

TO: James L. App, City Manager

FROM: Meg Williamson, Assistant City Manager
Jim Throop, Administrative Services Director

SUBJECT: Tourism & Lodging Promotions Business Improvement District (BID)
Annual Report and Notice of Intent for Renewal of Assessment

DATE: May 19, 2015

NEEDS: For the City Council to receive the annual report and set a public hearing for the annual renewal of the Tourism and Lodging Promotions Business Improvement District (BID).

- FACTS:
1. At the request of the majority of Paso Robles hoteliers, the BID was formed via ordinance by the City Council in December 2008 and the BID became effective January 16, 2009 and has been renewed annually since.
 2. Collection of the two percent (2%) per room night Business Improvement Tax began on February 1, 2009, establishing the fiscal year for the district as February 1st through January 31st. These funds are held in a separate City fund that is to be used only for the purposes of tourism and lodging promotion as stated in the formation Ordinance and Bylaws.
 3. Use of BID funds is guided by an annually approved marketing plan, of which its implementation is overseen by the Travel Paso Robles Alliance (TPRA) who are an advisory committee to the City Council. The TPRA membership consists of 7 elected committee members representing the 20 hoteliers within the BID assessment district.
 4. Per the Parking and Business Improvement Area Law (Streets and Highways Code Sections 36500 et seq.) under which the BID was formed, the assessment must be re-levied annually.
 5. In order to match the TPRA's annual renewal to the City's fiscal year, the TPRA recommended and City Council passed a resolution on December 16, 2014 to continue the levy of the BID assessment for a length of five (5) months to align the BID's fiscal year with the City's (through June 30, 2015).
 - 6.
 7. The City Council has renewed the BID levy the past five years at the request of the hoteliers. The BID currently will be effective through June 30, 2015, unless again extended.
 8. At their regular April 28, 2015 meeting, the TPRA Advisory Committee unanimously recommended:
 - i. Release of the Annual Marketing Report for the 5-month period (January 1 through June 30, 2015);

- ii. Proposed a Marketing Plan scope/budget for the 2015/16 fiscal year; and
 - iii. Recommended the continued levy of the BID assessment for Fiscal year 2015/16.
9. Renewal of the BID tax assessment requires that the City Council receive the Annual Report from the TPRA and set a public hearing for consideration of the renewal of the levy of assessment. The Annual Report which includes portions of the shorter 5-month renewal period is attached.

The TPRA's proposed marketing plan and budget for FY 15/16 is attached.

ANALYSIS &

CONCLUSION: The TPRA's marketing efforts continue to support an upward trend in transient occupancy stays within our community. The TPRA has recommended a continued levy of the BID assessment in order to carry on work efforts towards the marketing and promotion of the Paso Robles area.

POLICY

REFERENCE: Economic Strategy; Ordinance 952 NS, forming the Tourism and Lodging Business Improvement District; BID Committee Bylaws; Streets and Highways Cod Sections 36500 et seq.

FISCAL

IMPACT: The BID assessment is being collected on a monthly basis and will accumulate in a separately maintained fund. City staff will continue to commit its resources to facilitate the goals of the BID. Renewal of the assessment levy is estimated to generate approximately \$800,000 over the next year, to be spent on marketing and promotions.

- OPTIONS:**
- a. For the City Council to adopt Resolution No. 15-XX declaring its intention to levy an annual assessment for an additional year through June 30, 2016 for the Paso Robles Tourism and Lodging Promotions Business Improvement District, and setting a public hearing for June 16, 2015.
 - b. Amend, modify or reject above option.

Attachment:

- 1. Resolution declaring intention to levy an annual assessment and setting June 16, 2015 for a public hearing
- 2. BID 2014/15 Annual Report with 5-Month Review; Marketing Agency Plan scope and Marketing Budget for FY 15/16.

RESOLUTION NO. 15-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES ESTABLISHING
A NOTICE OF INTENT TO HOLD A PUBLIC HEARING FOR
THE PURPOSE OF CONSIDERING THE 2015/16 ANNUAL
RENEWAL OF LEVY FOR THE PASO ROBLES TOURISM AND LODGING
PROMOTIONS BUSINESS IMPROVEMENT DISTRICT
PURSUANT TO THE PARKING AND BUSINESS IMPROVEMENT AREA LAW OF 1989

WHEREAS, the Paso Robles Tourism and Lodging Promotions Business Improvement District (BID) was formed via Ordinance 952 N.S. by the City Council in December 2008, and the BID became effective January 16, 2009; and

WHEREAS, the BID is now commonly known as the Travel Paso Robles Alliance (TPRA); and

WHEREAS, the City Council has renewed the BID levy each year since its initial formation at the request of the hoteliers; and

WHEREAS, in order to match the TPRA's annual renewal to the City's fiscal year, the TPRA recommended and City Council passed a resolution on December 16, 2014 to continue the levy of the BID assessment for a length of five (5) months to align the BID's fiscal year with the City's (through June 30, 2015);and

WHEREAS, at their regular April 28, 2015 meeting, the TPRA Advisory Committee unanimously recommended:

- i. Release of the Annual Marketing Report for the 5-month period (January 1 through June 30, 2015);
- ii. Proposed a Marketing Plan scope/budget for the 2015/16 fiscal year; and
- iii. Recommended the continued levy of the BID assessment for Fiscal year 2015/16; and

WHEREAS, the annual report of the professional marketing services and financials associated with the modified 2014/15 marketing year is available for public inspection; and

WHEREAS, under the projected scope of service and budget for fiscal year 2015/16, the amount of the BID assessment is recommended to continue at the two percent (2%) amount and be collected in the same manner for an additional twelve (12) months through June 30, 2016; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council for the City of El Paso de Robles does hereby resolve, determine and find as follows:

Section 1. The recitals set forth herein are true and correct; and

Section 2. The boundaries of the area to be included in the District are to remain unchanged and are the boundaries of the City of El Paso de Robles; and

Section 3. The types of activities proposed to be funded by the continued levy of assessments on businesses in the District are those activities that will promote tourism and the local tourist lodging establishments; and

Section 4. The City Council intends to levy an annual assessment on all tourist lodging establishments within the District, to pay for all improvements and activities of the District, except where funds may otherwise be available, continuing from July 1, 2015 through June 30, 2016. As used herein, the term "tourist lodging establishments" shall mean hotels, as defined in Section 21.08.250 of the Paso Robles Municipal Code, but not bed and breakfast establishments, as defined in Section 21.15.220 of the Paso Robles Municipal Code, nor campgrounds or recreational vehicle parks. The method and the basis for levying the assessment on such tourist lodging establishments within the District shall be as follows: An assessment will be levied annually against tourist lodging establishments to pay for the improvements and activities within the District and will be collected in monthly installments or such other installments as determined by the City Council. The proposed assessment is to be levied on all tourist lodging establishments within the District boundaries based upon two percent (2%) of the rent charged by the operator per occupied room per night

for all transient occupancies. "Transient occupancy" shall mean the use or possession, or the right to the use or possession, of any room or rooms or portion thereof, in any hotel for dwelling, lodging or sleeping purposes, for a period of thirty consecutive calendar days or less. Transient occupancies by federal government employees on government business will be exempt from the levy of assessment. Extended stays, defined as more than thirty (30) consecutive calendar days, shall be exempt from the levy of assessment. Assessments levied pursuant to the District shall not be included in gross room rental revenue for the purpose of determining the amount of the transient occupancy tax.

Section 5. New tourist lodging establishments shall not be exempt from assessment.

Section 6. A public hearing to renew the annual levy for the District is hereby set for June 16, 2015 at 7:30 p.m. before the City Council of the City of El Paso de Robles at the Paso Robles Library/City Hall Conference Center, 1000 Spring Street, El Paso de Robles, California.

Section 7. The City Clerk is instructed to provide notice to the public hearing as follows:

- a) Publish this Resolution of Intention in a newspaper of general circulation in the City of El Paso de Robles once, at least seven (7) days before the hearing.

Section 8. At the public hearing, the testimony of all interested persons, for or against the establishment of the District, the boundaries of the District, the area of benefit within the District, the assessments to be levied, or the furnishing of specified types of improvements or activities, will be heard. A protest may be made orally or in writing by any interested person. Any written protest as to the regularity or evidence of the proceedings shall be in writing and clearly state the irregularity or defect to which the objection is made. Written protests must be received by the City Clerk at or before the time set for the public hearing. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a written description of the business in which the person subscribing the protest is interested sufficient to identify the business. If the person subscribing is not shown on the official records of the City as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business.

Section 9. If at the conclusion of the public hearing, there are of record, written protests by the owners of the tourist lodging establishments within the District that would pay fifty percent (50%) or more of the total assessments of the entire District, no further proceedings to renew the annual levy for the District shall occur. New proceedings to form the District shall not be undertaken again for a period of at least one (1) year from the date of the finding of the majority written protests by the City Council. If the majority written protests are only as to an improvement or activity proposed, then that type of improvement or activity shall not be included in the District.

