

Business Resiliency Tourism Roundtable

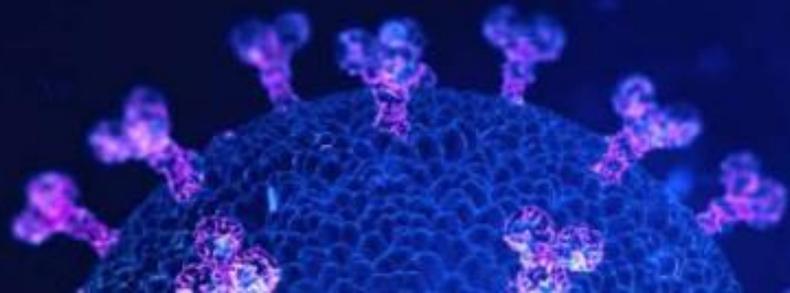


CHOOSE MORGAN HILL

COVID-19 UPDATE FOR
MORGAN HILL BUSINESSES

Business Resiliency Tourism Roundtable

1. Welcome and Introductions
2. Visit Morgan Hill
3. Cal Travel Association
4. Questions & Discussion
5. What's Ahead
6. Resources



CHOOSE MORGAN HILL

VISIT MORGAN HILL

VISIT MORGAN HILL BOARD

Hotel Representatives:

Michael Meredith, Hampton Inn (Chair)

Andrew Firestone, La Quinta Hotel

Alexis Solis, Marriott Hotels

David Dworkin, Holiday Inn Express

City of Morgan Hill Representatives:

Chris Ghione, Public Services Director (Treasurer)

Edith Ramirez, Economic Development Director (Secretary)

Community Representatives:

Gene Guglielmo, Guglielmo Winery

Frank Léal, Léal Vineyards

Carrie Benjamin, San Jose Sports Authority

Executive Director:

Krista Rupp

WELCOME

- Hotels
- Dining
- Wineries
- Retail/Personal Service
- Attractions/History/Art/Entertainment
- Outdoor/Sports/Recreation
- Government/Community

VISIT MORGAN HILL



WHO WE ARE

The destination marketing organization working to promote tourism on behalf of the MHTBID

The TBID is a self-assessment, implemented by the local hotels

501(c)6

VISIT MORGAN HILL



OUR MISSION

VMH promotes the community as a travel destination with numerous amenities for visitors to enjoy, with a special focus on overnight visitation.

VISIT MORGAN HILL

LONG TERM PLANNING



Destination Strategic Plan

- Priorities & Position for Morgan Hill in the tourism space
- Partnership, Operations, Marketing Communications & Business Development

Brand Development

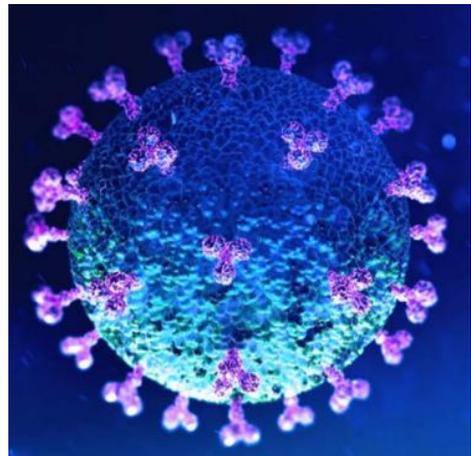
- Develop destination awareness of Morgan Hill
- Foundation of tourism promotion efforts
- Visitor facing messaging and visuals

VISIT MORGAN HILL

COVID-19 AND SHELTER IN PLACE IMPACT ON TOURISM

- Eviscerated travel and tourism, and all related spending
- Economic fallout projected at 9x worse than 9/11
- Impacts felt across industries and municipalities

When we're allowed to travel, we want a strong plan to put Morgan Hill on the map in terms of the regional visitor drive market, as a wonderful and safe getaway destination.



