

Resolution No. 2015-01-13-1205

STOCKTON CITY COUNCIL**RESOLUTION APPROVING THE 2015 ANNUAL SERVICE PLAN, OPERATING BUDGET, AND ASSESSMENT FOR THE STOCKTON TOURISM BUSINESS IMPROVEMENT DISTRICT**

In December 2010 the City Council established the Stockton Tourism Business Improvement District (District) to provide services to the District, including the promotion of Stockton as a business, conference, sports, and visitor destination; and

The City of Stockton (City) contracted with the Stockton Convention and Visitors Bureau to manage the District's funds and deliver the services; and

The contract requires that the Stockton Convention and Visitors Bureau annually submit to the City for review, comment, and approval by the City Council, a report describing the District services, activities, and proposed budget for each year of operation; now, therefore,


BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Council hereby approves the 2015 Operating Budget in the amount of \$1,052,742 and Annual Assessment of 4% fee per hotel room, per night, as proposed by the Stockton Convention and Visitors Bureau for marketing and promotion of Stockton as a tourist, meeting, and event destination as further defined in the 2015 Annual Service Plan and Budget, attached as Exhibits 1 and 2 and incorporated herein by this reference.


2. The proposed amounts are in compliance with "Property and Business District Law of 1994" and the charge is levied without regard to property valuations.

3. The City Manager is hereby authorized to take all necessary and appropriate actions to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED January 13, 2015.


ANTHONY SILVA, Mayor
of the City of Stockton

ATTEST:


BONNIE PAIGE, City Clerk
of the City of Stockton





2015 Annual Service Plan



**2015 Annual Service Plan & Budget
Visit Stockton (Stockton Convention & Visitors Bureau)**

**Approved by the Visit Stockton Board of Directors
October 18, 2014**

**Submitted to the City of Stockton
October 31, 2014**

Overview

The current Stockton Tourism Business Improvement District (TBID) was established effective January 1, 2011 by the Stockton City Council. The current TBID assessment levies a 4% fee per hotel room, per night. The funds are used for the marketing and promotion of Stockton, targeted toward increasing overnight stays. The assessment is applied to all lodging establishments within the city limits of Stockton; at this time there are no proposed changes to the boundary of the district.

Included in this Annual Service Plan are the goals, strategies and objectives of the Stockton Convention and Visitors Bureau (Visit Stockton) for the year ending December 31, 2015.

Budget Overview

The attached budget is in compliance with the percentage thresholds set forth in the Stockton Tourism Business Improvement District Management District Plan approved by City Council in December of 2010.

2015 Anticipated TBID & Misc. Revenue: \$1,052,742 (\$1,015,000 - TBID Revenue)

Sales and Marketing (84.2 %): \$854,658

Administrative & Operations (14.5%): \$ 147,334

(Incl. Capital Expenses - Equip., Tenant Improvements)

The budget also reflects a 5% contingency fund allotment of \$50,750 (5% of \$1,015,000) as per the TBID Management District Plan.

The Organization

Board of Directors

George Kaplanis, President – Hilton Stockton
Karri Rivard, Vice President – Holiday Inn Express
Katie Green, Treasurer– Marriott Properties
John Cammack, Immediate Past President– Attorney
Rhona Miles – University Plaza Waterfront Hotel
Susan Obert – Haggin Museum
Sam Patel – Red Roof Inn
Stephen Sherman – Retired Businessman

Ex Officio

Kathy Miller, Councilmember, City of Stockton

Staff

Wes Rhea, CEO
Tim Pasisz, Sport Development
Monica Slingerman, Group Services
Heather Duffett, Marketing & Graphic Design
Megan Peterson, Office Manager/CTA Coordinator
Megan Ott, Digital Marketing Coordinator

TRENDS IN STOCKTON TOURISM:

