



MEMORANDUM

TO: City Council

FROM: Sheridan Bohlken, Director of Recreation Services

SUBJECT: Tourism Marketing Services Agreement Extension

DATE: May 13, 2025

RECOMMENDATION:

1) Adopt a Resolution authorizing the City Manager to extend the agreement between the City and Commune Communication in the amount of \$250,000 for Arroyo Grande Tourism Business Improvement District (AGTBID) Marketing Services for one year; and
2) Find that executing the contract extension is not a project subject to the California Environmental Quality Act (CEQA) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.)

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Funding for marketing and tourism promotion services is included in the FY 2025-26 AGTBID Budget. This contract extension will remain within the existing and anticipated expenditures already allocated for AGTBID operations, with no additional General Fund impact. Staff time to manage and administer the contract is accounted for within existing workload allocations.

BACKGROUND:

Established in 2013, the AGTBID provides revenue to fund services, activities, and programs that promote lodging businesses within the district through the marketing of scenic, recreational, and cultural attractions. Operating as the destination marketing organization (DMO) "Visit Arroyo Grande," the AGTBID supports seven (7) hotels and over one hundred and seventy-seven (177) vacation rental/home stays. The AGTBID is governed by an Advisory Board composed of Council-appointed members, representing the lodging and tourism industry.

On [September 9, 2024](#)¹, the City Council approved an Agreement for consultant services (Attachment 2) with Commune Communication following a competitive Request for Proposals (RFP) process initiated in February 2024. This six-month contract with Commune Communication was selected to implement and execute a marketing strategy

¹ <https://pub-arroyogrande.escribemeetings.com/filestream.ashx?DocumentId=12473>

for the AGTBID, inclusive of digital advertising, public relations, social media, content creation, and website management.

ANALYSIS OF ISSUES:

In preparation for the proposed contract extension, an amendment to the Agreement for consultant services (Attachment 3) has been drafted to extend the term by one additional year. On [April 28, 2025](#)², the AGTBID Advisory Board reviewed Commune Communication's 6-month Marketing Progress Review (Attachment 4) and approved a recommendation to Council for a one-year extension of the Agreement. Even with the limited term of the initial Agreement, the AGTBID Advisory Board and staff think the Agreement with Commune Communication has yielded positive results, aligned with the goals of the AGTBID's scope of work as defined in the RFP (Attachment 5).

Over the past six months, Commune Communication has made measurable progress in delivering strategic marketing services for the AGTBID, including:

- **Campaign Development & Execution:** Launched a fully integrated paid media campaign across Meta, TikTok, CTV/OTT, and display platforms, resulting in over 2.7 million digital impressions, 32,559 clicks, and a 1.19% average CTR.
- **Return on Investment (ROI):** Demonstrated strong efficiency with a cost per exposed visit of \$33.67 (down 50%) and cost per unique visitor of \$71.06 (down 43.5%), while delivering 898 exposed visits and 427 unique visitors tracked via Location Visitation Reporting (LVR).
- **Website Improvements:** Conducted a full audit and implemented performance upgrades, booking optimizations, and security enhancements on VisitArroyoGrande.org.
- **Brand & Strategy:** Developed and gained approval for a data-driven destination brand strategy, competitive analysis, and three creative campaign directions tailored to Arroyo Grande's target markets.
- **Content & Creative:** Produced high-quality visual assets, new blog content, and over 40 organic social media posts to enhance brand visibility and engagement.
- **Partnerships & Outreach:** Strengthened regional collaborations through contributions to Visit California and Visit SLO CAL campaigns, strategic ad placements, and hotel-specific promotional support.

ALTERNATIVES:

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

1. Adopt a Resolution authorizing the City Manager to extend the Agreement between the City and Commune Communication in the amount of \$250,000 for Arroyo Grande Tourism Business Improvement District (AGTBID) Marketing Services for one year;
2. Modify and approve staff's recommendations;

² <https://pub-arroyogrande.escribemeetings.com/filestream.ashx?DocumentId=14402>

3. Do not approve staff's recommendations and provide direction to issue a new RFP;
or
4. Provide other direction to staff.

ADVANTAGES:

Approving a one-year extension allows the City to maintain consistent marketing efforts without disruption, supporting tourism goals and TOT revenue generation. The streamlined process avoids the cost and time of re-initiating an RFP, while continuing to benefit from an established and well-performing consultant. The recommendation also maintains flexibility for staff to revisit the marketing approach during next year's budget cycle and TBID planning process.

DISADVANTAGES:

The current Agreement will end on June 30, 2025, which, if not extended, would require a new RFP to be issued by the City to ensure continued tourism marketing with a new professional marketing firm.

ENVIRONMENTAL REVIEW:

The proposed Commune Agreement extension is not a project subject to the California Environmental Quality Act (CEQA) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.)

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. Resolution to approve one-year extension for AGTBID Marketing Services with Commune Communication
2. Contract Service Agreement with Commune Communication (November 2024-June, 2025)
3. Contract Service Agreement Amendment No. 1
4. 6-Month Marketing Progress Review by Commune Communication
5. AGTBID Marketing Services RFP