

MEETING MINUTES
SANTA MONICA TRAVEL & TOURISM (SMTT)
REGULAR TOURISM MARKETING DISTRICT COMMITTEE
TUESDAY, NOVEMBER 12, 2024
REGENT SANTA MONICA BEACH – 1700 Ocean Ave

Call to Order: Chairman Atallah called the meeting to order at 5:14 p.m.

Roll Call & Self Introductions: Chairman Atallah called for self-introductions. TMD Committee Members present provided brief self-introductions. The following persons were recorded in attendance:

Tourism Marketing District Committee (TMD) Present: Chairman Younes Atallah, Secretary/Treasurer Aileen Carreon, Member Cameron Haseli, Member Juan Viramontes and Member Jessica Rincon

Also Present: SMTT President & Chief Executive Officer Misti Kerns, SMTT Chief Operating Officer Evan Edwards, SMTT Chief People Officer Rachel Lozano, SMTT Vice President of Communications Lauren Salisbury, SMTT Director of Marketing John Lendman, SMTT Client Services Manager Alyssa Dorn, SMTT Administrative Assistant Bella Cifuentes, Ambrose Hotel General Manager Danielle Goller, Ocean View Hotel General Manager Bryan Lara, Sea Shore Motel Manager Sonia Metz Van Cott and Santa Monica Proper Hotel Managing Director Bruno Vergeynst.

Absent: Member Diego Ruiz de Porras and Member Karina Sedigh

Public Comment: Chairman Atallah called for public comment; there was none.

Approval of the October 2, 2024, Special TMD Meeting Minutes: Secretary/Treasurer Carreon presented the October 2, 2024 meeting minutes. Member Juan Viramontes moved to approve the minutes and Member Cameron Haseli seconded the motion. The motion carried unanimously through a roll call vote with Members Diego Ruiz de Porras and Karina Sedigh.

Acceptance of the September 2024 Financials: Secretary/Treasurer Carreon presented the TMD Collections Memo. Member Jessica Rincon moved to accept, and Member Juan Viramontes seconded the motion. The motion carried unanimously through a roll call vote with Members Diego Ruiz de Porras and Karina Sedigh absent.

SMTT Staff Updates:

SMTT President & Chief Executive Officer Misti Kerns provided the committee with an update on the Marketing side of SMTT. Kerns expressed gratitude to all participants who contributed to The Extra Bedroom Program Survey. She announced that, based on community feedback, the program will run from Monday, November 11, 2024, through Monday, February 10, 2025. Kerns informed the committee that The Extra Bedroom Program aims to attract hotel business during the shoulder and holiday seasons by offering discounted rates to Santa Monica residents hosting friends and family. This initiative serves as a valuable community relations opportunity, allowing locals to experience the various hotels in Santa Monica while enhancing awareness of these properties through special offers.

SMTT President & Chief Executive Officer Misti Kerns provided insights into the Book Direct campaign, which ran from July 1 to September 30. Kerns highlights that the top five cities generating referrals included Los Angeles, Las Vegas, New York, Phoenix, and San Jose, along with the top five states being California, Arizona, New York, Texas, and Washington. She highlighted significant growth in sessions from San Francisco (+2%), New York (+17%), and Dallas (+20%), while Los Angeles experienced a decline of 9%. Engagement metrics also showed that San Francisco and New York both recorded a 9% increase in site engagement. Lastly, Kerns reported to the committee that, for September, the combined referrals from the Book Direct initiative reached 15,551, consisting of 13,750 onsite partner referrals and 1,801 direct bookings.

Kerns provided insights on SMTT's Fall Media Campaign with Datafy. Kerns explained that the campaign aimed to draw visitors to Santa Monica lodging properties through a multi-faceted approach including blended video, prospecting display, native display, and retargeting display. From August 15 to October 19, the campaign achieved 3,462,266 impressions, a unique reach of 542,300, and 6,119 total clicks.

Kerns additionally informed the committee on SMTT's Fall Media Campaign in collaboration with Noble Studios. Kerns explained that the goals for this campaign centered around increasing year-over-year growth in the ratio of weekday to weekend occupancy, driving traffic during shoulder seasons, enhancing overnight bookings, and positioning Santa Monica as the premier luxury beach-city destination. Kerns highlighted that multiple channels were used as tactics, including out-of-home advertising, Connected TV, Condé Nast Traveller, TripAdvisor, Expedia, Google Discovery & Display, Meta, and Search.