PASSED AND ADOPTED by the City council of the City of El Paso de Robles this 19th day of May, 2015 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

GL #	TPRA 2015/16 BUDGETED P&L			Notes
	INCOME PROJECTIONS	2015/2016 PROJECTED INCOME		
1100	Projected 2% BID Revenue Jun 2015 - July 2016)	\$768,293.21		2015/16 Projected BID was derived from 2014/15 BID Income or 7% growth over previous year
1101	7% projected increase	\$53,780.52		To date growth has averaged 10.1%
1200	Cash Rollover	\$225,000.00		Carried over from last full year budget
1300	Cash Reserves	\$10,000.00		
	Total	\$ 1,057,073.73		
	Expenses	2015/16 Category Budget	% total budget	
2100	Admin	\$3,500.00	0.33%	Includes storage and other miscellaneous costs
2200	Destination Manager	\$68,000.00	6.43%	Includes annual retainer and estimated mileage
2300	Marketing Firm	\$7,500.00	0.71%	Cost for marketing plan, annual report and miscellaneous costs associated with the contracted marketing firm
2400	Comm Support & Memberships	\$185,000.00	17.50%	Represents a 6% growth over previous year. Incorporates membership costs with partnering organizations and support to attract and retain area events that enhance the visitor experience.
2500	Brand Identity (Visual)	\$217,000.00	20.53%	Updated photography and video assets, printing and distribution of the Discovery Guide, billboard advertising and costs associated with supporting the Travel Paso brand.
2600	Marketing Campaigns	\$15,000.00	1.42%	Continue supporting the success of the hotel month promotion and allow for integration of other shoulder season promotions
2700	Digital Marketing	\$85,000.00	8.04%	Website updates and costs, blog and eblast fees and social media and digital marketing retainers
2800	E-Marketing	\$29,000.00	2.74%	Supporting an expanded email marketing campaign that will directly reach leisure travelers and a new meetings and business market
2900	Advertising and Media Buys	\$280,000.00	26.49%	Significant increase in advertising spend to support sharing the word of Paso Robles as a destination
3000	Public Relations and Media Relations	\$108,000.00	10.22%	Includes outreach to other markets through Visit California media events, hosting of media in Paso Robles for group FAMs and individual itineraries and PR firm retainer fees
3100	Trade and Sales Outreach	\$20,000.00	1.89%	Includes travel and event costs for NTA, IPW, Visit CA Outlook Forum, as well as budget to host Visit CA and CCTC international FAMs to the area
3200	Consumer Shows	\$20,000.00	1.89%	Consumer show presence at Savor the Central Coast and another to replace previous outreach through Celebration Weekend
3300	TPRA Event Costs	\$7,500.00	0.71%	Professional development tour to another region, frontline staff exposure and training opportunities
	TOTAL EXPENSES	\$ 1,045,500.00	\$1,045,500.00	
4001	Cash Reserves	\$ 10,000.00	\$10,000.00	Consider adjusting cash reserves to be a percentage of total budget
	Contingency			
5001	Contingency Fund (unallocated)		\$1,573.73	Contingency fund reflects unallocated funds less \$10,000 reserves - other contingency funds noted in GL categories total:
	TOTAL Budget	\$1,057,073.73	\$ 1,057,073.73	Total expenses, contingency and \$10,000 reserves



TRAVEL PASO ROBLES ALLIANCE
ANNUAL REPORT
FEBRUARY 1, 2014 – JANUARY 31, 2015

PREPARED BY:





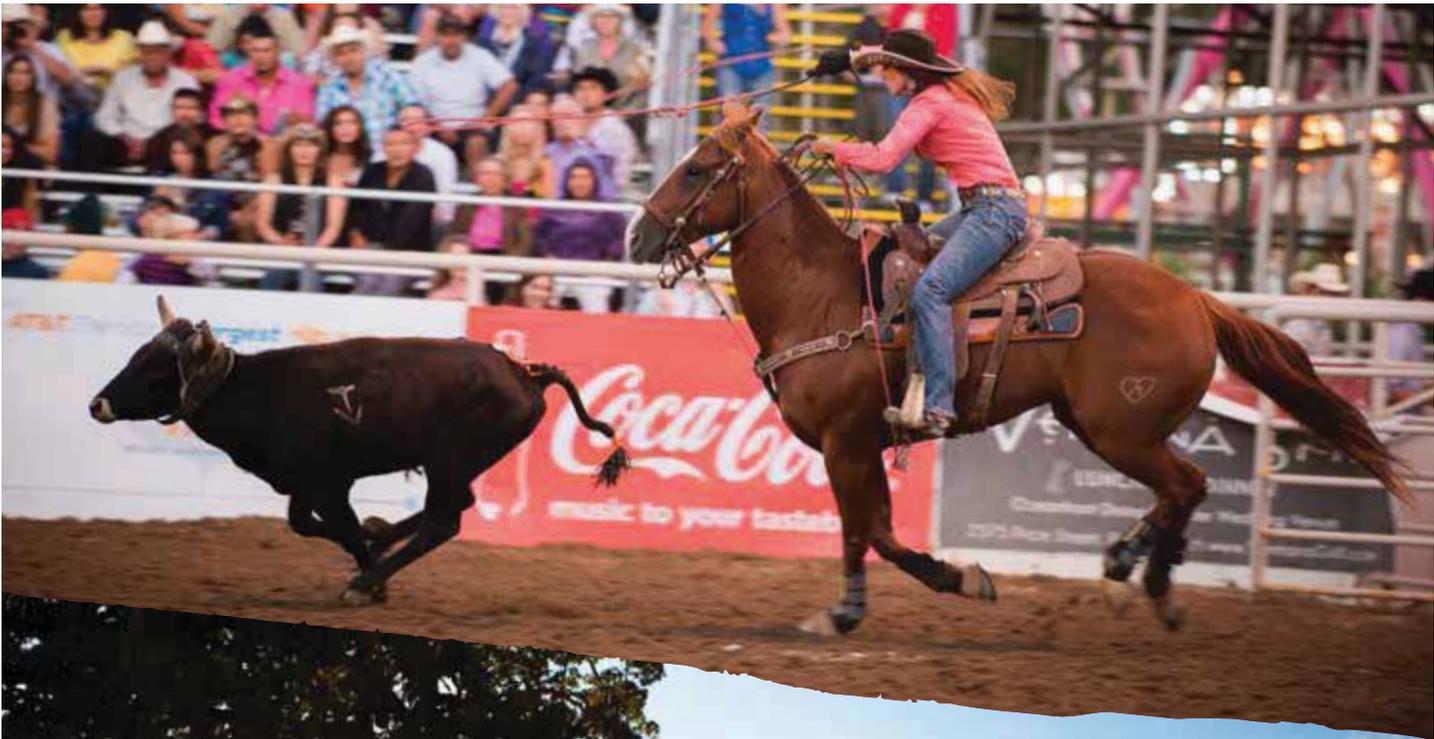


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***EXECUTIVE
SUMMARY***

EXECUTIVE SUMMARY

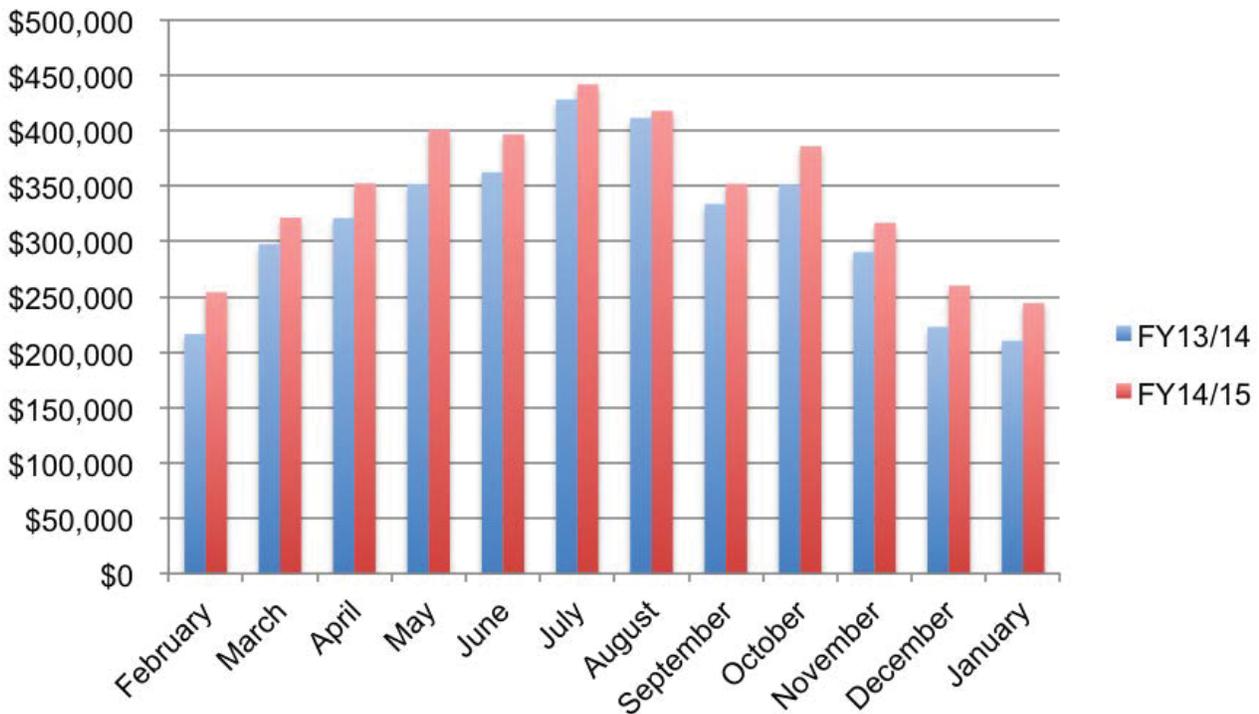
OVERVIEW

Due to the current shortened five-month fiscal year (February–June 2015), the information set forth in this Annual Report is a reflection of Travel Paso’s full 14/15 fiscal year. This Annual Report is a result of amendments made to the previous Travel Paso Annual Report (February–October 2014), to include reporting during November 2014–January 2015, thus reflecting a snapshot of the entirety of Travel Paso’s previous 14/15 fiscal year. By doing this, Travel Paso’s Annual Report format is more comparable to other destinations’ annual reports.

Since Travel Paso is currently three months into its five-month fiscal year, the following details are reflective of the work being done to promote tourism to the region. During the current five-month fiscal year, Travel Paso continues to enhance digital engagement and traffic to TravelPaso.com through Quantcast’s digital campaign, as well as through digital advertising efforts with Sunset, Tripadvisor and Visit SLO County. Social Media efforts continue to increase engagement with audiences through Facebook, Twitter, Instagram and Pinterest, and Public Relations efforts continue to grow through pitching efforts and the coordination of individual and group media FAM tours. Reporting for this five-month fiscal year will be reflected in the 15/16 Annual Report document.

IMPACT OF TOURISM MARKETING

Since the beginning of the TPRA fiscal year, February 1, 2014, collective marketing efforts have contributed to the Transient Occupancy Tax (TOT) year-over-year growth. The total TOT collected throughout the 2014/2015 fiscal years was \$4,146,817, that’s an increase of nine percent over the 2013/2014 fiscal years, totaling \$3,799,407. The percentage increase in TOT was only one percent below the benchmark of increasing TOT by 10 percent year-over-year.



