

TRUCKEE TOURISM BUSINESS IMPROVEMENT DISTRICT (TTBID)

Fiscal 2017-2018 Annual Report

Prepared by Colleen Dalton, Truckee Chamber of Commerce
Sept. 26, 2018

TTBID BACKGROUND

The Truckee Town Council created the Truckee Tourism Business Improvement District (TTBID) with the passage of a Resolution on September 22, 2015.

The Truckee Tourism Business Improvement District is an assessment district that dedicates collected fees for sales and marketing programs that increase room nights booked for businesses located within the municipal boundaries of Truckee, California.

The Truckee Chamber of Commerce serves as the TTBID's Owners' Association. Following the creation, the Chamber formed a TTBID Management Committee in early 2016, comprised of six (6) business owners paying the TTBID assessment, and one Chamber Board Member. The business owners represent large and small hotels, property management companies, and an individual short term rental. Per the Chamber Bylaws, the TTBID Management Committee is a standing, advisory committee of the Truckee Chamber of Commerce Board.

The Truckee Chamber of Commerce is responsible for managing funds and implementing programs in accordance with the Management District Plan (MDP) and by the direction of the TTBID Management Committee. The Chamber of Commerce Board of Directors are responsible for approving the TTBID annual sales and marketing budget.

TTBID ECONOMIC IMPACT

As the economic engine of our town, the fiscal impact and ripple effect of tourism in Truckee due to successful sales and marketing programs cannot be understated.

In fact, according to the Dean Runyan Associates report released by Visit California, tourism was instrumental to Nevada County's financial success in 2017, with visitor spending reaching \$343.7 million (up five percent from 2016). The Nevada County tourism industry supported 3,670 jobs (six percent increase from 2016) and generated \$12.5 million in local tax revenue last year (up 11 percent as compared to 2016). [See Appendix A.](#)

TRENDS OF TBIDS IN CALIFORNIA

As of January, 2018 there were 101 TBIDs in 39 (67%) California counties, up from 63 TBIDs during the year prior to Truckee TBID formation in September 2015. Over a 12 month period ending Jan 31, 2018, the district with the lowest budget raised \$65,000. The district with the highest budget (San Diego) raised \$38,600,000. The median amount raised was \$950,000. Truckee's actual TBID

collections this past fiscal year was below the median at \$660,499. Cumulatively, all 101 districts raised \$267,434,606 from February 2017 - January 2018. [See Appendix B](#)

Per Civitas Advisors, (California consultant firm that assisted in Truckee TBID formation process) only one TBID has not renewed. The trend for stable, consistent and reliable tourism promotion funding that does not fluctuate (city revenue is slowing while expenses are increasing, per the National League of Cities*) is the “new normal”. Currently, North Lake Tahoe Resort Association is moving forward on creating a TBID.

*Source: <https://www.nlc.org/resource/city-fiscal-conditions-2018>

TTBID MIDWAY TERM “CHECK-IN”

FY17-18 marked the third fiscal year under the current five year term. Even with two abnormal winters and summer smoke presenting major visitation challenges, the TTBID Committee steadfastly delivered on the most compelling reasons to form a TBID*. Their calm and calculated focus on bookings and the big picture (Truckee brand experience) has driven consistent and successful results that will continue for the long run.

* Management District Plan (MDP) - IMPETUS, pg 4.

1. The Need to Increase Occupancy.
2. The Need to Continue and Expand Existing Tourism.
3. The Need for Stable and Self-Sufficient Tourism Promotion.
4. The Opportunity for Increasing Town Tax Revenue.

TTBID ANNUAL REPORT

This annual report provides results from the TTBID Fiscal Year 2017- 2018 Sales & Marketing budget, in addition to a proposed budget for Fiscal Year 2018-2019.

TTBID FY17-18 - (YEAR THREE) SALES AND MARKETING - EXECUTIVE SUMMARY

At the start of last fiscal year, the TTBID Committee directed Truckee Chamber of Commerce to stay the course with no changes in mission and goals as defined in year one.

