



CITY OF SANTA CLARITA
TOURISM MARKETING DISTRICT
Annual Report
Fiscal Year 2017-18

TMD Overview

The formation of Santa Clarita Tourism Marketing District (“District”) in May 2010 aligned with the goals and efforts of the City’s 21-Point Business Plan for Progress.

The District was established and is levied pursuant to the Parking and Business Improvement Area Law of 1989, Part 6 of Division 18 of the California Streets and Highways Code (the “1989 Law”) and the provisions of the California Constitution Article XIID (“Proposition 218”). Pursuant to the 1989 Law, a resolution of intention to establish the District was approved on March 23, 2010, and a public hearing, which was duly noticed, was held on May 11, 2010. Following the public hearing the City Council determined that majority protest regarding the formation of the District and the proposed assessments did not exist (no protests were submitted) and subsequently on May 25, 2010 the City Council adopted Ordinance No. 10-4 establishing the Tourism Marketing District (“TMD” or “District”) and the Hotel Tourism Marketing Benefit Zone therein (“Benefit Zone”).

This report prepared on behalf of the Advisory Board, provides an overall description of the proposed improvements and activities to be funded by the assessments, the estimated annual budget of expenses, the method of assessment and estimated revenues for Fiscal Year 2017/2018 (commencing July 1, 2017 and ending June 30, 2018).

Tourism Marketing District Year Over Year Comparisons (5 year)				
Calendar Year	Hotel Occupancy %	Average Daily Rate (ADR)	Transient Occupancy Tax	Tourism Marketing District
2012	73.6	\$109.55	\$2.4 M	\$452,988
2013	76.5	\$113.15	\$2.6 M	\$485,393
2014	80.1	\$121.27	\$2.9 M	\$546,619
2015	84.7	\$129.58	\$3.6 M	\$618,098
2016	89.1	\$150.28	\$3.9M	\$754,652



Summary of Services & Activities

The Tourism Marketing District funds various services and activities which confer special benefit to the businesses within the Hotel Tourism Marketing Benefit Zone of the District. These services include, but are not limited to:

- Promotion of City of Santa Clarita through financial support of key regional and national events that support tourism
- Development and implementation of destination marketing strategy and promotion designed to increase visitor attraction to City of Santa Clarita
- Development and undertaking of advertisement and public relations program focused on business and leisure travel
- Support and funding of the Summer Trolley Route program
- Attendance at key meeting and event producer trade shows

Assessment fees are dedicated to securing visitors and room nights through a mix of marketing programs, projects and activities, including: marketing promotion, advertising, public relations, visitor services, market research, partnership marketing and special events promotion.

Programs and advertising opportunities that were implemented during fiscal year 2016/17 as a result of the establishment of the TMD include:

- Tourism advertising campaigns via digital and commercial spots in the greater Los Angeles region, as well as Orange County, Greater Los Angeles, San Diego, Inland Empire, Bakersfield, Fresno, Sacramento and San Francisco.
- Summer Trolley program
- Attending business development tradeshow, including California Society of Association Executives Seasonal Spectacular, National Association of Sports Commissions Symposium, Smart Meetings and Connect California.

From amateur events to regional and national championships, Santa Clarita has become a premier sporting destination. Sport Tourism is the fastest growing sector in the global travel industry and having recognized that, the City of Santa Clarita now has established funding available to bring more sporting events to town. Events that Santa Clarita has been able to pursue as a direct result of the established district include, but are not limited to:

- Wings for Life World Run
- Amgen Tour of California
- Master's College Golf Collegiate Invitational
- Los Angeles Spartan Race
- CA Youth Chess League Scholastic Championship
- F.C. Storm Futbol Tournament



Tourism Marketing District (“TMD”) Advisory Board

Pursuant to the Parking and Business Improvement Area Law of 1989 (Section 36500 et seq. of the Streets and Highways Code of the State of California), the Advisory Board for the Tourism Marketing District (“TMD”) which is appointed by the City Council of the City of Santa Clarita, annually reviews and makes appropriate recommendations to the City Council by an Annual Report regarding the use of funds collected through the TMD assessments. The Advisory Board consists of one (1) owner specified representative from each of the participating hotels within the Hotel Tourism Marketing Benefit Zone, as well as two (2) City representatives selected by the City Manager.

The following table lists the various businesses/entities currently represented on the Advisory Board:

