-0.6%	-1.9%	-2.9%	1.6%	-6.0%	-7.5%	28.3%	18.7%	20.5%	
	Nov	305,610	188,704	61.7%	\$179.16	\$110.62	\$33,807,914	-0.9%	1.8%	2.7%	5.0%	7.8%	6.9%	1.6%	-1.6%	-3.2%	30.0%	25.9%	27.9%	
	Dec	318,122	170,683	53.7%	\$162.78	\$87.34	\$27,783,994	-0.2%	0.6%	0.8%	3.6%	4.4%	4.3%	2.3%	1.7%	-0.6%	27.6%	26.9%	29.8%	
2025	Jan	318,122	158,581	49.8%	\$145.62	\$72.59	\$23,093,054	0.0%	1.1%	1.1%	2.1%	3.3%	3.3%	8.2%	1.6%	-6.1%	25.1%	17.6%	27.2%	
	Feb	287,336	161,040	56.0%	\$160.25	\$89.81	\$25,806,152	0.0%	4.5%	4.5%	3.5%	8.2%	8.2%	8.2%	0.1%	-7.5%	25.4%	16.0%	25.5%	
	Mar	318,122	194,778	61.2%	\$166.21	\$101.77	\$32,374,281	0.1%	-2.6%	-2.6%	0.4%	-2.2%	-2.1%	8.2%	1.4%	-6.2%	25.6%	17.8%	27.4%	
	Apr	307,860	212,411	69.0%	\$185.47	\$127.97	\$39,396,478	-0.1%	3.3%	3.4%	-0.8%	2.6%	2.5%	8.2%	0.7%	-7.0%	26.7%	17.9%	27.6%	
	May	318,122	209,797	65.9%	\$194.38	\$128.19	\$40,780,528	-0.3%	0.6%	0.9%	1.1%	2.0%	1.7%	6.9%	2.1%	-4.5%	29.8%	24.0%	32.5%	
	Jun	309,300	226,390	73.2%	\$222.53	\$162.88	\$50,378,200	-0.1%	0.4%	0.5%	2.4%	2.9%	2.8%	7.1%	1.2%	-5.5%	28.3%	21.3%	29.9%	
	Jul	322,245	258,153	80.1%	\$232.42	\$186.19	\$60,000,021	0.7%	-0.7%	-1.5%	1.3%	-0.2%	0.5%	7.2%	5.2%	-1.9%	28.5%	26.1%	35.1%	
	Aug	326,864	241,255	73.8%	\$222.94	\$164.55	\$53,785,221	2.2%	1.3%	-0.9%	0.2%	-0.7%	1.5%	7.6%	0.9%	-6.3%	26.7%	18.7%	27.8%	
	Sep	320,790	217,421	67.8%	\$194.83	\$132.05	\$42,360,627	3.6%	3.3%	-0.3%	-0.8%	-1.1%	2.5%	9.1%	-0.6%	-8.9%	28.2%	16.8%	27.5%	
	Oct	334,614	223,513	66.8%	\$187.54	\$125.27	\$41,917,516	6.0%	6.3%	0.3%	-0.9%	-0.6%	5.4%	7.6%	-0.1%	-7.2%	27.1%	18.0%	27.0%	
	Nov	325,740	196,787	60.4%	\$174.80	\$105.60	\$34,398,231	6.6%	4.3%	-2.2%	-2.4%	-4.5%	1.7%	8.3%	2.6%	-5.3%	26.8%	20.1%	30.1%	
	Dec	336,598	173,680	51.6%	\$160.05	\$82.58	\$27,796,729	5.8%	1.8%	-3.8%	-1.7%	-5.4%	0.0%	8.2%	3.5%	-4.4%	25.5%	20.0%	29.9%	

Source: STR, Tourism Economics

About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 250 full-time staff, including 150 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

For more information:

info@tourismeconomics.com

2024

Economic Impact of Visitors to Arroyo Grande, CA

Prepared by:



Prepared for:





Table of Contents

Introduction	1
Executive Summary	2
Visitor Volume and Visitor Spending	3
Economic Impacts	4
Fiscal (Tax) Impacts	5
Appendix	6

Introduction

Background

The travel sector is an integral part of the economy in Arroyo Grande, California. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the regional economy.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs.

To quantify the economic significance of the tourism sector in Arroyo Grande, Tourism Economics prepared a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

Methodology & Data Sources

Tourism Economics constructed an IMPLAN input-output model for San Luis Obispo County. The model traces the flow of visitor-related expenditures through the county's economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

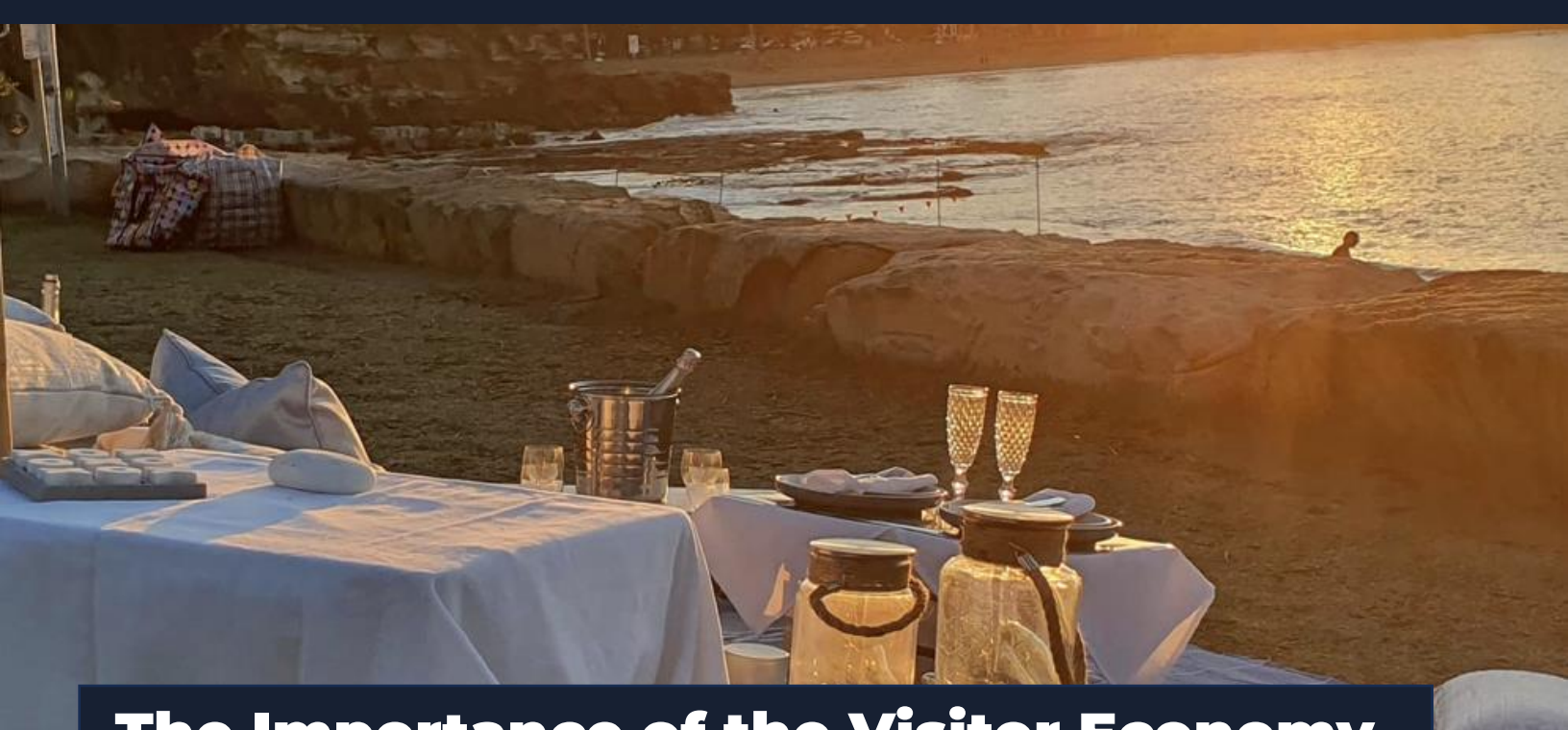
The value of seasonal and second homes was estimated based on census data for seasonal units and estimated gross rents.

Visitors included those who stayed overnight or traveled more than 50 miles to the destination.

The analysis draws on the following data sources:

- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: Lodging performance data, including room demand, room rates, occupancy, and room revenue
- San Luis Obispo County: Transit Occupancy Tax (TOT) collections by municipality
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to California based on aviation, survey, and credit card information
- VsaVue: Credit card spending data for international and domestic visitors

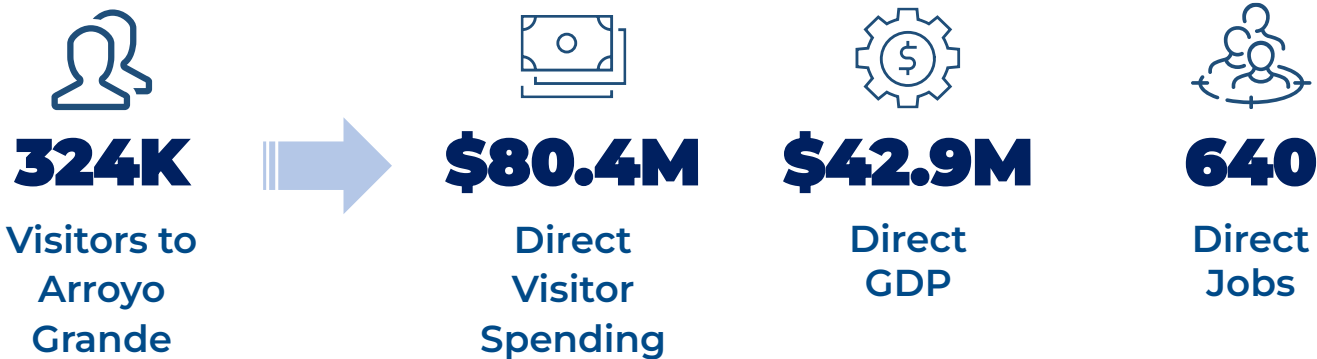
Executive Summary



The Importance of the Visitor Economy

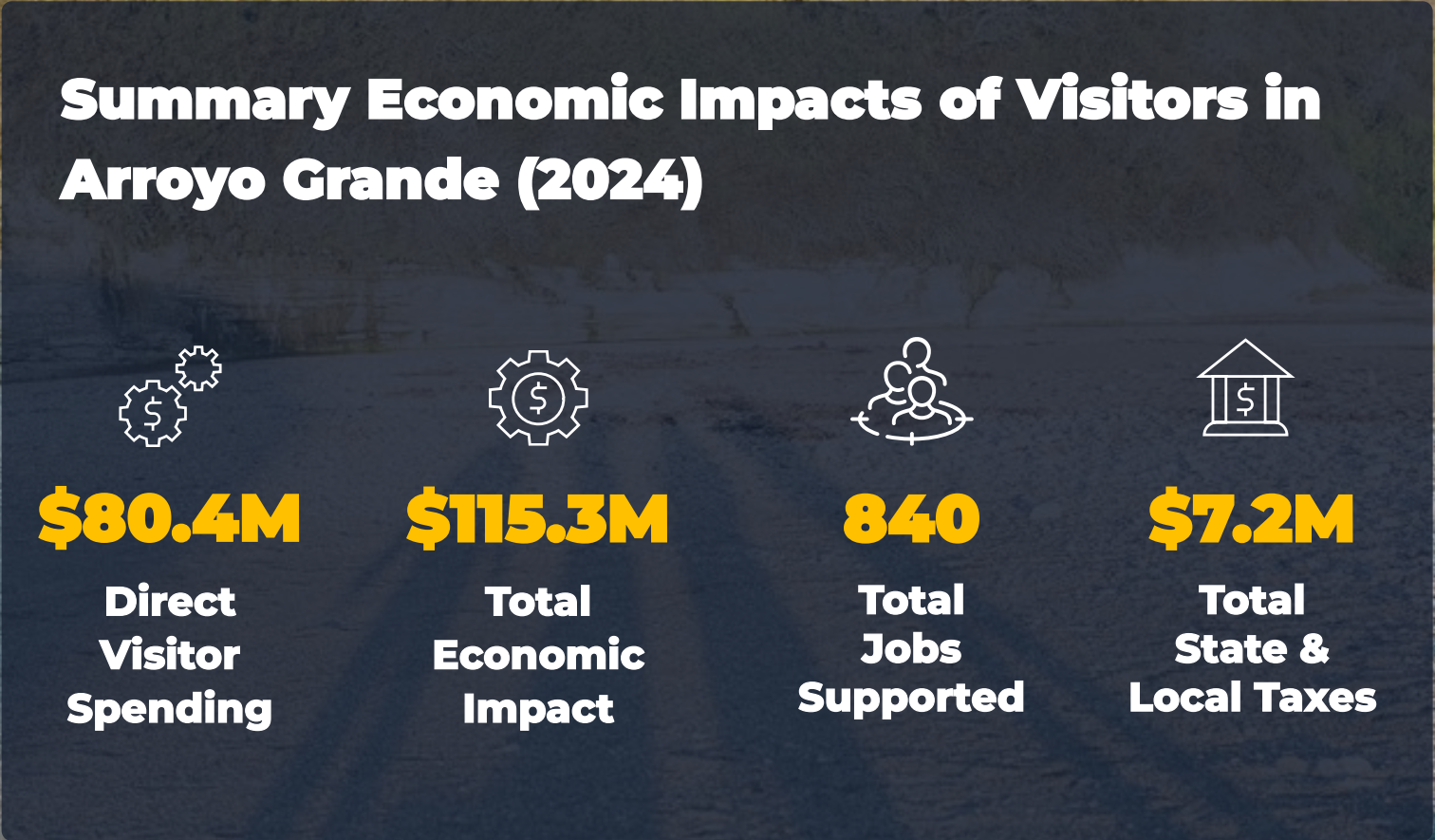
Summary Direct Visitor Spending in 2024

In 2024, Arroyo Grande welcomed approximately 324,000 visitors, including 207,000 overnight visitors and 116,000 day visitors. In total, these visitors spent \$80.4 million across the regional economy, supporting \$42.9 million in direct GDP and approximately 640 direct jobs.



Total Economic Impact

The direct visitor spending impact of \$80.4 million generated a total economic impact of \$115.3 million (including indirect and induced impacts) and sustained approximately 840 total jobs. In CY 2024, visitor-generated state and local tax revenues amounted to \$7.2 million.



3

Visitor Volume & Visitor Spending

Visitor Volume

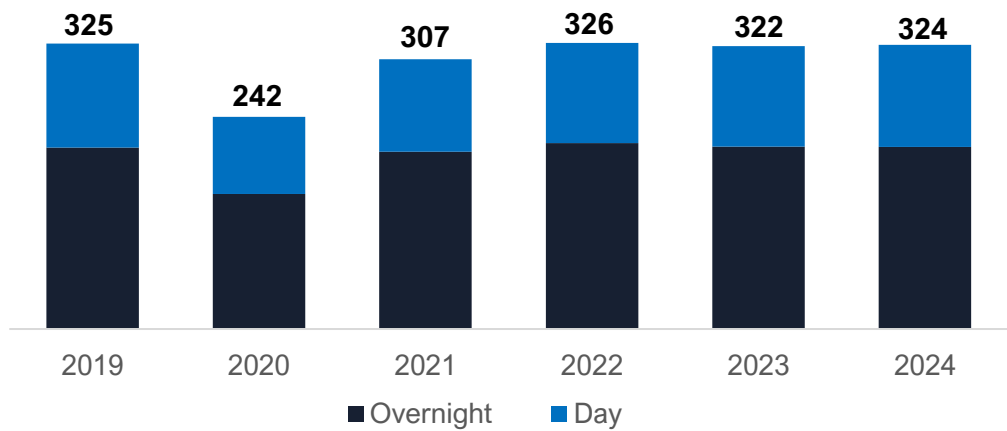
Arroyo Grande welcomed 324,000 visits in 2024.

The 324,000 total visits included 207,000 overnight visitors and 116,000 day visitors. In total, these visitors spent \$80.4 million, supporting \$19.7 million in direct labor income and approximately 640 direct jobs.

The 324,000 total visits to Arroyo Grande in 2024 represented a 0.4% increase over visitation levels in 2023.

Total Visits to Arroyo Grande
CY 2019-2024 (Thousands of Visits)

	2019	2020	2021	2022	2023	2024
Total visits	325.4	241.6	307.4	326.2	322.3	323.8
Overnight	206.6	153.9	201.9	211.8	207.8	207.3
Day	118.7	87.8	105.5	114.4	114.5	116.4



Source: Tourism Economics

Total Visits to Arroyo Grande
CY 2020-2024 (Year-on-Year % Change)

	2020	2021	2022	2023	2024
Total visits	-25.7%	27.2%	6.1%	-1.2%	0.4%
Overnight	-25.5%	31.2%	4.9%	-1.9%	-0.2%
Day	-26.1%	20.2%	8.5%	0.1%	1.7%

Source: Tourism Economics

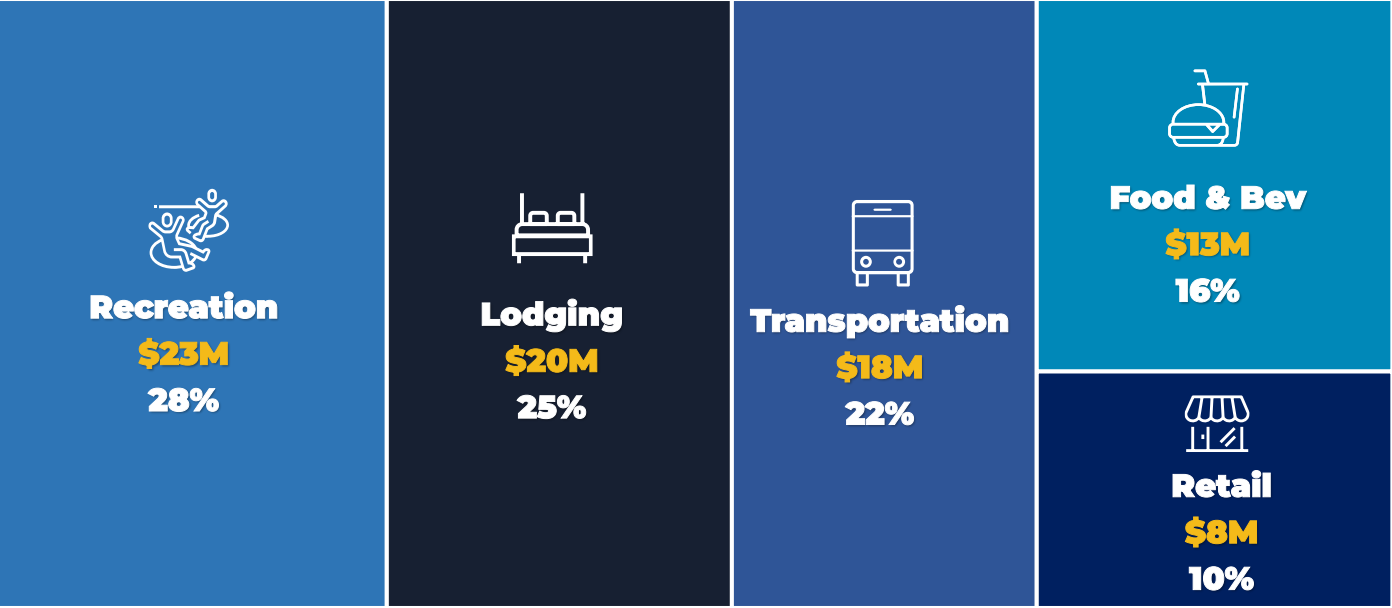
Visitor Spending

Visitors to Arroyo Grande spent approximately \$80 million in 2024.

