



COUNTY OF HUMBOLDT

For the meeting of: 5/28/2019

File #: 19-621

To: Board of Supervisors
From: County Administrative Office
Agenda Section: Departmental

SUBJECT:
Advertising, Promoting and Marketing of Humboldt County Resources and Assets

RECOMMENDATION(S):
That the Board of Supervisors:

1. Receive staff report regarding advertising and promotion of Humboldt County;
2. Authorize the Chair to execute the attached Memorandum of Understanding between the County of Humboldt and the City of Eureka which establishes collaborative, but distinctive, marketing efforts;
3. Provide staff with direction on decision points regarding the existing contract and scope of services for the Humboldt County Convention and Visitors Bureau (HCCVB), Request for Proposals (RFP) for the marketing of Humboldt County resources and assets, and strategic planning and visioning for future marketing services; and
4. Take other action as necessary.

SOURCE OF FUNDING:
General Fund - Transient Occupancy Tax (TOT)

DISCUSSION:
On July 5, 2016 the County of Humboldt entered into an agreement with the Humboldt County Convention and Visitors Bureau, today doing business as the Eureka Humboldt Visitors Bureau (EHVB), and hereinafter referred to as the HCCVB, for:

- A. Advertising and making known the resources of Humboldt County and,
- B. Developing the local economy through the marketing, promotion, advertising and servicing of Humboldt County.

On Aug. 21, 2018, your Board amended this agreement to fund additional services for the Southern Humboldt Visitor's Bureau. The amended agreement allocates 18 percent of the Transient Occupancy Tax received by the county to the HCCVB, or \$352,209. Of these funds, 42 percent is intended to support "gateway" communities. This agreement, which was established for a term of 3 years, is set to

expire on June 30, 2019.

As your Board considers its options for the future advertising, promoting and marketing of Humboldt County resources and assets it is important to understand the history (and nature of) the county's prior efforts in this regard, as well as its long-standing relationship with the HCCVB.

The HCCVB was formed as a 501c6 in 1976 to market Humboldt County as a "desired tourism destination." Between 1976 and 2005 the HCCVB competed for county funding to achieve this goal. In 2005 (through 2009), the county entered into a contract with the HCCVB naming it as the exclusive entity receiving county TOT funds for promotional purposes.

In 2009 the contractual relationship with the HCCVB changed, and your Board entered into two agreements. One agreement was with the Redwood Region Entertainment and Education Liaisons (RREEL), formally known as Humboldt County Film & Digital Media Commission, to provide TOT funding in exchange for promotion of the local film and digital media industry. The other was with HCCVB for general tourism promotion and pass-through to the gateways.

Since the first formation of the contractual relationship between the county and the HCCVB marketing practices have undergone substantial change. Changes in social norms and cultural attitudes, improvements in technology (such as the advent of the internet, smart phones, and social media), and considerable changes to county policy and procedures have occurred.

Likewise, the HCCVB has undergone similar changes. Since the execution of the July 5, 2016 agreement extension the HCCVB has undergone significant organizational changes including a change in leadership, rebranding of its organization, change of operational emphasis, and a change in its relationship with the City of Eureka which had contracted with HCCVB for similar services for its jurisdiction. These changes have resulted in a new focus that may no longer align with the county's needs.

The HCCVB's current marketing plan entitled the "Eureka-Humboldt Visitor Bureau Business & Marketing Plan," dated October 2018, defines its mission as developing and maintaining programs that keep Eureka-Humboldt as a, "...premier travel destination, encouraging overnight stays, longer trips and repeat visits." The plan further states that a primary objective of the HCCVB is to put "heads in beds."

Although tourism and lodging activity in Humboldt County contribute substantially to TOT tax collected by the county, and thereby support economic prosperity, Humboldt County has many other resources and assets (such as the airport) that support, and are critical to the local economy.

Moreover, because the county has invested further in economic development activities such as the allocation of an Economic Development Director, and Project Trellis, and because the existing contract with the HCCVB is set to expire, your Board may want to consider additional options for a full and comprehensive strategy aimed at marketing all resources and assets in Humboldt County.

Therefore, because the County of Humboldt maintains a fiduciary responsibility to its tax payers for the expenditure of funds related to marketing and other services, staff recommends the following:

STAFF RECOMMENDATIONS

That the Board authorize the Chair to execute the attached Memorandum of Understanding between the County of Humboldt and the City of Eureka which establishes collaborative, but distinctive, marketing efforts.

The county and city have demonstrated a willingness to collaborate on marketing efforts in the past, and other jurisdictions (outside of Humboldt County) have formed similar partnerships to compete for economic development activity. This recommendation allows each entity to build on the others' marketing efforts toward a greater goal of making our region successful.

DECISION POINTS

Amend the existing agreement with the HCCVB to extend the term of said agreement by a period of time to be determined by your Board.

This option would provide staff and your Board additional time to review and consider options for the marketing of Humboldt County resources and assets.

Request for Proposals (RFP) for the marketing of Humboldt County resources and assets.

The county maintains a fiduciary responsibility to the tax payer by creating and inviting open competition for county-paid services. A competitive RFP process drives innovation and allows for other parties to participate in the process for the expenditure of county funds. Your Board could choose to not extend the existing contract with the HCCVB and direct staff, instead, to immediately prepare and issue an RFP for the marketing of Humboldt County resources and assets. Your Board could also direct staff to extend the agreement with the HCCVB and direct staff to begin the RFP process at the end of that contract extension.

Changing the scope of services as provided by the HCCVB.

As outlined in the staff report, the HCCVB has recently undergone substantial changes. The HCCVB formed a transition committee aimed at making structural and strategic changes to its organization and has engaged with Julie Benbow, former Executive Director of the Sequoia Park Zoo Foundation, to assist with this process. If your Board opts to amend the existing contract with the HCCVB your Board

could also ask that the HCCVB come before your Board prior to the end any contract extension with a presentation and proposal for the future marketing of Humboldt County resources and assets.

Strategic planning and visioning for future marketing services.

In the County of Humboldt's Comprehensive Economic Development Strategy (CEDs), which was adopted by your Board on November 13th 2018, it is stated that the County needs to, "...refine our branding/marketing message." As stated in the staff report, Humboldt County and marketing best practices have undergone substantial change over the last ten years. Thus, there exists a material necessity to revisit the conversation regarding Humboldt County's marketing needs. Your Board could choose to direct staff to work with consultants, subject matter experts, and local stakeholders to identify and define new and existing marketing strategies for the County, and to return to your Board with proposals and recommendations as it relates to the advertising, promoting and marketing of Humboldt County resources and assets for your Board's consideration and review.

FINANCIAL IMPACT:

The original Agreement for Advertising and Promoting Humboldt County allocated a sum from the General Fund allocate not to exceed 18 percent of TOT funding received by the county, or \$352,209 in Fiscal Year 2018-19. Should your Board choose to make a change in this funding level, it would directly impact the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services; building interjurisdictional and regional cooperation; and engaging in discussions of our regional economic future .

OTHER AGENCY INVOLVEMENT:

HCCVB, City of Eureka, Treasurer-Tax Collector

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board of Supervisors could choose not to execute an MOU with the City of Eureka. For the reasons outlined in the staff report, staff does not recommend this alternative.

ATTACHMENTS:

1. Memorandum of Understanding between County of Humboldt and City of Eureka.
2. July 5th, 2016 Agreement for Advertising and Promoting Humboldt County.
3. Amendment extending existing agreement with HCCVB by a term of 90 days.

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-8

Meeting of: 7/5/16

File No.: Click or tap here to enter text.