- **TTBID Mission:** “Broaden the appeal of Truckee to increase Average Daily Rate (ADR) and occupancy rate in order to raise TOT tax revenue.”
 - *A tourism budget dedicated to increasing overnight lodging builds the Truckee economy through visitor spending in hospitality and other sectors (i.e. restaurants, retail, grocery).*
 - *As the backbone of the Truckee economy, a healthy Tourism sector improves our town by increasing TOT and sales tax revenue for the Town of Truckee.*

- **TTBID Goals:** “Generate revenue, collaborate with Town to increase compliance, create benchmarks for success.”

Last year, the TTBID Committee demonstrated the power of a dedicated tourism fund (for the first time in the history of Truckee) to competitively promote year-round tourism to Truckee - significantly lifting the impact of Town of Truckee Visitation funding contribution (per the Integrated Marketing and Communications Plan (IMCP) in all key tourism metrics.

The TTBID Committee embraced the role and responsibility of serving as the official Destination Marketing Organization (DMO). Last year, a full twelve months of strategies and expenditures showed significant results and return on investment positively impacting the Truckee economy, overall.

The TTBID Committee makes thoughtful decisions, carefully weighing the pros/cons to long run and short term expenditures. The urgency to deplete funds at a rapid pace without strategic thinking, is not the Committee’s philosophy. In fact, the third fiscal year brings forth a balance of \$732,611 for FY 18-19; saving funds for potentially larger investments of venue(s); something that was not apparent or even a budget line item in FY 17-18.

TTBID FY17-18 - (YEAR THREE) SALES AND MARKETING - ACTUAL VS. BUDGET

TTBID FY17-18 - BUDGET VS. ACTUALS			
July 1, 2017- June 30, 2018			
Report Date: Sept. 24, 2018 (Amended/Final)			
	YTD Actual FY17-18	Budget FY17-18	Variance
Beginning Balance-Prior Year FY 2016-2017	\$691,857	\$691,857	\$0
Income - TTBID			
FY 17-18 Quarterly Payments			
QE1 - 09/30/2017	\$210,042	\$186,484	\$23,558
QE2 - 12/31/2017	\$144,987	\$151,295	-\$6,308
QE3 - 03/31/2018	\$194,943	\$223,059	-\$28,116
QE4 - 06/30/2018	\$110,527	\$109,398	\$1,129
Total FY 17-18 TTBID REVENUE	\$660,499	\$670,236	-\$9,737
Total Funds Available	\$1,352,356	\$1,362,093	-\$9,737
	YTD Actual FY 17-18	Budget FY17-18	Variance
Expenses - TTBID			
TTBID-Administrative Expenses	\$40,366	\$79,826	\$39,460
TTBID-Contingency Renewal	\$0	\$79,826	\$79,826
TTBID-Sales & Marketing			
Brand	\$5,000	\$31,918	\$26,918
Community	\$0	\$48,837	\$48,837
Events & Groups	\$214,575	\$305,334	\$90,759
FIT-Marketing &PR	\$234,268	\$354,299	\$120,031
Research + Metrics	\$749	\$21,279	\$20,530
Reserves-Contingency	\$0	\$124,946	\$124,946
Staff Financials / Strategic Management	\$117,511	\$99,871	-\$17,640
Venue Development	\$0	\$100,000	\$100,000
Website & Tech	\$7,276	\$53,197	\$45,921
Total-Sales & Marketing	\$579,380	\$1,139,681	\$560,301
Total TTBID Expenses	\$619,745	\$1,299,333	\$679,588
Remaining Funds Available	\$732,611	\$62,760	-\$689,325

TTBID FY17-18 - (YEAR THREE) SALES AND MARKETING - VISITATION RESULTS

Significant growth in scale, reach and frequency of usage on Truckee.com and on Truckee Social Media occurred with 2-3X increase in the most important visitation marketing metrics (i.e. website sessions, database growth, engagement and media coverage), reflecting the strength of TTBID plus Town Visitation funding dedicated to marketing the destination. Truckee is now a nationally competitive, authentic mountain town destination.

Highlights -Visitation Metrics (FY 17/18 vs 16/17)

- Truckee.com earned 408K Sessions* vs. 190K year prior (a 2X increase).
- \$5.9M in Public Relations, earned media value.
 - 2018 “Coolest Ski Town in North America”, Matador Network
 - USA Today 10Best.com’s Readers’ Choice “Best Ski Town” category
 - “Best Mountain Towns in America”, Jetsetter and Marriott Traveler.
 - Finalist, Sunset Magazine’s “Best Places to Live.”
- 49K Social Media Fans/Followers (surpassing 40K goal).
- 189K “Visit Truckee” E-Newsletters recipients and 19K subscribers (up from 9K).
- Two new major events sponsored and produced; Sagan Fondo and Truckee Crow Thaw.

