Mendocino County Lodging Business Improvement District
2026-2027 Annual Report

Coast Rep: **Chair**, Cally Dym, Little River Inn
Coast Rep: **Vice Chair** Jon Glidewell, Beachcomber Hotel Group
Inland Rep: Marcus Magdaleno, The Boonville Hotel
Inland Rep: Jitu Ishwar, A.J.P.J. LLC (Ukiah)
At Large: Nickie Willet, SCP Hotels

Submitted to the County of Mendocino

Date:

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Executive Summary from the BID Advisory Board Chair:

This annual report, produced by the BID Advisory Board—a five-member panel of lodging owners and operators—is a key component of the renewal process. It provides insights into the past, present, and future of Visit Mendocino County (VMC), our Destination Marketing Organization (DMO), and its associated governing bodies. This report sets forth future objectives and an estimated operational budget for the upcoming fiscal year (FY). The projected budget is based on the anticipated Business Improvement District (BID) funds collected. These funds are distributed quarterly by the County, which then transfers them to VMC.

As you are aware, the county no longer provides any financial support to this important and vital economic development effort. During contract hearings in 2022, county officials reviewed VMC's funding and determined that the General Fund could no longer sustain the organization's growth. This has proven to severely limit the economic development efforts to bring in more taxes to the county and economic activity to its businesses.

This report includes actionable recommendations for both the Mendocino County Tourism Commission (MCTC) and the County of Mendocino. The county, historically, has ignored these recommendations which further inhibits greater success amongst MCTC's programs and initiatives. We are hopeful the County is in a better position to work closer with us in order to maximize efforts to bring in more taxes, create more jobs and increase overall economic vitality.

A significant recommendation to the County of Mendocino involves changes in the current BID Ordinance. We are seeking these changes in order to simplify and streamline the operations of the BID and have come from the businesses which pay into the assessment.
These changes include:

1. Removing the election of MCTC Board of Directors and placing it into the MCTC by-laws
2. Removing the required make-up of the MCTC Board of Directors to better represent those businesses paying into the assessment
3. Re-establishing the 50% match to BID collections in order to invest in increasing TOT income to the county for the foreseeable future. The match also includes funds, should the county desire, to hire an Economic Development Coordinator for the county.
4. Contract with a 3rd party vendor to collect, enforce and administer BID funds to MCTC

This Advisory Board and the entire VMC team remains dedicated to providing the county with these essential economic development efforts. We are hopeful the county will, once again, partner with us in these efforts ensure a successful countywide BID program. Of course, providing a match to collected assessments would enable a significant increase in efforts as well as provide the county with the increased economic development efforts it is currently seeking.

Best Regards,

Cally Dym
Little River Inn

Chair, BID Advisory Board

Establishment and Requirements of the Lodging BID

The Mendocino County lodging industry and the County of Mendocino collaborated to establish the Lodging Business Improvement District (District) in the spring of 2006. Ordinance 4170 added the terms of the BID to the Mendocino County Code as Chapter 5.140 to Title 5. It created an assessment equal to one percent (1%) of rents paid for transient occupancy, to be collected by lodging for the purpose of countywide promotion. The Ordinance also created a county match of 50% of the total BID assessment.

Pursuant to Section 5.140.210 to Title 5 of the Mendocino County Code, and as required by the "Parking and Business Improvement Area Law of 1989," the BoS established a five–member BID Advisory Board responsible for preparing a BID Annual Report for each fiscal year. This report is presented to the BoS for approval approximately 90 days before the start of each fiscal year. The BoS appoints Advisory Board members based on nominations from the MCTC Board, pursuant to its contract with the county. This contract requires MCTC staff and board to assist in preparing the Report.

Section 5.140.220 outlines specific information to be included in the BID Annual Report:

A. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.

B. The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies and, with respect to that fiscal year, shall contain all of the following:

1. Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.

2. The improvements and activities to be provided for that fiscal year.

3. An estimate of the cost of providing the improvements and the activities for that fiscal year.

4. The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

5. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

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6. The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

The BID Annual Report advises the BoS on the state of the BID and the proposed Annual Marketing Plan and budget for the upcoming fiscal year. State law requires that this report be prepared and adopted by the BoS annually in order for the BID to be renewed. Once adopted by the BoS, it dictates how BID funds are to be spent and provides a road map for implementation by the designated contractor. The report ensures transparency by communicating to stakeholders how BID funds are being invested and how impacts on visitor spending are being evaluated.

Section 5.140.245 requires that: The Board of Supervisors shall designate a contractor that shall be responsible for the administration of the Business Improvement District (BID) including hiring and oversight of the individual or entity charged with implementation of the Annual Marketing Plan that is annually approved by the Board of Supervisors. Since January 2016, the county has met this requirement by contracting with the Mendocino County Tourism Commission to fulfill these functions.

II. Introduction and update of BID History

a. Impact of BID on the Lodging and Tourism Industry

Lodging and tourism promotion is vital to Mendocino County's economy because of the impacts of visitor spending on taxpayers, businesses, and employees.

· In 2024 the most recent year for which complete baseline information is available, total direct travel spending in the county increased 1.6% to $534.1 million dollars. Tourism remains a notable employer within the county, with the industry supporting almost 6,000 jobs.