Of the \$80.4 million spent by visitors to Arroyo Grande in 2024, recreation spending represented the highest spending category, registering \$22.5 million and capturing 28% of all visitor spending. Lodging (including the value of second homes) amounted to \$19.9 million, accounting for 25% of all visitor spending.

Transportation, including both air and local transportation within the destination, totaled \$17.5 million and comprised 22% of all visitor spending. Food and beverage spending amounted to \$12.5 million, (16% of total spending), while retail spending totaled \$7.9 million (10% of total spending).

Total Spending by Visitors to Arroyo Grande, by Industry
CY 2024 (\$ Millions and Percentage of Total Spending)

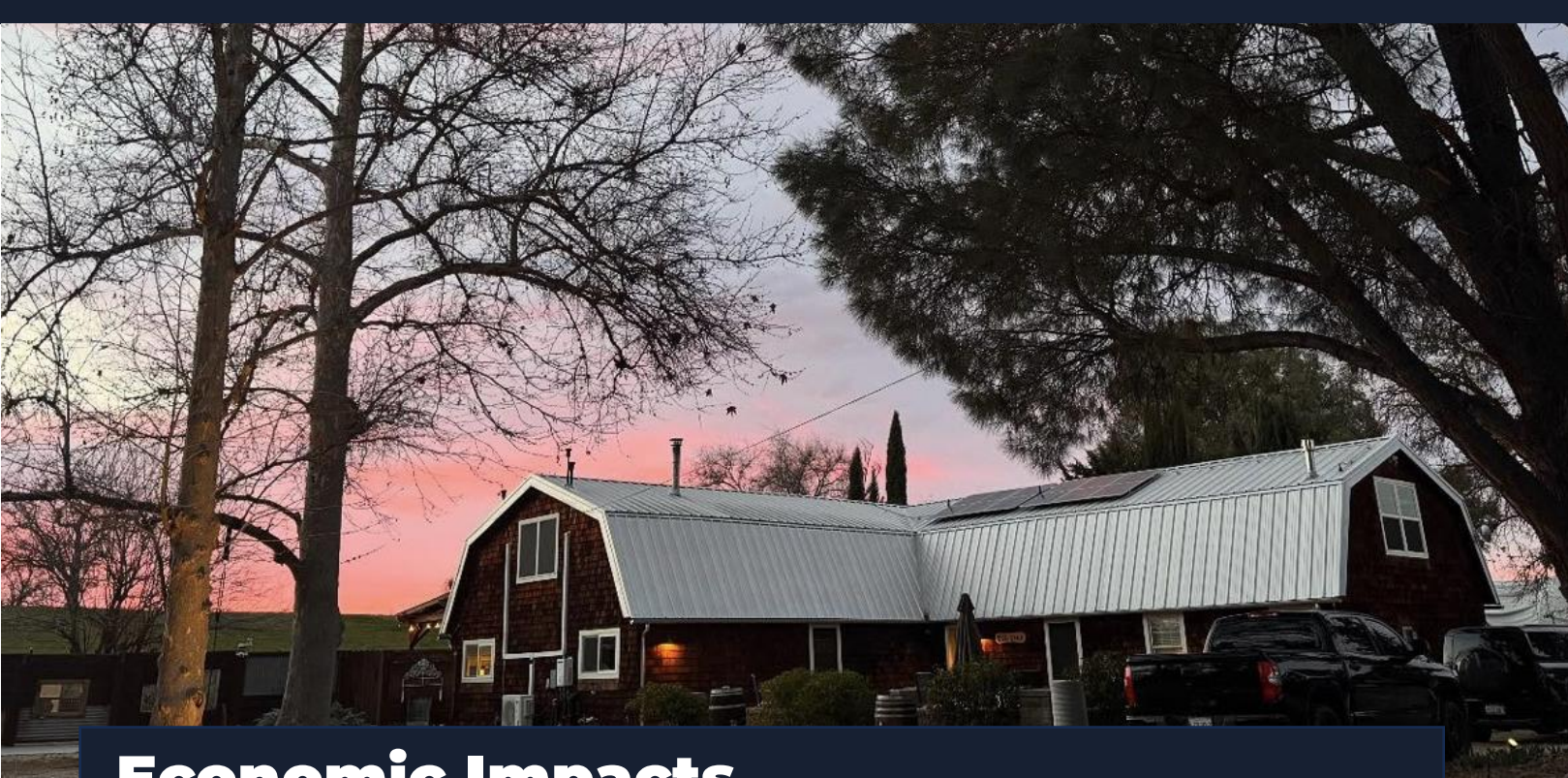


Source: Tourism Economics

4

Economic Impacts





Economic Impacts

Our analysis of the Arroyo Grande visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, direct visitor spending serves as an input into a model of the regional economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

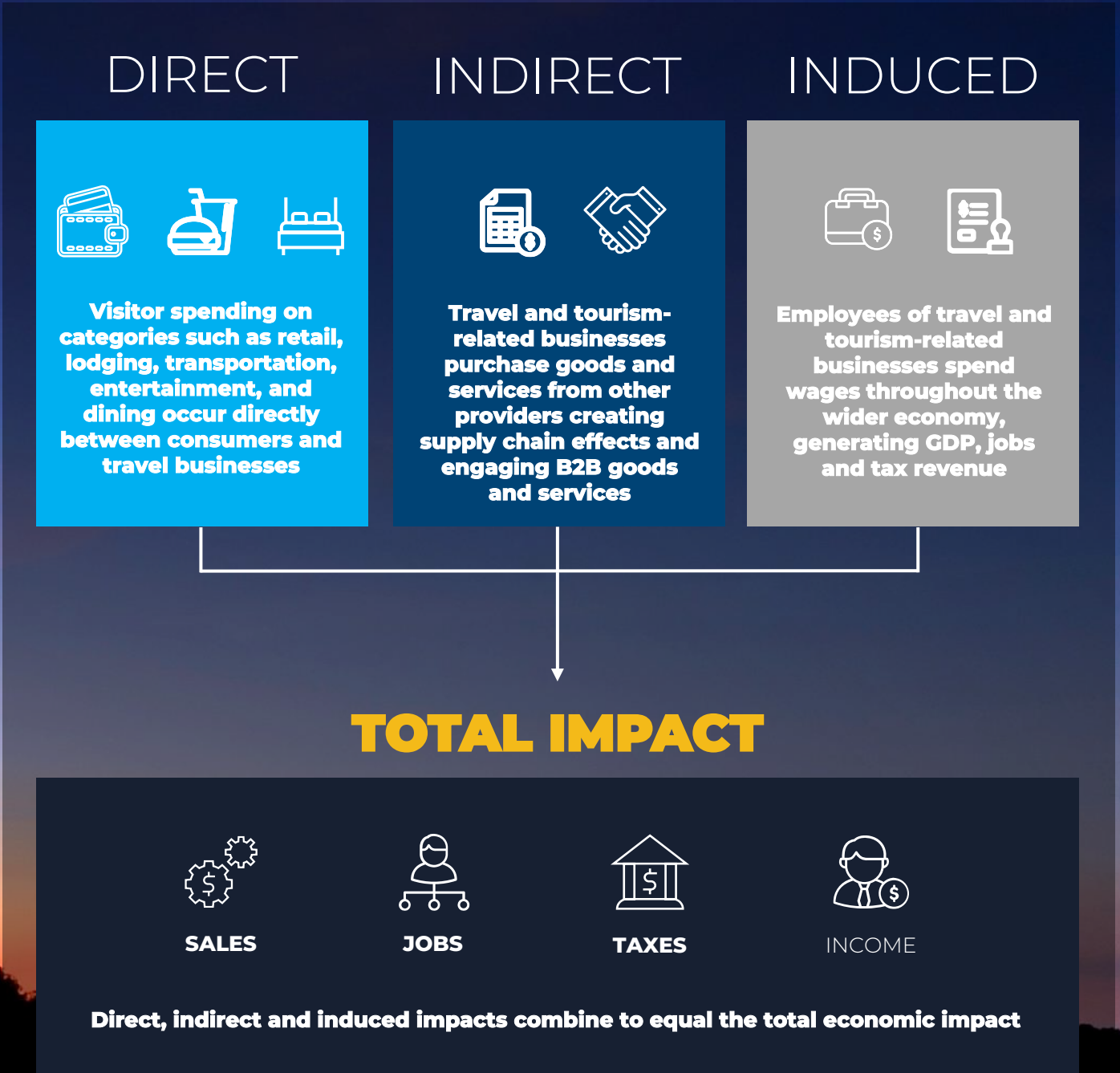
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as lodging, food and beverage, recreation, and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

Economic Impact Framework



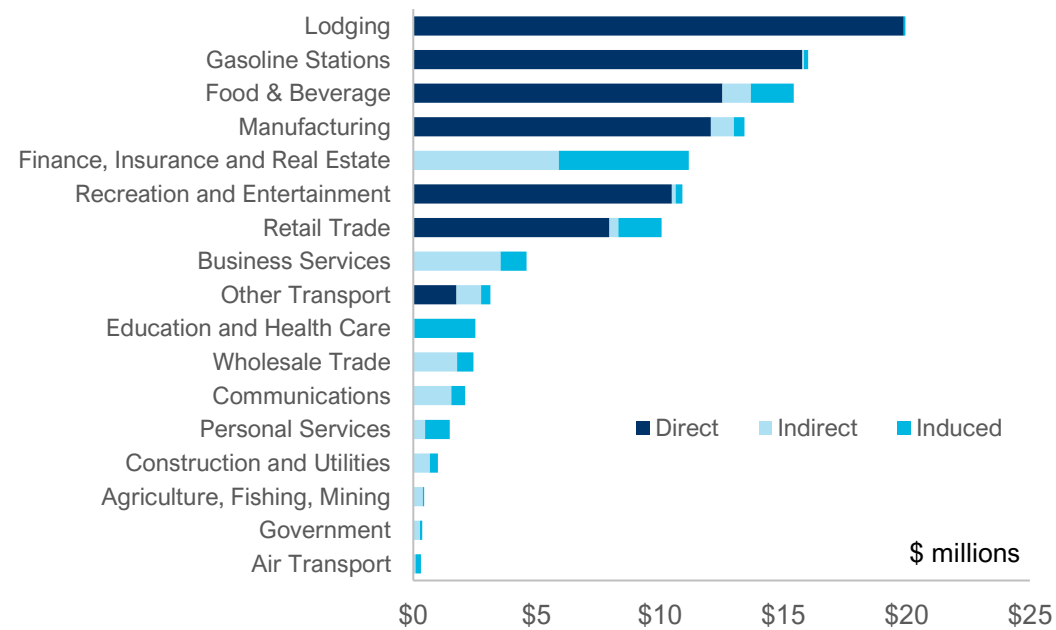
Business Sales Impacts

The \$80.4 million in visitor spending in 2024 generated a total economic impact of \$115.3 million throughout the regional economy.

As previously outlined, visitors to Arroyo Grande contributed a direct impact of \$80.4 million in 2024. This direct impact generated \$18.4 million in indirect impacts and \$16.5 million in induced impacts, resulting in a total economic impact of \$115.3 million throughout the regional economy..


The lodging industry was the most-impact industry with \$19.9 million in total business sales. The gasoline and food and beverage industries followed, with \$16.0 million and \$15.4 million in total business sales, respectively.

Business Sales Impacts, by Industry
CY 2024 (\$ Millions)




Source: Tourism Economics


Summary Economic Impacts of Arroyo Grande Visitors in 2024


\$80.4M
Direct Visitor Spending


+


\$18.4M
Indirect Business Sales

+


\$16.5M
Induced Business Sales

=


\$115.3M
Total Economic Impact

Business Sales Impacts, by Industry CY 2024 (\$ Millions)

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total Business Sales, All Industries	\$80.4	\$18.4	\$16.5	\$115.3
By industry				
Lodging	\$19.9	\$0.0	\$0.1	\$19.9
Gasoline Stations	\$15.8	\$0.1	\$0.2	\$16.0
Food & Beverage	\$12.5	\$1.2	\$1.7	\$15.4
Manufacturing	\$12.1	\$0.9	\$0.4	\$13.4
Finance, Insurance and Real Estate	\$0.0	\$5.9	\$5.3	\$11.2
Recreation and Entertainment	\$10.5	\$0.2	\$0.3	\$10.9
Retail Trade	\$7.9	\$0.4	\$1.7	\$10.1
Business Services	\$0.0	\$3.5	\$1.1	\$4.6
Other Transport	\$1.8	\$1.0	\$0.4	\$3.1
Education and Health Care	\$0.0	\$0.0	\$2.5	\$2.5
Wholesale Trade	\$0.0	\$1.8	\$0.7	\$2.4
Communications	\$0.0	\$1.5	\$0.6	\$2.1
Personal Services	\$0.0	\$0.5	\$1.0	\$1.5
Construction and Utilities	\$0.0	\$0.7	\$0.3	\$1.0
Agriculture, Fishing, Mining	\$0.0	\$0.4	\$0.1	\$0.4
Government	\$0.0	\$0.3	\$0.1	\$0.4
Air Transport	\$0.0	\$0.1	\$0.2	\$0.3

Source: Tourism Economics

Note: totals may not sum due to rounding.

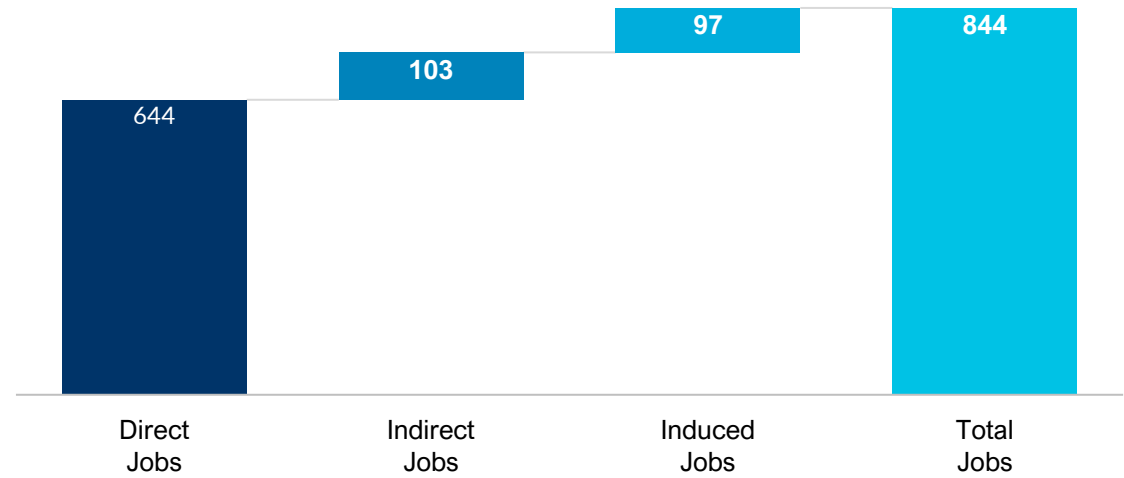
Job Impacts

Visitors to Arroyo Grande generated a total employment impact of approximately 840 part-time and full-time jobs in 2024.

Visitor activity sustained more than 640 direct jobs in 2024. Indirect and induced impacts generated 103 indirect jobs and 97 induced jobs, resulting in a total employment impact of more than 840 total jobs.

Job Impacts, by Industry
CY 2024 (Number of Jobs)

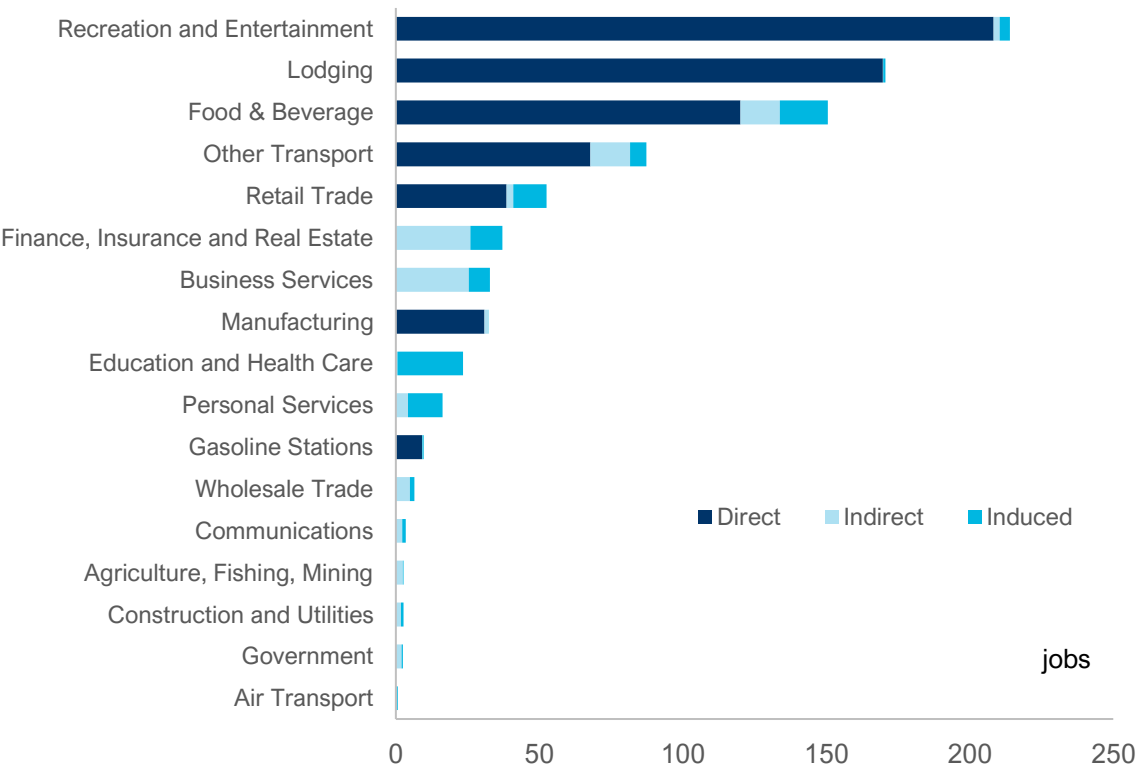
	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total Jobs, All Industries	644	103	97	844
By industry				
Recreation and Entertainment	208	2	4	214
Lodging	170	0	1	171
Food & Beverage	120	14	17	151
Other Transport	68	14	6	87
Retail Trade	39	2	12	52
Finance, Insurance and Real Estate	0	26	11	37
Business Services	0	25	7	33
Manufacturing	31	1	0	32
Education and Health Care	0	1	23	23
Personal Services	0	4	12	16
Gasoline Stations	9	0	0	10
Wholesale Trade	0	5	2	6
Communications	0	2	1	3
Agriculture, Fishing, Mining	0	2	0	3
Construction and Utilities	0	2	1	3
Government	0	2	0	2
Air Transport	0	0	0	1



Source: Tourism Economics
Note: Jobs include part-time and full-time jobs

The recreation and entertainment industry was the most-impact industry with approximately 214 total jobs. The lodging industry and food and beverage industry followed, with 171 and 151 total jobs, respectively.