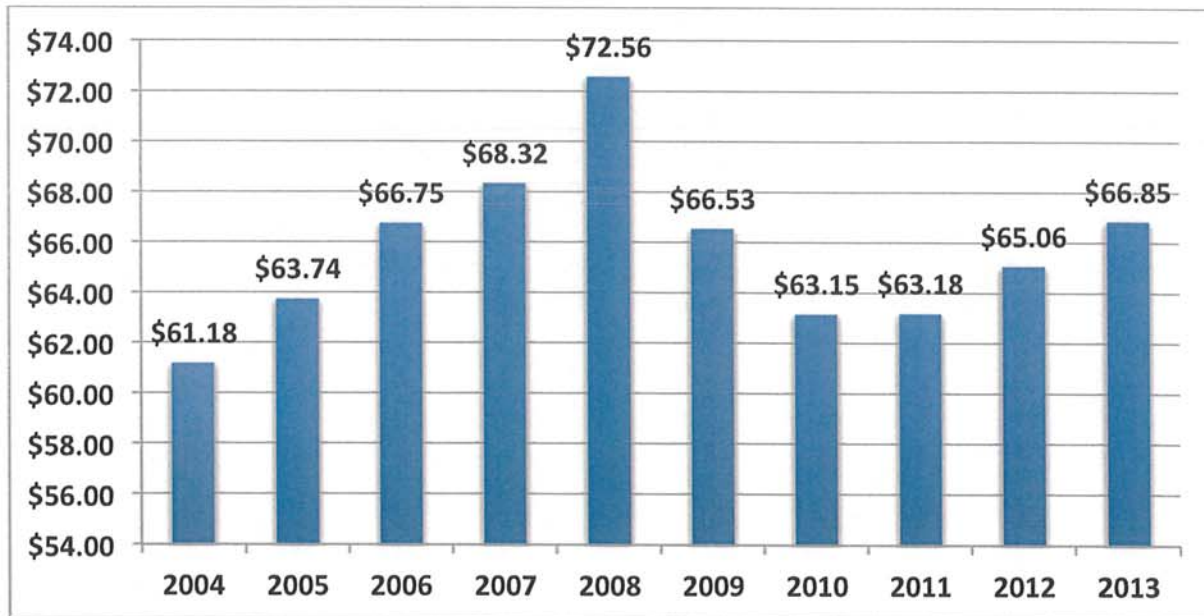
Year to date Hotel Occupancy for Stockton (as of October 2014) is 58.9%, with over all hotel demand up 2%. We expect the year to finish strong, with hotel demand finishing up approximately 3%.

Year to date Average Daily Rate (ADR) for Stockton hotels is at \$70.49 (as of October 2014), up 5.5% year-over-year.

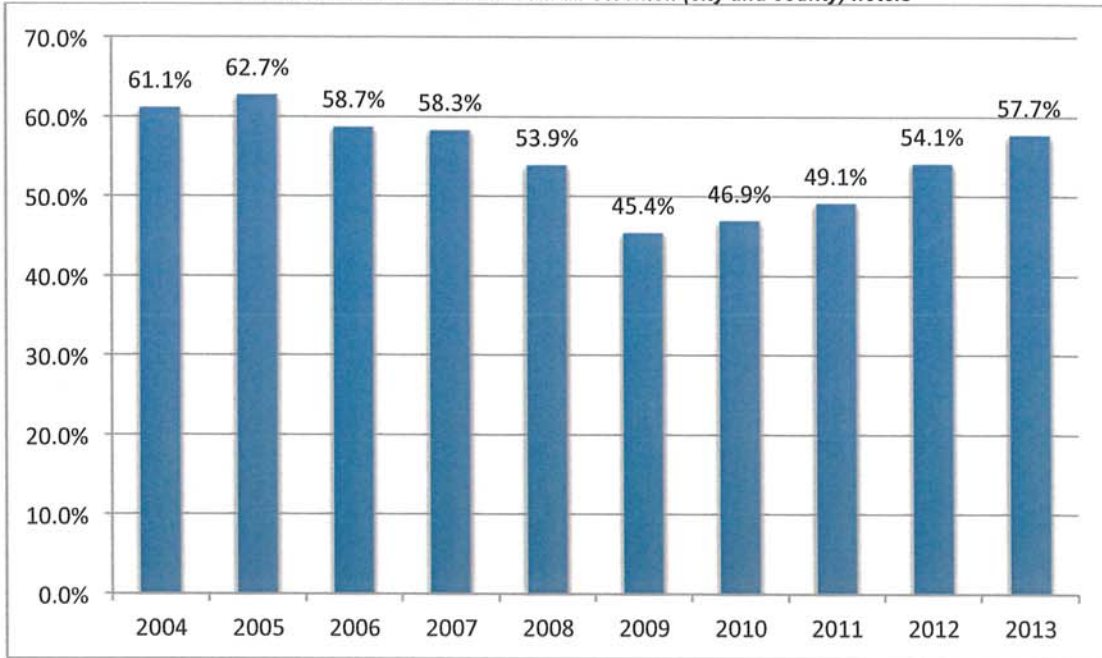
Stockton has a daily average of 1,621 hotel rooms sold each night through October 2014.