Mendocino County

Direct Tax Revenue

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	% Chg. 23-24
Direct Tax Revenue ($Millions)												
Total	35.7	37.0	38.8	41.0	42.7	46.4	34.3	49.1	50.6	47.8	48.5	1.6%
Local Tax Revenue Detail ($Millions)												
Total	16.2	17.5	18.5	20.1	22.3	24.3	19.6	27.7	28.0	25.7	25.8	0.5%
State Tax Revenue Detail ($Millions)												
Total	19.5	19.5	20.3	20.9	20.5	22.2	14.7	21.4	22.6	22.1	22.7	2.9%

Note: Economic impacts are attributed to visitor trips which are defined as trips taken by individuals that stay overnight away from home, or travel more than 50 miles one-way on a non-routine trip, as defined by the California Tourism Marketing Act.

*Local tax revenue includes transient occupancy taxes, sales taxes, airport passenger facility charges paid by visitors, and the property tax payments and sales tax payments attributable to the travel industry income of employees and businesses.

**State tax revenue includes sales taxes and motor fuel taxes paid by visitors, and the income taxes and sales taxes attributable to the travel industry income of employees and businesses.

Direct Impact Detail

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	% Chg. 23-24
Direct Earnings ($Millions)												
Total	172.5	179.1	202.3	219.0	209.1	228.6	169.5	207.6	230.6	250.2	260.9	4.3%
Direct Employment (Jobs)												
Total	6,690	6,500	7,040	7,210	6,160	6,400	4,570	5,090	5,730	5,930	5,880	-0.8%

Note: Employment figures rounded to the nearest 10. Economic impacts are attributed to visitor trips which are defined as trips taken by individuals that stay overnight away from home, or travel more than 50 miles one-way on a non-routine trip, as defined by the California Tourism Marketing Act.

*Retail includes gasoline station employment and earnings.

**Other travel includes travel arrangement services and conventions/trade shows.

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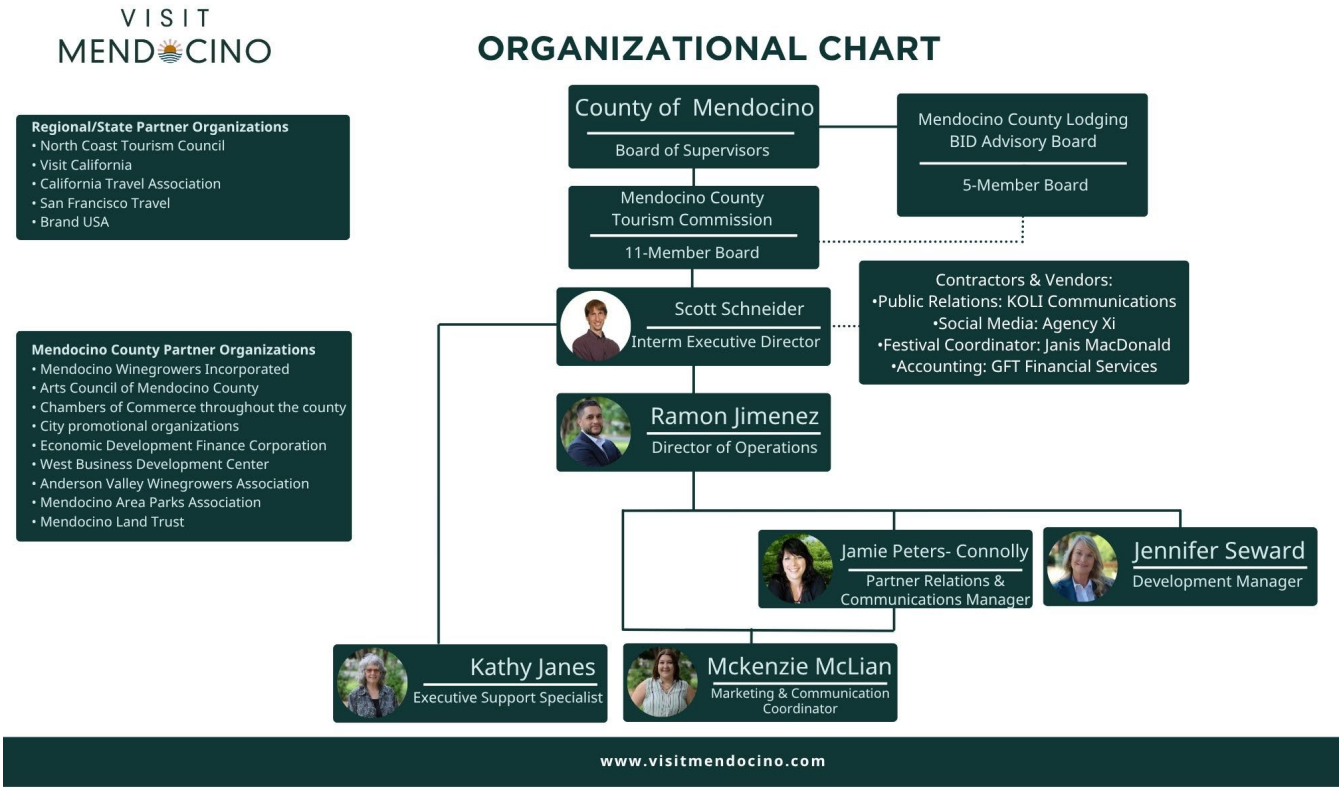
Mendocino County, its incorporated cities and taxpayers, have a direct interest in the optimal investment of BID funds to promote countywide tourism and related industries. Building and maintaining awareness of the county as a viable and vital tourism destination continues to be top of mind for marketing efforts in 2025-2026. It is clear now more than ever that enhancing this essential segment of the county's economy is essential in the economic development of Mendocino County. The California tourism market is more competitive than ever, with regions competing for the "road-trip" segment of Californians and surrounding state residents as international travel has declined. One measure of the impact of the BID funds is the amount of transient occupancy tax (TOT) that is collected. The County Treasurer-Tax Collector's September 2025 Transient Occupancy Tax Report for FY 2024-2025 shows that revenue from lodging businesses increased to $8.32 million, a slight increase of 2.2% over the prior year. For planning purposes, MCTC revenue projections are based on actual assessment receipts as reported by the Treasurer-Tax Collector for the last completed fiscal year (FY 2024-2025).

