

**AMENDMENT #2 TO PROFESSIONAL SERVICES AGREEMENT
COUNTY OF MONTEREY & MONTEREY COUNTY DESTINATION MARKETING
ORGANIZATION, DBA MONTEREY COUNTY CVB (MCCVB)**

THIS AMENDMENT is made to the AGREEMENT for Development Set-Aside services by and between **MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION, DBA MONTEREY COUNTY CVB (MCCVB)**, hereinafter “CONTRACTOR”, and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as “County”.

WHEREAS, the County and CONTRACTOR wish to amend the AGREEMENT to add additional services and to increase the total amount of the AGREEMENT due to the addition of services.

NOW THEREFORE, the County and CONTRACTOR hereby agree to amend the AGREEMENT in the following manner:

1. Section 2., “PAYMENTS BY THE COUNTY” shall be amended by removing, “*The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$3,116,473.00*” and replacing it with “*The total amount payable by County to CONTRACTOR under this AGREEMENT shall not exceed \$4,892,053.00.*”
2. EXHIBIT A – Paragraph 2 shall be amended by removing, “*MCCVB FY2022-23 Exhibit B1*” and replacing it with “*MCCVB FY2023-24 Exhibit B2*”.
3. EXHIBIT B – Shall be amended by adding Exhibit B2 to the agreement as, “*MCCVB FY2022-24 Exhibit B2*”, attached hereto.
4. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT and shall continue in full force and effect as set forth in the AGREEMENT.
5. A copy of the AMENDMENT shall be attached to the original AGREEMENT executed by the County on July 1, 2021.

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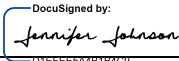
Agreement No. A-15599 for Development Set-Aside

IN WITNESS WHEREOF, the parties have executed this AMENDMENT on the day and year written below.

MONTEREY COUNTY

CONTRACTOR

Contracts/Purchasing Officer

By: 

Signature of Chair, President, or
Vice-President


Dated: _____

Jennifer Johnson, Vice President of Operations
Printed Name and Title

Approved as to Fiscal Provisions:

Dated: 7/25/2023 | 11:20 AM PDT

Deputy Auditor/Controller

By: 

(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)*

Dated: _____

Paul Martin, VP of Finance / CFO
Printed Name and Title

Approved as to Liability Provisions:

Risk Management

Dated: 7/26/2023 | 8:11 AM PDT

Dated: _____

Approved as to Form:

Deputy County Counsel

Dated: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

DSA WORK PLAN PROPOSAL FY 2023-24

ORGANIZATION: MONTEREY COUNTY DESTINATION MARKETING ORGANIZATION INC dba MONTEREY COUNTY CONVENTION & VISITORS BUREAU (MCCVB)

PRIORITY: Generate ideal visitation; target overnight stays during lower occupancy months and midweek bookings; inspire and influence longer stays (one more night!)

MCCVB VISION: A thriving tourism economy that enriches Monterey County's economic vitality and quality of life.

MCCVB MISSION: To generate community prosperity for Monterey County through the responsible promotion and growth of the tourism economy

MCCVB is the Destination Marketing Organization (DMO) for Monterey County. The mission of MCCVB has never been more critical. As the hospitality businesses in our community recover from the devastating effects of the COVID pandemic and the recent natural disasters, MCCVB is strategically looking to the future with a focus on how we can work together to ensure that our destination's tourism economy comes back better than ever.

The competition for each travel dollar is intense. Monterey County's destination marketing budget is nearly the lowest in its comp set including Napa and Sonoma, whose marketing power outpaces ours by 2:1. These competitors are fighting to gain market share, visitor spending, tax revenues and employment at the expense of Monterey County.

The stakes have never been higher for Monterey County's second largest industry. The investment and collaboration between the County and MCCVB never more critical. Strategic objectives include:

- 1) Generate ideal visitation including mid-week, off-peak season, and with longer stays
- 2) Promote sustainable travel by driving messaging around safe, responsible and respectful behavior by travelers
- 3) Continue to strengthen relationships with the community through inclusion, open communication and participation.