Job Impacts, by Industry
CY 2024 (Number of Jobs)



Source: Tourism Economics
Note: Jobs include part-time and full-time jobs

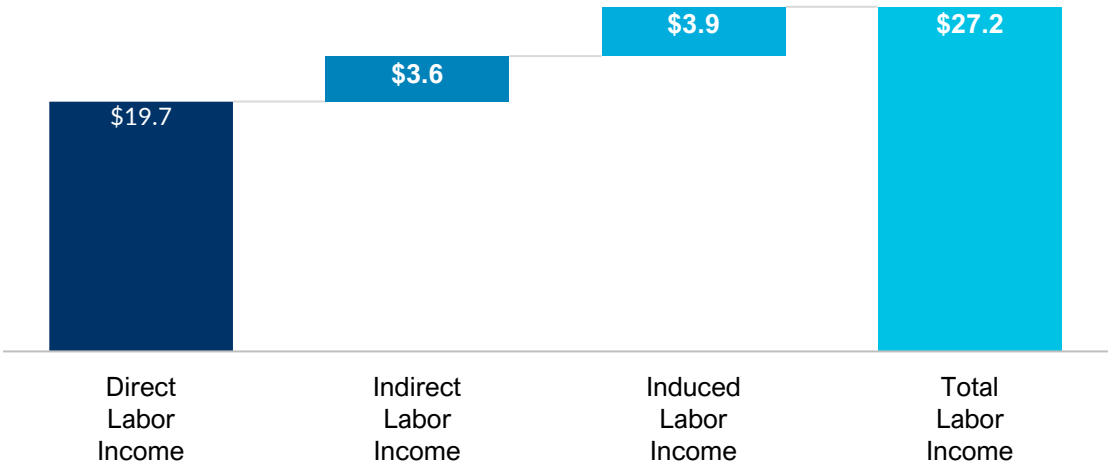
Labor Income Impacts

Visitors to Arroyo Grande generated a total labor income impact of more than \$27 million in 2024.

Visitor activity sustained \$19.7 million in direct labor income in 2024. Indirect and induced impacts generated \$3.6 million in indirect labor income and \$3.9 million in induced labor income, resulting in a total labor income impact of \$27.2 million.

Labor Income Impacts, by Industry
CY 2024 (\$ Millions)

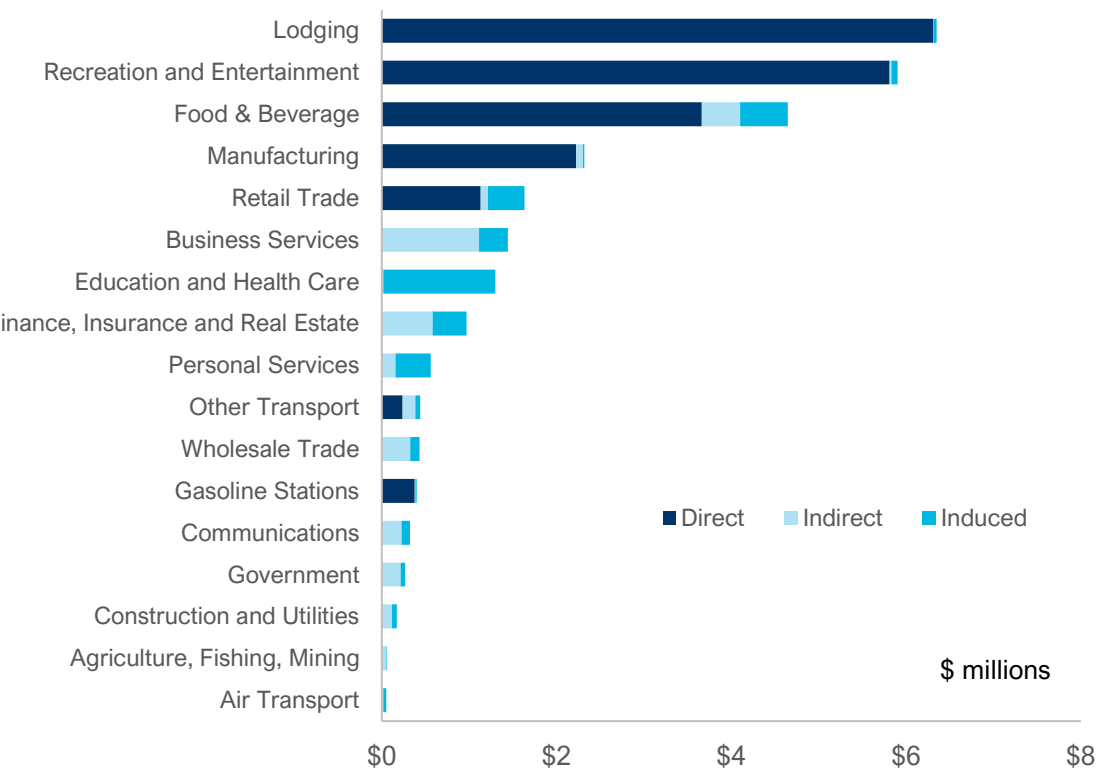
	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total Labor Income, All Industries	\$19.7	\$3.6	\$3.9	\$27.2
By industry				
Lodging	\$6.3	\$0.0	\$0.0	\$6.3
Recreation and Entertainment	\$5.8	\$0.0	\$0.1	\$5.9
Food & Beverage	\$3.7	\$0.4	\$0.5	\$4.6
Manufacturing	\$2.2	\$0.1	\$0.0	\$2.3
Retail Trade	\$1.1	\$0.1	\$0.4	\$1.6
Business Services	\$0.0	\$1.1	\$0.3	\$1.4
Education and Health Care	\$0.0	\$0.0	\$1.3	\$1.3
Finance, Insurance and Real Estate	\$0.0	\$0.6	\$0.4	\$1.0
Personal Services	\$0.0	\$0.2	\$0.4	\$0.6
Other Transport	\$0.2	\$0.1	\$0.1	\$0.4
Wholesale Trade	\$0.0	\$0.3	\$0.1	\$0.4
Gasoline Stations	\$0.4	\$0.0	\$0.0	\$0.4
Communications	\$0.0	\$0.2	\$0.1	\$0.3
Government	\$0.0	\$0.2	\$0.1	\$0.3
Construction and Utilities	\$0.0	\$0.1	\$0.1	\$0.2
Agriculture, Fishing, Mining	\$0.0	\$0.0	\$0.0	\$0.1
Air Transport	\$0.0	\$0.0	\$0.0	\$0.0



Source: Tourism Economics

The lodging industry was the most-impact industry with \$6.3 million in labor income. The recreation and entertainment industry and the food and beverage industry followed, with \$5.9 million and \$4.6 million in total labor income, respectively.

Labor Income Impacts, by Industry
CY 2024 (\$ Millions)



Source: Tourism Economics

5

Fiscal (Tax) Impacts

Fiscal (Tax) Impacts

Visitors to Arroyo Grande generated a total fiscal (tax) impact of \$14.2 million, including \$7.0 million in federal taxes and \$7.2 million in state and local taxes.

Visitor spending directly generated \$5.4 million in state and local taxes, including \$2.2 million in sales tax revenue (which included \$1.5 million in Transient Occupancy Tax (TOT) revenue).

The tourism industry generated approximately \$7.2 million in total state and local tax revenues in CY 2024, including approximately \$2.4 million in sales tax revenue, \$1.2 million in personal income taxes, \$0.4 million in corporate taxes, \$0.5 million in excise and fees, and \$2.7 million in property tax revenues.

Fiscal (Tax) Impacts, by Type
CY 2024 (\$ Millions)

	Direct Taxes	Indirect & Induced Taxes	Total Taxes
Total Taxes	\$9.9	\$6.2	\$14.2
Federal	\$4.5	\$4.4	\$7.0
Personal income	\$2.5	\$1.1	\$3.5
Corporate	\$0.2	\$0.2	\$0.4
Indirect business	\$0.2	\$0.1	\$0.3
Social insurance	\$1.6	\$1.1	\$2.7
State and Local	\$5.4	\$1.8	\$7.2
Sales	\$2.2	\$0.2	\$2.4
Transient Occupancy Tax (TOT)	\$1.5	\$0.0	\$1.5
Personal income	\$0.9	\$0.4	\$1.2
Corporate	\$0.2	\$0.2	\$0.4
Excise and fees	\$0.3	\$0.2	\$0.5
Property	\$1.8	\$0.9	\$2.7

Source: Tourism Economics

3

Appendix



Glossary – Spending Definitions

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitors spending within the arts, entertainment and recreation sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

About the Research Team



Oxford Economics was founded in 1981 as a commercial venture with Oxford University’s business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world’s foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 600 full-time staff, including 250 professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.





MEMORANDUM

TO: Arroyo Grande Tourism Business Improvement District Advisory Board

FROM: Sheridan Bohlken, Director of Recreation Services

SUBJECT: Review and Approve the Preliminary FY 2025-26 Budget for the Arroyo Grande Tourism Improvement District

DATE: April 28, 2025

RECOMMENDATION:

- 1) Review and provide direction to staff on the Preliminary FY 2025-26 Budget for the Arroyo Grande Tourism Improvement District (AGTBID), and
- 2) Forward the preliminary FY 2025-26 operating budget to the City Council for approval.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Based on projected year-end figures for FY 2024–25, assessment revenues for the upcoming fiscal year are estimated at approximately \$318,270. The proposed AGTBID budget includes a continued allocation of \$5,000 to the City to support a portion of the costs associated with the Community Services Specialist position, which assists with vacation rental code compliance. Additionally, the budget provides \$45,000 to the City for administrative services related to AGTBID operations.

Total proposed expenditures for FY 2025-26 are \$461,850, consistent with the current fiscal year's operating budget. The difference between anticipated revenue and total expenditures will be covered by drawing down the existing fund balance, in alignment with the AGTBID's strategic goal to fully utilize available resources while maintaining effective program delivery.

BACKGROUND:

The AGTBID was established by City Council ordinance in May 2013 under the Parking and Business Improvement Law of 1989 and codified in the Arroyo Grande Municipal Code ([Title 3, Chapter 3.46](#)¹). Its purpose is to generate revenue to support services,

1

https://library.municode.com/ca/arroyo_grande/codes/code_of_ordinances?nodeId=CD_ORD_TIT3REFI_CH3.46TOBUIMDILA

Arroyo Grande Tourism Business Improvement District
Review and Approve the Preliminary FY 2025-26 Budget for the Arroyo Grande
Tourism Improvement District
April 28, 2025
Page 2

activities, and programs that promote Arroyo Grande as a tourist destination and support local lodging businesses. A 2% assessment is levied on all transient occupancies within the AGTBID boundaries.

In December 2014, the ordinance was amended to align AGTBID assessment exemptions with those of the Transient Occupancy Tax and to include vacation rentals and homestays under the definition of "lodging."

AGTBID activities are funded through assessments, which must be used exclusively for marketing, and administration of the AGTBID. Unused funds may be carried over to subsequent years if used in accordance with the ordinance. The City Council considers recommendations from the AGTBID Advisory Board regarding the use of assessment revenues.

ANALYSIS OF ISSUES:

The proposed AGTBID budget for the upcoming fiscal year maintains the same funding levels as the previous year across all categories. This approach reflects a consistent commitment to supporting core programs and services, including advertising, public relations, and administrative support.

Maintaining the existing budget allows the AGTBID to continue promoting Arroyo Grande as a tourism destination without disruption, while also ensuring fiscal stability and alignment with projected assessment revenues. No increases or reallocations are proposed currently, as current funding levels have proven effective in sustaining AGTBID initiatives.

As part of a strategic effort to maximize the use of existing assessment revenues, the proposed budget includes continued allocations at prior-year levels while drawing down the current fund balance. This approach ensures the responsible and effective use of accumulated funds by supporting ongoing programs and initiatives until expenditures align more closely with anticipated annual revenues. It reflects a balanced, sustainable strategy to fully leverage available resources in support of AGTBID's mission.

Should the Advisory Board wish to explore a more conservative financial strategy, it may consider establishing a minimum fund balance or reserve policy. This reserve could serve as a safeguard in the event of a decline in Transient Occupancy Tax (TOT) or other unforeseen economic impacts, helping to ensure continuity of core services and long-term program sustainability.

The proposed operating budget for FY 2025–26 is as follows:

Arroyo Grande Tourism Business Improvement District
Review and Approve the Preliminary FY 2025-26 Budget for the Arroyo Grande
Tourism Improvement District
April 28, 2025
Page 3

Beginning Fund Balance	\$ 328,350	\$ 405,833	\$ 436,489	\$ 438,185	\$ 295,355
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	FY 2021-22 Actuals	FY 2022-23 Actuals	FY 2023-24 Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget
Revenue					
TBID Assessments	\$ 295,271	\$ 303,626	\$ 281,764	\$ 318,270	\$ 298,700
Interest	(5,257)	4,078	17,990	750	750
Total Revenue	\$ 290,014	\$ 307,704	\$ 299,754	\$ 319,020	\$ 299,450

	FY 2021-22 Actuals	FY 2022-23 Actuals	FY 2023-24 Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget
Expenditures					
Advertising					
Marketing Services	\$ 144,762	\$ 196,254	\$ 218,340	\$ 250,000	\$ 250,000
Photo/Video Assets	10,000	11,595	1,890	25,000	25,000
Promotional Product	-	-	600	5,000	5,000
Website	7,765	16,695	-	-	-
Travel and Trade Shows	-	-	-	7,500	7,500
Coop Advertising	-	-	14,400	50,000	50,000
Sub-total Advertising	\$ 162,527	\$ 224,544	\$ 235,230	\$ 337,500	\$ 337,500

Contractual Services					
Short-term compliance	\$ -	\$ -	\$ 11,350	\$ 11,350	\$ 11,350
Chamber - Contract admin.	42,000	44,500	-	-	-
Sub-total Contractual Services	\$ 42,000	\$ 44,500	\$ 11,350	\$ 11,350	\$ 11,350

Membership & Subscriptions					
CCTC	\$ -	\$ -	\$ 475	\$ 500	\$ 500
Sub-total Membership & Subs.	\$ -	\$ -	\$ 475	\$ 500	\$ 500

Public Relations					
Event Sponsorships	-	-	1,000	50,000	50,000
Influencers	-	-	-	10,000	10,000
Sub-total Public Relations	\$ -	\$ -	\$ 1,000	\$ 60,000	\$ 60,000

Services & Supplies					
City - administrative	\$ 3,000	\$ 3,000	\$ 45,000	\$ 45,000	\$ 45,000
Supplies/Domains	-	-	-	2,500	2,500
Vacation rental code compliance	5,004	5,004	5,004	5,000	5,000
Sub-total Services & Supplies	\$ 8,004	\$ 8,004	\$ 50,004	\$ 52,500	\$ 52,500

Total Expenditures	\$ 212,531	\$ 277,048	\$ 298,059	\$ 461,850	\$ 461,850
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Ending Fund Balance	\$ 405,833	\$ 436,489	\$ 438,185	\$ 295,355	\$ 132,955
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Arroyo Grande Tourism Business Improvement District
Review and Approve the Preliminary FY 2025-26 Budget for the Arroyo Grande
Tourism Improvement District
April 28, 2025
Page 4

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Review and provide direction to staff on the Preliminary FY 2025-26 Budget for the AGTBID and Forward the Preliminary FY 2025-26 operating budget to City Council for approval;
2. Adjust line items as determined by the Advisory Board and approve the Preliminary Budget for FY 2025-26 for AGTBID; or
3. Provide other direction to staff.

ADVANTAGES:

- Maintains consistent funding levels across all categories from FY 2024-25 to FY 2025-26, ensuring continuity of core marketing and visitor outreach efforts.
- Supports the AGTBID's mission by promoting Arroyo Grande as a vibrant tourist destination.
- Maximizes the impact of collected assessments by funding initiatives that directly benefit the local tourism and lodging industries.

DISADVANTAGES:

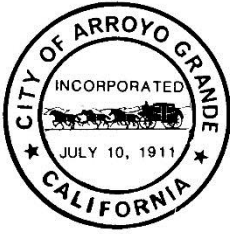
- Drawing down the fund balance reduces financial reserves, potentially limiting flexibility to respond to unforeseen needs or opportunities in future years.
- One-time investments, while beneficial, may not produce immediate or measurable returns, making it challenging to assess their impact within a single fiscal year.
- Temporary increases in activity may lead to expectations for continued support in future years, which could be difficult to fulfill if the fund balance becomes insufficient to sustain ongoing initiatives.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.



MEMORANDUM

TO: Arroyo Grande Tourism Business Improvement District Advisory Board

FROM: Sheridan Bohlken, Director of Recreation Services

SUBJECT: 6-Month Marketing Progress Review and Contract Extension Proposal for Commune Communication

DATE: April 28, 2025

RECOMMENDATION:

- 1) Receive 6-Month Marketing Progress Review from Commune Communication and provide feedback on strategic direction, creative execution, and accomplishments to support Visit Arroyo Grande; and
- 2) Recommend One Year Contract Extension to City Council.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The FY 2024–25 AGTBID budget includes funding for the Commune Communication contract, not to exceed \$225,000, inclusive of media buys. To date, spending remains within approved limits.

BACKGROUND:

The Arroyo Grande Tourism Business Improvement District (AGTBID) was formed in 2013 to fund marketing efforts that promote Arroyo Grande as a tourist destination and support the success of local lodging businesses. The AGTBID operates as a Destination Marketing Organization (DMO) under the name Visit Arroyo Grande and is guided by a City Council-appointed Advisory Board composed of local lodging and tourism representatives.