In addition to these metrics, Tourism funding created the Truckee Cultural District logo, brochure and a place for artists to talk about the new district while demonstrating and engaging with the public (locals and visitors) at Truckee Thursdays all summer. Various genres (dance, makers, music, painting and more) were represented at the Truckee brand booth.

* a session is defined as a period of time that someone used a browser view the website.

All - Visitation Metrics (FY 17/18 vs 16/17) - [See Appendix C](#) (also provided in the Chamber’s annual Integrated Marketing and Communications Plan (IMCP report).

California Welcome Center

The Town of Truckee 100% funds Truckee’s Visitor Center - a California Welcome Center (CWC) location. We continue to see steady, year over year growth. Narrative for the CWC was provided in the annual IMCP report.

- 221,067 visitors in 2017 calendar year.
- 196,886 visitors in 2016 calendar year.

TTBID FY17-18 - (YEAR THREE) SALES AND MARKETING - KEY LEARNINGS

Events & Venues

1. Truckee venues (with parking) for large events are not readily available.
 - A TTBID Event Sales contractor spent most of the year researching venue feasibility for events in the shoulder seasons, from ballfields to downtown, to Donner Lake.
2. Event Producers for large new “grassroots” events (created from scratch and not turnkey such as Tough Mudder) are challenged with finding major sponsorships that would offset the risk of holding a first year event, despite being granted funds from TTBID.
 - Two large potential events (Cathy Dangler, C3 Events Inc.) were cancelled due to lack of sponsorships.
3. New “grassroots” events require significant startup funding (for marketing, programming and production) in the first two to five years to gain traction, awareness, attendance and customer database development at levels needed to breakeven and make a profit.
 - “It’s a process”, James “Woody” Woodruff - Crux Productions.
4. Event Producers who have the “package”; a large fan/customer database, marketing budget, programming expertise, sophistication in working with local governments and agencies, and who bring production capabilities - are best equipped and most likely to succeed.
5. Local special interest groups can hinder the success of bringing large events to Truckee.
 - One large, turnkey event producer, Night in the Country (approved for funding by TTBID) cancelled due to pressure from a local chapter representing a national organization.

Marketing & Public Relations * Research and Development * Brand Experience

1. Focusing on “book lodging now” campaigns yielded high results for the money spent. In year four, the value may be more in Truckee brand experience* vs. “buy now” messaging. A brand approach requires a higher trust factor - strategies will yield less obvious, trackable results.

* Brand experience, in this context means marketing that is less focused on earning a transaction and more focused on attracting interest based upon messaging that makes a promise of what they can expect - such as “Truckee is a great adventure base camp for families and here is why.”

2. The return on investment for Public Relations (PR) and Social Media (SM) was very strong for the money spent. In year four, increasing the investment in PR and SM will be valuable, with a shift towards brand engagement** as the highest priority.

**Brand engagement, in this context means focusing more activities and efforts in PR and Social Media on two-way interaction (like, share, register, enter, tag, etc.) vs. driving a transaction (book lodging, sign up, attend).

3. The economic impact of visitation and the types of visitors (demographic and psychographic) are critical to understanding Truckee tourism. The latest report is outdated at five years old.

Investment in research is imperative.

4. Truckee shuttle ridership (holidays and Truckee Thursdays) survey results demonstrated that 38% (+/- 9%) were visitors. This proved to be a valid reason for TTBID to pledge \$30K in this and next fiscal year towards the Town of Truckee transportation costs.
5. Investment in the Reno Airport Services Corporation (RASC) a regional marketing association dedicated to increasing airlines and direct flights into Reno-Tahoe International Airport helped yield steady growth (capacity) and more direct flights.

Compliance & Town of Truckee

1. Town of Truckee continues to successfully increasing compliance and reduce payment “friction” with online reporting that now includes a key data point for “rooms occupied”, upon TTBID’s request. As a TTBID goal, Town’s compliance efforts are highly appreciated by the TTBID Committee. Additionally, Town of Truckee Finance Staff made special efforts to educate TTBID Committee members as well as provide key data for Chamber Staff to draw insights and analysis from.