VISIT MORGAN HILL

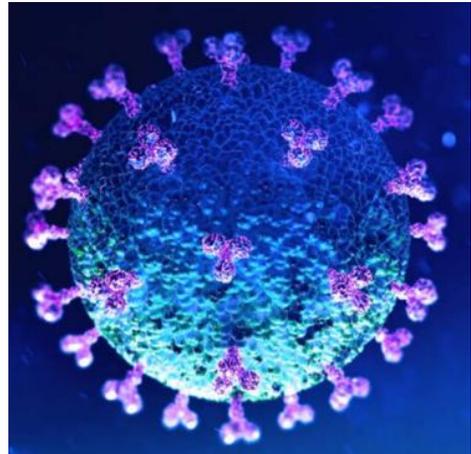
COVID-19 RESPONSE... The situation is fluid and info is changing daily!

Updated www.visitmorganhill.org with Travel Updates, Public Health, and Business Resources

Hotels communications regarding who's open, state efforts, industry data

Partnering with local organizations and associations for continuous deployment of business assistance information to our community

And collaborative business support efforts...



VISIT MORGAN HILL



VISIT MORGAN HILL

Chamber of Commerce Facebook Pages

[Takeout and Delivery](#) (2,900 followers)

[Don't Isolate Virtually Congregate](#) (250 followers)



VISIT MORGAN HILL



WE MISS YOU AND HOPE YOU'RE ALL SAFE!

While you observe statewide sheltering, we'd like to help bring Santa Clara Valley wine country into your home

Click below to view the generous offers on delivery, curbside pick ups and shipping savings so you can sip while sheltering.

[DELIVERY](#)

[CURBSIDE](#)

[SHIPPING](#)



VIRTUAL TASTINGS / TOURS / WINEMAKER INTERVIEWS



VISIT MORGAN HILL

BUSINESS SUPPORT RESOURCES

Loans, Tax, Labor

[City of Morgan Hill Business Resources for Employers and Employees](#)

[Choose Morgan Hill's COVID-19 Update](#)

[CalTravel COVID-19 Toolkit](#)

[Visit California Summary of Financial Assistance Programs](#)

COVID-19 UPDATE FOR MORGAN HILL BUSINESSES

Dear Morgan Hill Business Leaders:

Last week we issued a COVID19 [Business Resources](#) Newsletter, the most employees

ndtable on CDC and Grow se visit

visit California INDUSTRY PARTNER OPPORTUNITIES RESEARCH & TRENDS

Coronavirus Resources for California Tourism Industry

Coronavirus Economic Injury Disaster Loans/Grants
This program allows small businesses to borrow up to \$2 million with a maximum 4 percent interest to make... will get \$10,000 within three days, and can keep the money even if the loan is denied.
Eligibility: Self-employed businesses with fewer than 500 employees (and those with more if they meet the...
Read more from Senate Committee on Small Business and Entrepreneurship (Page 7) or U.S. Travel.

Business Interruption Loans (Paycheck Protection)
This gives 100 percent guaranteed loans of up to \$10 million at maximum 4 percent interest to cover payroll... business. Loans may be forgiven if a business has the same number of employees on June 30 that it did prior...
Eligibility: Self-employed, businesses with 500 or fewer employees, with some exceptions, some non-profits...
Read more from U.S. Travel and the Senate Committee on Small Business and Entrepreneurship.

Small Business Debt Relief
This allows small businesses with outstanding SBA 7(a) loans, new SBA 7(a) loans, 504 loans (for purchase



VISION & MISSION



California Travel Association (CalTravel) is the united voice of the travel and tourism industry in California.

It protects and advances the interests and investments of California's travel industry through advocacy, collaboration, and education.

WHO WE ARE



CalTravel members include CVBs, DMOs, resorts, amusement parks, sports venues, transportation companies, industry associations, ad agencies, media companies, and other organizations for whom travel and tourism advocacy is important. About half of our 200 members are DMOs.



TOURISM JARGON 101

CVB: Convention and Visitors Bureau

DMO: Destination Marketing Organization

Tourism Board:

All are descriptions of an organization responsible for promoting a community as an attractive travel destination and enhancing its public image as a good place to live and work.

**Dean Runyan Associates, 2018*



TOURISM JARGON 101

TID: Tourism Improvement District

TBID: Tourism Business Improvement District

An assessment funding model, usually funded by hotels, to raise money to enable DMOs/CVBs/Tourism Boards to market their destination. The organizations that pay into the district must be the beneficiaries of the funding.