The contract with Verdin Marketing, the City's longtime marketing partner, expired on October 31, 2024. The AGTBID Board initiated a [Request for Proposals \(RFP\)](#)¹ seeking proven marketing strategy and measurable results. The RFP emphasized ROI, media efficiency, and brand evolution, resulting in eight competitive proposals.

¹ <https://pub-arroyogrande.escribemeetings.com/filestream.ashx?DocumentId=10019>

**Arroyo Grande Tourism Business Improvement District Advisory Board
6-Month Marketing Progress Review and Contract Extension Proposal for
Commune Communication
April 28, 2025
Page 2**

In [July 2024](#)², Commune Communication was selected through the competitive process to serve as the AGTBID's agency of record for marketing, communications, website, and social media services. The scope of work emphasized measurable ROI, modernized branding, strategic paid media investment, and increased visibility for Arroyo Grande as a tourism destination.

ANALYSIS OF ISSUES:

Over the first six months, Communication has delivered on the key objectives outlined in the RFP and contract:

Contractual Deliverables Met

- Developed and implemented a refreshed brand strategy and the "Oddly Familiar" creative campaign.
- Executed a multi-platform paid media strategy, including CTV/OTT, display, social, and search.
- Initiated a location visitation reporting model using mobile device data to measure ROI and visitor behavior.
- Optimized website performance to increase conversions and engagement.
- Supported lodging businesses and the broader visitor economy with curated content and outreach.

Key Metrics & Accomplishments

- Over 3.35M digital impressions and 54,401 clicks.
- Cost per unique visitor decreased by 16.1%.
- Location visitation utilized through targeted paid media efforts.
- Launched a creative campaign that differentiates Arroyo Grande and aligns with the AGTBID's voice and vision.

Alignment with RFP Goals

Commune's performance aligns with core RFP criteria including:

- Strategic ROI measurement and reporting.
- Innovation in creative and brand positioning.
- Tactical focus on off-peak visitation and growth markets (e.g., LA, SF).
- Integration across digital, social, and print platforms.
- Monthly reporting and responsiveness to AGTBID objectives.

Creative & Strategic Feedback Opportunity

The board is encouraged to provide feedback on:

- Artistic quality and voice of the "Oddly Familiar" campaign.
- Effectiveness of brand storytelling in differentiating Arroyo Grande.
- Proposed FY 2025–26 campaign elements and budget priorities.

² <https://pub-arroyogrande.escribemeetings.com/filestream.ashx?DocumentId=11630>

**Arroyo Grande Tourism Business Improvement District Advisory Board
6-Month Marketing Progress Review and Contract Extension Proposal for
Commune Communication
April 28, 2025
Page 3**

Commune Communication has made strong progress toward meeting the objectives outlined in the RFP during the initial six months of their contract. To date, they have implemented a strategic paid media plan, completed a full website audit and optimization, introduced location-based visitation tracking, and developed a new brand platform aimed at increasing Arroyo Grande's visibility as a tourism destination.

Because Commune has not yet completed a full year under contract, there is still significant opportunity for the AGTBID Advisory Board to guide and refine the campaign's trajectory. Extending the contract would allow the Board to build on the existing momentum, provide informed feedback, and ensure that upcoming initiatives continue to align with AGTBID goals and community values.

ALTERNATIVES:

The following alternatives are provided for the Boards's consideration:

1. Receive 6-month report, provide feedback and forward contract extension to City Council;
2. Receive 6-month report, provide feedback and do not forward contract extension to City Council; or
3. Provide other direction to staff.

ADVANTAGES:

1. Providing feedback to refine future projects and maintaining the current marketing agency will allow planned work and projects to continue with momentum;
2. Commune Communication has achieved significant impact in the past 6 months and with an additional 12 months will continue destination branding for Arroyo Grande with the Board's invested support;
3. Relationships with the community and direction from the Board will continue to strengthen and solidify the Visit Arroyo Grande brand with Commune Communication's efforts.

DISADVANTAGES:

The only disadvantage of continuing to support the current marketing firm and recommending an extended contract is the missed opportunity with other marketing firms; however, the time to onboard a marketing firm is extensive.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

**Arroyo Grande Tourism Business Improvement District Advisory Board
6-Month Marketing Progress Review and Contract Extension Proposal for
Commune Communication
April 28, 2025
Page 4**

ATTACHMENTS:

1. 6-Month Marketing Progress Review by Commune Communication

Visit Arroyo Grande 6 Month Review (Nov, 2024 - April), 2025





Reviewing The Past to Map the Future

CURRENT CONTRACT TERMS ADJUSTMENT

FY '24-25 Contract Review and Adjustment:



RFP REQUIREMENTS:

RFP is for full-service, integrated marketing, advertising, communications, social media, and website maintenance services for Visit Arroyo Grande.

The goal of the marketing program is to attract tourists to the area to increase occupancy and average daily room rates at Arroyo Grande lodging properties.

Develop a comprehensive strategic marketing and advertising plan that addresses

- ☒ Propose new or expand current marketing programs to promote the District and submit timelines for development/implementation. Campaign may include but not be limited to, digital, print, video, radio, outdoor, online media, and direct marketing;
- ☒ Identify strategies that increase overnight stays, especially during off-peak seasons;
- ☒ Propose creative tactics such as advertising campaigns and events and packages; and
- ☒ Develop and propose a system of measurable results and outcomes.

Online Strategy

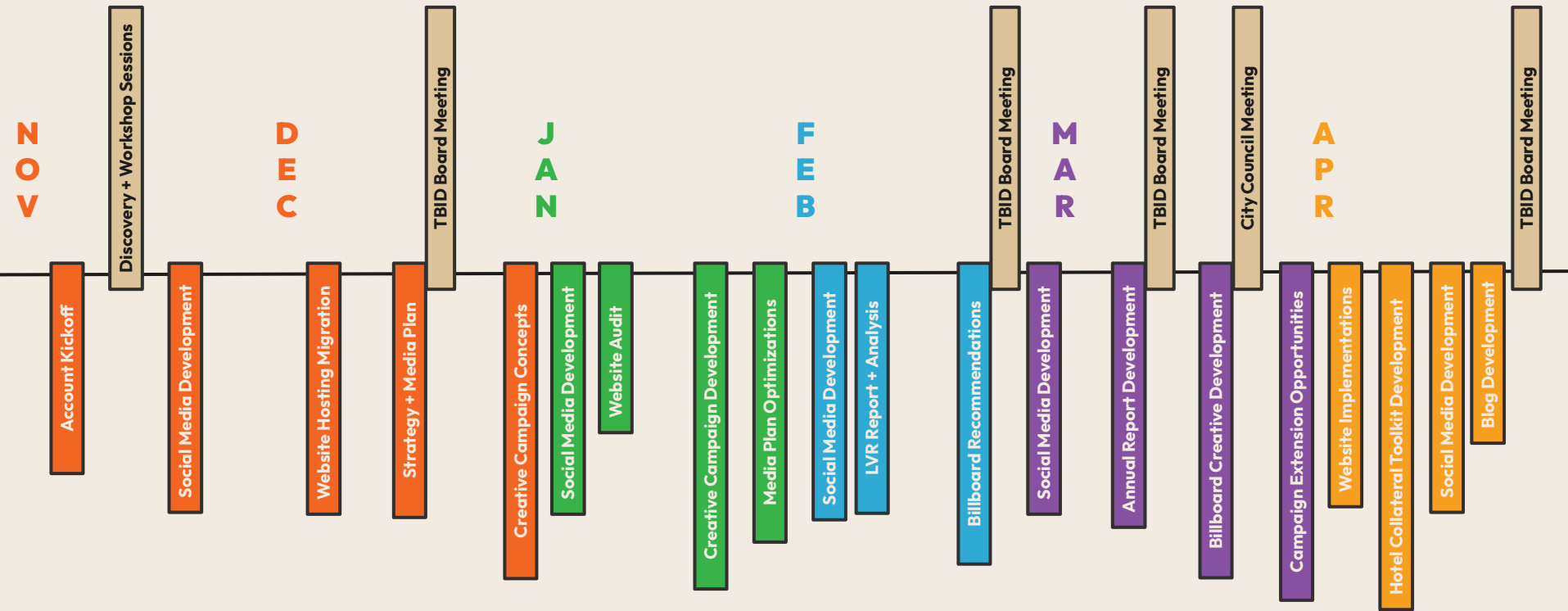
- ☒ Complete reports to coincide with monthly meetings of the committee - show metrics and report implications and suggested adjustments and report monthly to lodging operators, AGTBID and Arroyo Grande City Council;
- ☒ Generate all images/creative assets to be paired with posts. Photographs and branding guidelines will be provided by Visit Arroyo Grande from internal marketing database.

Website:

The firm will take responsibility for all aspects of the Visit Arroyo Grande website, content management system (CMS), and related hosting. The scope of services should include, but is not limited to, all software, hardware, administrator and end-user training, hosting, SEO programming, and other services required to implement and support the website and should:

- ☒ Be consistent with current and future Americans with Disabilities Act accessibility guidelines and any other applicable state and federal accessibility requirements;
- ☒ Include a privacy policy;
- ☒ Be capable of capturing email addresses; and
- ☒ Include a blog.

CALENDAR VIEW - 6 MONTHS



NOV & DEC 2024

Meeting the stated Arroyo Grande mandate for a change in approach that emphasized measurable ROI starts with building a new foundation to maximize budget efficiency.



NOVEMBER, 2024

COMPLETED ITEMS IN NOVEMBER 2024

- Hosted 9 stakeholder interviews and collaborative work sessions with local hoteliers and tourism partners to align on priorities and opportunities
- Conducted data analysis and market research to identify high-potential visitor segments
- Tourism Economics data forecast 1 recommendation
- Delivered strategic itinerary recommendations for a visiting journalist from Family-Friendly Magazine
- Executed an immersive asset capture visit to gather authentic visual storytelling content (landscapes, landmarks, hospitality vignettes)
- Initiated campaign concept development, grounded in Arroyo Grande's unique positioning as a "hidden gem"
- Launched cross-channel paid media campaigns with Meta and TikTok, featuring A/B testing of 4 distinct messaging frameworks to gauge resonance with target audiences
- Produced 10+ tailored ad formats, including high-impact interstitials and responsive display banners, optimized for platform-specific engagement
- Built out SEM strategy with hyperlocal keyword targeting and retargeting infrastructure via 3 custom pixels on visitarroyogrande.org
- Completed a comprehensive visual audit to streamline user experience
- Migrated hosting to GoDaddy for improved site performance and security
- Identified and posted social events 10 across Facebook + Instagram
- Curated 1 holiday sale promotion social post for Facebook + Instagram
- Provided Visit SLO CAL with a curated pitch deck for 'What's New in 2025'

REFRAMING OUR MINDSET

Commune approached the RFP response to bring clear, measurable results to TBID efforts. Our approach is to shift the TBID budget to **prioritize responsible spending tied to measurable ROI** , and away from metrics that have no evidence or measurable impact on generating tourism revenue.

REFRAMING OUR MINDSET

Commune approached the RFP response to bring clear, measurable results to TBID efforts. Our approach is to shift the TBID budget to **prioritize responsible spending tied to measurable ROI**, and away from metrics that have no evidence or measurable impact on generating tourism revenue.



FROM:

I believe it is important to market Arroyo Grande to potential visitors, but I'm not really sure how impactful it is or what tactics are most effective.

TO:

I can clearly see the role marketing plays in driving visitation and which tactics are most effective.

DEFINING OBJECTIVES

BUSINESS OBJECTIVE

We will

**Increase YOY TOT revenue for
the City of Arroyo Grande**

by

MARKETING OBJECTIVES

**Attracting new visitors from top
feeder markets**

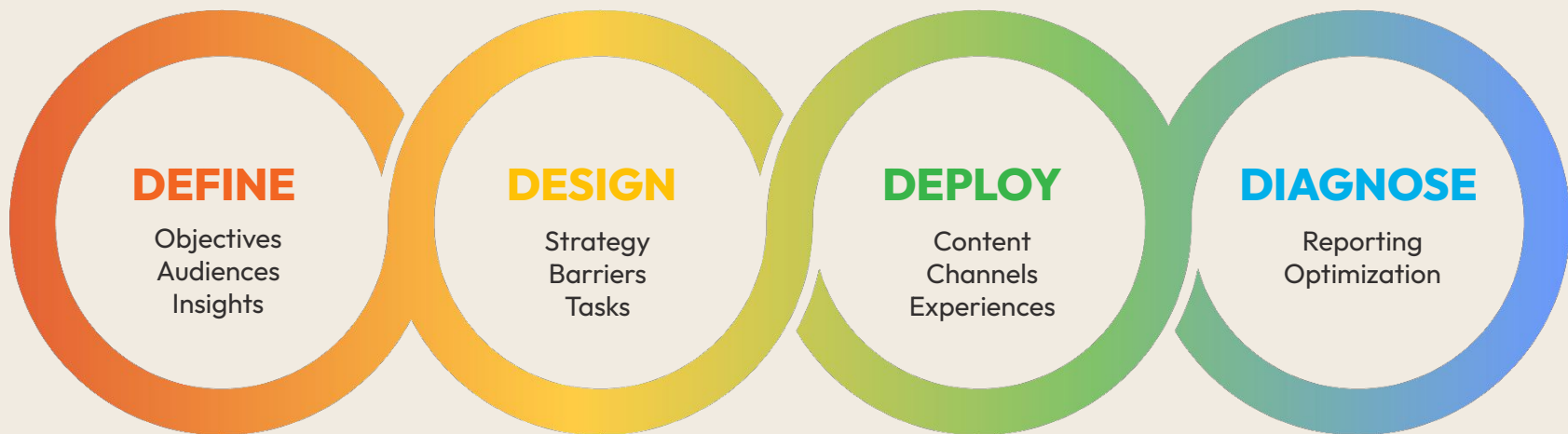
and

**Increasing our share of overnight
stays among visitors to the 5 cities
and SLO County**

MINDSET SHIFT LEADS TO UPDATED STRATEGIC APPROACH

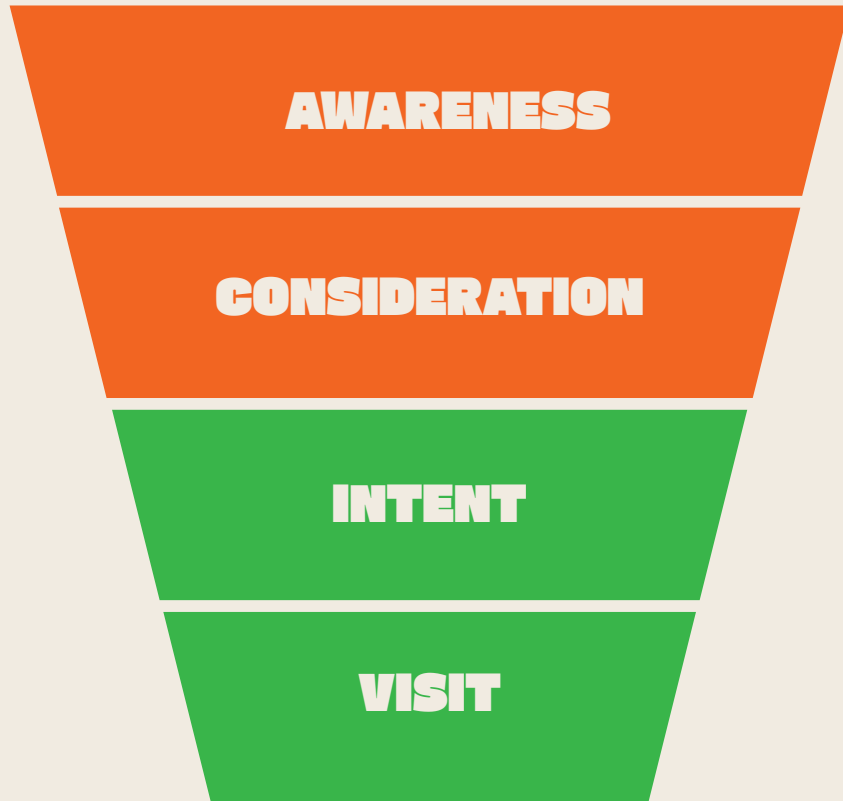
November, 2024 approval on the updated approach means building a new strategy that ensured our strategies and recommended tactics met our mandate to effectively measure ROI.

We got to work immediately on a process that included comprehensive research, developing a new communications strategy and media plan so we could build the foundation of a long term sustainable, cost effective, and measurable series of actions.



