

May 17, 2024

RE: CITY CONTRACT WITH VISIT CARMEL FOR DESTINATION MARKETING SERVICES

Dear Mayor Potter, Council Members Ferlito, Baron, Richards and Dramov, and Administrator Rerig,

As we approach the Budget Workshop on May 21, 2024, I wanted to offer additional insights into the City of Carmel's contract with Visit Carmel.

As a reminder, prior to 2018, the City engaged an external marketing agency to serve its marketing needs – mostly branding, communications and other visitor-marketing related projects. However, with the establishment of Visit Carmel, a non-profit destination marketing organization, significant synergies and cost efficiencies emerged. Consequently, the City transitioned to contracting with Visit Carmel for its marketing needs. Our current agreement, signed in June 2021 for a three-year term, is set to expire next month. We are seeking a 5-year renewal, with the annual investment subject to Council approval as part of the City's budget review process.

The Carmel Hospitality Improvement District (CHID) and the Carmel Restaurant Improvement District (CRID) mandate that marketing programs funded by these assessments prioritize hotels and restaurants. Consequently, our efforts focus on driving overnight stays during off-peak periods and enhancing marketing initiatives for restaurants. Fortunately, these programs indirectly benefit the City through increased transient occupancy tax (TOT) and sales tax revenue.

The City's annual payment of \$120,000 to Visit Carmel serves as both an investment in our largest economic driver, tourism, and a contract for marketing services. It ensures the City has a voice on our Board by maintaining a Board seat. And it enables Visit Carmel to support not only the City but also other visitor-serving businesses (retail, art galleries) and cultural assets (Sunset Center, Pac Rep, Outdoor Forest Theater, and special events).

For example, these include projects such as:

- **Destination Website** [CarmelCalifornia.com](https://www.CarmelCalifornia.com) – Branding, design, maintenance of listings of all visitor-serving businesses and calendar of events/performances.
- **Official City Guide and Maps** – Design, production, distribution and fulfillment of printed City guide/brochure and display maps placed throughout the Village.
- **Visitor Center Support** – Visit Carmel is now providing financial support to Carmel Chamber to continue and possibly expand its visitor management services via its Visitor Center.
- **Destination Stewardship Initiative** – Campaign development, in-marketing banners and signs, paid digital and print ad support, coordination with local groups.
- **Retail Stakeholder Support** – Monthly communications with all visitor-serving stakeholders; Create marketing content, public relations and social media support for shopping/retail in general, with then additional projects for:
 - **Art Galleries** - Marketing support for Meet the Makers, Carmel Art Festival, the Carmel Art Walk, and Carmel art galleries and artists, among other initiatives, to support the local artist community/art gallery owner.
 - **Wine Tasting Rooms** - Creation, implementation and marketing support for Carmel Wine Walk which supports the retail wine tasting rooms (and walkable nature of the experience indirectly benefits all retail)
- **Performing Arts** – Work in partnership to promote performances and events at Sunset Cultural Center, as well as Pac Rep/Outdoor Forest Theater productions.

- **PR and Social media** – Visit Carmel handles (and contracts with an agency) to target media outlets for coverage, responds to media inquiries, implements social media campaigns on behalf of the entire destination (including retail, art, events, etc).
- **Crisis Communications** – Visit Carmel coordinates with City of Carmel staff, See Monterey and other local agencies as needed to provide timely and essential information when there is an issue (road slides, weather, flooding, fire, beach damage, etc) that affects our visitor-serving businesses and our visitors. This includes maintaining [Travel Alerts](#) to communicating directly with hotel stakeholders so that they can advise their incoming guests to posting on social media for locals and visitors.

To be clear, the \$120,000 is assigned to cover actual hard costs (printing, paid advertising, outside contractors) for projects that can be classified as “City Marketing” expenses. Those funds do not go toward paying for overall destination marketing or restaurant marketing programs. Neither do they fund professional time (mine, Jeff’s, graphic design/creative work), public relations, social media, or any administrative costs. For example:

Planned FY 24-25 Hard Cost Expenditures for “City-oriented” Marketing Projects

Destination Website Digital Media	\$ 83,100
Website Hosting and Tech Support	\$ 9,200
Chamber Visitor Center Support	\$ 30,000
Carmel City Guide and Map Brochure Printing and Distribution	\$ 24,063
Destination Stewardship Digital ads and programs	\$ 26,750
Meet the Makers event (Supports Art Galleries and Wine Tasting Rooms)	\$ 20,554
Carmel Wine Walk Marketing and Brochure Printing	\$ 22,462
Carmel Art Walk Brochure Printing (not including design and distribution)	\$ 2,502
Carmel Car Week Brochure Printing (not including design and distribution)	\$ 1,428
Carmel Art Festival Ad	\$ 550
	\$220,609

Visit Carmel recently launched a new *A Storybook Kind of Place* campaign highlighting the artistic heritage of our Village and it is featured on our destination [website](#). I encourage you to explore it. Additionally, for a detailed overview of Visit Carmel’s mission and projects, I recommend reviewing our [Annual Report and Marketing Plan](#).

Your participation and support are invaluable to our programs. City representation at the board level guides our overall marketing direction, as well as the complex set of sub-programs under the Visit Carmel umbrella.

I hope this provides clarity regarding the City's budget allocation. Please don't hesitate to reach out with any questions.

Sincerely,


Amy Hennig
Executive Director

Visit Carmel
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