Kerns provided the committee with an executive summary of SMTT's fall campaign with Noble Studios. Kerns explains that despite challenges from industry pressures affecting both organic and paid traffic, the campaign secured 28% of the fiscal year partner referral goal, slightly below the expected level of 33%. Kerns noted the addition of two new channels in October, alongside a 52% month-over-month increase in media spending. Kerns then highlighted the website performance in October that revealed a 9% year-over-year decrease in site sessions, primarily driven by declines in organic and direct traffic. Partner referrals also dropped 21% year-over-year, with the largest decline in direct traffic at 40%. Kerns explained to the committee that despite a year-over-year reduction in media spending by 26%, paid search and Meta advertising showed positive results, generating 594 "clicks to Book Direct" conversions and demonstrating strong engagement metrics. Kerns provided the committee with a review of the key performance metrics for this campaign, for the fiscal year 2024-25. Kerns stated that as of month three, the actual count for partner referrals reached 45,481, equating to 22% of the annual goal of 204,950 referrals. Furthermore, Kerns highlighted that supporting key performance indicators for organic sessions that totaled 229,616, representing 26% of the goal, while paid sessions counted at 30,636, or 20% of the goal.

SMTT President & Chief Executive Officer Misti Kerns lastly addressed the objectives of the Santa Monica Travel & Tourism Co-op, from October 1 to November 15, which focused on driving visitation for early fall and appealing to high-value visitors. Kerns highlights that the target audience segments for this initiative included past high-value lodging visitors, hotel look-alikes, and retargeting of competitors' hotel guests outside Santa Monica. Kerns explains to the committee that with a total investment of \$10,000, the campaign is expected to generate approximately 1,250,000 impressions and 2,500 clicks.

SMTT Vice President of Communications Lauren Salisbury, shared recent media coverage with the committee, highlighting a segment from CTV Vancouver that featured Santa Monica in its "Perfect California Itinerary." The segment celebrated the 115th anniversary of the pier and showcased activities like volleyball and surfing lessons, along with SMTT's incentive bags.

Salisbury announced to the committee that Santa Monica has received the Gold Travel Weekly Magellan Award for Best Destination Marketing Website, bringing the total number of awards for the year to 16. Salisbury also recapped the successful Visit California Los Angeles Media Reception held on October 10 at the Intuit Dome, which was attended by 86 top media representatives and influencers, including members from the Los Angeles Times and ABC 7.

Salisbury highlighted SMTT's recent Australia Sales & Media Mission, which featured a media lunch in Melbourne with 10 journalists and a Pilates event in Sydney that attracted 8 journalists. Salisbury additionally recapped several completed familiarization (FAM) trips and media visits from Australia and Canada. Notable attendees included Jami Savage from CTV Vancouver, David Dickstein from Southern California News Group, Olivia Stren from The Toronto Star, Mike Yardley from NZME Newspapers, Kate Mendonca from National Post/Canada.com, Rob Longley from The Toronto Sun, and Susan Bugg from Escape. Looking ahead, Salisbury outlined upcoming FAMs and media visits, which include influencer Melissa Male, Christine Roberti of Offshore Magazine, a "What's New in Luxury" India Group Press Trip, Kristie Kellahan from Traveller, freelance journalist Edmund Vallance, and Jamie Aranoff from SKI Magazine.

Finally, Salisbury provided the committee with updates on SMTT's social media performance, reporting an engagement rate of 0.52% on Instagram (a 4% increase since August), with followers rising to 57,000 (a 2% increase). Facebook engagement remained steady at 0.13%, with impressions significantly up to 1.2 million (a 72% rise from August), and on X (formerly Twitter), the engagement rate reached 0.08% (up 33% from August), with followers at 40.8k (up 0.5% since October).

SMTT Chief Operating Officer Evan Edwards, informed the committee on recent global business development activities at SMTT, starting with the successful Canada Sales Mission that took place from September 10 to 12. During this mission, SMTT Director of Sales Ozzie Otero led the SMTT team in Vancouver, where they engaged with 40 trade clients, including travel advisors and meeting professionals, alongside representatives from prominent local hotels such as Shutters on the Beach, Hotel Casa del Mar, Sandbourne Santa Monica, and Regent Santa Monica Beach. Following this, Edwards shared insights from SMTT Director of Sales Ozzie Otero's participation in the Visit California Luxury Forum held from September 15 to 17 in Newport Beach. Here, he had the opportunity to meet with 16 premier luxury travel advisors through two days of personalized, one-on-one appointments, showcasing Santa Monica as a desirable destination.