**This is what you were optimizing for
before Commune...**

Measurement Approach - Evolution



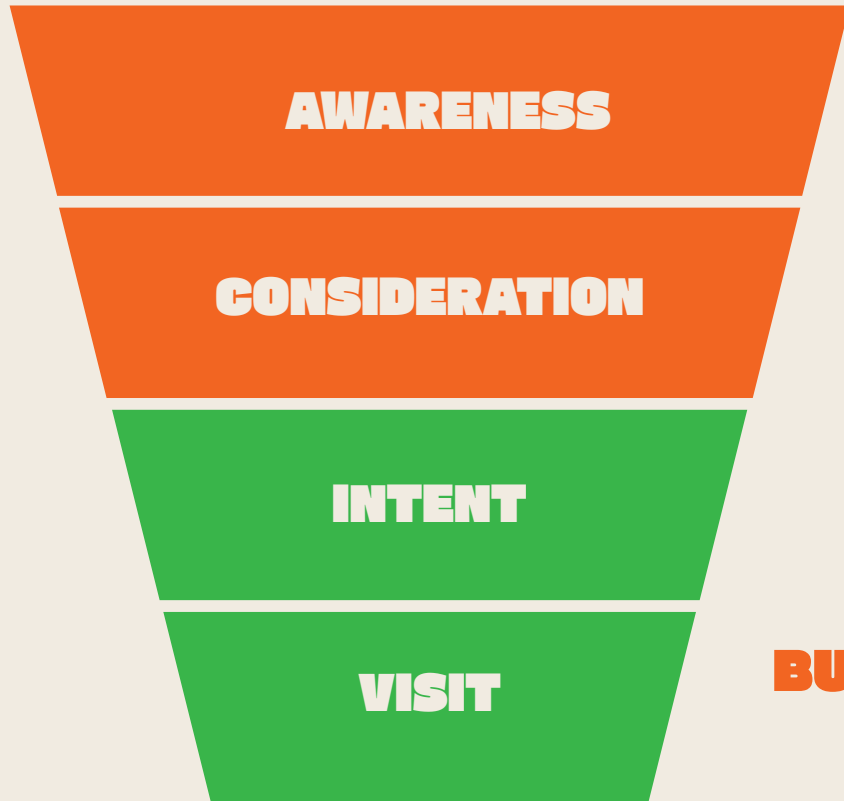
Impressions

Clicks

CTR

Website Actions

Measurement Approach - Evolution



Impressions

Clicks

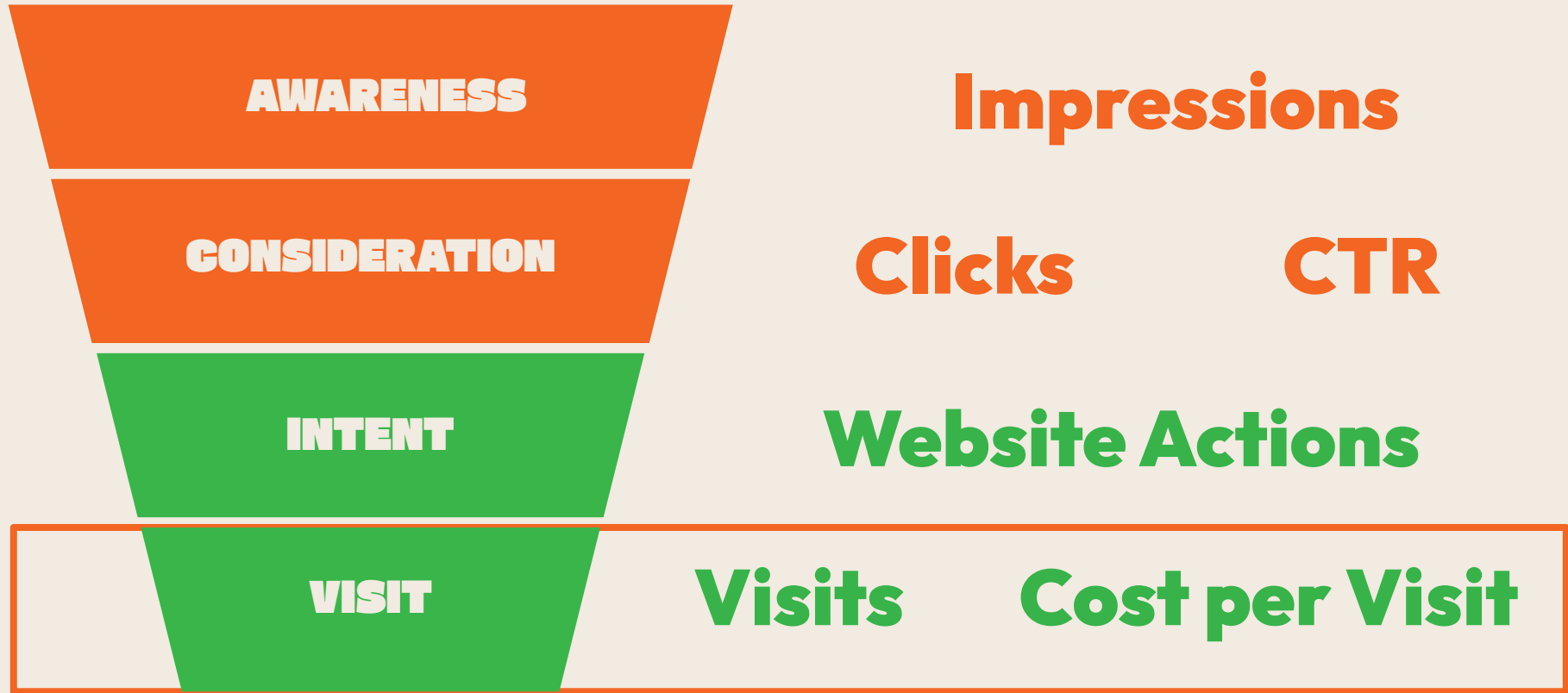
CTR

Website Actions

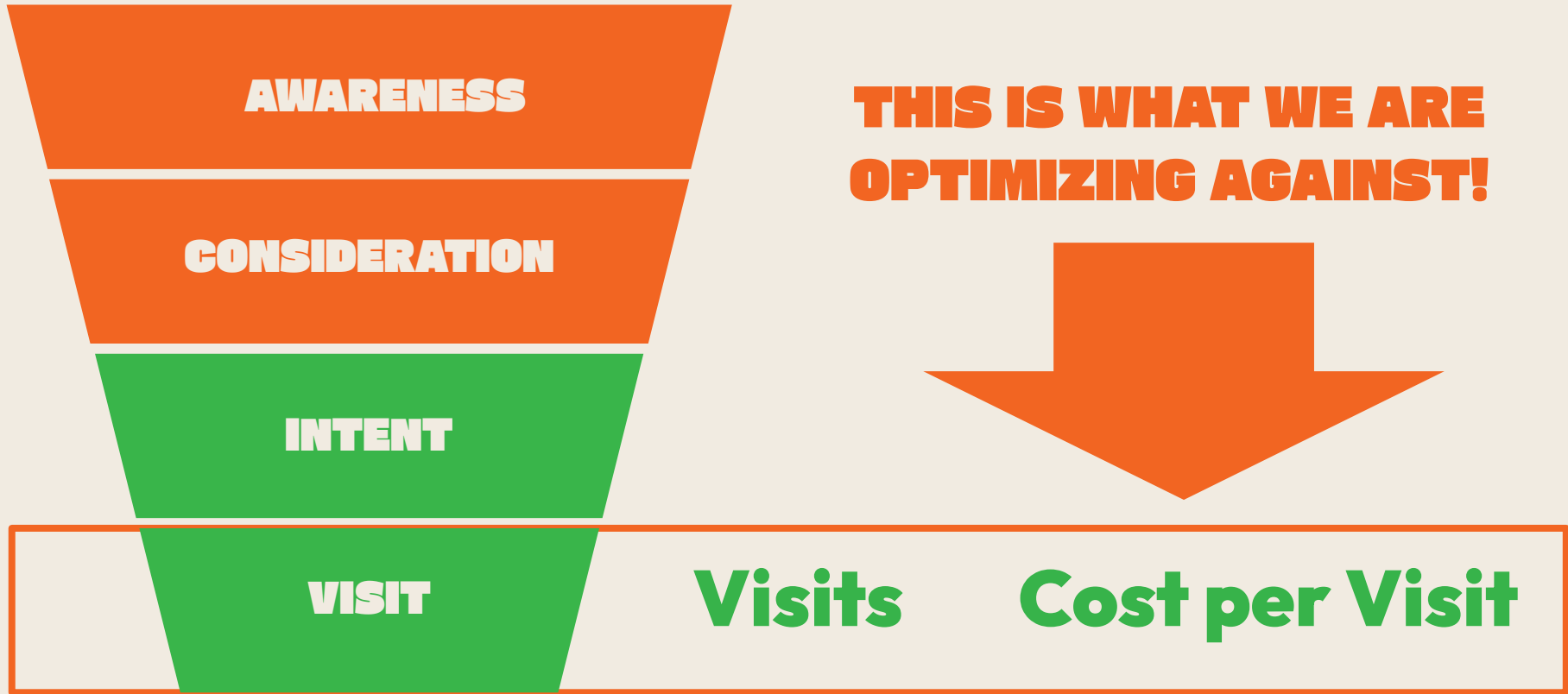
**BUT WHAT ABOUT ACTUAL PEOPLE
VISITING ACTUAL PLACES?**

**This is what you are optimizing for
AFTER Commune...**

Measurement Approach - Evolution



Measurement Approach - Evolution



FUN FACT: There is often little correlation between click rate and conversion...

**TRANSLATION: If you're optimizing
to click rate, you may be losing
potential customers!**

BOTTOM LINE: Arroyo Grande is benefitting from some of the most sophisticated, data-driven, physical location-based media analytics currently available in the marketplace and it is empowering smarter media investment decisions!

THE ROLE OF LVR REPORTING

OBJECTIVE	TAX REVENUE AND OCCUPANCY	REACH AND ENGAGEMENT	SITE TRAFFIC AND ENGAGEMENT	INCREMENTAL VISITATION
HOW IS IT MEASURED?	Tourism Economics Report via Visit SloCal	Digital and Social media performance dashboards	Web Analytics	Location Visitation Reporting
WHAT IS MEASURED?	TOT Occupancy Rates Room Revenue	Impressions Clicks CTR Follower Growth Likes, Comments, Shares Engagement Rate	Site visits Time spent Hotel page visits Book now clicks	Total exposed visits Total exposed unique visitors Cost per exposed visit Cost per exposed unique visitor Visits to specific properties Visits by source location
WHAT QUESTIONS DOES IT ANSWER?	How much revenue is being generated via tax? What % occupancy are we hitting?	How effective are our marketing efforts at generating reach and response?	How engaging is the site content? How effective is the website at connecting visitors with booking opportunities?	What is marketing's contribution to incremental visits? Where are people going? Where are people coming from? Which marketing tactics are most effective?

KEEPING THE LIGHTS ON

While we worked through our Discovery and Planning Phase in November and December, Commune quickly moved to take the following actions to ensure advertising didn't stop and we improved the existing media plan.

Launched cross-channel paid media campaigns with Meta and TikTok, featuring A/B testing distinct messaging frameworks to gauge resonance with target audiences

Produced tailored ad formats, including high-impact interstitials and responsive display banners, optimized for platform-specific engagement

Built out SEM strategy with hyperlocal keyword targeting and retargeting infrastructure via custom pixels on visitarroyogrande.org

*** Organic social media, blog content, and e-newsletters were shifted to Q2 2025 planning to prioritize tactics that contribute to TOT revenue.*

These tactics were pushed back to ensure they could be rebuilt more effectively and with refreshed content.

*While important for brand building purposes, this was a strategic decision to ensure we were prioritizing communication that pushed TOT revenue in the off season and for midweek hotel bookings.***

Discovery + Workshop
Sessions

NOV

Channels

11/4

11/11

11/18

11/25

Define

Kick Off
11/1

Research + Audience Analysis

Strategy Development

Design

Ads Tailoring to Platform
Spec

Content
Capture

Creative
Concept
Development

Deploy

Paid Media
Launch

Organic Content Creation

Diagnose

Tagging, Dashboard
Development, Platform
Integration



DECEMBER, 2024

COMPLETED ITEMS IN DECEMBER 2024

- Hosted 1:1 debrief with journalist Lisa Gipson from Family-Friendly Magazine
- Led strategic board meeting presentation synthesizing competitive insights, target audience segmentation, and identifying a unique positioning for Arroyo Grande to differentiate the city from neighboring destinations
- Finalized channel mix recommendations prioritizing high-ROI platforms [CTV/OTT and programmatic display]
- Designed a versatile 1:1 ratio logo for cross-platform use, ensuring consistency across platforms
- Developed campaign-defining creative brief anchored in Arroyo Grande as a destination you need to experience yourself to truly appreciate, balancing storytelling with actionable CTAs
- Developed 3 unique campaign concepts for development approval
- Optimized SEM campaigns to prioritize high-intent keywords
- Finalized data-driven fiscal media budget, allocating spend to channels demonstrating the strongest conversion intent
- Implemented SEO enhancements targeting specific search terms
- Completed report for website analytics and configured dashboard with event tracking
- Resolved critical Instagram feed integration issues on the homepage
- Published 18+ organic social posts (feed + stories) including features for Arroyo Grande's holiday magic [parade + tree lighting]
- Delivered merchandising strategy with 5 hat designs reflecting local iconography and trends
- Collaborated on opportunities for placements with Pismo Beach Outlet on an activation discovery call
- Attended in-person Lunch + Learn with Visit SLO CAL for regional collaboration
- Curated content for the Visit California - 'CA Calendar' pitch deck
- Curated content for the Visit SLO CAL - 'New Year's Eve Celebrations' pitch deck

**Developed Arroyo Grande specific
Brand Strategy focused on proven
insights and measurable ROI so we can
ensure positioning and tactics are non
subjective and correct.**

WHERE WILL GROWTH COME FROM?

GROW

- **High volume markets with lower per-capita visitation, suggesting opportunity for growth**
 - Los Angeles
 - San Francisco
 - Sacramento
 - San Diego

NURTURE

- **Low / Mid volume markets with high per-capita visitation, suggesting a high conversion opportunity**
 - Fresno
 - Monterey / Salinas
 - Bakersfield



THE COMPETITION



STIMULATION



CULTURE

OUTDOOR ADVENTURE



THE CONSUMER

INSIGHTS

Social media and friends & family are the primary source of travel inspiration

Travel is an expression of personal identity

Seeking the joy of discovery

Driven by passion

IMPLICATIONS

Use social and influencers to inspire while also creating share-worthy experiences for visitors

Align communications with travelers' values and cultural roots

Position AG as a hidden gem for those "in-the-know"

Tap into niche passions like specific music genres, coffee culture, arts & crafts, etc.

FINALIZING A NEW STRATEGY

December, 2024 saw the completion and presentation of a new AG strategic position, fully reviewed and approved by the TBID Board.

This included thorough research that led to a competitive analysis, category assessment, consumer/audience profiles, and a cultural analysis, ultimately eliminating the guesswork to understand exactly who we're targeting and what messages will move them.

Ultimately, travel is not just about experiences, it is about creating lasting memories.

And these days, those memories only matter if they're shared.

There's Just Something in the Air

There are plenty of places to shop, dine, and play on the Central Coast, but there is something different about Arroyo Grande. Whether it's the charm of the historic downtown, the cozy neighborhood feel, the best weather in the region, or the locals' passion for their community, AG has a unique, indefinable character that must be experienced to be truly understood. Arroyo Grande is SLO for those in the know.

With the strategy in hand, the creative team develops and presents multiple campaign options that will ultimately come to represent tourism focused messaging for Arroyo Grande.

STRATEGIC INSIGHT

Travelers are increasingly finding travel inspiration on their film and television screens in a trend known as **Set-Jetting**, attending locations where these films are shot.

CONCEPT

So, we “make” a film.

We position Arroyo Grande as a set for an upcoming film, building intrigue around the town while also inspiring future Set-Jetters to come visit.

The twist? We use “behind the scenes” content to grab people’s attention, as they follow along with the story of a mysterious movie being made in a place called Arroyo Grande.

As we film, more and more of the town’s charm will naturally reveal itself in the ultimate show-not-tell scenarios.

~Stay Awhile~

ROOST

FILMED IN ARROYO GRANDE
BASED ON THE URBAN LEGEND

Arroyo Grande
CALIFORNIA

PARAMOUNT PICTURES AND SKYDANCE PRODUCTIONS PRESENT A BAD ROBOT PRODUCTION A J. J.
ZACHARY QUINTO ZOE SALDANA KARL URBAN PETER WELLER ANTON YELCHIN VISUAL EFF
PRODUCTION DESIGNER SCOTT CHAMBLISS DIRECTOR OF PHOTOGRAPHY DAN MINDEL, ASC, CSC EXECUTIVE PRODUCERS JEFFREY CHERNOV AND ANIMATE

PARAMOUNT PICTURES AND SKYDANCE PRODUCTIONS PRESENT A BAD ROBOT PRODUCTION A J. J.
ZACHARY QUINTO ZOE SALDANA KARL URBAN PETER WELLER ANTON YELCHIN VISUAL EFF
PRODUCTION DESIGNER SCOTT CHAMBLISS DIRECTOR OF PHOTOGRAPHY DAN MINDEL, ASC, CSC EXECUTIVE PRODUCERS JEFFREY CHERNOV AND ANIMATE

STRATEGIC INSIGHT

Increasingly, younger travelers are deciding where to travel, not based on the destination, but because it **aligns with their passions.**

77% of Gen Zers and millennials choose travel destinations based on their passion points.

CONCEPT

Inspired by the plethora of niche activities and open community we saw during our visit, we position Arroyo Grande as the place to go practice all your passions; especially if they seem out of place in your big city (where our advertising will be primarily directed).

Hooked → on a Feeling?

Get a Room
in Arroyo Grande.



STRATEGIC INSIGHT

84% of Gen Zers and Millennials are looking for **the excitement of discovery** and finding something unique and personal.

JOMO (Joy of Mission Out): Large cities are impossible to get through in one weekend, maybe even a week, but AG is truly fun sized—allowing visitors to partake in a mix of experiences at a pace that let's them actually enjoy them.

CONCEPT

Nearly everywhere we went in Arroyo Grande, locals were quick to welcome us into their world like family—even though we were there for the first time. As visitors from big California cities, this felt a bit...*odd*.

At the same time, Arroyo Grande offers an experience that's *familiar*, with farm-to-table fare, outdoor adventure, artisan shopping and cultural events, all packaged with the friendly spirit of a small town.

It all made us think, *Have we been here before?*

RORI'S ARTISANAL CREAMERY

Start exploring

Arroyo
Grande
CALIFORNIA

like a local.

				TBID Board Meeting Strategy + Media Plan Presentation				
				DEC				
Channels	12/2		12/9		12/16		12/23	
Define	Strategy Development							
Design	Creative Concept Development					Concept Selection + Feedback		
Deploy	Media Plan Development							
Diagnose	Website Hosting Migration				SEM Keyword Optimization		Reporting Cadence + Structure Setup	

JAN 2025

Deploying a new ROI focused media plan and optimizing the website to fix outdated problems that were impeding conversions.

COMPLETED ITEMS IN JANUARY 2024

- Provided strategic recommendation for the CCTC Central Coast Map Ad placement
- Dialed in the new creative advertising concept with robust pre-production planning and finalized creative production rollout plan
- Refined campaigns using performance analytics and reallocated budget based on engagement metrics
- Website infrastructure improvement recommendations based on audit results
- Confirmed monthly media spend + channels
- Produced December cross-channel performance report
- Introduced recurring event card template design
- Solidified protocol for posting web-submitted collateral
- Completed concept and development for new video at the Visit California Welcome Center video update
- Identified and posted social events 7 on Instagram
- Provided strategic recommendation for Pismo Beach Outlets Activation recommendation
- Curated social post in response to LA Fire response social post
- Solidified protocol for community event promotion

Developed, presented and launched new Paid Media Plan in January focusing on new strategies and platforms that emphasize measuring location visits directly attributed to advertising spend.

DIGITAL MEDIA - MONTHLY BUDGETS AND TIMELINE

	NOV 2024 (11/4 - 12/3)	DEC 2024 (12/4 - 1/6/25)	JAN 2025 (1/14 - 2/14/25)
Media Channels	Budget: \$11,500	Budget: \$11,500	Budget: \$7,000
Paid Search	\$2,500	\$1,500	\$1,500
CTV/OTT (LVR)	\$4,000	\$2,500	\$2,500
Standard Display Banners (LVR)	\$3,000	\$1,500	\$1,500
High Impact Interstitials (LVR)	\$1,000	\$500	\$500
Pre-Roll (LVR)	\$1,000	\$1,000	\$1,000
Meta	\$0	\$2,250**	\$0
TikTok	\$0	\$2,250**	\$0
Actuals/Invoices	\$9,144.29* (11/4 - 11/30)	\$11,626.72 (12/1 - 12/31)	TBD

* Nov 2024 Media - started 2nd week of the months and had to turn off media during website issues & re-ramp impressions, so spend was lower than planned.