Business Name	Board Member	Position	Hotel Physical Address	Business/Hotel Owner Address
City of Santa Clarita	Jason Crawford	Economic Development & Planning Manager	N/A	23920 Valencia Blvd Suite 100 Santa Clarita, CA 91355
City of Santa Clarita	Evan Thomason	Economic Development Associate	N/A	23920 Valencia Blvd Suite 100 Santa Clarita, CA 91355
Best Western Valencia Inn	Karina Winkler	General Manager	27413 Wayne Mills Place Santa Clarita, CA 91355	Excel Hotel Group 10660 Scripps Ranch Blvd. Suite 100 San Diego, CA 92131
Holiday Inn Express	Julio Ongpin	General Manager	27513 Wayne Mills Place Santa Clarita, CA 91355	Excel Hotel Group 10660 Scripps Ranch Blvd. Suite 100 San Diego, CA 92131
Courtyard by Marriott	Noel Pavia	General Manager	28523 Westinghouse Place Santa Clarita, CA 91355	Apple REIT Companies, Inc. 814 East Main Street Richmond, VA 23219
Embassy Suites	Ron Carter	General Manager	28508 Westinghouse Place Santa Clarita, CA 91355	Interstate Hotels & Resorts 4501 North Fairfax Avenue Suite 500 Arlington, VA 22203
Hyatt Regency	Eric Ducat	General Manager	24500 Town Center Drive Santa Clarita, CA 91355	Southwest Value Partners 12790 El Camino Real San Diego, CA 92130

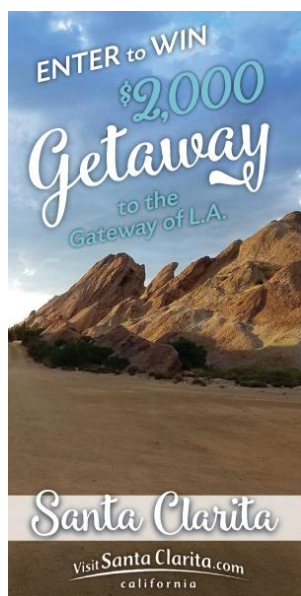


Advertising

TMD dollars successfully launched comprehensive multi-media advertising campaigns, inclusive of print, TV commercial, digital ad networks, and social media outlets to attract visitors during the off season (September thru March). Marketing efforts focused on existing feeder markets such as Orange County, Greater Los Angeles, San Diego, Inland Empire, Riverside, Bakersfield, Fresno, Sacramento, San Francisco. TMD dollars allow simultaneous efforts to market to different audiences: direct consumer/leisure travelers, corporate meeting and conference planners, and sports tourism event producers. A marketing campaign results in successful branding, measurable hotel room bookings, a substantial increase in year over year traffic to the Tourism website, and increased corporate meetings and events. The upward momentum of using TMD funds to market Santa Clarita as a destination continues to prove successful.

Media Strategy

- Focus media plan on conversions through digital channels including display, mobile, video, email and social units.
- Geotarget plan with heavy emphasis on top performing California markets.
- Deliver ads to contextually relevant placements through pre-determined content categories: family travel, theme parks, outdoor activities.
- Target known audience in the market for Los Angeles area travel.
- Retarget off Santa Clarita emails through pixel implementation to not only drive conversions of previous visitors but to also build look-alike audiences.
- Drive social interaction through use of sweepstakes.



2016/17 Campaign Results

Non-Sweepstakes

(10/15 – 12/31 & 3/2 – 3/31)

- Traffic directed to 'Plan' landing page
- 29,795 sessions on 'Plan' landing page
- 12,726,024 campaign impressions
- .35% CTR on digital media

Sweepstakes

(1/1 – 2/28)

- Traffic directed Facebook contest form
- 4,046 contest entries
- 2,407 page 'Likes' generated
- 10,345,047 campaign impressions
- .47% CTR on digital media

2017 Entries

- 4,046 entries (173% increase over PY)
- More concentrated to targeted region
 - (400 mi radius from Santa Clarita)



2017/2018 INITIATIVES

The Santa Clarita Tourism Marketing District objective remains to increase overall demand for overnight visitation (leisure, group and meeting business) during key shoulder season. Santa Clarita is primed to attract an increasing number of tourists in the 17-18 FY with the opening of the JUSTICE LEAGUE: Battle for Metropolis at Six Flags Magic Mountain, the summer season of Six Flags Hurricane Harbor, through new partnerships with meeting planner organizations such as HelmsBriscoe and CVENT, use of new interactive social media tools, and a robust Visit Santa Clarita marketing campaign that will ensure an enhanced California marketplace presence.

Business Driven Sales & Advertising

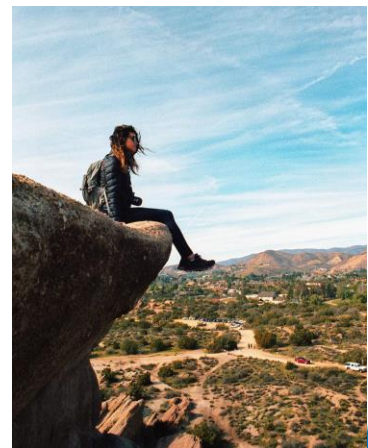
- Create incentives to attract meeting professionals and increase bookings
- Define trade shows that provide the most opportunity for convention/meeting lead generation
- Continue to create engaging and informative online assets to attract new customers
- Focused marketing efforts directed at drive and feeder markets
- Continue focused efforts on conversions through digital channels including display, mobile, video, email and social units including geotargets with heavy emphasis on top performing California markets.