SOCIAL MEDIA

Interaction on Facebook, Twitter, Instagram and Pinterest continue to augment both paid and organic activity, elevating the brand's top-of-mind awareness and engaging consumer interest:

Report Year	Facebook Fans	Twitter Followers	YouTube Views (monthly avg.)	Pinterest Followers	Instagram Followers
FY 13/14	7,565	3,059	325	220	N/A
FY 14/15	14,649	5,277	675	604	473

FACEBOOK FAN GROWTH

Travel Paso's Facebook page experienced monumental growth to 14,649 fans (7,045+ new fans). The benchmark at the beginning of the 14/15 fiscal years was to increase total fans by 50 percent to 10,895, which was exceeded for a total growth of 94 percent.

FACEBOOK ENGAGEMENT

This fiscal year, 38,454 engagements were driven (likes, shares, comments, check-ins) on Travel Paso's Facebook page. These numbers are off the charts for a page of this size! The benchmark set forth was to increase engagement by 60 percent, which we exceeded with a 287 percent increase in engagement with fans year-over-year.

FACEBOOK IMPRESSIONS

Travel Paso received 3.3 million impressions via news feed postings and ads. This number is down by three percent year-over-year due to a large amount of campaign dollars spent, between April-May 2013, promoting food and wine getaways to the San Jose/Bay Area region. We did not meet the benchmark of increasing our total impressions by 100 percent during the 14/15 fiscal year; however, after making adjustments to our content strategy, we anticipate an increase to our Facebook impressions to meet that goal in the upcoming fiscal year.

FACEBOOK DAILY PEOPLE TALKING ABOUT THIS

The "daily average number of people talking about this" totaled 41, with an average reach per post of 1,100. The benchmark for this fiscal year was to increase this number by 30 percent, which was exceeded with a 64 percent increase year-over-year.

TWITTER FAN GROWTH

Platform engagement on Twitter continues to trend positively as engagement deepens. A total of 1,501 followers were added during this campaign period for a total of 5,277 followers. The benchmark goal was to increase Twitter followers by 50 percent, which was exceeded with an increase of 73 percent.

TWITTER ENGAGEMENT

Travel Paso's influence with followers is at the highest possible, and the engagement rate is one of the highest we've seen for a Twitter following of this size. During this fiscal year, 1,802 new connections were made with our followers, along with 1,062 mentions, 2,448 clicks to our posts, and 554 retweets completed. Respectively, these numbers reflect a year-over-year increase of 330 percent in mentions, 1,510 percent in clicks to our posts, and 340 percent in retweets.

YOUTUBE VIEWS

Views to TravelPaso's YouTube page increased to a monthly average of 675 views, which was a 130 percent increase year-over-year from an average of 294 monthly views. The benchmark set forth was to increase the average monthly view to 325, which was exceeded by 23 percent.

SOCIAL SENTIMENT AUDIT

AugustineIdeas conducted an audit of social sentiment on Travel Paso's Trip Advisor account, and to date, there have been 16,571 reviews of Paso Robles. Of those reviews, hotel properties have received 6,874 reviews. These hotels have received highly favorable reviews from consumers; here is a snapshot of the online social sentiment:

Hotel Name	Number of Reviews	Stars (out of 5)
The Oaks Hotel	346	4.5
Hotel Cheval	215	4.5
La Quinta Inn & Suites	517	4.5
Adelaide Inn	496	4.5
BEST WESTERN PLUS Black Oak	439	4.5

This benchmark was established for measuring some of the more qualitative reactions regarding the Paso Robles visitor experience. We will use these numbers to further develop the measurement of this platform.

MONTHLY CONSUMER ENEWSLETTER

DISTRIBUTION

Travel Paso's monthly consumer e-newsletters have seen a 16 percent increase in distribution from 11,725 to 13,549 subscribers. The benchmark set forth was to increase distribution by 25 percent. Although we fell slightly short, adjustments were made to the consumer email template with the goal of increasing distribution, click through and engagement with Travel Paso's consumer email campaigns in the upcoming fiscal year.

OPEN RATE

The industry average for an open rate of emails is 18.96 percent. Travel Paso's consumer e-newsletter is trending slightly higher than the industry average with an open rate of 19.9 percent. The benchmark set forth was to increase the average open rate to 25 percent. With the new email template, we anticipate a further increase to the average open rate on the consumer emails in the upcoming fiscal year.

CLICK RATE

The monthly consumer e-newsletters received a 2.7 percent click-through rate (CTR). The industry average for the CTR of emails is 2.52 percent; meaning Travel Paso's consumer e-newsletter is trending slightly higher. The benchmark set forth was to increase the average CTR to six percent and with the new email template, we anticipate increasing the average CTR in the upcoming fiscal year.

WEEKLY INDUSTRY EBLASTS

DISTRIBUTION

In March 2014, Travel Paso launched their Weekly Wednesday Watch List email campaign. This weekly email campaign enabled Travel Paso to communicate with hotel and tourism partners about upcoming events and opportunities. Initially the list of recipients alternated every other week to be sent to just the hotel partners on the first and third Wednesdays, and to include the greater list of local travel and tourism partners (i.e., restaurants, wineries, tour companies, etc.) on the second and fourth Wednesdays; however, in November 2014, adjustments were made to send the Weekly email to the entire industry database every week.

OPEN RATE

We have seen incredible engagement with our Industry emails, with an open rate of 29.6 percent, exceeding the industry average of 18.96 percent by 11 percent. The benchmark was to increase the open rate to 25 percent and with the changes to the eblast template, we anticipate an increase in the open rate for the upcoming fiscal year.

CLICK RATE

Our Hotel and Tourism Partner list has seen a click through rate (CTR) that exceeded the industry average of 2.52 percent, with a CTR of 3.6 percent. The benchmark set forth was to increase the average CTR to six percent. Although we did not meet this goal, adjustments to the recipient list, as well as to the industry email template will further increase the CTR for these email campaigns.

WEBSITE

TRAFFIC SITUATION ANALYSIS

While overall site visitation activity has decreased, a key indicator of consumer engagement has decreased—the bounce rate—and other engagement metrics have been sustained.

In response to the overall declining website metrics, adjustments were made to the digital advertising strategy in the fourth quarter that addressed these issues. At that time, Quantcast was integrated as the primary digital advertising resource, with all campaigns aimed at driving traffic back to the website. Since this integration was made at the end of the year, a noticeable change in website statistics was achieved. We again began to see website traffic trending positively year-over-year.

HIGHLIGHTED METRICS

Benchmark: Feb 1, 2013 – Jan 31, 2014 compared to Feb 1, 2014 - Jan 31, 2015

- Overall site sessions:
 - ◆ Decreased by 22.05 percent year-over-year.
 - Reduction appears to be the result of decreased organic and direct site visits, as well as a 2013 spike due to specific email campaigns. This year-over-year reduction is being addressed through adjustments to our digital advertising strategy.
- Metrics illustrating engagement:
 - ◆ Bounce Rate: Decreased by 8.77 percent year-over-year, from 50.52 percent down to 46.09 percent.
 - This indicates a dramatic increase in consumer engagement, meaning a more qualified consumer is being targeted.

- ◆ Average Session Duration: Slightly decreased by 1.95 percent year-over-year, from 2:41 minutes to 2:38 minutes per session.
 - Another positive indicator is that even with an upper-funnel display campaign, the session's duration time has essentially been sustained.
- ◆ Pages Per Session: Decreased by a nominal 4.95 percent year-over-year, from 3.73 percent to 3.54 percent.
 - User activity that records an average of three-plus pages per visit is regarded as a strong indicator of engaged consumer connectivity, which is engagement activity that Quantcast's audience segment functionality will continue to grow.

PAID ANALYSIS

With search engine marketing (SEM) as the primary outreach channel for most of the year, paid results generated a total of 14,570 total clicks, February 1, 2014 through January 31, 2015.

Total delivered impressions have also continued to increase throughout this fiscal year. The following segments reflect paid media performance:

- Total Impressions: 1,106,614
- Total Clicks: 14,570 (a 22 percent increase year-over-year)
- Click-Thru Rate: 1.32 percent

LODGING PAGE TRAFFIC

Traffic to the Travel Paso lodging page saw an increase year-over-year, from 16,997 to 31,331 page views. The benchmark set forth was to increase website traffic to the lodging page by 10 percent, which we exceeded by increasing visitation to the lodging page by 84 percent.