** Dec 2024 Paid Media - Social Media started mid-month (12/16) and all media ran until 1/6/25.

Jan 2025 Media - Restarted on 1/14/25 for main, baseline channels building towards LVR and Search efforts.



Completed a comprehensive web audit to diagnose needs and made improvements that better connected consumer actions to TOT goals.

WEBSITE AUDIT

- UI/UX fixes to bookings and event content areas.
- Moved visitarroyogrande.com to Commune's high performance infrastructure to fix existing speed issues.
- Prepared google tags for paid media to monitor performance.
- Completed SEO optimization and added basic SEO best practice Meta data.
- Fixed the events plugin (information did not match submissions).
- Fixed instagram feed issue due to outdated plugins.
- Setup SMTP for reliable delivery of event submissions and forms.
- Track tags attached to bookings and event pages.
- Updated critically outdated plugins affecting only security and basic functionality related to bookings or events.

	JAN				
Channels	1/6	1/13	1/20	1/27	1/6
Define				Strategic Activation + Placement Recommendations	
Design		Campaign Creative Development			
Deploy				Optimizations Based on Data + Insights	
Diagnose		Website Audit	Reporting Pull + Data Analysis	Website Audit Action Implementation	

FEB 2025

Launching a new signature AG creative campaign and beginning paid media reporting and optimizing.

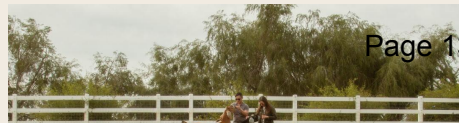
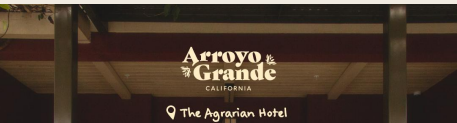
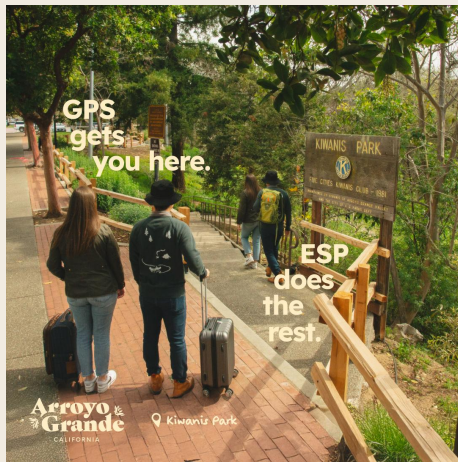
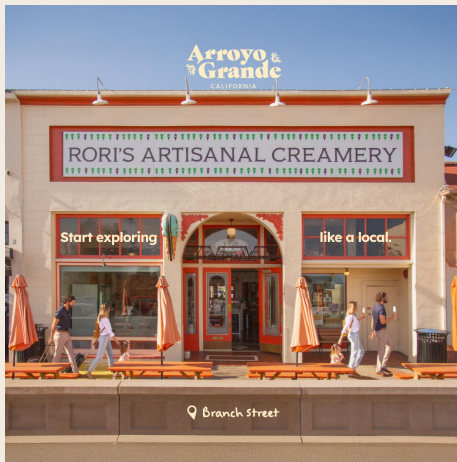
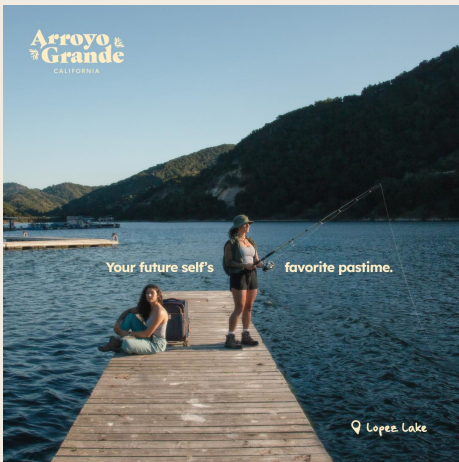
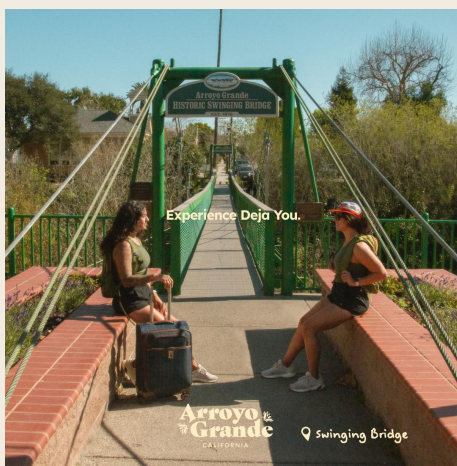
COMPLETED ITEMS IN JANUARY 2024

- Recommendation for billboard placement strategy for Highway 101 corridors, leveraging psychographic data for visitors
- Initiated preparations for annual report data collection
- Provided strategic recommendation for the SCCC Ad placement
- Video and photo pre-production for campaign development and asset launch
- Initiated casting call for talent with development of call sheet to source local ambassadors, fostering community-driven content for campaign rollouts
- Developed a digital talent waiver
- Optimized media based on performance results
- Initiated data collection for Location Visitation Reporting across 7 hotel partners and The Village
- Developed Location Visitation Reporting (LVR) insights to map visitor dwell times and conversions on ad spend
- Confirmed monthly media spend + channels
- Updated lodging partnerships, replacing Pismo View Inn with Days Inn by Wyndham
- Troubleshoot /events plugin for accuracy of date display as submitted through form
- Event submission checks
- Launched Call for Talent social post campaign to initiate local talent search
- Identified and posted 4 on Instagram

**Presented and deployed a new AG
owned creative campaign that aligned
with the strategy and media
objectives.**

CAMPAIGN OBJECTIVE

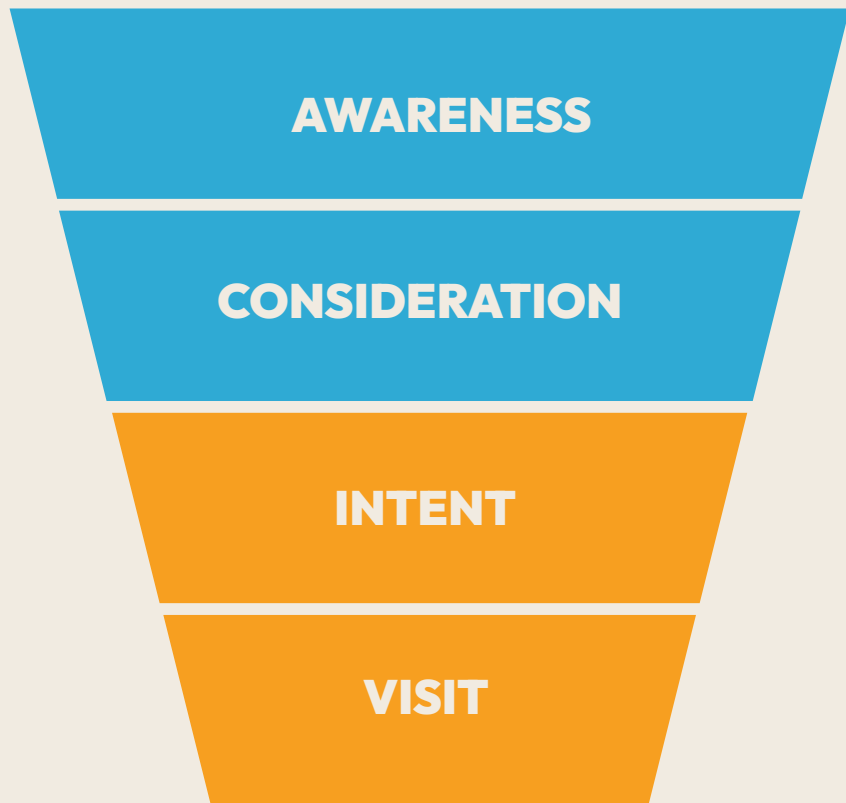
We need to **ignite a spark** that makes people want to visit our area, while giving them a clear reason **to choose Arroyo Grande** over all the other options available.



Showcased our first media performance reporting focusing on Location Visitation Reporting - how advertising is affecting visits, identifying the most effective channels, and direct correlations to TOT revenue.

SALES FUNNEL

REPORTING
REFLECTS NOV 10 -
FEB 9



1.91 M+

Total Digital Impressions

21,340

Total Clicks across all
digital platforms

1.12%

Total Average Overall CTR
across all digital platforms

40

Hotel Page Visits

79

Book Now Clicks

.56%

“Soft” Conversion Rate

297

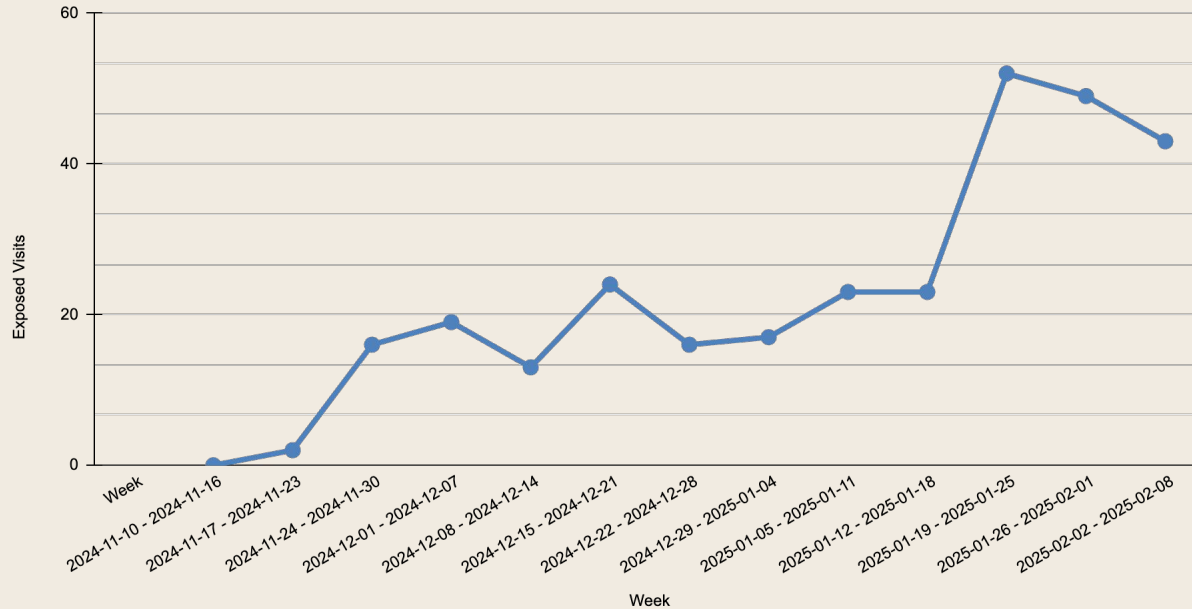
Total Exposed Visits

\$67.34

Cost Per Exposed Visit

LOCATION VISITATION REPORT

REPORTING
REFLECTS NOV 10 -
FEB 8



TRENDS: VISITATION PER WEEK

Tourism industry average customer journey is 30 days from first ad exposure to tracked visitation - February visitation is thru 2.8.25.

Page 133 of 186

				TBID Board Meeting LVR Report Presentation
	FEB			
Channels	2/3	2/10	2/17	2/24
Define			Billboard Placement Recommendations	
Design	Campaign Creative Development			Campaign Production Shoot
Deploy			Optimizations Based on Data + Insights	
Diagnose			LVR Reporting Pull + Data Analysis	

MAR 2025

Demonstrating ROI, optimizing efficiency of budgets, and folding in tactics that bolster the AG brand.

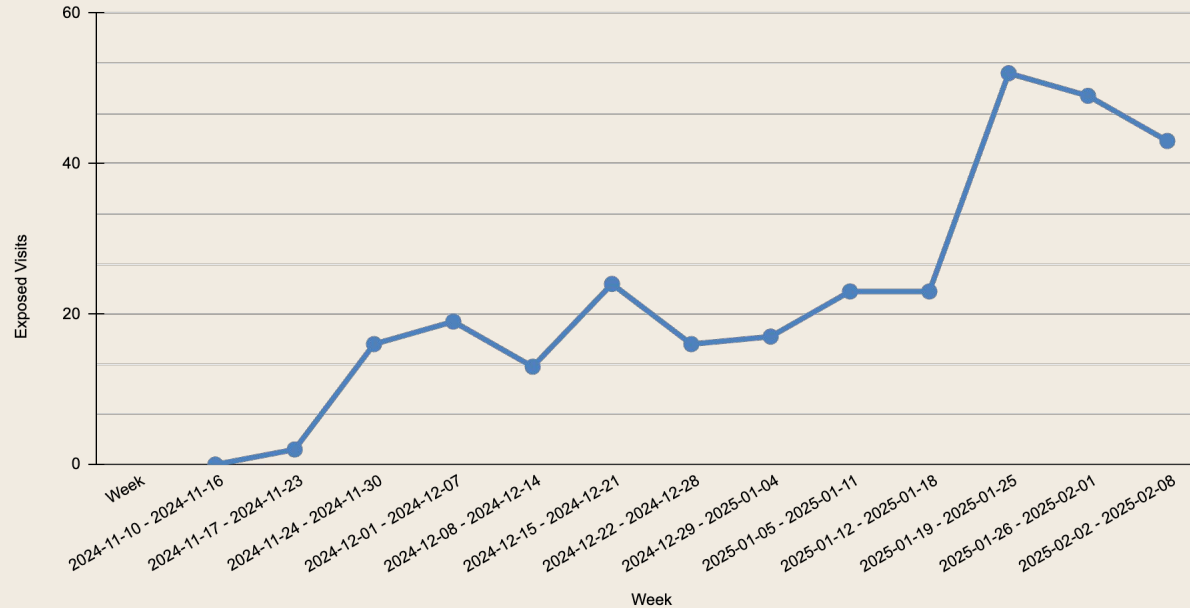
COMPLETED ITEMS IN MARCH 2024

- City Manager 1-pager communications document
- Produced comprehensive annual report for 2023-2024 TBID activities and results
- Campaign assets were developed to fulfill the approved media plan and placements across platforms
- Billboard creative trafficked to vendor for go live.
- Provided recommendations for placements in SLO Airport kiosk and Tesla supercharging stations
- Recommendation for partner SLO CAL's team Unpacking trip to Arroyo Grande
- Coordinated with billboard vendor to hold renewal spots for billboards for board consideration
- Event submission check and add 3 to the /events page
- Vacation rentals 13 added to /stay page
- Implemented email solution for rental properties without booking links
- Recommended plugin solution for dynamic events population
- Historical Tourist Display activation recommendation to increase exploration throughout the town and sharing experiences and photo opportunities for tourists and visitors
- Curated topics and content for organic social media posts across Instagram and Facebook

**Media Optimizations and learnings
take hold to reallocate funds to more
efficient channels - saving money and
driving increased ROI.**

LOCATION VISITATION REPORT

REPORTING
REFLECTS NOV 10 -
MARCH



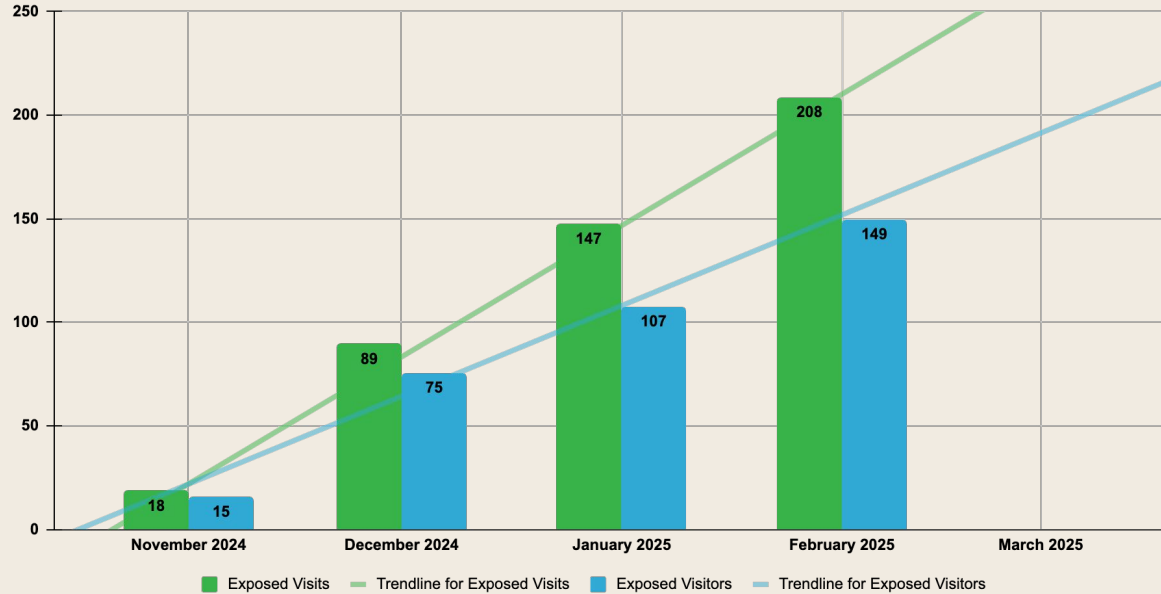
TRENDS: VISITATION PER WEEK

Tourism industry average customer journey is 30 days from first ad exposure to tracked visitation - February visitation is thru 2.8.25.