TTBID FY18-19 (YEAR FOUR) ANNUAL BUDGET ALLOCATIONS

The Management District Plan requires the following annual budget allocations based upon the Town of Truckee’s \$620,000 TTBID collections forecast.

Sales & Marketing Budget (88%)	\$545,600 = \$620,000 Town forecasted income X .88
Administrative Expenses (6%)	\$37,200 = \$620,000 Town forecasted income X .06
Contingency Renewal (5%)	\$31,000 = \$620,000 Town forecasted income X .05
Collection Costs (Town of Truckee) (1%)	\$6,200 = \$620,000 Town forecasted income X .01.
Total Sales & Marketing Budget	\$1,278,211 = \$545,600 + \$732,611 (balance forward FY17-18)

TTBID FY18-19 (YEAR FOUR) ANNUAL SALES AND MARKETING BUDGET

The TTBID Sales & Marketing Budget for Fiscal Year 2018-2019 was approved by the TTBID Committee on June 6, 2018, and by the Truckee Chamber of Commerce Board of Directors on Sept. 18, 2018.

This report precedes a presentation scheduled for Town Council on October 9, 2018. At that time, approval from Truckee Town Council will be requested per the following budget:

	FY18-19	FY18-19
	% BUDGET	\$ BUDGET
Events + Groups	18.27%	\$233,511
Marketing + Public Relations	17.00%	\$217,262
Community Relations	2.47%	\$31,567
Research + Metrics	1.68%	\$21,471
Brand Experience	2.26%	\$28,847
Reserves - Contingency	6.31%	\$80,624
Website + Tech	4.67%	\$59,647
Venue Development	38.68%	\$494,353
Staff Strategic Management	8.68%	\$110,931
	100.00%	\$1,278,211

TTBID FY18-19 - (YEAR FOUR) SALES AND MARKETING - EXECUTIVE SUMMARY

It is important to note budget shifts the TTBID Committee made based upon key learnings and new information that came to light in FY 17-18. The Committee recognizes that many choices and decisions can benefit the community as a whole, while serving the interests of all assessed properties.

Significant budget changes of note:

- Events and Groups received the 2nd largest decrease.
- Marketing and Public Relations received the largest decrease.
- Venue Development increased from \$100K to \$494K, the lionshare of this year's budget.

TTBID SALES + MARKETING		SEPTEMBER 19, 2018					
	FY18-19	FY18-19	FY17-18	FY17-18	\$	%	
	% BUDGET	\$ BUDGET	% BUDGET	\$ BUDGET	YOY DIFF	YOY DIFF	
Events + Groups	18.27%	\$233,511	26.79%	\$305,334	-\$71,823	-8.52%	decrease
Marketing + Public Relations	17.00%	\$217,262	31.09%	\$354,299	-\$137,037	-14.09%	largest decrease
Community Relations	2.47%	\$31,567	4.29%	\$48,837	-\$17,270	-1.82%	decrease
Research + Metrics	1.68%	\$21,471	1.87%	\$21,279	\$192	-0.19%	decrease
Brand Experience	2.26%	\$28,847	2.80%	\$31,918	-\$3,071	-0.54%	decrease
Reserves - Contingency	6.31%	\$80,624	10.96%	\$124,946	-\$44,322	-4.65%	decrease
Website + Tech	4.67%	\$59,647	4.67%	\$53,197	\$6,450	0.00%	same
Venue Development	38.68%	\$494,353	8.77%	\$100,000	\$394,353	29.91%	largest increase
Staff Strategic Management	8.68%	\$110,931	8.76%	\$99,871	\$11,060	-0.08%	decrease
	100.00%	\$1,278,211	100.00%	\$1,139,681			