PUBLIC RELATIONS

MEDIA IMPRESSIONS

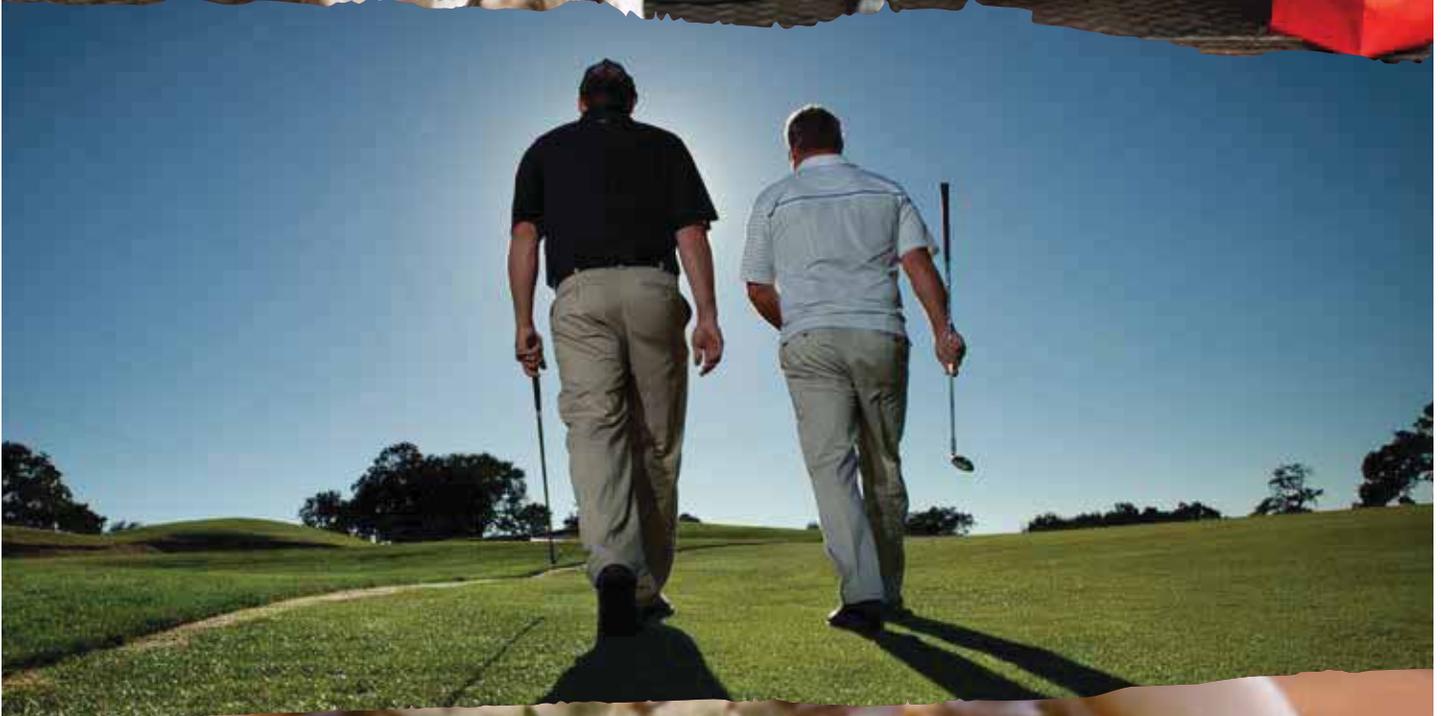
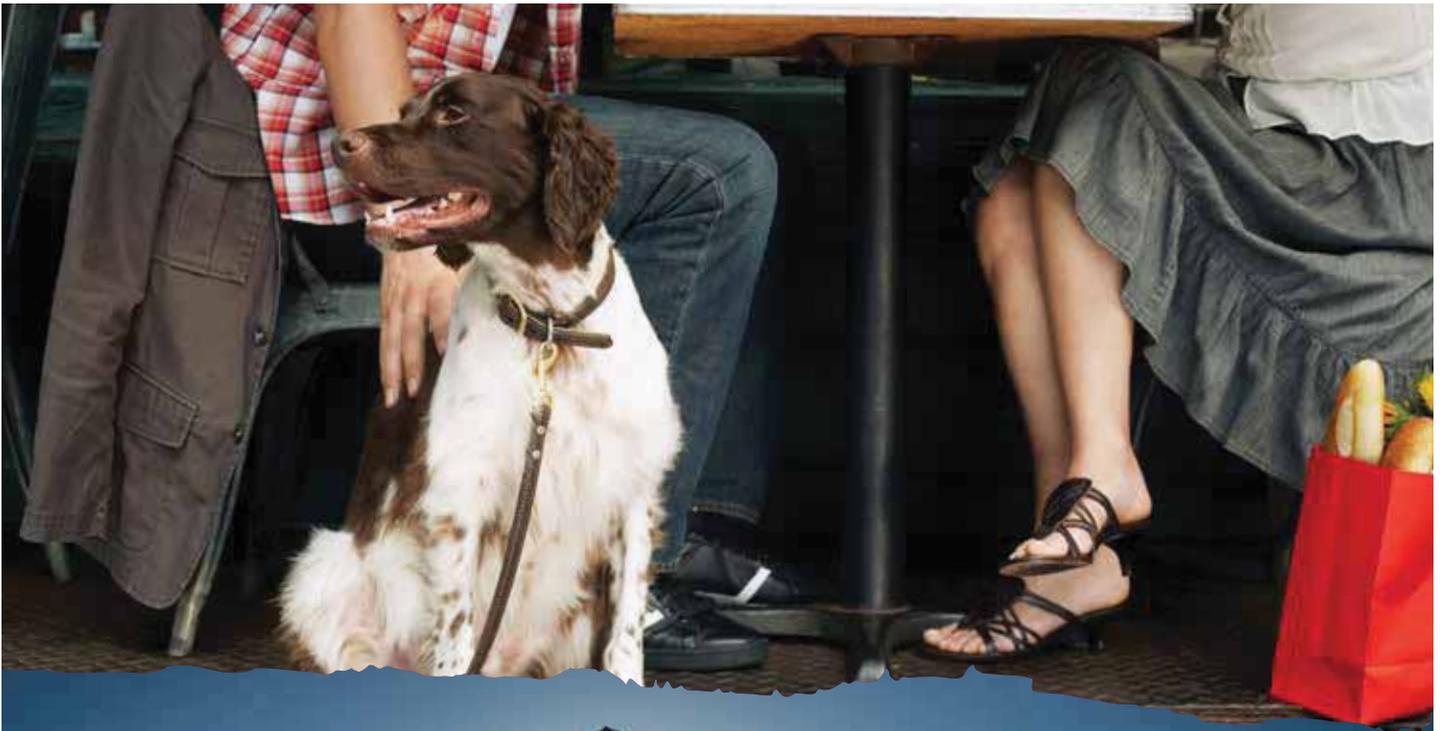
AugustineIdeas was tasked with a benchmark of 200 million media impressions over a 12-month period. From February 2014 to January 2015, we have earned 1,119,159,538 impressions, 919,159,538 impressions above the goal and an increase of 460 percent over the original measurement benchmark.

MEDIA HITS

AugustineIdeas successfully delivered and executed an effective public relations strategy throughout the year. Our team built a strong foundation of long-term relationships with targeted media, supporting Paso Robles as a strong player in the travel industry. Our approach created consistent, top-of-mind brand awareness within multiple target markets. During this fiscal year, we made over 300 pitches to media, 464 editorial placements, and wrote 55 blogs.

Paso Robles also received incredible coverage in national publications for activities that go beyond a wine experience, including *The Huffington Post*, *The Sacramento Bee*, *The Washington Times*, *San Francisco Chronicle*, *Wine Enthusiast*, *SF Gate*, *Time.com*, *KSBY.com*, *The Tribune*, *Examiner.com*, *Los Angeles Times*, *Business Insider.com*, *About.com*, *AmericanTowns.com*, *Luxury Travel Magazine*, *NBC San Diego*, *ATOD Magazine*, and *Forbes Travel Guide*.







ANNUAL REPORT



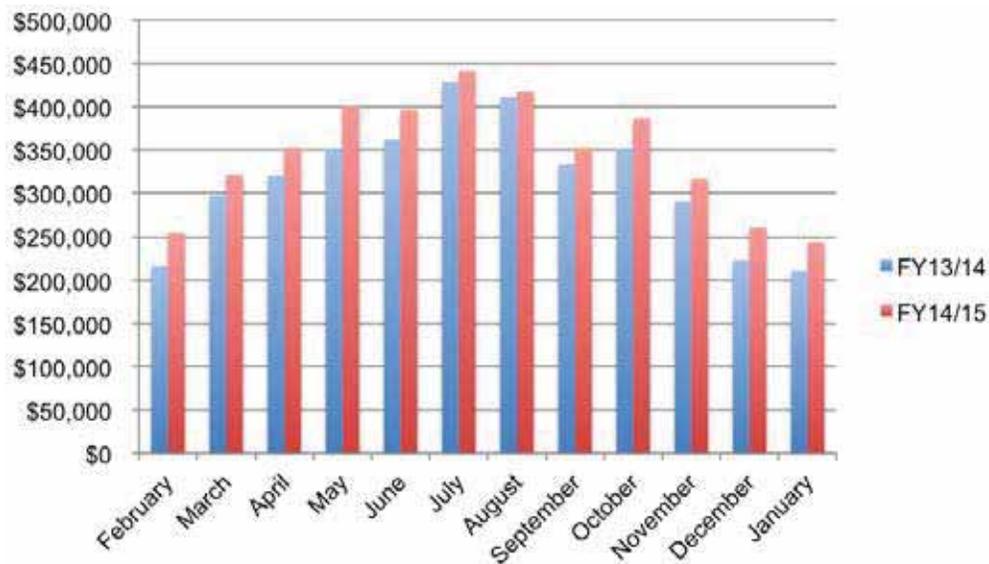
BRAND AWARENESS

BRAND MESSAGING

Paid advertising efforts were focused primarily on the shoulder season, with steady messaging that positions Paso Robles as a “Wine and More” destination. All messaging tied back to the core brand pillars: Food and Wine, Outdoor Recreation and Attractions. Target markets included Los Angeles/Orange County, San Francisco Bay Area and the Central Valley.

IMPACT OF TOURISM MARKETING

Since the beginning of the TPRA fiscal year, February 1, 2014, collective marketing efforts have contributed to the Transient Occupancy Tax (TOT) year-over-year growth. The total TOT collected throughout the 2014/2015 fiscal years was \$4,146,817, that’s an increase of nine percent over the 2013/2014 fiscal years that totaled \$3,799,407. The percentage increase in TOT was only one percent below the benchmark of increasing TOT by 10 percent year-over-year.



WEBSITE ANALYTICS

SITUATION ANALYSIS

From an annual review perspective, paid digital media performance was based on results from both search engine marketing (SEM) and display advertising, utilizing Quantcast Media and its audience segmentation functionality to drive qualified website traffic. The campaign, with SEM beginning in March 2014 and the Quantcast campaign beginning in mid December 2014, effectively drove and sustained website traffic throughout the year.

While overall site visitation activity has decreased, a key indicator of consumer engagement has decreased—the bounce rate—and other engagement metrics have been sustained.

In response to the overall declining website metrics, adjustments were made to the digital advertising strategy in the fourth quarter that addressed these issues. At that time, Quantcast was integrated as the primary digital advertising resource, with all campaigns aimed at driving traffic back to the website. Since this integration was completed at the end of the year, a noticeable change in website statistics was achieved. We again began to see website traffic trending positively year-over-year.

HIGHLIGHTED METRICS

Benchmark: Feb 1, 2013 – Jan 31, 2014 compared to Feb 1, 2014 - Jan 31, 2015

- Overall site sessions:
 - ◆ Decreased by 22.05 percent year-over-year.
 - These are total site sessions by all users, not indicating engagement or actual interest in Paso Robles as a destination.
 - Reduction appears to be the result of decreased organic and direct site visits, as well as a 2013 spike due to specific email campaigns. This year-over-year reduction is being addressed through adjustments to our digital advertising strategy.
- Metrics illustrating engagement:
 - ◆ Bounce Rate: Decreased by 8.77 percent year-over-year, from 50.52 percent down to 46.09 percent.
 - This indicates a dramatic increase in consumer engagement, meaning a more qualified consumer is being targeted.
 - ◆ Average Session Duration: Slightly decreased by 1.95 percent year-over-year, from 2:41 minutes to 2:38 minutes per session.
 - Another positive indicator is that even with a display campaign, the session's duration time has essentially been sustained. Moving forward, a more qualified consumer will be driven to the site, illustrating stronger engagement, as the look-alike functionality continues to segment and model more interested site traffic. This look-alike functionality is a re-targeting technique that allows us to capture data from current visitors to our website. Then using that information we can create a look-alike model that allows us to target other potential users who fit that similar profile.
 - ◆ Pages Per Session: Decreased by a nominal 4.95 percent year-over-year, from 3.73 percent to 3.54 percent.
 - Such a reduction is minimal and illustrates sustained user activity.
 - User activity that records an average of three-plus pages per visit is regarded as a strong indicator of engaged consumer connectivity, which is engagement activity that Quantcast's audience segment functionality will continue to grow.