Below is the current organizational chart:



III. MCTC ACCOMPLISHMENTS

a. Overall Goal and Strategic Objectives

VMC's overall goal in FY 2025-2026 remained to: Increase overall demand for overnight leisure visitation during key times of the year in an effort to increase revenues, employment and taxes in Mendocino County.

Strategic objectives include:

1. Continue to effectively position Mendocino County as one of California's premier vacation destinations.

2. Educate consumers on the different coastal and inland experiences that can be found within the county.

3. Maintain marketing focus on key lifestyle and passion segments including outdoor/recreation, wine, beer & spirits, food, and romance.

4. Maintain the role of technology and digital marketing efforts in order to broaden the reach and increase effectiveness.

b. Tactical Goals Related to Strategic Initiatives

Fiscal year 2025-2026 tactical goals remained closely aligned with the strategic objectives. Impact was tracked and measured against established goals in six key performance areas:

- Public Relations
- Advertising and Paid Media
- Website and Social Media
- Visitor Services
- Sales
- Administration and Operations

c. Accomplishments for FY 2024-2025

MCTC's strong marketing and public relations programs hit new milestones with increased website traffic, decreased bounce rate, and massive engagement on social media including new heights in numbers of favorable articles in national and international travel publications and glossy magazines. These developments demonstrate the organization working towards one of its strongest years.

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In its third year of the current brand generation, the organization leveled operations with an underfunded budget (loss of CoM support) while continuing to work in partnership with the local Chambers of Commerce, MCLA, wine associations and other business leaders to further the growth of tourism in Mendocino County from a grassroots marketing level.

For FY 2024-2025, VMC set goals for each area of responsibility and outcomes and Key Performance Indicators (KPIs) were recorded for each goal. Results in each key area are discussed in detail in the Visit Mendocino County FY 2024-2025 Annual Report, which is available online at: www.mendocinotourism.org/wp-content/uploads/VMC-2023-24-Annual-Report-Final.pdf

d. Year to Date Progress for FY 2025-2026

Marketing Plan outcomes are tracking well. We track these in our Quarterly and Annual Reports against our strategic plan and its outlined imperatives, objectives, and initiatives.

The VMC Strategic Plan defines certain initiatives that correlate with the organization's marketing goals for the fiscal year. They include:

- Increase tourism revenue through the development and implementation of the annual integrated marketing, public relations, and sales plan
- Foster collaboration and countywide alignment by creating and developing the "go to" website for all tourism stakeholders
- Increase Mendocino County brand awareness and positive perception
- Develop a data-sharing process that offers context and insights for partners

Staff worked with the BOD and marketing committees to develop a marketing plan and execute new campaigns that highlight the natural assets and events of Mendocino County. The organization continued managing all marketing duties in-house and management of all campaign development and execution with the oversight of the MCTC committees. This plan can be viewed here: https://www.mendocinotourism.org/wp-content/uploads/VMC-Marketing-Plan-2025-2026.pdf

IV. Basis for Planning and Budgeting for FY 2026-2027

a. District Boundaries and Assessment

Pursuant to Section 5.140.060 each hotel or lodging business that collects rent and benefits from overnight guests and operates in the District will be assessed a share of the costs of the services, activities and programs, according to the rent revenues and the benefits to be received, with the assessment levied as one percent (1%) on gross rent.