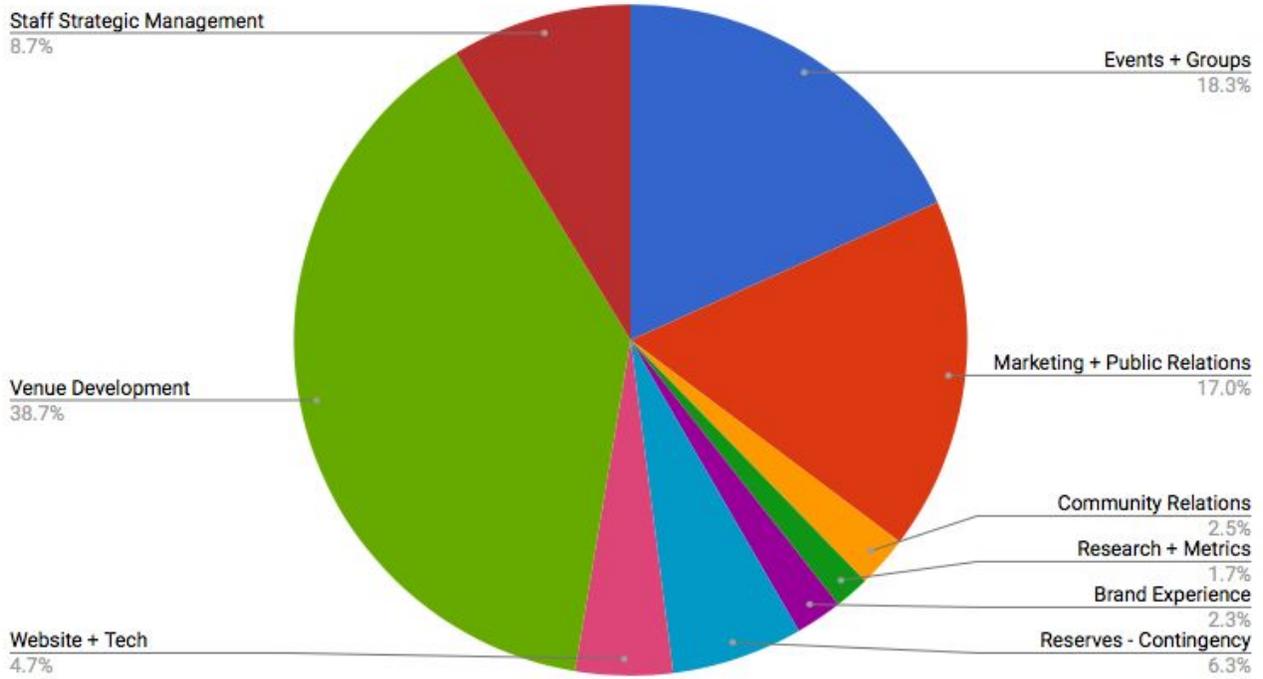
Of note, Venue Development proved to be a paramount need for driving visitation in the shoulder season. While TTBID can not commit to multi-million dollar, multi-year investments past the current five year MDP term, they can invest in feasibility studies and/or smaller amounts for infrastructure funding per the budget.

Additionally, the Committee sought to invest in the Truckee brand transportation experience by unanimously voting to fund the Truckee special shuttle programs for not one, but two years. The Committee believes a productive partnership with the Town of Truckee is critical to find win/win visitation strategies that will build Truckee's economy, as a whole.