GOOGLE ANALYTICS YEAR-OVER-YEAR METRICS



Sessions ? ↓	% New Sessions ?	New Users ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?
22.05% ↓ 106,572 vs 136,712	0.54% ↑ 81.25% vs 80.81%	21.63% ↓ 86,591 vs 110,483	8.77% ↓ 46.09% vs 50.52%	4.95% ↓ 3.54 vs 3.73	1.95% ↓ 00:02:38 vs 00:02:41

RATIONALE

Although there was an overall decrease in site volume and demand, a metric analysis suggested that a more consistent display advertising outreach should have a residual impact on such channels. The implementation of the Quantcast campaign allowed for the opportunity to improve our digital strategy, offering a more balanced mix of display and SEM that we anticipate will likely produce more direct and organic visitation.

- Digital display advertising establishes:
 - ◆ A demand generation driver
 - ◆ Has a residual impact on both direct- and organic-generated traffic
- Search Engine Marketing establishes:
 - ◆ A mid-funnel driver of interest consumers, it only generates expressed-interest traffic without broader, residual effects

Although overall site traffic trends were lower, at the same time, consumer engagement has been stronger. With the addition of Quantcast to the media mix in the fourth quarter, as it continues to scale to optimum capacity, we will continue to see increased site traffic. In addition, with increased media spend budgets prospectively coming to fruition effective July 1st, strengthened search and display outreach will result.

PAID ANALYSIS

With search engine marketing (SEM) as the primary outreach channel for most of the year, paid results generated a total of 14,570 total clicks, February 1, 2014 through January 31, 2015.

TRAVEL PASO SEM CAMPAIGN SUMMARY (FEB 2014 - JAN 2015)

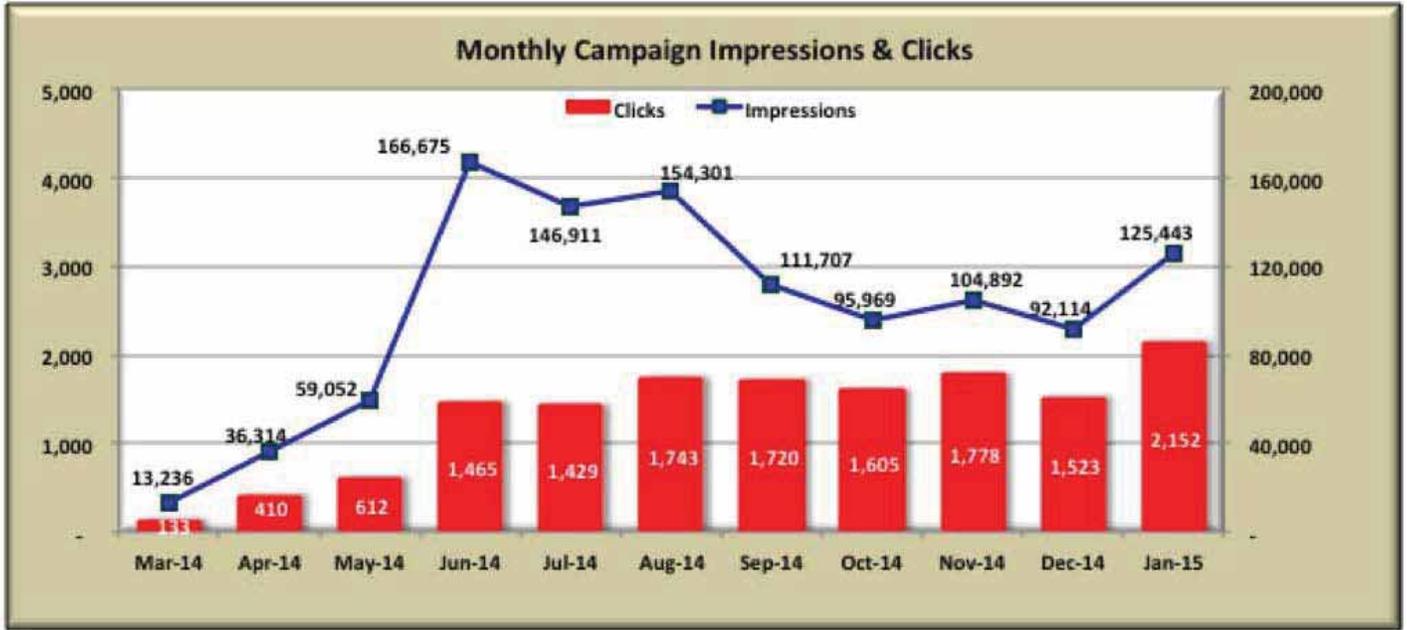
Monthly Summary

Month	Impressions	Clicks	CTR	Spend	Avg. CPC	Avg. position
Mar-14	13,236	133	1.00%	\$ 156.63	\$ 1.18	2.4
Apr-14	36,314	410	1.13%	\$ 1,225.82	\$ 2.99	1.5
May-14	59,052	612	1.04%	\$ 911.79	\$ 1.49	2.0
Jun-14	166,675	1,465	0.88%	\$ 2,138.44	\$ 1.46	2.4
Jul-14	146,911	1,429	0.97%	\$ 2,132.74	\$ 1.49	2.1
Aug-14	154,301	1,743	1.13%	\$ 2,152.00	\$ 1.23	2.5
Sep-14	111,707	1,720	1.54%	\$ 1,403.62	\$ 0.82	2.6
Oct-14	95,969	1,605	1.67%	\$ 1,117.93	\$ 0.70	3.0
Nov-14	104,892	1,778	1.70%	\$ 1,662.56	\$ 0.94	2.8
Dec-14	92,114	1,523	1.65%	\$ 1,467.26	\$ 0.96	2.9
Jan-15	125,443	2,152	1.72%	\$ 2,252.31	\$ 1.05	2.8
TOTALS	1,106,614	14,570	1.32%	\$ 16,621.10	\$ 1.14	2.5

Month-Over-Month % Change

Month	Impressions	Clicks	CTR	Spend	Avg. CPC
Mar-14					
Apr-14	174%	208%	12%	683%	154%
May-14	63%	49%	-8%	-26%	-50%
Jun-14	182%	139%	-15%	135%	-2%
Jul-14	-12%	-2%	11%	0%	2%
Aug-14	5%	22%	16%	1%	-17%
Sep-14	-28%	-1%	36%	-35%	-34%
Oct-14	-14%	-7%	9%	-20%	-15%
Nov-14	9%	11%	1%	49%	34%
Dec-14	-12%	-14%	-2%	-12%	3%
Jan-15	36%	41%	4%	54%	9%

- Clicks increased 22 percent with minimal increase in spend
- Decreased impressions, sustained clicks, cut spend by 35 percent
- In November, impressions and clicks increased, but spend shot up due to increased holiday advertisers (higher cost per click)
- In December, demand decreased; lower impressions, clicks, spend
- In January 2015, daily budget was increased to \$85/day



QUANTCAST CAMPAIGN

Since its launch in mid-December, the Quantcast campaign has performed consistently well, utilizing its audience segmentation functionality. It is driving more qualified website traffic, helping to sustain and improve overall engagement metrics. The focus of this campaign continues to drive traffic to the end of path point of destination, which is the “More Info” button on each individual lodging page. Modeling off of this process allows for Quantcast to identify core attributes that are used to target prospects. Most notably, in terms of campaign performance, the January click-through rate of 0.25 percent is well above industry average (0.06 percent -0.08 percent)—meaning that creative is resonating well with consumers.

quaxtcast									
Campaign Report									
TravelPasoRobles_Dec2014 (276066)									
Travel Paso Robles Alliance									
DURATION		DELIVERY		PERFORMANCE					
Date	Budget Delivered	Impressions Delivered	Clicks	Click Conversions	View Conversions	Conversions	CPC	CTR	
December	\$3,475.64	1,390,257	879	28	89	117	\$3.95	0.06%	
January	\$6,650.20	2,660,081	6,517	71	289	360	\$1.02	0.25%	

SOCIAL MEDIA ANALYTICS

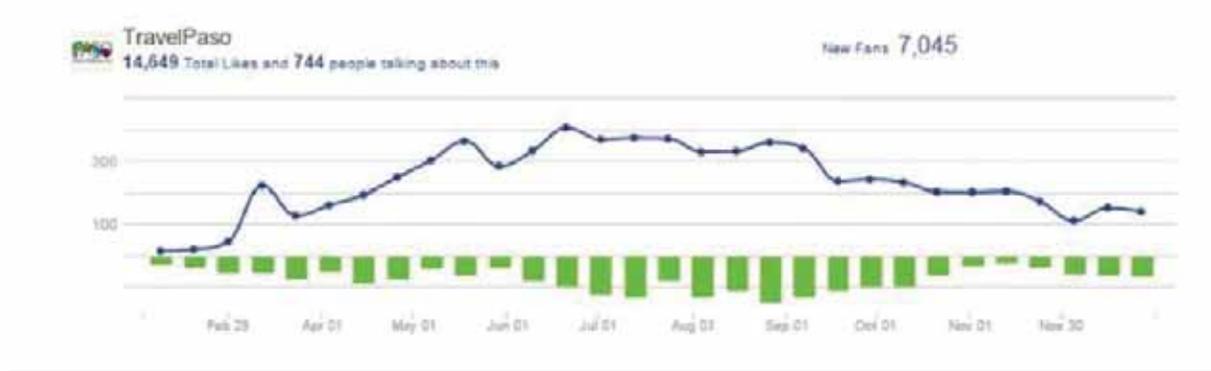
Interaction on Facebook, Twitter, Instagram and Pinterest continue to augment both paid and organic activity, elevating the brand’s top-of-mind awareness and engaging consumer interest.