Stockton hotel revenue is up 7.6% and should surpass pre-recession levels at the end of this year.

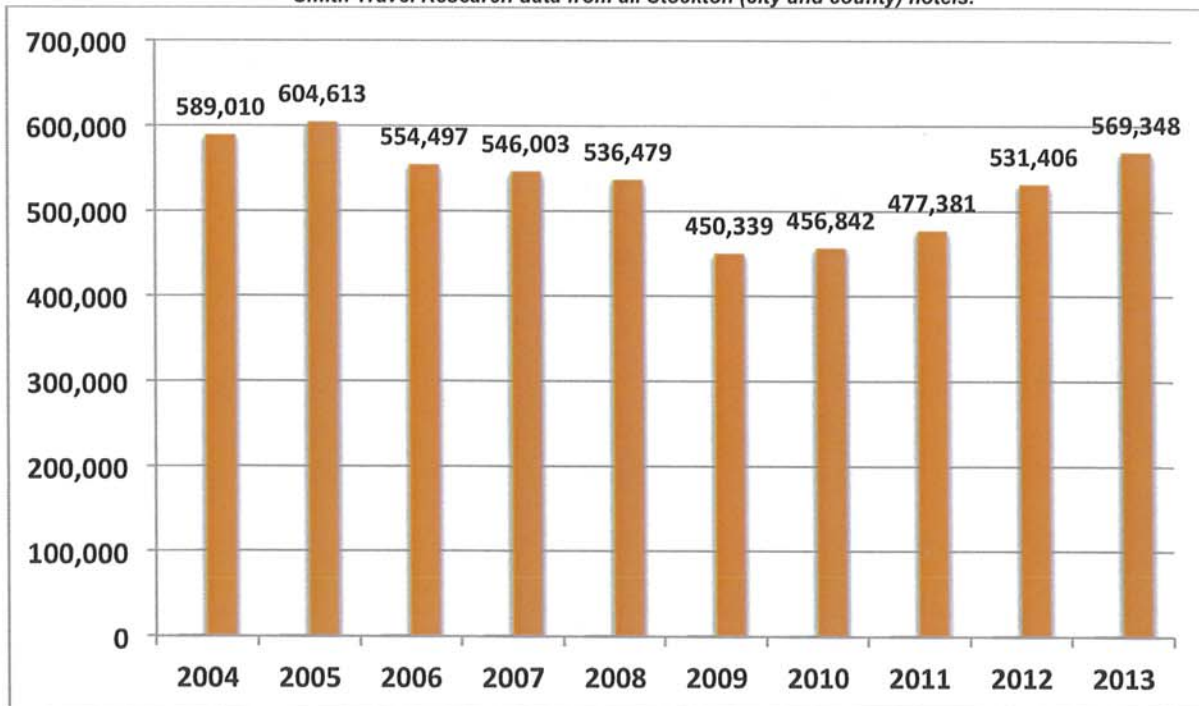
Average Daily Rate Trends
2004-2013 Annual Hotel Rate Averages
Smith Travel Research data from all Stockton (city and county) hotels