Destination & Partnership Development

- Expand cooperative marketing initiatives and partnership opportunities
- Support public relations initiatives to drive visitation and economic development

Event Attraction

The City regularly hosts large scale sporting and cultural events such as the Amgen Tour of California, Wings for Life World Run and the California Beer Festival BBQ & Brews. These events not only produce a positive economic impact to the City, but we have also become known as a City that produces quality regional sporting and cultural events ourselves and with strategic event partnerships. The City also works regularly with youth sports agencies and local facilities on growing existing annual events and developing new tournaments. Special events held in 2016 brought in over 3,500 room nights to the Santa Clarita TMD Hotels.



2017/18 FY Budget

Funding Source: General Fund Miscellaneous Grants Tourism Marketing District Fund		
Account Number: 11305		
Personnel		
5002.001	Part-Time Staff	\$24,876
Operations & Maintenance		
5101.001	Publications & Subscription	\$1,435
5101.002	Membership & Dues	\$1,610
5101.004	Printing	\$5,000
5111.001	Special Supplies	\$1,000
5161.001	Contractual Services	\$60,000
5161.002	Professional Services	\$145,000
5161.004	Advertising	\$194,505
5161.008	Graphic Design Services	\$15,000
5191.001	Travel & Training	\$7,500
5191.004	Auto Allowance & Mileage	\$200
Total Operations & Maintenance		\$456,126
Beginning Fund Balance		\$887,565
17-18 Revenue		\$717,064
17-18 Expenditures		\$526,939
Estimated Ending Fund Balance 6-30-18		\$1,077,690



District Boundaries

The boundaries of the Tourist Marketing District includes all real property within the City of Santa Clarita; and within the TMD a Hotel Tourism Marketing Benefit Zone was established by Ordinance No. 10-4 that currently includes the five (5) hotel properties identified below:

Property Name (Hotel/Business Name)	Assessor's Parcel Number Reference	Property/Business Physical Address
Hyatt Regency	2861-062-020	24500 Town Center Drive Santa Clarita, CA
Holiday Inn Express	2861-071-008	27513 Wayne Mills Place Santa Clarita, CA
Best Western Valencia Inn	2861-071-009	27413 Wayne Mills Place Santa Clarita, CA
Courtyard by Marriott	2866-034-080	28523 Westinghouse Place Santa Clarita, CA
Embassy Suites	2866-034-083	28508 Westinghouse Place Santa Clarita, CA

For Fiscal Year 2017/2018, it is anticipated that the following hotels may open and if so they will be included in the benefit zone.

- 42 room Luxen Hotel at 24219 Railroad Avenue Santa Clarita, CA 91321
- 134 room hotel brand TBD at 26501 McBean Parkway
- 185 room Homewood Suites/Hampton Inn APN is 2866-035-007
- 182 room Residence Inn/Springhill Suites 27413 Wayne Mills Place
- 108 room Holiday Inn Express Address TBD

The five (5) hotel properties identified in the grid above comprise the entire Benefit Zone for Fiscal Year 2017/2018 until any other hotel property opens and proposed to be assessed in accordance with the System of Assessment (Methodology) established by ordinance.



Calculation Methodology

In accordance with Ordinance No. 10-4 and Chapter 3.36 of Title 3 of the Santa Clarita Municipal Code, only properties designated as hotels and included within the District's Hotel Tourism Marketing Benefit Zone will be assessed.

"Hotel" shall mean any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients, including but not limited to for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof, duplex, triplex, single family dwelling units except any private dwelling house or other individually owned single-family dwelling rented only infrequently and incidental to normal occupancy or any timeshare as set out in Revenue and Taxation Code Section 7280; provided, that the burden of establishing that the facility is not a hotel shall be on the owner or operator thereof.

The proposed system of assessment for the District is designed to generate revenue from hotels in the City to provide a method of funding public programs and activities that will promote the City and hotels as a tourist destination. The City's hotels comprise the Hotel Tourism Marketing Benefit Zone and are the only business proposed to be assessed. The 2017/2018 fiscal year annual assessments to be levied against hotels within the Benefit Zone are based on the benefits they derive from the program of activities. Businesses located outside the Benefit Zone (i.e., all non-hotel businesses) will not be assessed as they derive only, at most, an indirect benefit from the program of activities.

In accordance with Ordinance No. 10-4, in addition to any assessments, fees, charges or taxes imposed otherwise in the City, the City Council proposes to levy assessments for fiscal year 2017/2018 against businesses in the Benefit Zone for the purpose of funding the programs, activities and services that will promote the City and hotels as a tourist destination. Each business in the Benefit Zone shall pay an assessment of 2% of total room rents charged and received from transient hotel guests who do not make the hotel their principal place of residence.

These assessments shall be due and payable and shall be paid at the same time and in the same manner that the transient occupancy tax is due and payable and shall be subject to the same penalties and interest for nonpayment. All properties included in the Benefit Zone for fiscal year 2017/2018 will be assessed two (2%) percent of the total room rents charged and received from transient hotel guests.

Any newly established hotels shall commence immediately upon the first day of operation and following the public hearing conducted for inclusion into the District.



DISTRICT BOUNDARY DIAGRAM