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This assessment is calculated on a daily basis from gross rent revenues collected by each lodging establishment.

b. Allowable Services, Activities and Programs

The services, activities and programs to be provided through the BID in FY 2026–2027 are defined by Section 5.140.050 of the Mendocino County Code for the purpose of benefiting lodging by promoting tourism in the District. Those services, activities and programs which are to be accomplished through implementation of the approved Annual Marketing Plan and Budget by MCTC, are as follows:

a. The general promotion of hotels operating within the District;
b. The marketing of products and events that have a connection with the hotel industry operating in the District;
c. The marketing of the District to the media and travel industry in order to benefit local tourism and the hotels in the District.
d. Any activities permitted under the Parking and Business Improvement Law of 1989 that are included as costs as specified in the annual report to be prepared by the advisory board and adopted annually by the Board of Supervisors. Activities means, but is not limited to, all the following:

1. Promotion of public events which benefit businesses in the area and which take place on or in public places within the area;
2. Furnishing of music in any public place in the area;
3. Promotion of tourism within the area;
4. Activities which benefit businesses located and operating in the area.

v. Preliminary Plan for Fiscal Year 2026-2027

a. Strategic Direction and Organizational Goals

The Advisory Board is recommending a significant change in its strategic direction as to how it markets lodging throughout the county to potential visitors. This change is a result of many conversations with lodging businesses and how the BID can better serve their business interests. Below is a summary of the shift in strategic direction.

Two Regions, Two Strategies

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1. **Split coastal and inland into separate marketing tracks.**

   Both inland and coastal Mendocino County have a lot to offer, but right now we're mostly trying a one-size-fits-all approach that doesn't really lean into the pre-existing strengths of each region. We want to pivot into an approach that generates the most lodging revenue

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for each region.

The inland corridor has a strategic advantage being right on the 101, both for ease of access for small groups and conferences from the Bay Area and Sacramento, and for capturing through-travelers on their way either further north or south. Inland marketing and PR efforts can be repositioned around these drive through travelers as well as small group and conference travel via the Ukiah Conference Center or other markets as defined by lodging operators in these areas.

The Coastal region (from Gualala to the Lost Coast) and Anderson Valley get marketed primarily to individual leisure travelers. Travelers to the Coast are to some extent explorer/adventurer psychographics, even those staying in Fort Bragg or established major properties. The drive itself acts as a filter, and we can better lean into targeting them by highlighting our pillar lodging properties, unique attractions, and the overall 'wild coastline' brand that our brand study has already confirmed is our main top-of-mind category.

The brand study confirms inland can't compete for individual leisure tourists at nearly the same level as the coast. This approach gives inland a market it can win, and allows us to more clearly articulate the marketing message of the coastal region.

2. **Focus dollars where they generate.**

   Different areas contribute different amounts to the BID through revenue, and while everywhere in the county will be promoted, a shift towards a more proportionate distribution of focus is in everyone's best interest. Regions where major BID is generated need more marketing focus placed on them to generate more overnight stays to in turn generate more BID. This more balanced approach to marketing focus will help generate more overall BID dollars and more reach for everyone. Historically, this has been approximately 75% from the north coast region and 25% from the inland and south coast regions.

3. **Lead with Coastal, Wine, and Cannabis.**

   These are the three categories where travelers actually think of us unprompted. Outdoor and Nature score well when we prompt people, but we will never out-shout Yosemite and Tahoe. Of these, Coastal beauty and remote coastline are the easiest lift for us; not only is this our clearest unprompted mindshare category, it doesn't have the advertising difficulties of cannabis (due to federal classification), and it is sector of travel in California that is on the rise.

Overnight Stays as the Single Metric

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4. **Measure everything against heads in beds.**

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While impressions, reach, advertising equivalency, etc. may all be useful for gauging raw touch, we need to return to using heads-in-beds as the genuine metric we are looking at. Every campaign, event, and media visit must connect to overnight visitation. If we can't draw a line from the activity to a booking, it gets deprioritized. We recommend building out a network of representative properties, with at least one from each major category (whether resort, B&B, motel, vacation rental, etc.) in each area of the county, who are willing to share monthly or quarterly occupancy data (and ideally ADR), to allow us to model month-to-month and year-over-year to see how our marketing efforts are directly moving the needle.

5. **Apply an "overnight test" to every event we support.**

   Seafood & Sips and Harvest Festival stay and get stronger lodging tie-ins. Going forward, every event VMC invests in must demonstrate it generates overnight stays, not just day-trip or local-first traffic.

Specificity Over Generality

6. **Market the specific, not the general.**

   We will stop focusing so much on "Mendocino County" as a broad, undefined concept. We will pivot to selling the specific thing that makes someone book a room: what a particular lodging property just launched, why a specific festival is worth a two-night stay, something happening in the natural cycle of the county that is an attractor (whether whales or mushrooms or something else). Every piece of content should be one click from a booking.

7. **Build a shoulder season "reason to book" calendar.**

   Map one specific, bookable reason to visit per week during October through through May (outside holiday periods). Not "fall is beautiful." Instead: "This inn has a new mushroom foraging weekend package November 8 through 10. Book here."

Media and Content

8. **Restructure media visits around depth, not breadth.**

   Shift away from three-day broad touch tours. Match each writer to their specific interests, pair them with one or two lodging partners doing something genuinely interesting, and let them go deep. A food writer spending real time in one kitchen produces better coverage than a food writer who ate at six restaurants.

9. **Video-first content strategy.**

   Although we've begun the shift, we recommend accelerating into more video. Video becomes our primary format; written and static imagery support it. Short-form vertical for TikTok and Reels, longer cuts for YouTube and the website. Every lodging partner story, every festival, every reason to book should have video as the lead asset. This is not to

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completely eliminate high-impact, or highly-evocative, imagery from our content feed, as this does often have very high direct-engagement rates, and can showcase a level of beauty that can be lacking from more hooky video content.