Edwards then highlighted SMTT Director of Global Business Development Aleksandr Sigalus's attendance at the ILTM North America trade show in The Bahamas from September 23 to 26, where he met with 46 of the region's most exclusive luxury travel advisors in collaboration with ETC Hotels. Edwards additionally informed the committee about the Australia Sales & Media Mission, which SMTT Director of Global Business Development Aleksandr Sigalus led, from September 30 to October 4. This mission spanned three cities, Brisbane, Melbourne, and Sydney, enabling SMTT to engage with both trade and media representatives. Local hotel partners, including Shutters on the Beach, Hotel Casa del Mar, Sandbourne Santa Monica, and Fairmont Miramar Hotel & Bungalows, accompanied Sigalus on this mission to strengthen their collective presence in the Australian market.

Edwards reported on the Brand USA Travel Week U.K. and Europe event, which SMTT Director of Global Business Development Aleksandr Sigalus attended from October 21 to 24 in London. SMTT partnered with Greater Palm Springs to hold 38 one-on-one appointments with U.K. and European buyers, discussing essential trends and future opportunities for increasing visitation to the United States.

Edwards informed the committee about SMTT's Halloween Sales Calls held on October 31, during which the SMTT team met with travel agents and meeting planners from First in Service, H.I.S. International, Altour and Milken Institute joined by partners from The Ambrose Hotel, Shutters on the Beach/Hotel Casa del Mar, The Cottage Santa Monica, Sandbourne Santa Monica, Fairmont Miramar Hotel & Bungalows and Hyatt Centric Delfina/Viceroy Santa Monica.

Looking ahead, Edwards announced SMTT's participation in Signature Travel Week from November 11 to 14 in Las Vegas, where they anticipate meeting with over 32 advisors across two days of appointments while presenting updates on new hotel offerings and activities. In the realm of group sales, Edwards highlighted SMTT Director of Sales Ozzie Otero's attendance at IMEX America from October 8 to 10, where he engaged in over 60 meetings with MICE professionals in collaboration with local hotels and attractions. Additionally, Edwards shared that SMTT successfully hosted a Fam trip for Team Landers from ConferenceDirect, showcasing Santa Monica's hotel collection to 12 meeting professionals.

Edwards additionally shared SMTT's return of our 2nd Client Advisory Board that occurred November 7 to 9, gathering 13 meetings and events professionals to immerse them in Santa Monica and gather their valuable feedback. Edwards concluded by highlighting SMTT's upcoming Group Sales, the Visit California Minneapolis Roadshow on November 12 and the ConferenceDirect Forum in Orlando, FL, from November 13 to 15, where SMTT will continue to network with meeting professionals and corporate clients, enhancing their presence in the industry.

SMTT Chief Operating Officer Evan Edwards presented essential upcoming dates related to the Tourism Marketing District (TMD). Edwards highlighted a scheduled TMD assessment increase that will take effect

on January 1, 2025. Specifically, this increase will impact the assessment per room night for hotels categorized by tiers. Tier 1 hotels will see an increase of \$0.25, bringing the total to \$7.00 per room night. Tier 2 hotels will also experience a \$0.25 increase, resulting in a new total of \$6.00. Meanwhile, Tier 3 hotels will have a smaller adjustment of \$0.10, resulting in a total assessment of \$2.20. Edwards concluded by emphasizing several important deadlines for committee members. Members are encouraged to assign a TMD representative by Monday, December 16, and to nominate a member for the TMD Committee by Monday, December 30. Following that, a vote for the committee will take place on Monday, January 13, 2025. Lastly, Edwards noted that the next meeting with the newly elected 2025 TMD Committee is scheduled for Tuesday, February 11, 2025.

SMTT Client Services Manager Alyssa Dorn provided the committee with an update on the success of SMTT's 2024 VolleyWeen charity event. The event raised an impressive total of \$7,500 for charity, with over 50 attendees. Dorn highlighted that among the notable guests, were volleyball legends Sinjin Smith and Hagen Smith, along with a surprise appearance by NBA player Dwight Howard, who is currently participating in this season's Dancing with the Stars. Lastly, Dorn informed the committee that the funds raised during VolleyWeen will be directed towards supporting the Santa Monica College Basic Needs Fund, which focuses on enhancing student food security, as well as benefiting The People Concern and Westside Food Bank.