**Dean Runyan Associates, 2018*



ROLE OF TBIDS IN TRAVEL

- They provide steady, efficient funding for destination promotion with a proven strong ROI
- California has over 100 TBIDs, ranging from the largest gateway cities to small communities
- Districts usually include all hotels in a defined area, collect a percentage of room night sales
- Charge is passed on to the customer
- Funds must be used for the benefit of the payers, to put more heads in beds
- Heads in beds mean more spending on retail, dining, and attractions
- Funds can be spent on marketing, group and leisure sales, promotion including a website, email marketing, advertising, and social media



WHY ARE TBIDS HELPFUL?

- Individual businesses lack the capacity to conduct overall destination branding and marketing effectively
- Pooling funds allows for scale and promotional efficiencies
- Dedicated marketing professionals bring best practices
- ROI for TBIDs is generally 6:1 to 20:1
- Visit California is essentially a state-wide TBID



CALTRAVEL & VISIT CALIFORNIA

We work closely with, but are distinct from, Visit California. We support each other and the tourism industry to ensure California tourism's success.

CalTravel

- Primarily B-to-B
- Promote and protect the California tourism industry
- Work with state and national legislators
- Advocacy resource for the California travel and tourism industry
- Funded by membership and sponsorship

Visit California

- Primarily B-to-C
- Create desire for the California tourism experience to visitors out-of-state and around the world
- Marketing resource for the California travel and tourism industry
- Funded by assessments

TOURISM IN CALIFORNIA, 2018



\$140.6B
IN DIRECT SPENDING



NINTH CONSECUTIVE YEAR OF
GROWTH



\$11.8B
IN STATE & LOCAL TAXES



1.2MM
TRAVEL & TOURISM JOBS

**Dean Runyan Associates, 2018*



TOURISM IN CALIFORNIA, 2020

California travel spending dropped **81%** from the first week of March to the last week of March, from \$2.4 billion to \$460 million