10. Dedicated roving content creators.

Shift some budget to accommodate one freelance creator on retainer, art directed by our existing team. This is not for specific scheduled shoots, but rather an ongoing presence. They'll capture what's actually happening at the brewery on a Tuesday, on the coast or on a boat when the whales show up, at specific lodging properties that may not be generating their own content but have something unique to offer visually and experientially. This gives us a constant pipeline of authentic content instead of periodic planned shoots.

Spend and Distribution

11. Concentrate paid media where the data says we win.

Sacramento first (they love us). Bay Area second (reachable, high-potential growth market). Southern Oregon third (small but high-affinity). LA gets PR and influencer work for long-term awareness only; no paid conversion campaigns until awareness catches up.

12. Lodging partner co-op advertising.

Create a framework where individual properties, municipalities, regional organizations, other hospitality businesses, non-profits, etc. co-invest with VMC on promoting their specific story. VMC provides distribution (social, email, web, paid); the partner provides the story and shares the cost. More specific content, shared expenses, direct partner investment.

Future-Proofing

13. GEO and AI search optimization.

Travelers increasingly find destinations through AI-generated answers and conversational search. VMC has put some focus on this with a shift in content strategy and an integration of a GEO schema and AI chatbot, but we will continue to try to stay ahead of these shifts in consumer behavior as they evolve. Focus on structuring website content, lodging partner information, and experience descriptions to surface well in AI search results, not just traditional Google rankings. Low cost now; high payoff as the shift accelerates.

The following outline the FY 2026-2027 organizational goals which are the same as previous years.

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1. Continue our campaign to promote the value of VMC in driving positive results to local businesses. This includes surveys, meetings and other opportunities to learn the needs of our stakeholders and partners in order to enhance our portfolio of what we can offer.

2 . Continue to evaluate and diversify visitor target market segments.

3. Continue our investment in event promotion with an emphasis on shoulder seasons.

4. Advocate for the development of pro-business county regulations.

5. Advocate for County investment and development of sustainable tourism infrastructure.

6. Align destination development activities to Visit California's Stewardship Objectives.

b. County of Mendocino Investment for FY 2026-2027

This Board is requesting the County of Mendocino re-establish the 50% match of BID funds in order to, once again, invest in tourism promotion and the overall economic development of the county.

The County of Mendocino stopped investing in tourism promotion over 3 years ago. As a result, the economic conditions have suffered. Evidence suggests that counties who lack investment in their tourism promotion lose ground to competing destinations. For example in 2023, visitor spending actually *declined* 2.5% against a statewide trend of an *increase* of 3.5%. With its lack of competitiveness and adequate funding, county businesses and, as a result, its overall tax base is getting worse without proper investment in tourism promotion.

It is vital the county re-invests a portion of the TOT it receives from visitors into increasing visitation and overall visitor spending. This re-investment will directly affect future TOT figures ultimately increasing the general fund which, as the county continually points out, is vital to its future economic prosperity.

Appendix XXX is a brief summary which supports why counties, specifically rural counties, re-investing in its tourism promotion.

c. Estimated BID Assessment Revenue for FY 2026-2027

Pursuant to Section 5.140.245 of the Mendocino County Code, the County of Mendocino has entered into an agreement with MCTC as its contractor to provide promotional services, activities and improvements for the District. The balance sheet and profit and loss statements regarding budget vs. actual reports are to be provided to the county on a quarterly basis.

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In FY 2024-2025 the Mendocino County Tax Collector recorded total BID assessments in the amount of $ 1,126,366.51 to provide services, activities and programs on behalf of the District.

The Budget contained in this BID Annual Report is based on actual FY 2024-2025 BID assessments. Matching funds of $600,000 provided by the County of Mendocino for tourism promotion is included in the Budget.

c. Proposed Budget for FY 2026-2027

The total budgeted cost of services, activities, and programs for the District in FY 2026-2027 is $ 1,800,000. This number is based on current and past collections and continues to not include any investment by the County of Mendocino.

Pursuant to Section 5.140.240 the County of Mendocino is entitled to charge an amount equal to its actual costs for the collection of assessments and administration. The cap on this fee is three percent (3%) of the total countywide BID assessments. The current budget does not include this fee and encourages the County to not charge for its staff time in assisting with BID collection, reporting and administration.

MCTC's current reserves (approximately $300,000) fulfills the BOS approved recommendation of the BID Advisory Board that the Reserve Fund be equal to $100,000 or ten percent (10%) of the annual expenses, whichever is greater. This sum is to be held in an interest-bearing account for the purpose of providing funds that can be accessed to address shortfalls in revenue projections or unexpected expenses consistent with applicable laws and the annual contract between the County of Mendocino and MCTC. Allowable uses might include promotional expenditures required to assist the District's recovery from a natural disaster or other adverse circumstance in which inadequate funding could pose a threat to the local tourism economy. Expenditures from the Contingency Fund must be authorized by a vote of the MCTC Board of Directors.