Page 158 of 186

LOCATION VISITATION REPORT

REPORTING
REFLECTS NOV 10 -
MAR 11



MONTHLY TRENDS: VISITS VS VISITORS

Tourism industry average customer journey is 30 days from first ad exposure to tracked visitation thru 3.11.25 - March visitation will be in the next LVR in April 2025

Page 139 of 186

BENCHMARKS

REPORTING
REFLECTS NOV 10 -
MARCH

Metric	Benchmark	Current	% +/- Benchmark
CTR	1.12%	1.17%	+4.5%
Soft Conversion Rate	.56%	1.43%	+155.36%
Cost per Exposed Unique Visitor	\$125.78	\$105.53	-16.1%
Cost per Exposed Visit	\$67.34	\$40.57	-39.75%
Hotels as % of Total Visits	21%	19.81%	-5.67%

LOCATION VISITATION REPORT

REPORTING
REFLECTS NOV 10 -
MAR 11

	Total Exposed Visits: 530	Total Exposed Unique Visitors: 199	Total Impressions	Total Exposed Visits Per 1K Impressions
Ad Tactic				
CTV/OTT	390	124	279,333	1.51
Pre-Roll Video	3	3	160,270	0.02
High Impact Interstitals	17	12	134,261	0.13
Standard Display Banners	120	60	910,043	0.18

VISITATION PER AD TACTIC

DIGITAL + OOH BILLBOARD MEDIA - FISCAL OUTLOOK

	CURRENT & RUNNING (From 11.8.24 to 3.31.25)	REMAINING FISCAL (3.17 - 6.30.25)
Media Channels	Budget: \$31,500	Budget Remaining: \$34,000
Paid Search	\$8,000 (Running Now to 3.31)	\$6,000 (4.1 - 6.30)
CTV/OTT (LVR)	\$12,500 (Running Now to 3.31)	\$5,000 (4.1 - 5.31)
Display Banners (LVR)	\$6,000 (Paused)	\$7,850 (3.17 - 6.30)
High Impact Interstitials (LVR)	\$2,000 (Paused)	\$2,000 (3.17 - 6.30)
Pre-Roll (LVR)	\$3,000 (Paused)	\$0 (3.17 - 6.30)
Paid Social	\$4,500 (Paused)	\$3,000 (3.17 - 6.30)
Print OOH Billboards	\$0 (Not Started)	\$10,150 (3.17 - 6.30)

**Folding in brand building activities
and non-paid organic content to
supplement tourist recruitment
efforts.**



ARROYO GRANDE BILLBOARDS

Initial Flight Creative Proposal

#1



OUTFRONT/

#2



OUTFRONT/

#3



OUTFRONT/

Flight Dates

Jun 9 - Aug 3 (8 weeks)

Apr 14 - Jun 15 (9 weeks)

Location

101-S 45 Mins North of Exit 187B

101-S 40 Mins North of Exit 187B

Total Cost

\$9,450





**ARROYO
GRANDE**
IS COMING UP...

EXIT 187B

TBID Board Meeting
FY 24 Annual Report
+
Billboards

City Council Meeting
FY 24 Annual Report

MAR

Channels

3/3

3/10

3/17

3/24

3/31

Define

FY Annual Report
Content
Development

Campaign Extension
Opportunities

Design

Billboard Creative
Development

FY Annual Report
Development

Organic Content Development

Deploy

Optimizations Based on Data + Insights

Diagnose

LVR Reporting Pull +
Data Analysis

Strategic Media
Reallocations +
Optimizations

April, 2025

Expanding the campaign to create advocates and continued reporting to showcase media efficiency and ROI.

COMPLETED ITEMS IN APRIL 2024

- Created content for 9 social media posts for Instagram and Facebook based on approved content and strategy.
- Curated 10 social media post topics for future content development, ensuring alignment with the overall social media strategy.
- Curated 7 blog topics to attract visitors and promote local businesses, aligning with the content calendar and target audience.
- Wrote and edited 1 blog post about Arroyo Grande's climate, incorporating relevant keywords and SEO best practices.
- Prepared and submitted the Sunset Magazine Award application for April 2025, highlighting Arroyo Grande's unique qualities and attractions.
- Ad Placement Opportunity Recommendation: Provided a recommendation on whether to participate in the CCC Phoenix Magazine Summer Getaway ad placement opportunity, considering potential reach and ROI.
- Organized the scheduling for collaboration between Visit SLO CAL's film campaign initiative and Visit Arroyo Grande, including the development of a discussion guide.
- Organized the post cadence and curated captions for collaboration posts with Visit SLO CAL for Episode 3 of the Unpacking series, utilizing assets for their toolkit.
- Provided recommendation to participate in the upcoming Central Coast Original Road Trip Pass.
- Coordinated with media vendors to confirm the non-renewal of billboard advertising.

COMPLETED ITEMS IN APRIL 2024

- Collaborated within the agency to develop creative concepts for video content, brainstorming ideas and providing feedback.
- Implemented a plugin to dynamically populate events on the website, streamlining the process and improving user experience.
- Implemented corrections based on the VisitArroyoGrande.org Consistency Audit, ensuring accuracy and consistency across the website as indicated.
- Updated the homepage of visitarroyogrande.org to align with the current campaign creative, maintaining a cohesive brand identity.
- Added custom email popup windows for "Book Now" buttons on Kessler Victorian and Central Coast Dream listings that currently lack active booking links, providing an alternative way for users to inquire about bookings.
- Corrected the address and booking link for The Grand Escape vacation rental listing, ensuring accurate information for potential guests.
- Provided ad placement content options for review and selection for placement in the PHOENIX Magazine co-op ad.
- Collaborated with the new business owners to add a listing for Luca's Deli & Wine in the Village to the /eat-drink page.
- Initiated sitewide audit and corrections to ensure accuracy and consistency across the website as indicated.
- Conducted a check of event submissions on the website, ensuring accuracy, completeness of information and deleting spam entries.
- Updated the homepage of visitarroyogrande.org to rotate imagery in the hero section and include additional highlights to entice visitors to discover the city.
-

**Creating advocates and supporting
local businesses to help spread the
word and bolster tourism
recruitment.**

CREATING LOCAL ADVOCATES

CASTING CALL

visitarroyogrande.org

Represent Arroyo.

Are you a resident or an Arroyo Grande local? Take this opportunity to show your spirit by appearing in a campaign directed towards increasing tourism.

No professional experience required.

Photography only. No Acting or speaking roles.

Pay Rate \$100 / 2-3 hours

Looking for...

- 1 "Solo Traveler" Male, Mid 30's
- 1 "Family" Mom, Dad, 2 Kids (4-14)
- 1 "Friends", Male & Female Early-Mid 20's
- 1 "Couple", Male & Female Age 50-60

You will need to be available...

In the City of Arroyo Grande
Wed. Feb 26 or Thurs. Feb 27.

For 2-3 hours on your assigned day.

(More details later)

You will be asked to...

Participate in a relaxed photo-shoot for tourism campaign.

Once casted, you will be provided...

Exact location/time.

Wardrobe recommendation.

Any other preparation information.

Questions?

DM @VisitArroyoGrande on Instagram,
or email jenn@communecommunication.com



Example Output



Campaign Concept Pivot

The following concepts have been produced based on feedback received to ensure the campaign reflects the sensibilities of the community.

Each of these proposed directions has been vetted to ensure it achieves that goal, while remaining accountable to the previously approved strategic direction.

Production of media ready assets will begin immediately once a new direction is chosen and approved.

Strategic Set Up

December, 2024 saw the completion and presentation of a new AG strategic position, fully reviewed and approved by the TBID Board

This included thorough research that eliminated guesswork through:

- ✓ Competitive analysis that clearly articulated AG's ownable position in the marketplace.
- ✓ Category assessment that identified growth opportunities.
- ✓ Consumer and audience profiles that showcased the messages and media that will move target audience groups.
- ✓ Cultural analysis that showcased relevant trends and opportunities.

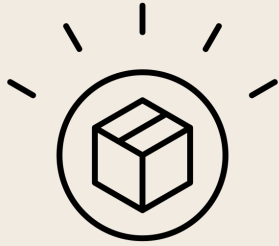
Approved Strategic Position:

There's Just Something in the Air

There are plenty of places to shop, dine, and play on the Central Coast, but there is something different about Arroyo Grande. Whether it's the charm of the historic downtown, the cozy neighborhood feel, the best weather in the region, or the locals' passion for their community, AG has a unique, indefinable character that must be experienced to be truly understood. Arroyo Grande is SLO for those in the know.

In-Market Testing

In addition to local feedback, Commune plans to use data to assess which of the following campaign directions best resonate with target audiences in service of RFP Goals - Increased ToT revenue.



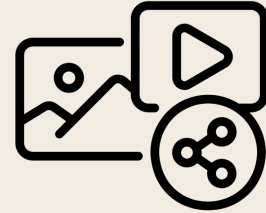
Prototype

Develop a sample set of assets for each campaign direction



Test

Deploy assets at equal distribution within existing campaign



Launch

Report on test results and agree to launch approved campaign after consultation with the AGTBID board

Hidden Right Here

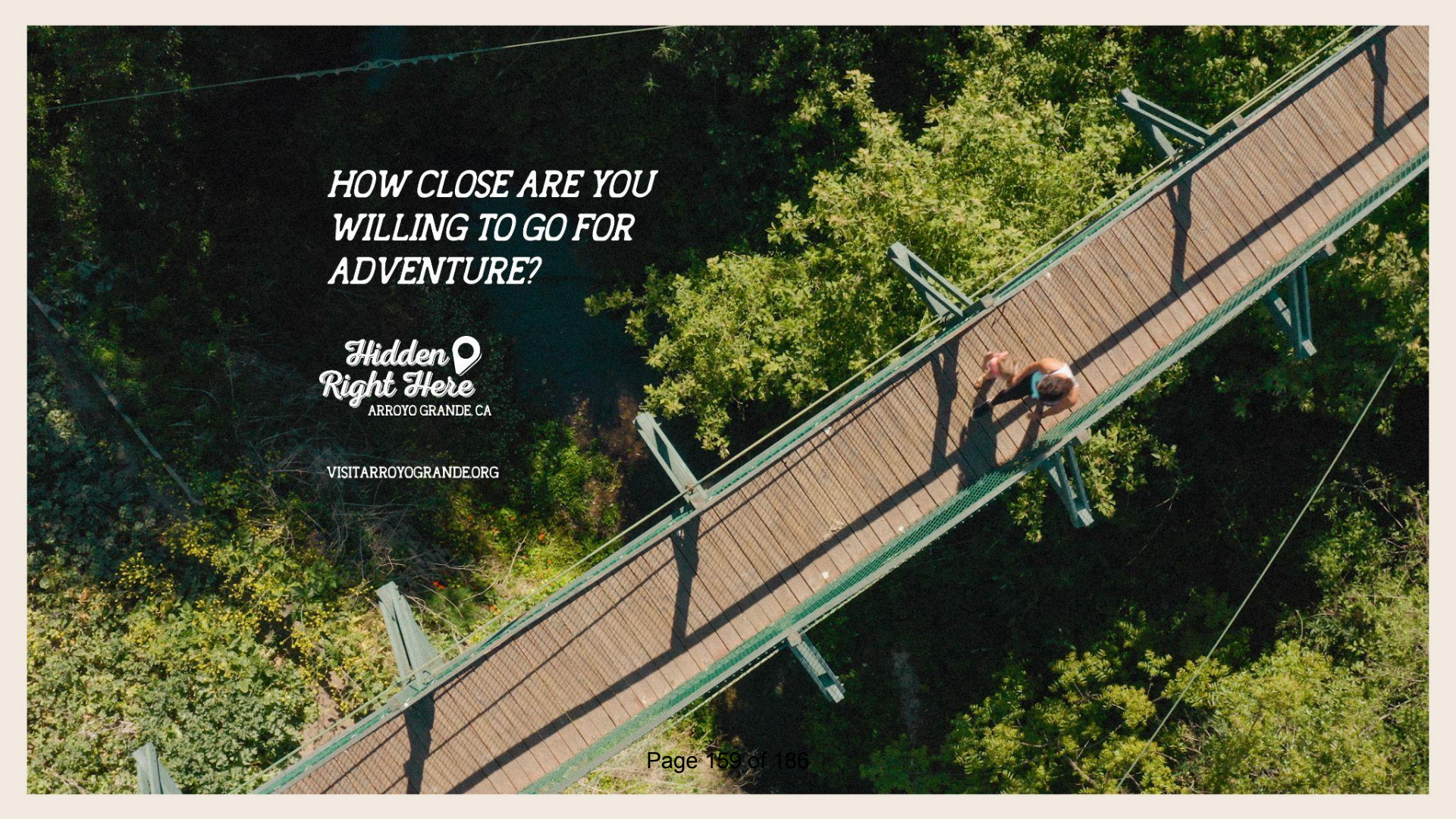
Arroyo Grande isn't off the grid. It just feels that way. It's a small town with big hidden gem energy, but the map reveals a surprising secret: it's right off Highway 1 in the heart of SLO County. Charming streets, winding trails, intimate wineries, world-class dining and beaches ten minutes away—Arroyo Grande lays it all out for you in plain sight. Just take the turn and enjoy the kind of place that feels like a discovery, even when it's easy to find.



*EASY TO FIND.
IMPOSSIBLE TO FORGET.*

Hidden 
Right Here
ARROYO GRANDE, CA

VISITARROYOGRANDE.ORG

An aerial photograph of a wooden suspension bridge with green metal railings, stretching diagonally across a dense green forest. A person is walking on the bridge. The text is overlaid on the left side of the image.

*HOW CLOSE ARE YOU
WILLING TO GO FOR
ADVENTURE?*

Hidden
Right Here
ARROYO GRANDE, CA

VISITARROYOGRANDE.ORG

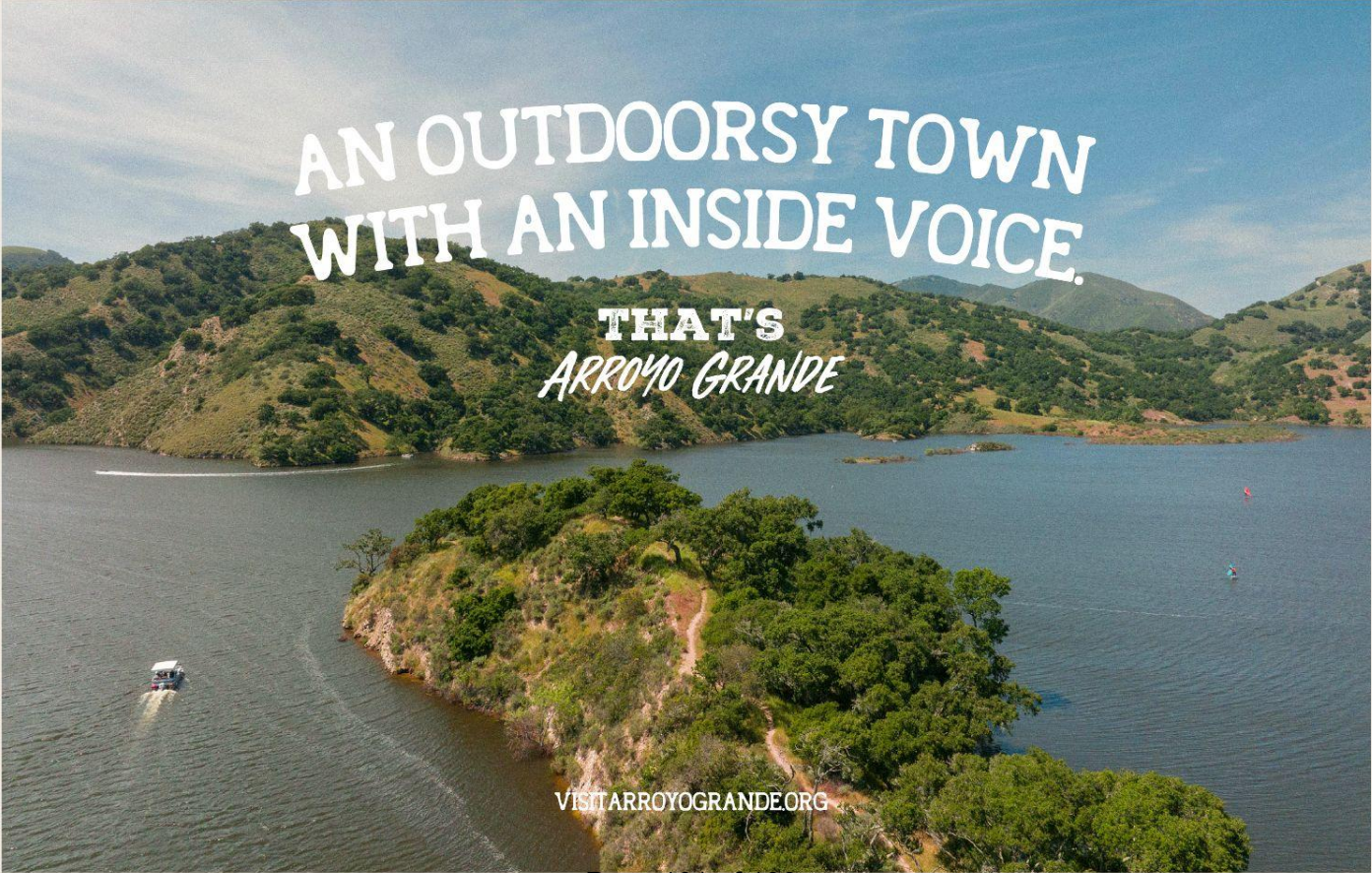
That's Arroyo Grande

How do you define Arroyo Grande?

Is it by our walkable downtown full of historic charm? The trails that wind through majestic oaks, just minutes from the ocean? The wineries that look like they're straight from Central Coast casting? The way you're greeted and treated like a local from the second you arrive? The budget-friendly adventures for families and solo travelers? The world-famous shrimp tacos from chef-curated menus? The peanut shells on the floor of a pizza dive? The locally-owned shops that offer thrifting by day, punk shows by night? The stars you can only gaze at in our unfiltered night sky?

Yes.

That's Arroyo Grande.



AN OUTDOORSY TOWN
WITH AN INSIDE VOICE.

THAT'S
ARROYO GRANDE

VISITARROYOGRANDE.ORG





ADVENTURE ON
YOUR SLEEVE.
THE BEACH IN
YOUR BACK POCKET.

THAT'S
ARROYO GRANDE

VISITARROYOGRANDE.ORG

Page 164 of 186

Go To Plan A-G

When you visit Arroyo Grande, you come with a plan. Maybe it's a pastry, a hike, or a summer concert in the park. But this town has a funny way of rewriting your itinerary. In Arroyo Grande, Plan B isn't a fallback, it's the start of something exciting. And when you're open to it, you find yourself even further beyond, at Plan C, Plan D—all the way to Plan G, a place you never saw coming, but makes perfect sense when you follow each step.

Plan A might be shopping for kids' pajamas at a local boutique. Plan G? Thrashing at an underground punk show in the same venue. Plan A is a peaceful morning hike. One moment leads to another and Plan G is cliff jumping into Lopez Lake with strangers-turned-friends celebrating a 40th high school reunion.

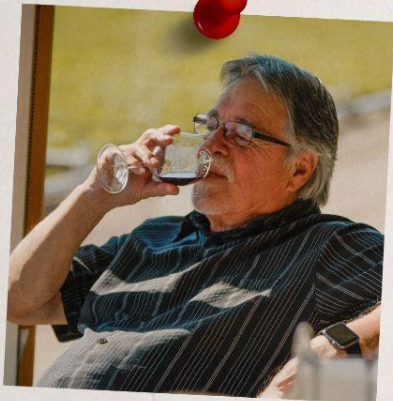
Every twist and detour in your day here is the entire point, and all you have to do is follow what feels good. In Arroyo Grande, the most memorable times await when you Go to Plan A-G.