Down **84%** compared to the same week in 2019

Through March 28, travel spending losses for the month totaled **\$6.5 billion**

Source: Tourism Economics, April 2, 2020

**Dean Runyan Associates, 2018*



TRAVEL CAN HELP JUMPSTART THE RECOVERY

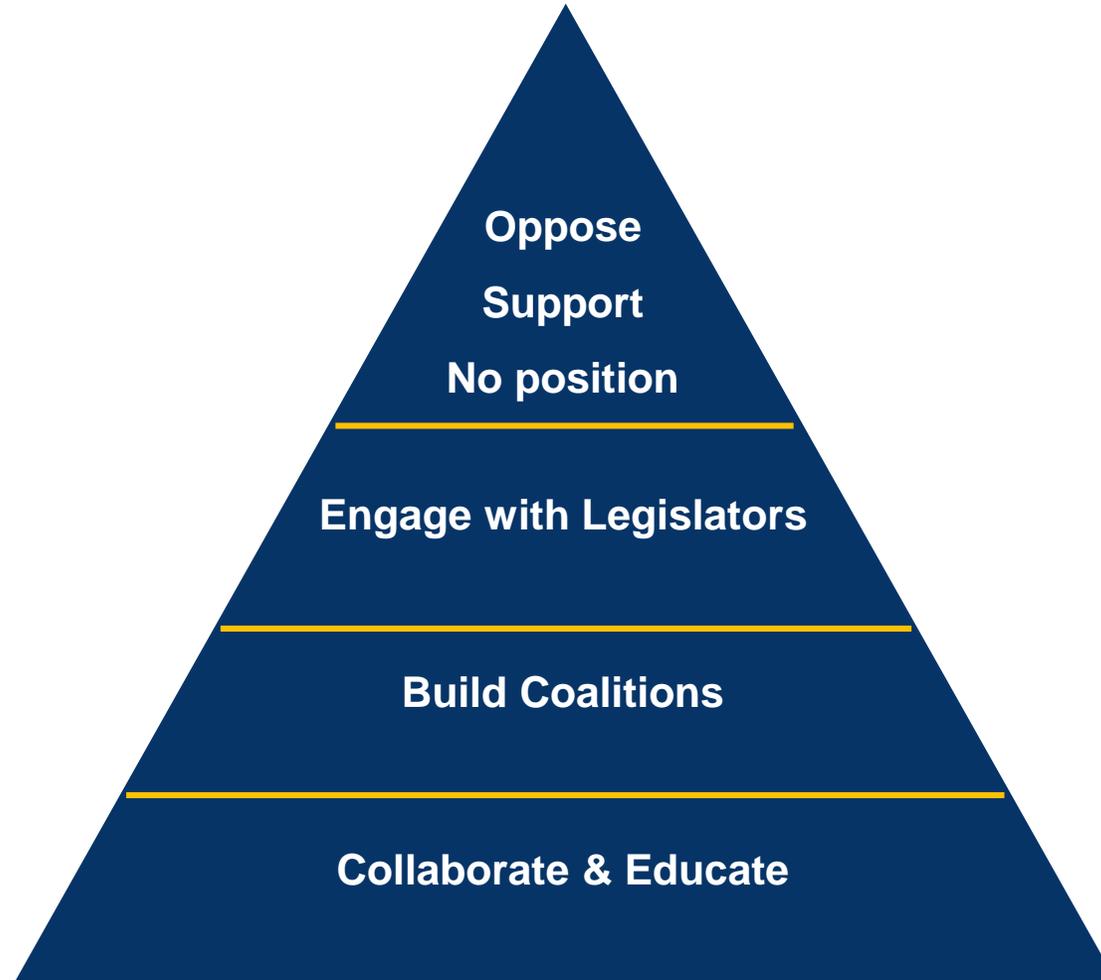
- While travel is one of the industries hit earliest and hardest by COVID-19, local, state, and the federal government recognize that travel can help jumpstart the recovery
- Visitors spend money in a destination, paying sales tax to communities that then go to teachers, police officers, and other vital local services that they do not benefit from
- Visitors are essential to keep restaurants, retail, hotels, events, wineries, and other local businesses alive
- Visitors are essential to a vibrant downtown, successful events

ADVOCACY WORK



Alongside experienced lobbyists, CalTravel works to increase the tourism industry's visibility while generating support for policies that protect and advance the interests of its members.