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Proposed Budget for FY 2026-2027 Annual Budget

INCOME		
MCTC BID Assessment	$1,200,000.00	
County of Mendocino Matching Funds	$ 600,000.00	
Event Brochure Ads	$0.00	
Interest	$0.00	
Total	**$1,800,000.00**	
EXPENSES		
Advertising/Media	$478,000.00	220% increase
Public Relations	$180,000.00	20% increase
Website Maintenance & Development	$80,000.00	50% increase
Leisure & Group Sales	$12,000.00	100% increase
Partnerships	$90,000.00	50% increase
Visitor Services	$90,000.00	10% increase
County Economic Development Coordinator	$175,000.00	
Administrative Expenses	$162,000.00	10% increase
County Administrative Fee (3% fee)	$ 54,000.00	
Personnel	$479,000.00	2% increase
Total	**$1,800,000.00**	
Portion From Unrestricted Reserve	$0.00	
BOTTOM LINE	$0.00	

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Recommendations Actionable by Mendocino County Tourism Commission 2026-2027

- **Shift marketing strategy as identified in report.**
- **Review administrative expenses including office space and possible relocation to the coast**
- **Examine investments in contractor services and evaluate effectiveness and possibility of bringing said services "in-house"**

Recommendations Actionable by the County of Mendocino 2026-2027

- **Update Ordinance to include the following changes:**
  - **Re-allocate Administrative Fee**
  - **Contract with 3rd party vendor for collection, enforcement, reporting and administration of BID funds**
  - **Remove requirement for the make up of the MCTC Board of Directors from the Ordinance to be placed in the MCTC by-laws**

- **The following board make-up is recommended to be included in the MCTC by-laws:**
  - **Minimum of 7 members; maximum of 11 members**
  - **Minimum of 6 and maximum of 8 lodging members**
  - **Lodging operator shall be from the following regions/jurisdictions:**
    - **City of Fort Bragg (1 seat)**
    - **City of Ukiah (1 seat)**
    - **South Coast (Elk to Gualala) (1 seat)**
    - **North Coast (Albion to Westport) (2-4 seats)**
    - **Inland Region (Ukiah/Hopland/Anderson Valley) (1-2 seats)**
  - **Other members shall be "at large" and come from direct-facing visitor serving businesses which have been in operation in Mendocino County for at least 3 consecutive years**
- **Remove election of MCTC Board of Directors from the Ordinance to be placed in the MCTC by-laws**

- **Reinstate 50% match of county funds to assist in economic development efforts**
  - **Part of these funds (up to $175,000) shall be used to fund a staff position within the county organization focused solely on economic development priorities and activities countywide including any travel and other activities for bringing further economic development to the county**
  - **As an alternative, provide a 50% match to any other assessment of a tourism business that currently or in the future exists. This is to encourage other industries as well as the county to invest in tourism promotion along with lodging.**

Appendix 1: Mendocino County Treasurer-Tax Collector TOT/BID Report

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APPENDIX 2: MCTC Board Roster

Kasie Gray
Regional Promotional: Inland

Tawny MacMillan
Regional Promotional: Coastal

Ian Roth
Medium Lodging Operator: Coastal

Alina Reyes
Small Lodging Operator

Christopher Boettcher
Large Lodging Operator: Coastal

Jitu Ishwar
Large Lodging Operator: Inland

Jon Glidewell
Large Lodging Operator: At Large

Julie Golden
Food & Beverage

Elizabeth Cameron
Arts Organization/Attractions

Melodie Hilton
At Large

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APPENDIX 3: BID Advisory Board Roster

Cally Dym, Chair, Little River Inn
Coast Region

Jon Glidewell, Vice Chair, Beachcomber Hotel Group
Coast Region

Marcus Magdaleno, The Boonville Hotel
Inland Region

Jitu Ishwar, A.J. P.J., LLC.
Inland Region

Nickie Willet, SCP Hotels
At Large

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APPENDIX 5: Historical Overview of the Implementation and Oversight of the BID

Historical Overview of the Implementation and Oversight of the BID

BID Annual Reports comprise the official record of program implementation, oversight and outcomes funded through the BID assessment and county matching funds. They may be accessed on the county website. The following timeline summarizes the history of BID oversight:

- 2006: Business Improvement District established by vote of Mendocino County lodging owners and operators.

- 2006-2015: Pursuant to annual contracts with the County of Mendocino, funds from 1% BID assessment were overseen and invested in countywide promotion by Mendocino County Lodging Association (MCLA). The 50% county match was overseen and invested in countywide promotion by Mendocino County Promotional Alliance (MCPA).

- 2009: MCLA and MCPA collaborated to establish VMC as a 501 (c)(6) organization and contracted with VMC to prepare and implement an annual Marketing Plan and budget prior to the start of each fiscal year.
- 2012: VMC earned accreditation by the Destination Marketing Association International (DMAI) and was designated by the Board of Supervisors (BOS) as the official destination marketing organization of Mendocino County.

- 2013-2014: MCLA and MCPA jointly funded in-depth marketing and organizational management studies with the goals of addressing internal issues, simplifying the organizational structure, strengthening promotional programs, and building capacity for accountability.