- Facebook: Platform engagement activity continues to strengthen as evidenced with 7,045 new Facebook fans, 38,454 engagements (likes, shares, comments and check-ins) and 3,279,797 total impressions.
- Twitter: Platform engagement on Twitter also continues to trend positively as engagement deepens. A total of 1,501 new followers were added during this campaign for a total of 5,277 followers. Most significantly, 1,802 new connections were made.
- Instagram: Travel Paso has added 473 new Instagram followers during this campaign period.
- Pinterest: Travel Paso added 515 new followers on Pinterest for a total of 604 followers.

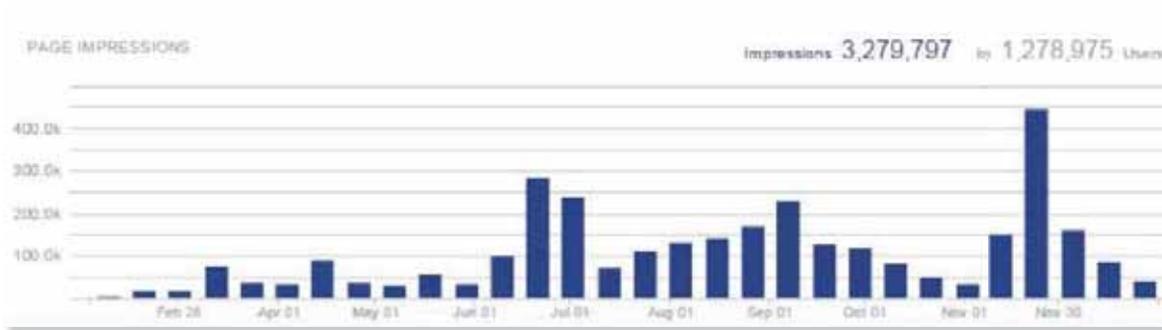
Report Year	Facebook Fans	Twitter Followers	YouTube Views (monthly avg.)	Pinterest Followers	Instagram Followers
FY 13/14	7,565	3,059	325	220	N/A
FY 14/15	14,649	5,277	675	604	473

TRAVEL PASO: FACEBOOK ANALYSIS

Travel Paso's Facebook page experienced monumental growth to 14,649 fans (7,045+ new fans). The benchmark at the beginning of the 14/15FY was to increase total fans by 50 percent to 10,895, which we exceeded for a total growth of 94 percent.

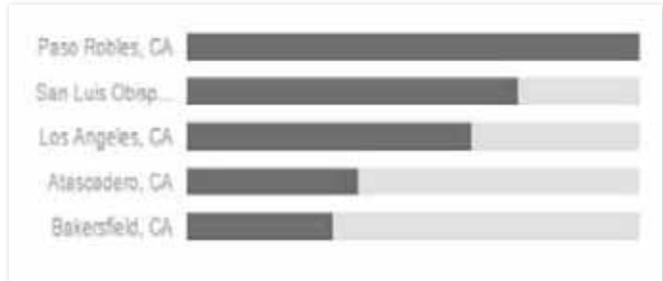
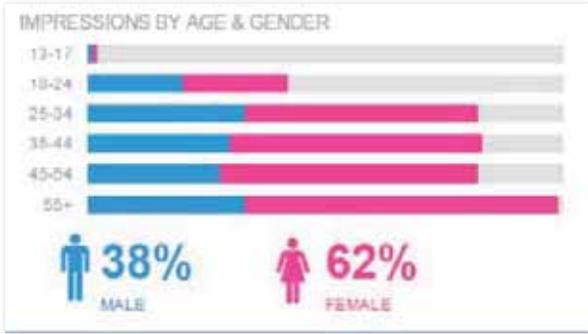


Travel Paso received **3.3 million impressions** through news feed postings and ads. This number is down by three percent year-over-year due to a large amount of campaign dollars, spent between April-May 2013 promoting food and wine getaways to the San Jose/Bay Area region.



This fiscal year, **38,454 engagements** were driven (likes, shares, comments, check-ins). These numbers are off the charts for a page of this size! This shows a 287 percent increase in engagement with fans year-over-year.





The “daily average number of people talking about this” totaled 41, with an average reach per post of 1,100. This is a 64 percent increase year-over-year.

AVERAGE REACH PER POST - 1,100

	AVG. PER POST
Reach	1.1k
People Talking About This	41
Engagement	10%

TRAVEL PASO: TWITTER ANALYSIS

Travel Paso has 5,277 followers (1,501+ new followers). The benchmark goal was to increase Twitter followers by 50 percent, which was exceeded by an increase of 73 percent.

We made **1,802 connections** with our followers, 1,062 mentions, 2,448 clicks to our posts, and 554 retweets, as noted below.



@mentions	1,062	
Messages Sent	592	
Messages Received	1,096	
Clicks	2,448	
Retweets	554	

1.8k connections
made in this time period



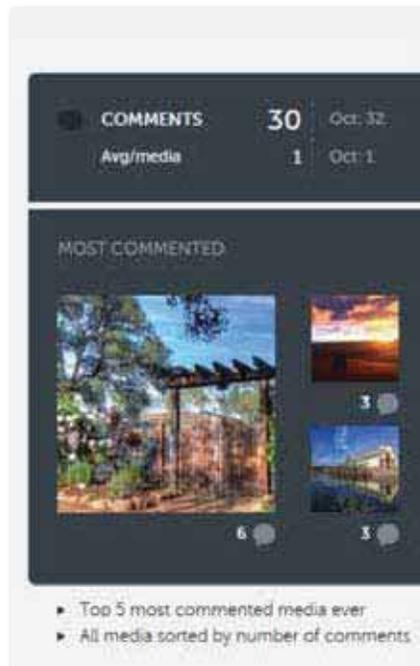
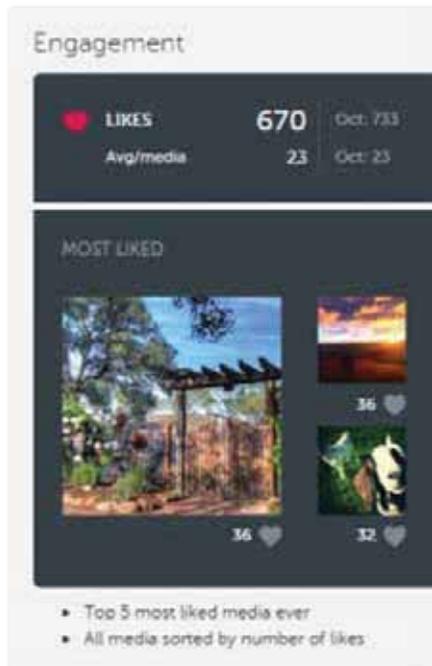


Travel Paso's influence is at the highest possible rate, and engagement is truly one of the highest for a Twitter following of this size. Typically, destinations rank around 20-25 percent engagement.



FOLLOWING ON INSTAGRAM:

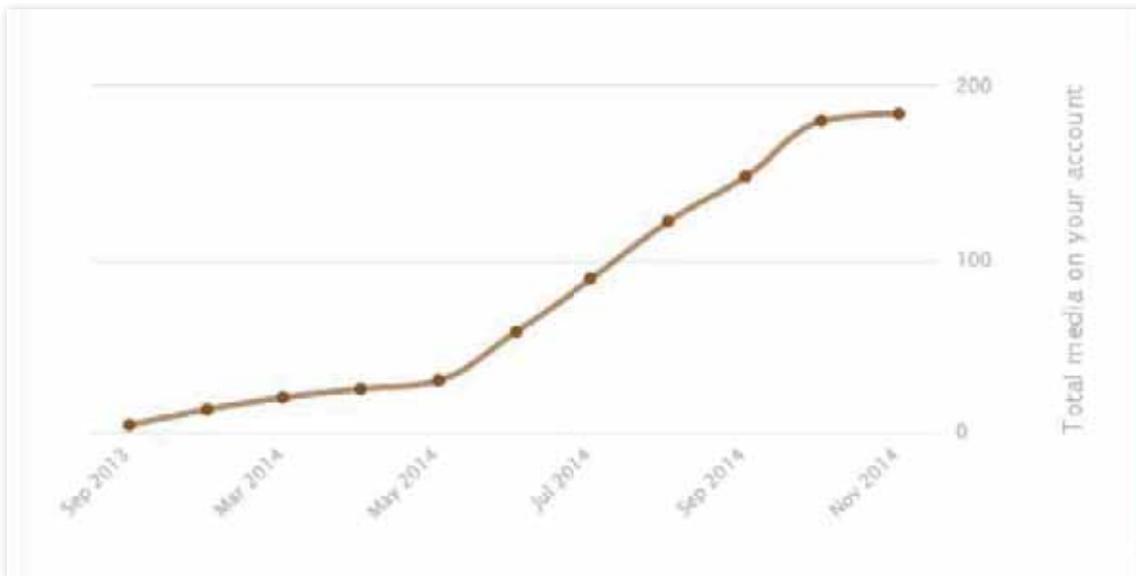
The @TravelPaso Instagram audience continued to consistently grow in followers. **Travel Paso is currently at 473 Instagram followers.** This is a new social platform for Travel Paso's current fiscal year. Benchmarks for this platform will be developed based on these numbers.



