



June 15, 2022

Via Email

Monterey Mayor and City Council
City Hall
580 Pacific Street
Monterey, CA 93940

Re: 2022/23 Fiscal Year Budget & MCCVB Funding

Dear Mayor Roberson and City of Monterey Councilmembers:

I'm writing to you on behalf of the Monterey County Hospitality Association (MCHA) regarding your budget planning for the coming fiscal year. We applaud the staff recommendation to continue investing in destination marketing through the Monterey County Convention & Visitor's Bureau (MCCVB) at 6% of overall TOT collections.

The City of Monterey has played a leading role throughout the COVID-19 crisis by aggressively supporting destination marketing to recover from the pandemic. However, full recovery is not expected for several years, and your actions in support of the hospitality industry will continue to help drive the rate of recovery, benefitting all who live and work within the city.

In relation to the Monterey Conference Center (MCC), below are some key facts for your consideration:

- As stated in staff reports, at the 6% investment level MCCVB agrees to provide a "give-back" of \$350,000 to contribute to the MCC bond repayment. Given this, based on current projections the 6% commitment is approximately a 4.8% investment in destination marketing.
- In addition to the \$350,000 give-back, MCCVB dedicates a minimum of \$250,000 in marketing promotion specifically for the MCC. In effect, MCCVB is the advertising agency for the conference center.
- MCCVB also provides critical sales support for the MCC and surrounding hotels. In the current fiscal year, MCCVB has directly delivered:
 - *For MCC:* 65 leads and 13 booked leads that will deliver nearly 8,000 room nights. Economic impact is projected to exceed \$6.8 million in room revenue and visitor spending.

- *For all hotels in the city:* 536 leads and 95 booked leads for 27,548 room nights which is expected to generate over \$19 million in room revenue and visitor spending.

Your investment in the current fiscal year will return over \$27 million in economic impact just from MCC-related sales and marketing support. In addition, MCCVB also promotes the city's critical tourism areas including Alvarado Street, Cannery Row, Fisherman's Wharf and much more. This marketing is vital to all hospitality related businesses, but especially for the small business operators that rely significantly on MCCVB support. MCCVB also has an aggressive Responsible Tourism program that protects our environment by educating and encouraging visitors to be respectful and behave responsibly.

As you all know, the City of Monterey is a tourism economy fueled by essential TOT and sales tax revenues. This economy also supports the livelihood of thousands who work in hospitality. Yet, the ultimate beneficiaries of the tourism economy are the residents themselves who enjoy a quality of life that is significantly enhanced by the City's activities and services, which rely on the tourism economy.

Again, MCHA appreciates the City of Monterey's leadership and investment in destination marketing through the MCCVB. Your commitment to destination marketing is not simply an expenditure, but an investment that drives a significant ROI. We ask that you continue to fulfill this leadership role by supporting our hospitality industry and its contributions to the quality of life for all who live in Monterey.

Sincerely,



Mark Watson
Chair, Monterey County Hospitality Association

Cc: Hans Usler, City Manager
Rob O'Keefe, President & CEO, MCCVB