- 2014-2015: The Board of Supervisors Ad Hoc Committee, comprised of supervisors and stakeholders, formulated a plan for restructuring to replace Mendocino County Lodging Association and Mendocino County Promotional Alliance with a single oversight organization with designated seats on the board of directors for representatives of lodging and other tourism-related economic sectors. This restructuring was subsequently approved by the two organizations. Ordinance changes were adopted to reflect the revised structure.

- 2016-2017: The Mendocino County Tourism Commission (MCTC) held its first meeting on January 12, 2016 and contracted with the County of Mendocino as the sole contractor responsible for BID oversight and implementation. The legal transition was completed, and remaining funds were transferred from MCLA and

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MCPA to MCTC. Further Ordinance amendments were adopted on September 12, 2017 to align the Ordinance with the new structure.

· 2017: MCTC undertook a strategic planning process with leadership by the Coraggio Group. The process engaged stakeholders to revisit MCTC's vision, mission, values, reputation and market position, and identify imperatives, objectives, and initiatives to guide the work from FY 2017-2018 through FY 2019-2020.

· 2018: MCTC continued to work toward the organizational goals as set out in the Strategic Plan.

· 2019: Staff continued work set forth in the strategic plan. The ED closed the non-functioning sales portion of the team and worked to redistribute these functions throughout the organization, to streamline operations and pave the way for clearer communication between partners, stakeholders and VMC.

· 2020: MCTC continued to achieve great success in its digital and social marketing campaigns, achieving larger-than-ever success with marketing of the annual Crab FEAST and Whale Festivals. The City of Point Arena was returned to the BID District at the BoS meeting on December 8, 2020. With the onset of the COVID-19 Pandemic under the direction of the MCTC BoD the Executive Director executed significant organizational changes designed to allow MCTC to reemerge from the Pandemic in a viable state to begin the process of marketing and welcoming tourism back to Mendocino County, safely. The organization worked side-by-side with other community partners to develop and deploy safety campaigns surrounding the Pandemic.

· 2021: The organization, under the direction of the MCTC BoD, continued brand awareness campaigns to keep Mendocino County top-of-mind to potential road trippers. The tourism rebound quickly became apparent to not only tourism-facing businesses but the community at-large, along with a need for in-county partnerships and programs to manage the number of visitors and their waste. MCTC worked in collaboration with local chambers and Mendocino Area Parks Association to address issues surrounding visitor waste. A need arose for lodging properties to work in collaboration to address supply chain, legal and human resources. MCLA reemerged as an anchor organization for collaboration and information sharing, with Visit Mendocino County working side-by-side with proprietors in navigating the tourism industry during these unprecedented times. In summer and fall the water shortage became critical and VMC worked to design and distribute water-saving window clings to all tourism-facing businesses to keep water saving and reduction in view for our visitors. The organization began work with Coraggio Group to aid in the development of a new three-year strategic plan; the staff began working under the direction of this plan at the beginning of FY 2021-2022 (Appendix 7). MCTC began to restaff bringing on a new Partner Relations and Communications Manager, Jamie

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Peters-Connolly and returning its Marketing & Sales Coordinator, Ramon Jimenez to full-time with a promotion to Marketing & Sales Manager. The organization also began the search to fill the position of Marketing & Sales Coordinator. In Late 2021, the BoD directed the E.D. to augment the budget to bring organizational spending in-line with its income. The Marketing Committee directed staff to begin working with Agency Xi, a website, social media, and media purchasing agency to rebrand the organization and build out a new website. This work began in the winter of 2022 in-house.

· 2022: At the BoS hearing in May of 2022 members of the BoS brought forward concerns with the amount of matching funds being contributed on behalf of the incorporated areas of Mendocino County. Due to the fact that the incorporated areas of the county maintain the collected TOT funds, the county sees no direct return on the matching dollars it contributes on behalf of the incorporated areas. The BoS directed county staff to form an Ad-hoc committee to investigate options for and potentially reducing the amount of financial support from the County of Mendocino to the Mendocino County Tourism Commission. In June of 2022 by a 3/2 vote, the BoS approved the annual contract to MCTC. Following the approval of the 2022/2023 contract the MCTC BoD instructed the E.D. to begin conversations with Civitas Advisors to research and understand alternate funding options to keep the organization revenue at its current level. The MCTC BoD approved a retainer agreement with Civitas Advisors to research the potential of increasing the BID assessment on lodging businesses and the potential of assessing other tourism facing business sectors. The E.D. and Civitas Advisors Project Manager Emily Brown worked with county staff to request sales tax data for lodging properties, restaurants, wine tasting room direct sales, brewery direct sales and attractions. However, an official request to the BoS was required for Civitas Advisors to access the requested data and this request of the BoS was not given priority and finally an appointment on the BoS calendar was ultimately granted in November of 2022. The Resolution and NDA agreement between the County of Mendocino and Civitas Advisors was granted by a 3/2 vote of the BoS. In late December of 2022, the E.D. was invited to a meeting with Planning & Building Services and County Counsel where the E.D. was made aware that the county was not comfortable with the Resolution for the NDA, contracting with Civitas and the use of funding by MCTC to contract with Civitas Advisors, thereby, putting the research and future funding for the organization in great jeopardy. During meetings with the county's Ad-hoc committee it was made clear that a "ROI Study" be conducted. In August of 2022 the BoD of MCTC directed the E.D. to engage with Travel Analytics Group led by Carl Ribaudo to conduct a "MCTC Influence and Website ROI" study. The preliminary results of the study were delivered to the MCTC BoD at its annual meeting in January of 2023. This study shows that MCTC's ROI is $86 for every $1 invested in its marketing programs. The organization continued its Brand Awareness marketing initiatives, launched TV & Radio commercials in Mendocino County feeder markets, launched a video podcast series hosted by Bay Area TV personality Roberta Gonzales, relaunched its annual