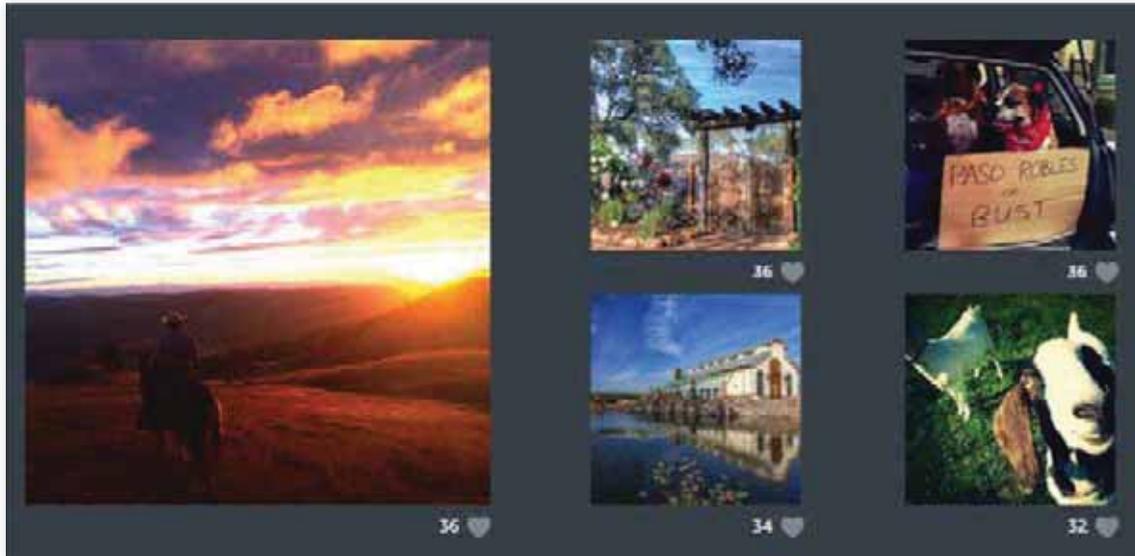
INSTAGRAM ENGAGEMENT LIKES AND COMMENT GROWTH-ENGAGEMENT HAS INCREASED 10X:



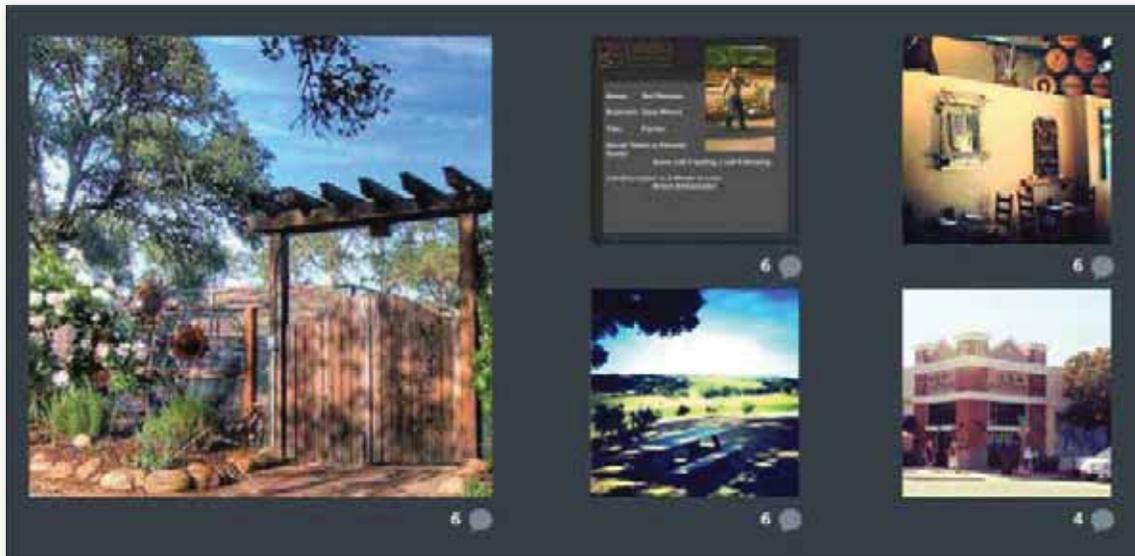
INSTAGRAM CONTENT POSTED—WE'RE POSTING MORE INSTAGRAM CONTENT THAN BEFORE:



MOST LIKED MEDIA:



MOST COMMENTED MEDIA:



TIMELINE CONTESTS AND PROMOTIONS

Throughout the year, we have conducted more than 25 Facebook promotions and contests to increase followers and engagement. These contests included giveaways promoting the following local events:

- Garagiste Festival
- Paderewski Festival
- Sip & Swing
- Pianetta Palooza
- Sunset SAVOR the Central Coast - Paso Robles Adventure Tours
- Sunset SAVOR the Central Coast
- Three Speckled Hens Antique Show
- Beaverstock
- Crush & Roll West
- California Mid-State Fair
- Parkfield Bluegrass Festival
- Paso Robles Wine Festival
- Paso Robles CAB Collective
- Paso Robles Rotary Winemakers' Cookoff
- New Years Eve
- Whale Rock Disc Golf Course at Castoro Cellars
- Central Coast Food Tours

Upwards of 54,000 people have been reached through these timeline contests, with more than 4,000 likes/comments/shares.

OUR MOST VIRAL CONTEST:

Post Details Reached stats may be delayed from what appears on posts.

TravelPaso with Joe Thomas
October 8 at 1:30pm · 🌐

FAN CONTEST!! **WIN 2 Night Hotel Stay in Paso Robles**
Have you visited Paso Robles recently? If so, please tell us the five adjectives that you feel best describe Paso.
We'll randomly select a winner from all entries. Visit our page on October 13 to see if you've won a 2 night stay in beautiful Paso Robles!

7,912 People Reached

396 Likes, Comments & Shares

178	152	26
Like	On Post	On Shares
194	108	6
Comments	On Post	On Shares
24	22	2
Shares	On Post	On Shares

585 Post Clicks

208	0	377
Photo Views	Link Clicks	Other Clicks 🌐

NEGATIVE FEEDBACK

3	2
Hide Post	Hide All Posts
0	0
Report as Spam	Unlike Page

7,912 PEOPLE REACHED Boost Post

Like · Comment · Share · 📌 152 · 🗨️ 107 · ➦ 22

SOCIAL SENTIMENT AUDIT

AugustineIdeas conducted an audit of social sentiment on Travel Paso's Tripadvisor account; to date, there have been 16,571 reviews of Paso Robles. Of those reviews, hotel properties have received 6,874 reviews. These hotels have received highly favorable reviews from consumers; here is a snapshot of social sentiment:

Hotel Name	Number of Reviews	Stars (out of 5)
The Oaks Hotel	346	4.5
Hotel Cheval	215	4.5
La Quinta Inn & Suites	517	4.5
Adelaide Inn	496	4.5
BEST WESTERN PLUS Black Oak	439	4.5

This benchmark was established for measuring some of the more qualitative reactions regarding the Paso Robles visitor experience. We will use these numbers to further develop the measurement of this platform.

PUBLIC RELATIONS ANALYTICS

OVERVIEW

AugustineIdeas successfully delivered and executed an effective public relations strategy and tactics throughout the year. Our team has built a strong foundation of long-term relationships with targeted media, supporting Paso Robles as a strong player in the travel industry. Our approach is to create consistent, top-of-mind brand awareness within multiple target markets.

PRESS RELEASES AND THEMED PROGRAM SUPPORT

Each quarter, our team coordinated with the TPRA and tourism partners to create a list of "What's New" information for pitching to targeted media publications and journalists. This year, the team successfully distributed and pitched four "What's New" releases on the Web. Total media impressions for the four "What's New" releases during the 14/15 fiscal year are as follows:

- March 2015: 31,482 impressions, picked up by 160 online outlets
 - ◆ Please keep in mind that these numbers are reflective of impressions and pick-up to date; therefore, the number of impressions for March 2015 are still low as the news has not been in the market as long as the other announcements.
- November 2014: 40,903 impressions, picked up by 159 outlets
- August 2014: 48,813 impressions, picked up by 284 outlets
- May 2014: 40,910 impressions, picked up by 254 outlets

MEDIA PITCHING AND PRESS VISITS

Individual itinerary support and hosting of group FAM trips directly resulted in earned media coverage. This strategic approach has contributed to Paso Robles having top-of-mind brand recognition among multiple target markets. From February 2014 to January 2015, we have made over 300 pitches to media for feature stories, and earned 464 editorial placements.

FAMILIARIZATION (FAM) TOURS

Two media FAM tours were coordinated and executed on behalf of TPRA:

- June 18-20, 2014
 - ◆ Nine (9) media attendees from eight (8) different outlets participated
 - ◆ 17 Paso partners (restaurants, hotels, tour companies, attractions) participated
 - ◆ Total media impressions: 349,626
- October 7-9, 2014
 - ◆ Three (3) media attendees from two (2) different outlets participated, with additional follow up interviews
 - ◆ 16 Paso partners (restaurants, hotels, tour companies, attractions) participated
 - ◆ Total media impressions: 1,395,297

PUBLIC RELATIONS MEASUREMENTS AND RESULTS:

- Editorial placements: 464
- Earned media impressions: 1,119,159,538

AugustineIdeas was tasked with a benchmark of 200 million media impressions over a 12-month period. From February 2014 to January 2015, we have earned 1,119,159,538 impressions, 919,159,538 impressions above the goal and an increase of 460 percent over the original measurement benchmark.

THE HUFFINGTON POST
BREAKING NEWS AND OPINION

THE SACRAMENTO BEE

San Francisco Chronicle

The Washington Times

SFGate

Forbes ★★
TRAVEL GUIDE

HERE ARE SOME EXAMPLES OF THE STORIES PLACED TO DATE:**Examiner.com**

<http://www.examiner.com/article/sunset-savor-the-central-coast-discovering-halter-ranch>

KSBY.com

<http://www.ksby.com/news/runners-lace-up-shoes-for-harvest-marathon/>

Time.com

<http://time.com/3502965/beers-oktoberfest/>

The Tribune

<http://www.sanluisobispo.com/2014/10/01/3273656/the-collins-orchard-in-paso-robles.html>

NBC Bay Area

<http://www.nbcbayarea.com/blogs/worth-the-trip/Love-Day-in-San-Luis-Obispo-County-243376671.html>

NBC San Diego

<http://www.nbcsandiego.com/blogs/worth-the-trip/May-Merry-Paso-Wine-Festival-255733671.html>

Los Angeles Times

<http://www.latimes.com/food/dailydish/la-dd-escape-to-the-wine-country-for-these-late-april-events-20140411,0,6450334.story#axzz2zGlZ1M4r>

Business Insider

<http://www.businessinsider.com/awesome-summer-road-trips-around-the-country-2014-4#!KqTaw>

Theweek.com

<http://theweek.com/article/index/260634/8-great-weekend-getaways-that-wont-break-the-bank>

About.com

<http://gocalifornia.about.com/od/casanluisobispocounty/fl/Justin-Winery.htm>

ATOD Magazine

<http://atodmagazine.com/2014/06/12/thomas-hill-organics/>

Americantowns.com

<http://www.americantowns.com/ca/pasorobles/news/paso-robles-taste-of-downtown-offers-a-saturday-of-fine-cuisine-music-art-20153103>