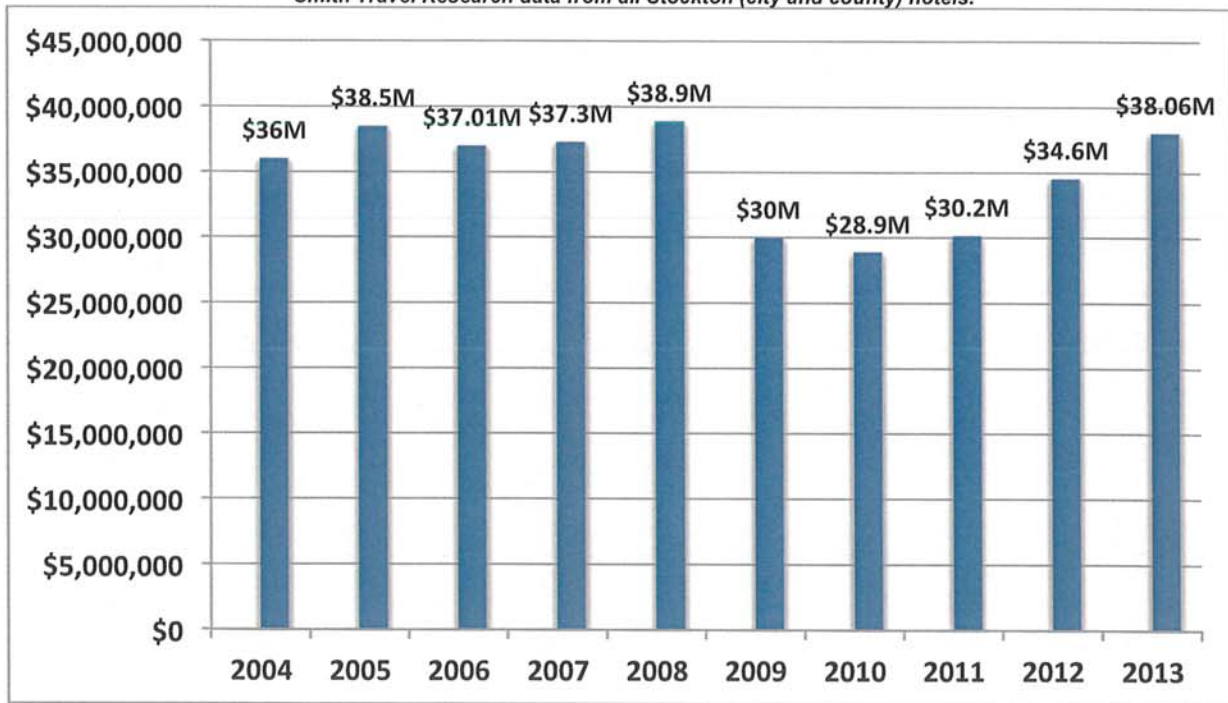
Average Occupancy Trends
2004-2013 Annual Hotel Occupancy Averages
Smith Travel Research data from all Stockton (city and county) hotels



Hotel Room Demand Trends
2004-2013 Annual Total Room Nights Per Year
Smith Travel Research data from all Stockton (city and county) hotels.



Stockton Hotel Revenue Trends
2004-2013 Annual Total Revenue in Millions
Smith Travel Research data from all Stockton (city and county) hotels.



2014 HIGHLIGHTS:

- Grew the nationally recognized Certified Tourism Ambassador Program with over 200 Stockton Tourism Ambassadors certified by year-end.
- Visit Stockton staff produced the Official 2014 Visit Stockton Guide, providing an opportunity to enhance content, develop revenue and increase distribution to 40,000 copies per year.
- Brought national recognition to Stockton through hosting two new national-level sporting events: the National Baton Twirling Championships and the National Roller Derby Championships.
- Launched a redesigned mobile-friendly website in March that has increased overall web traffic by 40%, with some months seeing over 200% in growth.
- Continued strong focus on social media, local engagement and image building.
- Developed a San Joaquin County Farm Guide and Map to promote the agricultural assets of the region highlighting farm stands and farmers' markets countywide.
- Provided support to over a dozen community events and organizations, as well as and over 30 sporting organizations and thousands of athletes, including the 2014 West Coast Conference Baseball Championships, CCAA golf, baseball and softball championships and the MPSF Water Polo Championships.
- Hosted the annual Stockton Tourism Awards Luncheon, which recognizes individuals and groups for their contributions to local tourism.
- Updated the Stockton tear-off map used by front desks, attractions, Pacific and other community sites.