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"shoulder season" festivals, and moved forward with rebranding and the build out of a new website, set to launch in Spring 2023. The organization at the request of supervisors engaged in a three county Leave No Trace campaign. IT also researched, developed and incorporated cannabis business into its marketing assets.

2023: Under the direction of the Business Improvement District Steering Committee comprised of Partners and Stakeholders from each region of the county, members of the BoS and tourism business leaders, the E.D./CEO continued to push forward with the BID conversion from the '89 to '94 laws. As with past years, there were great delays in working in collaboration with the County of Mendocino in obtaining data and attention to the conversion. With very slow progress and continued delays in information delivery on behalf of CoM the Steering Committee was able to push forward in the creation of a draft Management District Plan (MDP), the document that guides the initiatives, budget outlines and overall marketing requirements of the new district. At the time of writing the steering committee and Civitas Advisors are waiting for county counsel to review and return their comments and suggest updates to the draft MDP. The steering committee will continue to guide the E.D. in gaining Partner and Stakeholder buy-in of the new district. The team moved forward with development of the new website and brand for the organization. The new brand and website launched in July of 2023 with better-than-anticipated analytics. The brand launch campaign extended further than the organization ever marketed, reaching to the Oregon border and Easter California Foothills. Consumer media was purchased on TV, a takeover of the Charles Schultz, Sonoma County airport coupled with Visit Mendocino County wrapped Uber and Lyft cars strategically placed in key Bay Area markets. After 5 ½ years the CEO, Travis Scott resigned from the organization to further his career in larger markets. The BoD of VMC quickly promoted Ramon Jimenez to replace Scott as Executive Director. Ramon has worked for the organization for 4 years and having worked side-by-side with the former CEO, was the clear choice to continue to lead the organization in success.

2024: As in 2023 under direction of the BID Steering Committee comprised of Partners and Stakeholders from each region of the county, tourism business leaders, chambers of commerce and the MCTC team moved the conversion of the BID from the '89 to '94 law forward by gaining consensus from the tourism committee on the Management District Plan. This allowed the steering committee and MCTC team to move to the next phase of the BID conversion, the petition drive. As of writing the initiative has gained 38% of countywide lodging member support. The staff at VMC continued its successful marketing programs on a much-reduced budget, following 2023 when BoS chose to remove their financial support of the industry. The focus of the BID advisory board and the highlight of this report will be BID conversion focused. The BID advisory board remains strong in directing both MCTC and CoM in completing the conversion for long-term sustainability of not only MCTC as the tourism marketing agency of record for the

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CoM but also the economic viability of Mendocino County. Tourism is the economic driver for our communities.

2025: As of writing, the BID conversion petition drive has gained 44.87% countywide lodging support.

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APPENDIX 6: MCTC Balance Sheet at of 12/31/2025

Statement of Financial Position

Visit Mendocino County

As of December 31, 2025

	TOTAL
Assets	
Current Assets	
Bank Accounts	
1005 SBMC Checking	139,895.55
1010 SBMC Contingency/Savings	546,148.29
1030 Cash drawer	100.00
Total for Bank Accounts	**$686,143.84**
Accounts Receivable	
1100 Accounts Receivable	0.00
Total for Accounts Receivable	**$0.00**
Other Current Assets	
1230 Prepaid Expenses	36,421.97
1250 Refundable Deposits	1,800.00
1270 Receivable Other	0.00
1290 Loan to Employee	0.00
QuickBooks Tax Holding Account	0.00
Undeposited Funds	0.00
Total for Other Current Assets	**$38,221.97**
Total for Current Assets	**$724,365.81**
Fixed Assets	
1510 Furniture and Equipment	50,080.43
1600 Accumulated Depreciation	-40,469.46
Total for Fixed Assets	**$9,610.97**
Other Assets	
1700 Website Development	0.00
1750 Accumulated Amortization	0.00
Total for Other Assets	**$0.00**
Total for Assets	**$733,976.78**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	8,460.58
Total for Accounts Payable	**$8,460.58**
Credit Cards	**$6,052.70**
Other Current Liabilities	**$17,472.48**
Total for Current Liabilities	**$31,985.76**
Total for Liabilities	**$31,985.76**
Equity	
3100 Contingency-Restricted	187,622.35
Opening Bal Equity	0.00
3900 Unrestricted Net Assets (RE)	726,456.85
Net Income	-212,088.18
Total for Equity	**$701,991.02**
	TOTAL
Total for Liabilities and Equity	**$733,976.78**