



AGENCY: City Council
MEETING DATE: March 13, 2017
DEPARTMENT: Admin Services & CDD
PRESENTED BY: S. Schneider & M. Jones

AGENDA ITEM SUMMARY

TITLE:

RECEIVE PRESENTATION ON TOURISM MARKET RESEARCH STUDY AND PROVIDE DIRECTION TO STAFF REGARDING FORT BRAGG MARKETING AND PROMOTIONS PLAN

ISSUE:

At the February 8, 2016 City Council meeting, an ad hoc committee comprised of Councilmembers Dave Turner and Lindy Peters was formed to explore the possibility of a ballot measure to increase the Transient Occupancy Tax (TOT) rate to generate revenue for activities that will help expand Fort Bragg's slice of the California tourism business. The committee met with owners and/or operators of nearly all of Fort Bragg's 23 lodging establishments. During the ad hoc committee's discussions with lodging owners regarding a possible increase in the City's TOT rate, many lodging owners suggested that the City conduct market research to help inform its marketing and promotion goals and tactics.

At the July 25, 2016 City Council meeting, the Council unanimously approved undertaking a tourism market study in anticipation of a significantly increased promotional budget if the TOT ballot measure (Measure AA) and its companion advisory measure (Measure AB) were approved by the voters. The study was undertaken between November 2016 and February 2017. This presentation includes the findings of the research study as well as marketing recommendations based on said findings.

RECOMMENDED ACTION:

Receive Presentation on Tourism Market Research Study and Provide Direction to Staff Regarding Fort Bragg Marketing and Promotions Plan

ALTERNATIVE ACTION(S):

None

ANALYSIS:

With the passage of Measures AA and AB in the November 8, 2016 general election, the City will have approximately \$200k in additional funds per year to direct to marketing and promotional efforts. Accordingly, City Council directed staff to undertake market research regarding Fort Bragg's tourism market and to develop data-driven recommendations for the City Council's and the community's consideration. The data-driven recommendations are intended to achieve maximum effectiveness and to serve as the basis for the City's new *Fort Bragg Marketing and Promotions Plan*.

In August 2016, the City circulated a Request for Proposals for the market research study. A task force consisting of City staff and representatives from Fort Bragg's lodging industry and the Visit Fort Bragg Committee selected Strategic Marketing Group (SMG) to conduct the study.

In November 2016, SMG initiated the study with numerous community meetings that included representatives from lodging and other businesses and individuals involved in Fort Bragg's tourism

industry. The study included two online surveys, a website analysis, and social media analysis. SMG prepared a number of reports that summarize the findings of the research along with recommendations. The reports include:

1. Tourism Market Research Report (Attachment 2) summarizes findings from the various research activities;
2. Tourism Marketing Recommendations (Attachment 3) provides short term and long term recommendations and a draft promotions budget; and
3. Visitor Survey Results (Attachment 4).

Carl Ribaudo, President of SMG, will attend the City Council meeting to present the findings from the study and the marketing recommendations (Attachment 1).

The Community Development Department (CDD) will utilize the SMG market data and marketing recommendations to inform a tourism-sector driven process (which will include Visit Fort Bragg Committee and the lodging, retail, restaurant and other tourism-serving businesses) to prepare a comprehensive strategic plan and marketing plan/budget for FY 2017/18. The goals of the plan will be to: (a) increase overall visitation and length of stay in Fort Bragg; and (b) improve the Fort Bragg experience for visitors.

CDD staff, in collaboration with the Visit Fort Bragg Committee, will meet with stakeholders over the next two months to get input and feedback on both a Strategic Plan and a Marketing & Promotions Plan through in-person visits with lodging owners/operators; discussions with Visit Mendocino & Visit Ukiah, and focus group meetings with representatives of the retail, dining and attractions sectors. During these meetings, staff will present the findings from the market study and its draft recommendations and facilitate discussions about how best to spend Fort Bragg's finite resources to achieve maximum effect. Based on input received from the tourism industry, CDD will develop a draft strategic plan and marketing plan/budget to present to Visit Fort Bragg for comment and revision. The Visit Fort Bragg Committee and staff will present the draft strategy and plan/budget to City Council in a workshop format to get additional input and finalize. CDD expects to complete this work effort by July 2017.

The significant expansion of funding for tourism promotions afforded by Measure AA has created a huge opportunity to significantly enhance the City's successful promotional efforts and to undertake new efforts.

FISCAL IMPACT:

The City's FY 2016/17 Budget allocated \$18,000 for a market research study to address specific promotional goals and objectives. A comprehensive marketing plan will be developed which will include the traditional funds provided by the City as well as the additional funds as a result of the passage of Measures AA and AB. The projected 2017/18 promotional budget is expected to be approximately \$290,000 – an increase of \$220,000 from the 2016/17 promotional budget.

IMPLEMENTATION/TIMEFRAMES:

Prepare Marketing & Strategic Plans

1. March & April: Hold meetings and focus groups with lodging, retail, restaurants & attractions.
2. May: Prepare draft Visit Fort Bragg Strategic Plan and draft Marketing & Promotions Plan
3. June: Refine draft Visit Fort Bragg Strategic Plan and draft Marketing & Promotions Plan based on Visit Fort Bragg and City Council comments.

4. July: Council will consider adoption of the Visit Fort Bragg Strategic Plan and Marketing & Promotions Plan

Implementation

1. April 2017 - Fort Bragg lodging will begin to collect and remit Measure AA tax.
2. July 2017 - City will begin implementation of the new plan and budget with the new fiscal year.
3. July 2017 – July 2018 - Promotional efforts will ramp up as CDC and Visit Fort Bragg Committee undertake promotional activities and enter into contracts.

ATTACHMENTS:

1. SMG PowerPoint Presentation
2. SMG Tourism Market Research Report
3. SMG Marketing Recommendations
4. SMG Visitor Survey Report

NOTIFICATION:

1. Fort Bragg Lodging Owners (via email)
2. Visit Fort Bragg Committee

City Clerk's Office Use Only

Agency Action	<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	<input type="checkbox"/> Approved as Amended
Resolution No.:	_____ Ordinance No.: _____		
Moved by:	_____ Seconded by: _____		
Vote:	_____		
<input type="checkbox"/> Deferred/Continued to meeting of:	_____		
<input type="checkbox"/> Referred to:	_____		