ORGANIZATIONAL OBJECTIVES:

2015 Goal: Year-over-year increase in hotel occupancy and demand; we anticipate 2-3% growth in these metrics. In addition to our demand and occupancy goals, Visit Stockton identifies the following as 2015 outcome measurements:

- Overall Stockton Room Revenue
- Sports and Group Events Hosted
- Website Analytics
- Social Media Engagement
- E- Mail Marketing Metrics
- Earned Media Impressions

2015 ANNUAL OBJECTIVES AND STRATEGIES**OBJECTIVE: Increase hotel demand and visitor volume in Stockton.****STRATEGIES:****Sales & Services**

- Continue to grow sales, support and servicing of the sports and group markets by focusing Visit Stockton efforts on markets that typically generate citywide events. The focus will be towards markets not currently pursued by the partner hotels, i.e. sports and SMERF (Social, Military, Education, Religious and Fraternal) markets.
- Increase hotel partner business opportunities and awareness through targeted sales and marketing efforts to the group travel, special events, sports, meetings and leisure travel markets, which include tracking and performance measures.
- Focus on the group and visitor experience to remain competitive.
- Increase room nights in our primarily leisure/transient properties through marketing targeted towards the leisure visitor.
- Target tradeshow and sales outreach efforts to further expand industry relationships, lead generation and contact base in both the sports and group segments, attend a minimum of five (5) lead generating industry tradeshows.
- Conduct quarterly meetings with Stockton hotel staff to discuss current and future Visit Stockton marketing and awareness efforts.
- Conduct meetings with a sports advisory group (minimum of four per year), made up of facility, athletics and large event stakeholders, to discuss potential partnerships and future sporting events.
- Expand marketing and outreach of the Visit Stockton Sports Grant and Meeting Incentives Programs.
- Execute a minimum of one familiarization tour in cooperation with hotel partners for regional meeting planners, groups travel leaders or travel media.

Marketing/Public Relations

- Develop a positive Stockton image campaign that develops a sense of pride and community in Stockton, and also engages locals and visitors through social media channels and guerilla marketing.
- Expand the current guest blogger program to encourage new and positive online content focused on activities, attractions and events in Stockton.
- Increase overall traffic and engagement with the official destination website, social media channels and email marketing efforts through rich content, SEO and SEM strategies.
- Produce the Official 2015 Visit Stockton Guide in-house and continue distributing 40,000 copies as well as online impressions.
- Expand the reach of the Stockton Ambassador Program beyond the traditional hospitality channels with the goal of 125 new certifications in 2015, totaling over 300 CTAs citywide.
- Continue to market and promote Stockton as a visitor, meeting and event destination through public relations, collateral development, advertising, special promotions, social media, marketing and research.
- Develop online and print marketing strategy focused on increasing overnight stays at every scale of hotel properties.
- Partner with and promote the local and regional attractions, venues and events that add value to our travel product.
- Expand video marketing assets to promote sports, group and leisure travel.
- Increase media awareness and impressions throughout regional and statewide media channels and focus on earned media in local/regional publications.

Organizational

- Maintain and develop a professional, highly productive, well-informed, and efficient staff, board and organization to best promote Stockton, California and the region as a desirable destination.
- Continue to nurture and grow our existing partnerships with other Stockton and regional/state tourism agencies.
- Use baseline tourism and visitation data through research to further quantify marketing and sales efforts.
- Work closely with local Economic Development professionals and organizations to provide value to their efforts to recruit and retain business in Stockton.
- Produce networking and educational opportunities for our partners.
- Provide educational and networking opportunities to Visit Stockton staff to keep their skills, knowledge and abilities on the cutting edge of tourism trends.
- Continue to promote Visit Stockton as the official voice for Stockton area visitors and travel information.
- Inform public officials, community leaders, and partners of Visit Stockton’s accomplishments through quarterly newsletters and face-to-face meetings.
- Produce Visit Stockton events that align with the organizational mission and promote key tourism assets, i.e. Stockton Restaurant Week.