In collaboration with local businesses and in partnership with local county and city government, MCCVB is working harder than ever to assess impacts and implement the critical marketing, public relations, group business development, and community relations programming that is needed for our destination's success.

MCCVB publishes an annual business plan focused on business development and marketing programs that inspire visitation and increase overnight stays throughout our County. A collaborative approach to destination marketing is essential to the success of these programs and is built into the development of each initiative. MCCVB's Board of Directors is made up of lodging, attraction, restaurant and other hospitality business leaders from across the County.

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MCCVB works closely with a broad group of partners throughout the County to ensure an integrated approach to information sharing, marketing collaboration and crisis management.

These include:

Monterey County Hospitality Assn.
Monterey County Business Council
Monterey County Film Commission
Big Sur Byways Organization
Salinas Valley Chamber of Commerce
Monterey Peninsula Chamber of Commerce
Cal State University Monterey Bay

Monterey County Vintners & Growers Assn.
Monterey County Farm Bureau
Arts Council for Monterey County
Monterey Regional Airport
Carmel Chamber of Commerce
Pacific Grove Chamber of Commerce
WeatherTech Raceway Laguna Seca

MCCVB is committed to educating travelers.

Monterey County is a bucket-list destination and attracts visitors from around the world to see and experience the jewel of the central coast. With visitation, comes a need for education on how to travel safely and responsibly so that residents and current and future guests can experience Monterey County's splendor for generations to come. MCCVB's Sustainable Moments and Responsible Travel initiatives will continue to engage residents, businesses, stakeholders, travel trade, clients and visitors on best practices for experiencing all that Monterey County has to offer responsibly and safely. Responsible travel messaging is included in our content across all customer engagement touch points. MCCVB also remains vigilant and ready to pivot to respond to other emergencies the region has historically faced including wildfires, storms and highway outages.

INVESTMENT BUDGET

Jurisdiction Investment Partnership with MCCVB through the Development Set Aside (DSA) has been approved by the Board of Supervisors to be approximately **\$1,775,580**.

The County's investment will be leveraged with other jurisdictions' investments and Monterey County Tourism Improvement District (MCTID) Assessments to:

- Implement programs necessary to restore and sustain the hospitality industry's market share in a way that supports quality of life for our residents
- Produce a return on TOT and Sales Tax revenues that will build local government's discretionary income
- Ensure that our locally owned and operated businesses thrive throughout the year

PROGRAMS:

Marketing Communications \$742,181: MCCVB's Marketing Communications programs use integrated brand-based content marketing strategies that incorporate compelling advertising, public relations, and social media. This works to inspire and influence overnight visitation among Leisure, Group, and International travelers.

Strategic Priorities

1. Prioritize high-value travel:
 - Visitors who stay longer, do more, spend more
 - Visitors when we need them most – off-season, mid-week
2. Build Leisure and Group volume in drive & short-haul markets and extend reach in long-haul markets
 - Reinforce familiarity of the Monterey County brand by driving engagement & repeat visitation in drive markets
 - Grow awareness in long-haul markets
3. Extend International and Luxury marketing reach
 - Boost global visibility within the competitive set
 - Increase spending in media & PR programs to support business
4. Refresh & continue our sustainability initiative
 - Sustainable Moments 2.0 with updated concept and creative
 - Continue to infuse aspects of sustainable and responsible travel into all programming
5. Implement DEIA Framework to establish diverse programming
 - Create programs that include diverse narratives and diverse audiences

Tactical Considerations

- Develop integrated campaigns across Paid, Owned, Earned and Shared channels to maximize reach and efficiencies
- Place compelling story angles that touch each jurisdiction and proactively outreach to high-value media targets
- Further drive demand for overnight visitation in direct flight markets by implementing a media co-op with Monterey Bay Aquarium
- Maintain an email marketing list segmentation and nurturing strategy to keep our audience engaged
- Bring the Monterey County brand new life with an updated social strategy, voice and tone that works to be more authentic and charming, incorporate this with more real-time photos and short-form videos across our channels
- Amplify member programs and activities via owned channels
- Support Virtual Visitor Center and See Monterey App through digital channels, paid support and community outreach

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Group Business Development \$588,925: MCCVB's Group Business Development programs create and cultivate revenue opportunities through groups, meetings and conferences for the benefit of our hotel community and other related businesses that increase revenue from conference and meeting attendees. Meetings and conferences are highly valued for a variety of reasons, including the ability to attract such business in 'need' periods where they can fill rooms and create increased rate compression that benefits the hosting hotel as well as other lodging properties in the area.