CEO Update:

SMTT President & Chief Executive Officer Misti Kerns presented the updated Symphony Tourism Economics reports to the committee. Kerns highlighted key findings from the Executive Summary, noting a 6% year-over-year increase in demand for Santa Monica hotels in September, with occupancy climbing to 70.3%. Kerns notes that although occupancy has not yet returned to the pre-pandemic level of 82% in September 2019, it has steadily improved from a low of 47% in September 2020. Despite an average daily rate (ADR) decline of 4.8% year-over-year to \$350, increased demand contributed to a 0.9% rise in revenue, totaling \$31.9 million for the month.

Kerns noted that other travel indicators also showed positive trends in September, with TSA throughput increasing by 1.1% year-over-year at LAX, 6% at Burbank, and 7% at Long Beach. Additionally, leisure and hospitality jobs in the LA-Long Beach-Glendale area rose by 1.6% year-over-year to 545,400, representing 11.9% of total nonfarm jobs. According to MMGY's (Travel and Tourism Integrated Marketing Agency) portrait of American Travelers, leisure travel sentiment for Q3 2024 improved across most income groups, except for those earning less than \$50,000, which remained stable at 43%. Business travel intent saw a decrease among income groups earning less than \$50,000 and \$100,000-\$149,000, while remaining steady for those with incomes between \$50,000 and \$99,000. U.S. retail sales in September increased by 0.4% year-over-year, reflecting growth across most categories, although electronics, gasoline, and furniture saw declines. Kerns explained to the committee that this growth was supported by nominal wage gains and easing inflation, despite a slowdown in job growth.

Kerns also provided an update on the U.S. Travel Board, which aims to set ambitious visa goals. Kerns informs the committee that the Secretary of State Antony Blinken and Secretary of Commerce Gina Raimondo recently announced initiatives to enhance international inbound travel, including the addition of one million visa appointments globally. These goals, crucial considering the upcoming 2026 World Cup and the 2028 Olympics in Los Angeles, include reducing visa wait times to no more than 90 days for most visitors, embedding State Department staff in local Los Angeles offices, and directing the Tourism Policy Council to create a subcommittee focused on coordinating sporting events.

Kerns underscored significant opportunities and challenges facing the travel industry from the US travel Board Report. Over the past 20 years, the U.S. has lost market share as a travel destination, recently ranking 17th out of 18 in a Euromonitor report on policy and facilitation. This presents an opportunity to work with the Trump administration to enhance the country's appeal, particularly with major global events on the horizon. Moreover, the Visa Waiver Program (VWP) and Brand USA are seen as critical to international travel growth, though they may face threats from some policymakers. A robust strategy will be necessary to champion these programs as integral to national security and economic development. Kerns

also noted the need to address underlying travel frustrations like air traffic controller shortages and outdated FAA systems. The current climate offers a chance to overcome the policies that have distracted from substantive improvements. Another challenge Kerns highlighted from the US Travel Board report, is the need for a strong workforce in the travel industry, which is currently short by one million workers. Finally, Kerns reflected on the potential rapid pace of the incoming Trump administration, according to the US Travel Board report, both challenges and opportunities may arise unexpectedly. Kerns notes that, the industry must remain adaptable, strategic, and level-headed to navigate this evolving landscape successfully.

For the Good of the Order:

Secretary/Treasurer Aileen Carreon inquired about Frieze Los Angeles. Members confirmed that the event is scheduled to take place from February 20 to February 23, 2025, and noted that it will no longer overlap with the LA Food and Wine event.

The committee discussed the upcoming construction of the Pier bridge, which is set to begin in 2025.

It was reported that ticket sales for Cirque are performing well. The event is expected to return next year; however, due to the pier bridge replacement project, Cirque is likely to move to the Santa Monica airport location.

SMTT members updated the committee on their plans to conduct Agency of Record (AOR) interviews in the coming week, which will include hearing presentations in response to their RFP for a new AOR.

Lastly, SMTT members announced that the Partner holiday party is scheduled for Friday, December 13.

Adjournment: Chairman Atallah adjourned the meeting at 6:02 p.m.

Next Tourism Marketing District Committee Meeting
Tuesday, February 11, 2025

MISSION STATEMENT

Santa Monica Travel and Tourism (SMTT) works to strengthen our local economy by enhancing and promoting our community as a distinctive, compelling and welcoming travel destination.

BRAND PROMISE

Santa Monica...an unforgettable beach city experience filled with eye-catching people, cutting edge culture and bold innovations. It's the essence of the California lifestyle.

VISION STATEMENT

To ensure Santa Monica is recognized as the premier beach city destination in the world.