ADVOCACY MODEL



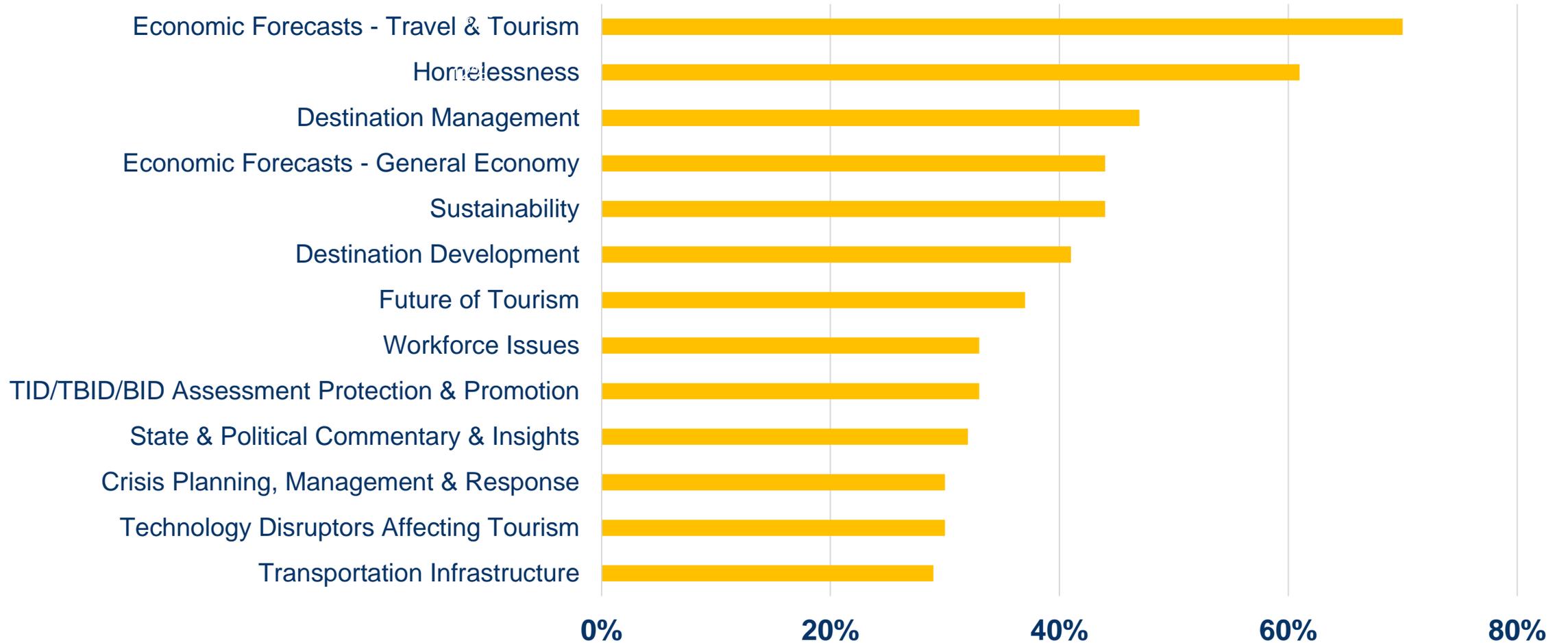


2019-20 ADVOCACY PRIORITIES

- Promote California as a visitor destination
- Facilitate travel to and within California
- Support responsible long-term development projects
- Protect the travel and tourism industry from unnecessary costs of doing business
- Ensure an equal playing field for fair competition in a rapidly changing industry
- Support legislation that enhances and improves the overall visitor experience

Current list of legislation we have positioned on is
at: <https://www.caltravel.org/votervoice?vvsrc=%2FBills>

2020 HOT ISSUES & TOPICS



2020 HOT ISSUES & TOPIC:UPDATE APRIL 2020





STATE ADVOCACY IN THE 19-20 SESSION

- State legislators normally introduce 2,000 to 2,500 bills each legislative session
- This year, recess has been extended to at least May 4, probably longer
- Because of expected budget shortfall and time frame, fewer bills to be introduced
- Legislation will be focused on COVID-19, wildfire, and healthcare
- We have been focused on lobbying Governor and GO-Biz to get relief through Executive Order
- Representatives:
 - Assemblymember Robert Rivas
 - Congresswoman Zoe Lofgren
 - Senator Bill Monning



COVID-19 STATE ADVOCACY PRIORITIES

- Tourism Coalition Stimulus asks of Governor
 - Tourism promotion stimulus
 - Employee retention credits
 - Payroll tax deferral
 - Net Operating Loss (NOL) carryback
 - Business interruption insurance
 - Temporary travel tax credit
 - Refunds for overpayments and deferrals of estimated taxes
 - CalCompetes requirements relaxation
- Inclusion in recovery planning discussions
- Clarification of executive orders

BALLOT INITIATIVES

May be fewer this year since collecting signatures by end of April will be tough. Of interest to travel and tourism:

- Alastair Mactaggart's "**The California Privacy Rights Act of 2020**" would substantially expand the initial CCPA's protections for consumers and obligations on businesses. *Status: Still need signatures, on pause*
- "**Protect App-Based Drivers and Services Act**" Uber, Lyft, and Doordash have invested \$110 million to keep drivers classified as freelancers, not employees, in response to AB 5. *Status: Have 1 million signatures (need 623,212), authenticating*
- The "**California Recycling and Plastic Pollution Reduction Act of 2020**" to tax plastic packaging and products at up to 1 cent per item and establish a 2030 deadline for all packaging to be recyclable, reusable or compostable. This is in response to SB 54 / AB 1080 being held in the Legislature. The identical bills would have set a 2030 goal for all single-use packaging and some single-use products to be recyclable or compostable. *Status: Still gathering signatures*