Luxury Travel Magazine

<http://www.luxurytravelmagazine.com/news-articles/top-10-ways-to-experience-california-wine-country-22221.php>

Epoch Times

<http://www.theepochtimes.com/n3/1112373-paso-robles-new-tastes-the-arts-and-a-sense-of-adventure/?photo=9>

Huffington Post

http://www.huffingtonpost.com/mary-orlin/indie-wines---the-paso-ga_b_6288200.html

Examiner.com

<http://www.examiner.com/article/blendfest-on-the-coast-paso-robles-wine-country>

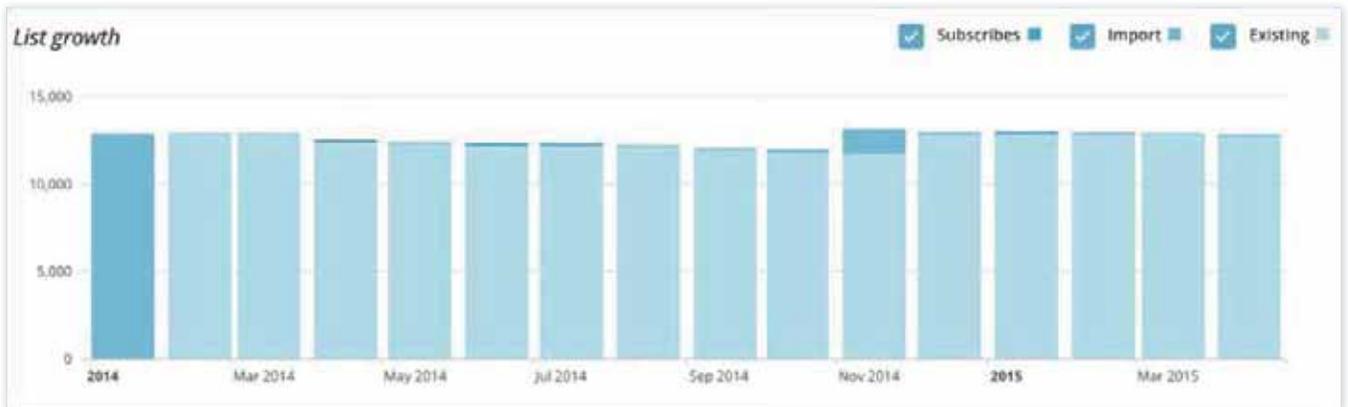
TRAVEL PASO BLOG RESULTS:

- Blogs written: 55
- Incorporated 11 guest blog posts on a monthly basis

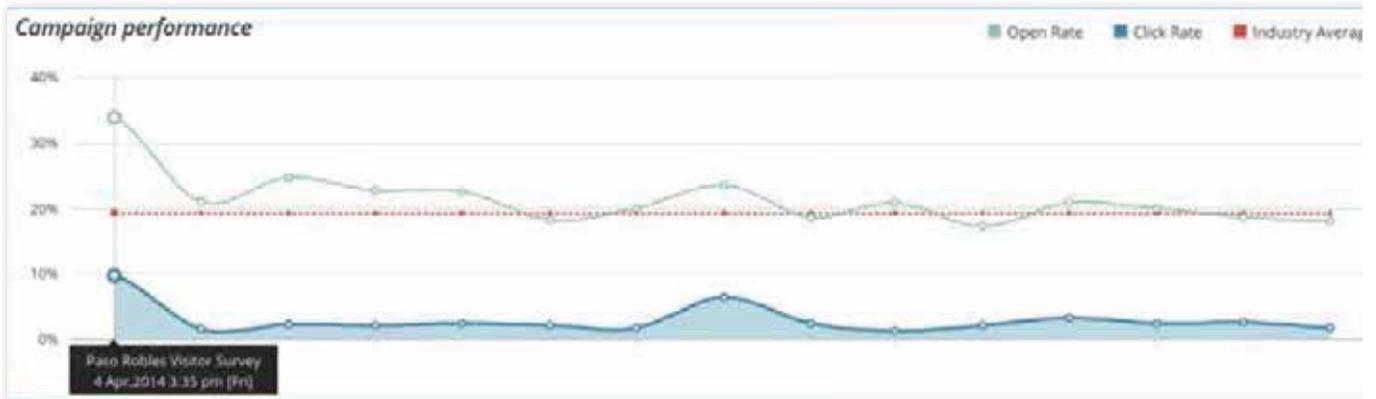
E-MARKETING ANALYTICS

MONTHLY CONSUMER EBLASTS

Travel Paso's monthly consumer e-newsletters have seen a 16 percent increase in distribution from 11,725 to 13,549 subscribers. The benchmark set forth was to increase distribution by 25 percent. Although we fell slightly short, adjustments have been made to the consumer email template with the goal of increasing distribution, click through and engagement with Travel Paso's consumer email campaigns.



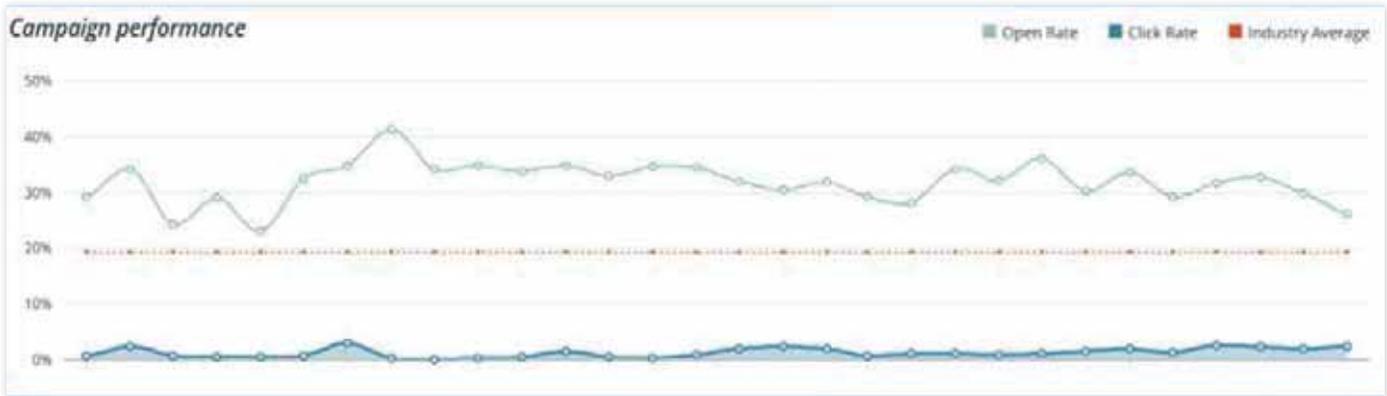
The industry average for an open rate of emails is 18.96 percent. Travel Paso's consumer e-newsletter is trending slightly higher than the industry average with an open rate of 19.9 percent. The benchmark set forth was to increase the average open rate to 25 percent. With the new email template, we anticipate further increasing the average open rate on the consumer emails in the year to come.



The monthly consumer e-newsletters are currently trending at a 2.7 percent click-through rate (CTR). The industry average for the CTR of emails is 2.52 percent, so Travel Paso's consumer e-newsletter is trending slightly higher. Please note that the outlier at the beginning of the graph (shown above) is due to a Visitor Survey that was sent out in April 2014, and is not included in the above reporting numbers on the Consumer emails.

WEEKLY INDUSTRY EBLASTS

In March 2014, Travel Paso launched their Weekly Wednesday Watch List email campaign. This weekly email campaign enabled Travel Paso to communicate with hotel and tourism partners about upcoming events and opportunities. Initially the list of recipients alternated every other week to be sent to just the hotel partners on the first and third Wednesdays, and to include the greater list of local travel and tourism partners (i.e., restaurants, wineries, tour companies, etc.) on the second and fourth Wednesdays; however, in November 2014, adjustments were made to send the Weekly email to the entire industry database every week.



The open rate for these emails has far exceeded the industry average of 18.96 percent. We have seen incredible engagement with our Industry emails, with an open rate of 29.6 percent, exceeding the industry average by 11 percent. Additionally the click through rate (CTR) also exceeded the industry average of 2.52 percent with a CTR of 3.6 percent.

TOUR AND TRAVEL TRADE SHOWS

Travel Paso Destination Manager, Amanda Diefenderfer attended and participated in the following shows:

- **NTA, Los Angeles, January 2014**
 - Completed 37 one-to-one tour operator and group tour appointments
- **Visit California Outlook Forum, Pasadena, February 2014**
- **Visit California Media Event, New York, March 2014**
- **International Pow Wow (IPW), Chicago, April 2014**
 - Completed 69 international tour operator appointments (increased from 32 appointments in 2013)
- **Sunset SAVOR the Central Coast, September 2014**
 - ◆ Negotiated a sponsorship that included exposure at the Brian Wilson concert held at Vina Robles Amphitheatre and expanded Main Event booth presence. New consumer giveaway items generated a significant increase in buzz and excitement amongst the attendees.

Participation at these events allowed the Destination Manager to generate media and tour operator leads which were then connected with various tourism businesses in Paso Robles.

STRATEGIC PARTNERSHIPS

Travel Paso continues to build key marketing relationships with local, county, regional, state and international tourism partners in an effort to leverage TPRA marketing dollars and expand the reach and exposure of the Paso Robles brand. Those partnerships include working with the following organizations and committees:

- Visit California
- Visit San Luis Obispo County
 - ◆ TPRA held a seat on the Board of Director's Resource Council, and served on the Tourism Marketing District (TMD) Committee
- City of Paso Robles
- Paso Robles Wine Country Alliance (PRWCA)
- Paso Robles Chamber of Commerce
- Paso Robles Main Street Association
- Hearst Castle
- Tourism Collaborating Committee
 - ◆ Acting chair of the committee

ATTRACTION OF NEW EVENTS

- **Wine Tourism Conference:** The TPRA partnered with Visit San Luis Obispo County to secure the 2014 Wine Tourism Conference in downtown Paso Robles. Additionally the Destination Manager, Amanda Diefenderfer, served as the moderator of the opening panel of the conference, welcoming and introducing more than 100 tourism professionals to Paso Robles.