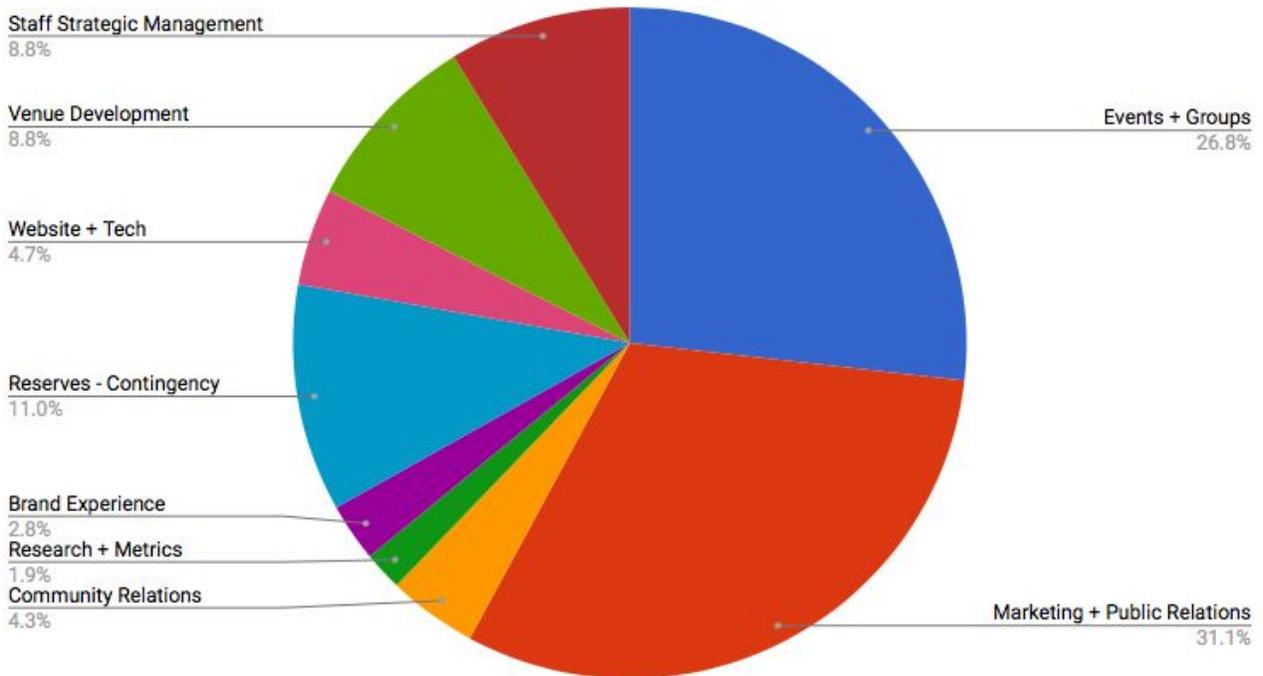
As we now enter the latter half of the MDP term, there is significant interest in outreach and education of all assessed properties, especially the 915 (quarterly average, FY 17-18) active nightly rental homeowners. As TOT and TTBID revenue continues to reflect a trending evening out between Hotels, Property Managers and Individual Homeowners, it is essential that all assessed properties understand TTBID successes, marketing efforts and benefits thereof, for the greater good. Additionally, the TTBID Committee would like to add Committee Members.

For a detailed look at "Staff Recommendations and Strategies for TTBID FY 18-19 Sales & Marketing Budget" [See Appendix D](#)

FY18-19 (% BUDGET - TT BID COMMITTEE APPROVED)



FY17-18 (% BUDGET - TT BID COMMITTEE APPROVED)



TTBID Method of Assessment Rate:

The TTBID assessment rate is two percent (2%) of gross short-term (stays less than 31 days) room rental revenue and includes all lodging businesses such as hotels, motels, triplexes, duplexes and homes within the boundaries of the Town of Truckee. The Town of Truckee is responsible for collecting the assessment on a quarterly basis from each lodging business located in the boundaries of the TTBID, and forwarding all assessments collected to the Truckee Chamber of Commerce, acting as the Owner’s Association.

TTBID Boundary:

The TTBID boundary is shown in the map below.



**Truckee Chamber of Commerce
Board of Directors | FY 2016-17**

BOARD CHAIR

Pam Hobday, Pamela Hurt Associates

BOARD VICE

John Manocchio, Waddell & Reed

BOARD CHAIR-ELECT

Ted Owens, Tahoe Forest Health System

Board Members

Tonya Beyer, W&T Graphix

Tally Meek, Sierra Insurance Associates

Aimee Schaller, Tri Counties

Lisa Toutant, ELTE Inc.

Kelly Wallis, Atelier

Roger Cardoza, Northstar California - Vail Resorts

Bill Greeno, Quality Automotive & Smog

Professional Advisor

Ravn Reece Whittington, Porter Simon

TTBID Management Committee

COMMITTEE CHAIR

Jim Winterberger, Tahoe Getaways

Committee Members

Jon Borden, Truckee Donner Lodge & Inn at Truckee

Juan Llaca, Best Western Plus Truckee Tahoe Hotel

Melanie Meharchand, Donner Bliss, Private Vacation Home Rental

Mindy Oesterman, Donner Lake B&B

Lisa Toutant, ELTE Inc.

TRUCKEE CHAMBER STAFF

Lynn Saunders, President/CEO

Colleen Dalton, Brand Communications Director | TTBID Strategist/Facilitator

Megan Hines, Membership Services Manager

Ruth Geresy, Director of Operations | CWC Manager

APPENDIX (A-D)