2015 SALES & MARKETING TRADESHOW CALENDAR

Tradeshow/Event	Target Market	J	F	M	A	M	J	J	A	S	O	N	D
NASC Symposium	Sports			■									
Meetings Quest Tradeshow	Assoc./Corp				■								
Chamber Tradeshow	Local						■				■		
Connect Sports	Sports								■				
USOC Sports Link	Sports									■			
NCYS S.P.O.R.T.S	Sports												
CalSAE Seasonal Spect.	Assoc./Govt.												■
SGMP Region Meetings	Government	■		■		■		■		■		■	
MPI Regional Meetings	Assoc./Govt.		■		■		■		■		■		■

OBJECTIVE: Enhance the Stockton Visitor Experience**STRATEGIES:**

- Grow the Stockton Tourism Ambassador Program beyond the hospitality industry focusing on brand awareness, customer service and visitor experience.
- Distribute Stockton collateral, i.e.: Visit Stockton Guide, Stockton tear-off maps and San Joaquin Farm Guides to area hotels, attractions, restaurants and other visitor points of contact.
- Promote the Downtown Stockton Visitors Center – including Visit Stockton and the Downtown Stockton Alliance - as the location for easy access to visitor info, personalized recommendations, maps and guides.
- Work with incoming meetings and sporting groups to provide needed itineraries, collateral and event support to improve guest experience. Go beyond the traditional service levels to “wow” our guests.

INITIATIVES

Stockton Ambassador Program

The objective of this program is to make Stockton the leader in hospitality in the Central Valley, where groups and guests know they will find friendly and knowledgeable front line staff, shopkeepers and residents. Aspects of the program will include:

- The CTA program gives us the foundation upon which to deliver exceptional experiences for our visitors.
- The CTA program energizes stakeholders to work together to build tourism, with consistent messaging and a sense of team. It's the one program that helps us work together -- not apart.
- CTA goes well beyond customer service training. It's product knowledge at the front-line on the great things our destination has to offer. Helping visitors find more things to do = more spending and growing tourism!
- CTA builds frontline pride and passion for where they live and work. As they learn more about our area with 'fresh eyes', it builds their confidence to help others.
- Highly customized curriculum focused on local history, culture, attractions and points of interest.

- Engaging Certified Tourism Ambassadors through quarterly events and networking opportunities.
- Enrollment goal for 2015 is 125 participants.

Bring Your Meetings Home Campaign

- Gather information on locals who sit on state, regional and national boards of directors to solicit for potential meetings. Generate a minimum of three (3) leads from this program annually.
- Encourage participation through an incentive program.

SPECIAL EVENTS

Stockton Restaurant Week (January)

This annual event, which takes place the third week of January, highlights the Stockton dining scene, celebrating locally owned and operated restaurants. The event showcases the culinary diversity of Stockton and builds strong ties to the local restaurant community. The event is in its sixth year and coincides with California Restaurant Month.

Great Stockton Asparagus Dine Out (April)

The Dine Out focuses on our rich agricultural history and the prominence of locally grown asparagus for the month of April. While the focus is on locally grown asparagus, the event again showcases the culinary diversity of Stockton and builds strong ties to the local restaurant community. The event is in its sixth year.

Stockton Beer Week (July)

Beer Week is a citywide craft beer celebration where locally owned breweries, bars, pubs and restaurants will host specialty beer tastings, beer dinners and more. Stockton Beer Week is designed to promote the appreciation of craft beer in our region while driving business to the participating establishments. The event is in its 4th year.

Annual Tourism Luncheon (April)

Our annual report to the community and stakeholders celebrates the power and impact of travel and tourism on Stockton and the surrounding region. Recognized at this event are the Visit Stockton Partner of the Year, Sports Partner of the Year and Certified Tourism Ambassador of the Year.