2020 LEGISLATION OF INTEREST

AB 1850 (Gonzalez): Employee classification—Watch

This is currently a spot bill clarifying and likely creating additional exemptions to AB 5 (2019) independent contractors. *Status: Introduced*

AB 1921 (Diep): Unlawful vehicle entry—Support

This bill creates a new crime for forcibly entering a vehicle with the intent to commit a theft therein. CalTravel supported a similar bill in 2019, Senator Wiener’s SB 23, which was held in Assembly Appropriations. *Status: Pulled*

AB 2843 (Chu) – Local Employer Affordable Housing Fees—Oppose

This bill would require a city, county, or city and county to impose an annual tax of up to \$150 per employee on all applicants for a local business license, unless they have 50 or fewer employees. The bill requires that any tax revenue collected be deposited into a special fund, entitled the “Affordable Housing Assistance Fund,” and used to provide rental assistance, subsidize affordable housing development projects, provide vouchers for individuals experiencing homelessness, and help first-time homebuyer programs. *Status: Pulled*



FEDERAL ADVOCACY IN THE 2020 SESSION

Work with U.S. Travel and tourism organizations nationwide to improve resources for travel and tourism industry in the CARES Act and following legislation.

- Extend Paycheck Protection Program and increase appropriations
- Expand eligibility for 501c6 non-profits (includes DMOs) and franchises with multiple locations including attractions and retail
- Ensure loan amounts and loan forgiveness match small business needs, including payroll and nonpayroll expenses
- Increase funding for Economic Injury Disaster loans
- Enhance tax relief and support for businesses of all sizes

GOOD IDEAS FROM THE TOURISM COMMUNITY

THIRSTY THURSDAYS: *Visit Ventura* is teaming up with their town’s wineries and breweries to offer “Thirsty Thursdays”—live virtual tastings on their Facebook channel. It’s an opportunity to sip, learn, and have a little fun, all while supporting local businesses.



ZOO CAM: Although the *San Diego Zoo* and *San Diego Zoo Safari Park* are currently closed to the public, they’re still thinking of their community of friends and fans around the world. They’ve put together a variety of live cams, websites, and activities, and combined them into a central “We’re Here Together” resource—an effort to provide connection, comfort, distraction, and the joy of animals and discovery through virtual and online experiences.

SUPPORTING & PREMIUM PARTNERS



STAFF AND RESOURCES



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CALIFORNIA
TRAVEL
ASSOCIATION

QUESTIONS?

Tourism's United Voice

VISIT MORGAN HILL

QUESTIONS & DISCUSSION

What are some of the ways you've had to adapt to this new reality?

Beyond financial support, what needs to happen for recovery?

Given potential long-term distancing and limits to gatherings-- what are your ideas for your business or organization?



VISIT MORGAN HILL

UPCOMING OPPORTUNITIES

Tourism Focus Groups

Provide input for the Strategic Plan and Brand Development; invites to come

Business Resiliency Round Tables

Communications, Retail, and Restaurants

<https://www.choosemorganhill.com/covid19roundtables>

Chamber of Commerce Q&A Webinars

<https://www.facebook.com/MorganHillChamber>

Business Resiliency Tourism Resources Roundtable

CalTravel

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www.caltravel.org

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John Lang john.lang@morganhill.ca.gov

Morgan Hill Chamber of Commerce

Brittney Sherman brittney@morganhill.org

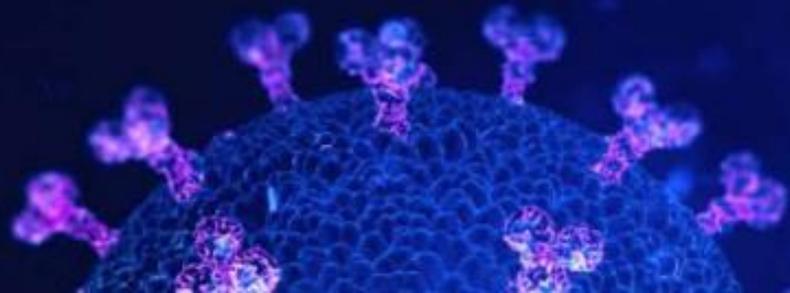
Morgan Hill Downtown Association & Restaurant Association

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