Strategic Priorities

1. Elevated and robust meeting planner engagements:
 - Target high value groups and meetings from existing and new feeder markets
 - Solicit large compression causing group events
 - Prioritize need periods and open dates
2. Elevate customer buying experience / Encourage longer stays
 - Expand client service offerings, destination site tour training and targeted meeting planner tools
 - Employ new educational tools to drive extended stays
3. Leverage Sustainability
 - Promote destination sustainability attributes

Tactical Considerations

- Sustainable Moments group activation and website relaunch with tools to assist the meeting planner
- Utilize the "All In" group incentive to strategically place short-term need period business into mid-week patterns and secure future years base business
- Evolve corporate market engagements in key areas (Midwest, East Coast, Arizona and Texas markets)
- Increase client services offerings to support meeting planners looking for Sustainable Moments in Meetings
- Secure a minimum of two key events to host in-market to educate and grow consideration with meeting planners to book Monterey; Host meeting planner FAMs in Monterey to grow awareness and consideration to book meetings; Execute flawless CalTravel Summit that showcases all jurisdictions; Support the SmartMeetings 3-day event
- Continue international representation in the UK, activate Canada/Mexico markets with Visit California to extend our reach; Stay abreast on China recovery and be poised to activate when needed

Community Relations \$193,237: MCCVB's Community Relations program aligns with MCCVB's strategic direction to promote inclusion between residents, local government, small business and the hospitality and tourism sectors. Attracting visitors to stay in the destination overnight directly affects the economic impact throughout Monterey County.

Under the Community Relations umbrella are the Membership and Visitor Services programs. Many small businesses do not have the resources or bandwidth to maintain marketing programs of their own and they depend on MCCVB to promote them. Relationships with local businesses allow MCCVB to promote goods and services that enhance the visitors experience that in turn help local businesses sustain vibrant operations.

Strategic Priorities

1. Expand & Intensify Community Relationships
2. Transform Membership Program
3. Extend the Stay to Increase Incremental Spending

Tactical Considerations

- Community Workshops (e.g. Social Media 101, other)
- Partnership with Monterey Peninsula Chamber to support visitation experience
- Continuous improvement of SeeMonterey App
- Engage Community on spreading Sustainable/Responsible messaging
- Develop new Community Engagement metrics

General Administration \$251,237: Expenses are required to support all departments' programs and staffing. MCCVB is an accredited not-for-profit that adheres to industry best practices throughout its operations and financial management.

Tourism Industry & TOT Projections

Part of MCCVB's responsibility is to monitor the financial health and KPIs of the hospitality businesses throughout Monterey County as well as across the U.S. MCCVB has access to a number of third-party reports and analysis that can assist jurisdiction partners including the County in more accurately projecting TOT and possible impacts. MCCVB stands ready to provide financial analysis and support to the County to estimate in real time the projected TOT as well as annual estimates that assist the County in developing their own budgets and forecasts. The data analysis includes year over year observations on what is driving TOT revenue.

MCCVB's business plan contains a great deal of detail on the programs that Monterey County's DSA investment is a part of and will be provided as a supplement to this document when it is finalized and published later this year.

MCCVB'S PERFORMANCE MEASURES:

MCCVB will continue to measure and report on success just as in previous years with organizational metrics including:

- Generating travel demand: Intent to Visit Score Goal: 4.3
- Group Business Lead Generation Goal: 700 and Conversion at 23%

This work plan, including the performance measures and budget, was adopted by the MCCVB Board of Directors on June 29,2023.