**Stockton Convention & Visitors Bureau (Visit Stockton)
Budget Overview: Visit Stockton 2015 Budget - FY15 P&L
January - December 2015**

	<u>Total</u>
Income	
4000 TBID Assessment	1,015,000.00
4010 Special Events & Promotions	7,200.00
4015 CTA Registration Fees	5,250.00
4020 Miscellaneous Revenue	1,200.00
4025 Stockton Guide	20,000.00
4030 Merchandise	2,400.00
4040 Event Sponsorships	1,500.00
4050 Interest Income	<u>192.00</u>
Total Income	<u>\$ 1,052,742.00</u>
Gross Profit	<u>\$ 1,052,742.00</u>
Expenses	
Administration & Operations	
6010 General Liability Insurance	4,000.00
Office Lease & Utilities	0.00
5010 Office Lease	42,756.00
5020 Utilities	9,000.00
5030 Telephone Expense	6,000.00
5040 Network/Internet Fees	2,520.00
5045 Admin/Finance Software/Subscriptions	805.00
5050 Postage and Delivery	8,400.00
5060 Copier Lease	2,712.00
5070 Janitorial Expense	2,856.00
5080 Alarm Subscription	984.00
5100 Office Supplies	3,900.00
5110 Employee Parking	5,400.00
5130 Bank Charges	<u>250.00</u>
Total Office Lease & Utilities	<u>\$ 85,583.00</u>
Professional Fees	
6100 Accounting	4,500.00
6200 Legal Fees	0.00
6300 Payroll Expenses	1,620.00
6400 Taxes - Property	720.00
6500 Organizational Fees	<u>25.00</u>
Total Professional Fees	<u>\$ 6,865.00</u>
Salaries	
Total Salaries/Benefits - Admin/Finance (Peterson)	<u>\$ 46,186.00</u>
Total Administration & Operations	<u>\$ 142,634.00</u>
Capital Expenses	
6700 Office Furnishings/Equip	3,900.00
6750 Tenant Improvements	<u>800.00</u>
Total Capital Expenses	<u>\$ 4,700.00</u>
Sales & Marketing	

7005 Tourism Research/Reports	12,500.00
7010 Advertising/Marketing	153,500.00
7015 Public Relations	5,250.00
7020 Sports/Event Sponsorships	156,000.00
7025 Sports/Event Services and Supplies	9,000.00
7030 Trade Show Expenses/Travel	33,300.00
7035 Familiarization Tours	7,000.00
7040 Merchandise/Promotional Items	9,000.00
7045 Tourism Awards Luncheon	8,300.00
7050 Website/Mobile/Apps	16,200.00
7055 Certified Tourism Ambassador	9,750.00
7060 Printing	11,400.00
7065 Stockton Guide Printing	20,750.00
Total 7060 Printing	\$ 32,150.00
7070 Dues and Subscriptions	5,400.00
7080 Marketing Software/Subsctiption Fees	6,200.00
7090 Industry Conferences/Networking Events	17,400.00
7100 Meals & Entertainment - CEO	4,200.00
7150 Mileage & Ent. - Sales/Mktg	6,000.00
Salaries	
7200 Total Salary/Benefits CEO (Rhea)	\$ 119,190.00
7300 Total Salary/Benefits Marketing/Graphic Design (Duffett)	\$ 64,468.00
7400 Total Salary/Benefits Group Services (Slingerman)	\$ 63,079.00
7500 Total Salary/Benefits Sports Development (Pasisz)	\$ 67,926.00
7600 Total Salary/Benefits Digital Marketing Coordinator (Ott)	\$ 48,845.00
Total Salaries	\$ 363,508.00
Total Sales & Marketing	\$ 854,658.00
Total Expenses	\$ 1,001,992.00
Net Operating Income	\$ 50,750.00
Other Expenses	
8000 Contingency & Renewal - 5%	50,750.00
Total Other Expenses	\$ 50,750.00
Net Other Income	-\$ 50,750.00
Net Income	\$ 0.00