Plan C



**YOU NEVER
KNOW WHERE
THE WIND WILL
TAKE YOU.**

visitarroyogrande.org



Plan A



Plan G





plan A



**ONE THING
ALWAYS
LEADS TO
ANOTHER**

visitarroyogrande.org



Plan G

A review of the current Visitation Reporting and media campaign performance.

Campaign Reporting for Paid Digital Media Actions

2.74 M+

Total Digital Impressions

1.19%

Total Average Overall CTR
across all digital platforms

32,559

Total Clicks across all
digital platforms

1.04 M+

Total Video Impressions
across all platforms

719 k+

Total Paid Social Media
Impressions

DIGITAL CAMPAIGN PERFORMANCE REPORT

Topline view of total campaign metrics
from 11.10.24 thru 4.18.25
Page 169 of 186

REPORTING
REFLECTS NOV 10 -
APR 18

Arroyo Grande: Location Visitation Report

2M+

Total LVR Tactics Exposed
Impressions

12,656

Total LVR Tactics Clicks

0.63%

Overall LVR Tactics
Click-Thru Rate (CTR)

898

Total Exposed Visits

427

Total Exposed Unique Visitors

\$71.06

Overall Cost Per
Unique Visitor

\$30.3k

Total Digital LVR Impressions
Spend to End of April 2025
(CTV, Pre-Roll, Display, & Interstitials)

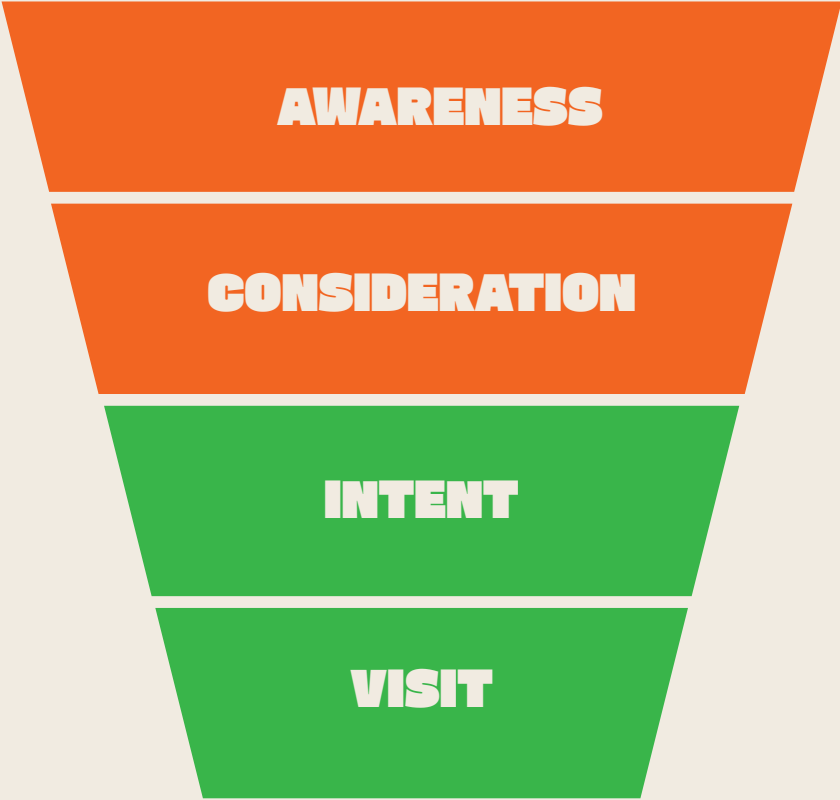
LOCATION VISITATION REPORT

Campaign metrics from 11.10.24 thru 4.18.25

\$33.67

Overall Cost Per
Exposed Visit

Sales Funnel



2.74 M+

Total Digital Impressions

32,559

Total Clicks across all digital platforms

1.19%

Total Average Overall CTR across all digital platforms

138

Hotel Page Visits

159

Book Now Clicks

.91%

“Soft” Conversion Rate

898

Total Exposed Visits

\$33.67

Cost Per Exposed Visit

REPORTING
REFLECTS NOV 10 -
APR 18

LOCATION VISITATION REPORT

**Total Exposed
Visits:
898**

**Total Exposed Unique
Visitors: 427**

**Website - Soft
Conversions - Hotel Page**

**Website - Soft
Conversions - Book Now**

Locations

**Total across all
Hotels: 186
(64 by 3.11)**

**Total across all Hotels:
95
(29 by 3.11)**

**Total across
all Hotels: 138**

**Total across
all Hotels: 159**

The Village - Arroyo Grande

712

332

Best Western Casa Grande

57

35

31

39

Days Inn (was Pismo)

41

23

23

10

Hampton Inn & Suites

29

14

23

34

The Agrarian Hotel

24

7

33

33

Beachway Inn

12

7

6

6

Aloha Inn

15

6

15

23

Arroyo Village Inn

8

3

7

14

Page 172 of 186
VISITATION PER
LOCATION

REPORTING
REFLECTS NOV 10 -
APR 18

LOCATION VISITATION REPORT

	Total Exposed Visits: 898	Total Exposed Unique Visitors: 427	Population
All Markets			
Growth Markets	601	307	13,175,753
Nurture Markets	297	120	1,247,217
Growth Markets			
All Bay Area	240	108	1,335,372
All So Cal Area	361	199	4,639,394

VISITATION BY MARKET OVERVIEW

Audience from 11.10.24 to 4.18.25
Page 175 of 180

**REPORTING
REFLECTS NOV 10 -
APR 18**

Total Exposed Visits: 898

Total Exposed Unique Visitors: 427

Population

Growth Cities

Growth Visits: 601

Growth Unique Visitors: 307

Los Angeles, CA	114	48	3,820,914
San Francisco, CA	49	23	808,988
Stockton, CA	41	19	319,543
Sacramento, CA	37	17	526,384
Oakland, CA	30	14	436,504
North Hollywood, CA	29	15	64,587
Hayward, CA	28	13	155,675
Anaheim, CA	23	9	340,512
Riverside, CA	21	6	318,858
Oxnard, CA	19	8	198,488
Mission Viejo, CA	16	6	90,624
San Jose, CA	14	8	969,655
Berkeley, CA	12	4	115,466

**TOP VISITATION PER GROWTH
CITY**

Page 174 of 186

REPORTING
REFLECTS NOV 10 -
APR 18

LOCATION VISITATION REPORT

**Total Exposed
Visits: 898**

**Total Exposed
Unique Visitors: 427**

Population

Nurture Cities

Nurture Visits: 297

Nurture Unique Visitors: 120

Bakersfield, CA	77	26	413,381
Salinas, CA	72	20	163,542
Fresno, CA	27	10	545,716
Monterey, CA	14	8	29,116
Hollister, CA	10	4	44,658
Porterville, CA	9	4	62,876
Tulare, CA	7	4	71,092
San Luis Obispo, CA	7	2	49,244
Paso Robles, CA	5	5	31,134

**TOP VISITATION PER NURTURE
CITY**

Page 175 of 186
Audience from 11.10.24 thru 4.18.25

REPORTING
REFLECTS NOV 10 -
APR 18

LOCATION VISITATION REPORT

	Total Exposed Visits: 898	Total Exposed Unique Visitors: 427	Total Impressions	Total Exposed Visits Per 1K Impressions
Ad Tactic				
CTV/OTT	598	294	339,068	1.76
Pre-Roll Video *	3	3	160,270	0.02
High Impact Interstitials	53	28	185,368	0.28
Standard Display Banners	177	102	1,281,705	0.14

VISITATION PER AD TACTIC

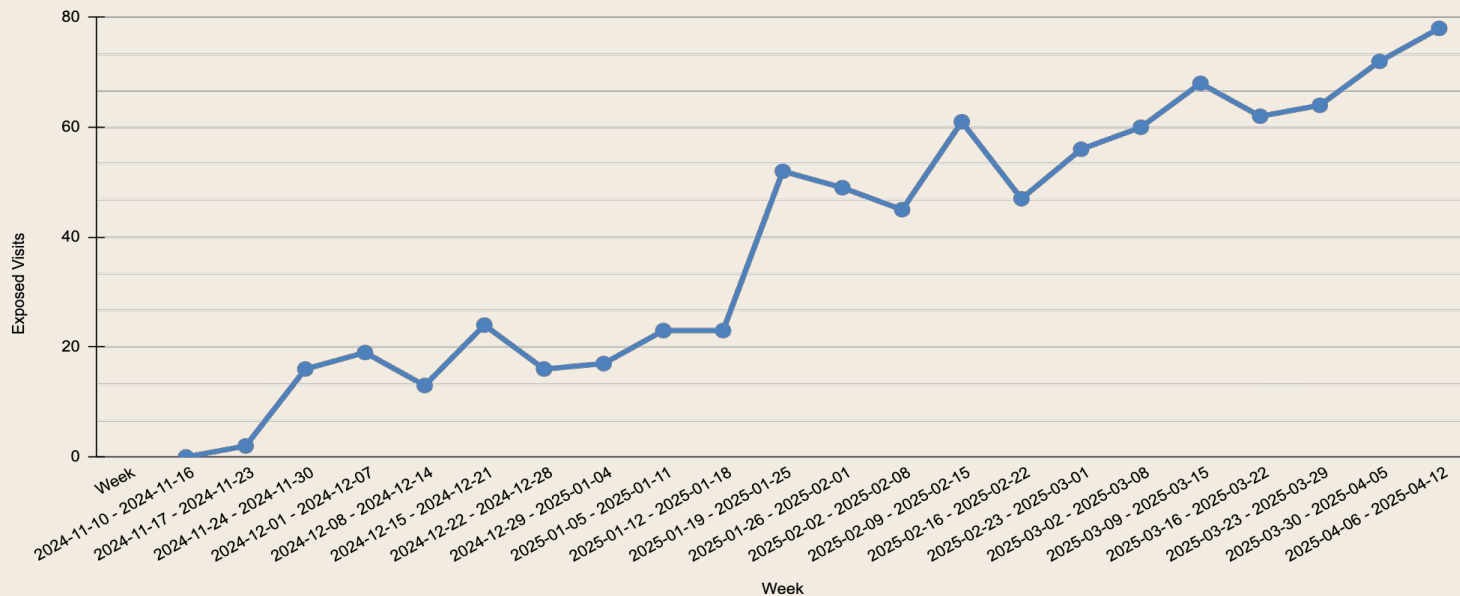
Performance from 11.10.24 thru 4.18.25

* Only tactic no longer running is Pre-Roll Videos, Prior Reporting up to 3.11.25

REPORTING
REFLECTS NOV 10 -
APR 18

LOCATION VISITATION REPORT

Exposed Visits vs. Week



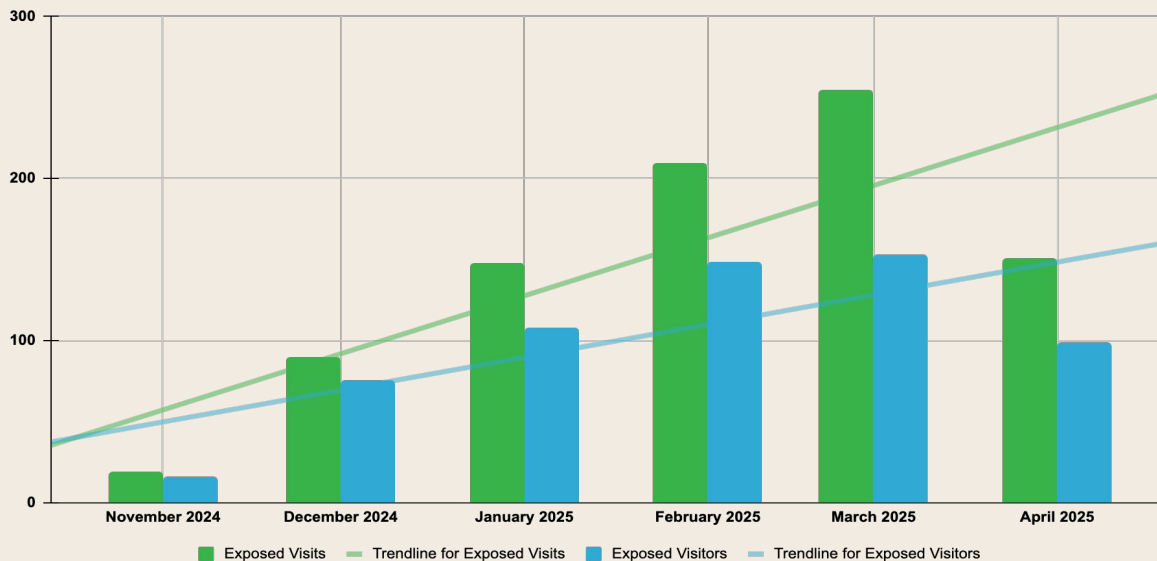
VISITATIONS PER WEEK

Tourism industry average customer journey is 30 days from first ad exposure
to tracked visitation - April visitation is thru 4.12.25.

Page 177 of 186

LOCATION VISITATION REPORT

Exposed Visits and Exposed Visitors



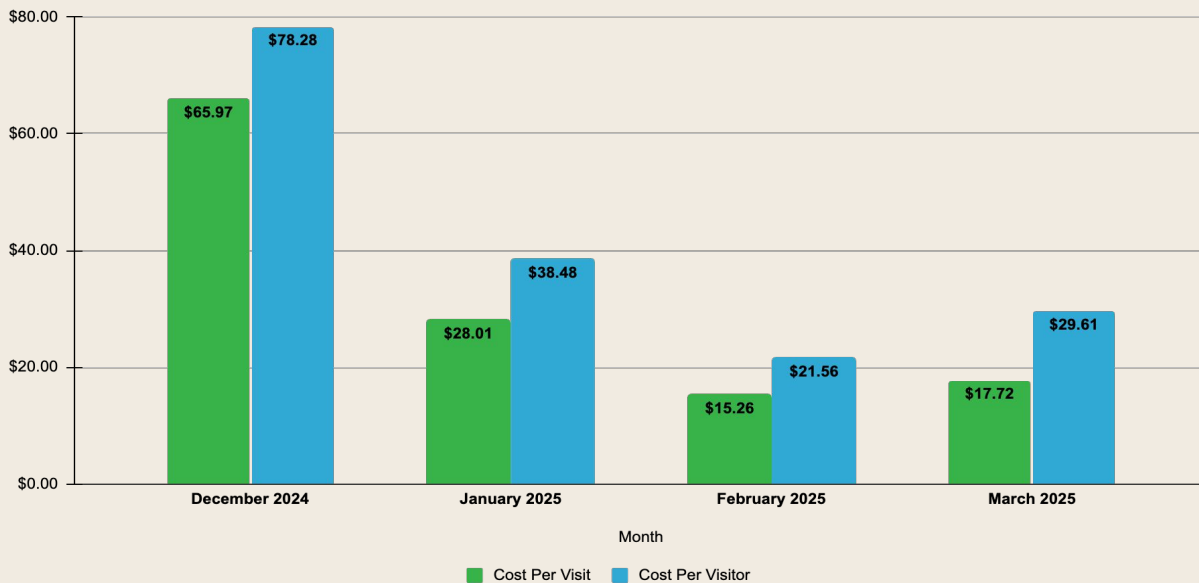
VISITS VS VISITORS

Tourism industry average customer journey is 30 days from first ad exposure to tracked visitation thru 4.18.25 - Full April visitation will be in the next LVR in May 2025

REPORTING
REFLECTS NOV 10 -
APR 18

LOCATION VISITATION REPORT

Cost Per Visit and Cost Per Visitor



COSTS PER VISITS VS VISITORS

Tourism industry average customer journey is 30 days from first ad exposure to tracked visitation thru 4.18.25.
Feb less media ran until March new ad creative launched. Full April visitation will be in the next LVR in May 2025

Insights and Actions

INSIGHTS	ACTIONS
All key visitation metrics have improved month over month as campaign continues to scale	Continue to optimize campaign to maximize effectiveness
Cost-per-visit and cost per unique visit demonstrate a positive return on marketing investment, with a \$71 cost per unique visitor overall and <\$30 cost per visitor over the past two months	Continue to monitor performance and look for added efficiency as the new campaigns launches, re-targeting scales up, and seasonal booking increases
Nurture markets continue to exceed Growth markets in per capita visitation	Look to increase reach and exposure in Growth Markets, exploring tactics like additional paid social, influencer marketing, heavy-up in CTV/OTT, and recently launched OOH billboard
CTV/OTT is the most effective tactic at driving visitation	Increase investment in CTV/OTT and scale back Pre-Roll until performance improves
While marketing has lead to significant incremental visitation to the Village, converting visitors to overnight stays at properties could be improved	Explore media opportunities and events that encourage new visitors to stay the night

BENCHMARKS

REPORTING
REFLECTS NOV 10 -
APR 18

Metric	Benchmark	Current	% +/- Benchmark
CTR	1.12%	1.19%	+6.25%
Soft Conversion Rate	.56%	.91%	+62.5%
Cost per Exposed Unique Visitor	\$125.78	\$71.06	-43.5%
Cost per Exposed Visit	\$67.34	\$33.67	-50%
Hotels as % of Total Visits	21%	20.71%	-1.38%

					TBID Board Meeting 6-Month Report Update
	APR				
Channels	4/7	4/14	4/21	4/28	
Define		6-Month Report Development			
Design	Bespoke Hotel Collateral Toolkit Template Development			Bespoke Hotel Collateral Toolkit Asset Development	
Deploy	Website Design Update + Additional BOOK NOW Button on Homepage				
Diagnose	Website Consistency Audit + Action Implementation		LVR Reporting Pull + Data Analysis	Strategic Media Reallocations + Optimizations	



Marching into the high season and FY 25/26

THINGS TO COME IN FY 25/26

The following activities are scheduled to begin soon...

- VisitArroyoGrande.org WordPress website rebuild & development
- Hotel-specific paid media assets added to our media mix for promotions
 - Campaign Video Production
 - Campaign Creative asset optimizations
 - Summer concert series promotions

Final 6 Month Thoughts

The background image shows Santa Manuela Elementary School, a small, light-colored wooden building with a bell tower. A person is standing near the entrance with a dog. To the left is a green bridge. The scene is set against a clear blue sky with some trees in the background.

Commune is incredibly proud to be working with the City of Arroyo Grande and the AG TBID. We've made significant progress in just six months ensuring the city's money is effectively and efficiently spent leading to measurable ROI. The data proves this out.

But what the data doesn't prove is that in just six months we've built relationships and friendships that reinforce why we really started this business - authenticity, effectiveness, and human connections that transcend a contract. Thank you for helping us live up to our mission and we can't wait to see even bigger and better results to come,

Your Commune team,

Ryan Faria James White Richard Hargrove

LSky Jordan Aracely Arango

Brian Sartore Carl Long Ian Donahue

Jessica Farrell Vankhan X.H.

Nancy Hoang David Cresick Josh Stone

COMMUNE