

SOUTH LAKE TAHOE  
TOURISM IMPROVEMENT DISTRICT

FISCAL YEAR 2020  
ANNUAL REPORT  
October 1, 2019 – September 30, 2020  
AND  
FISCAL YEAR 2021 SLTTID BUDGET

## Summary of the Management District Plan

The South Lake Tahoe Tourism Improvement District (SLTTID) provides for the provision of tourism promotions and marketing for South Lake Tahoe. The district is composed of lodging businesses located within the incorporated city of South Lake Tahoe and includes hotels/motels and vacation rentals. Services provided by the SLTTID include Marketing and Promotions programs and activities designed to market the South Shore of Lake Tahoe as a unique, year-round destination to the global marketplace and to favorably impact the South Shore economy through overnight stays and tourism spending.

The South Lake Tahoe Tourism Improvement District was incorporated in November 2006, was renewed on November 1, 2009 for a 10-year term, and renewed again on December 17, 2019 with an annual budget anticipated of \$2,705,000. Annual assessment rates are based upon a flat rate of \$3.00 per paid occupied room per night on hotels and motels and \$4.50 per paid occupied unit per night on timeshares, condos, triplexes, duplexes and homes under management contracts. The present SLTTID assessment district continues to be in effect for ten years and in Year 2, beginning December 17, 2020, the annual assessment rates will increase to \$4.00 per paid occupied room night on hotels and motels, and \$5.50 per paid occupied unit per night on timeshares, condos, triplexes, duplexes and homes under management contracts. An optional additional increase of \$1.00 in year 5 is outlined in the Management District Plan, to be approved at the discretion of the District board.

The SLTTID has created a website with information for all district members. The site address is [www.southtahoetourism.com](http://www.southtahoetourism.com), and includes the below information:

1. District Plan documents
2. District By-Laws
3. Listing of lodging properties in the assessment district
4. News and events (upcoming meetings, etc.)
5. Agenda and minutes from all meetings
6. SLTTID fund amounts collected and disbursed

### I. Changes in District Boundaries

The South Lake Tahoe Tourism Improvement District had no changes in the district boundaries or benefit zones for the 2020 fiscal year.

### II. Improvements and Activities Provided

The South Lake Tahoe Tourism Improvement District (SLTTID) is comprised of all lodging properties in the City of South Lake Tahoe. The SLTTID utilizes the professional marketing services of the Lake Tahoe Visitors Authority (LTVA) to promote the South Shore of Lake Tahoe. LTVA is chartered with promoting South Shore, Lake Tahoe and achieving a measurable impact on tourism numbers in the region. The mission of the LTVA is the marketing the South Shore as a unique, world-class year-round resort destination for the economic benefit and quality of life for the area. The SLTTID and the South Lake Tahoe Lodging Community is represented through two (2) board

seats on the Lake Tahoe Visitors Authority Board of Directors. The SLTTID also maintains representation on the LTVA's Marketing Advisory Committee with two additional committee seats.

## **MARKETING AND PROMOTIONS RECAP**

As the South Lake Tahoe Tourism Improvement District utilizes the services of the LTVA for its promotional activities, a recap of the past year will provide a basis for activities that will be continued and expanded during the following year. As we realize momentum with an adequately funded tourism campaign, promotional activities and events can be further developed and honed for maximum success.

The LTVA contracts with Duncan/Channon for advertising creative and placement. The LTVA also contracts with Noble Studios, a digital agency, for ongoing digital integration; with Weidinger Public Relations to manage media relations; Digital Edge, specializing in the Meetings market, and Local Freshies for social media services.

The destination's personality and attitude is delivered through all creative messages, images and experiences. Tahoe South is young at heart, adventurous, social and active around the clock. It possesses an energetic nature that is reinforced by the juxtaposition of the environments in which it lives; day and night, winter and summer, outdoor adventure and indoor play. The brand resonates with a diverse audience, appealing to a broad spectrum of demographics that embrace the brand values.

The target market for South Lake Tahoe includes above average income active consumers who enjoy life, live it to the fullest and put pleasure first. They are always in search of new experiences and making new discoveries.

## **SUMMER 2019 ADVERTISING CAMPAIGN**

The objectives were to raise awareness of South Lake Tahoe as a summer destination and to increase traffic and engagement on TahoeSouth.com website for inspiration and information on summer activities and events. The FY20 Summer campaign extended through to the end of September and included a new market, the Seattle DMA. The campaign resulted in over **78 million digital impressions and 616k website sessions.**

### **Campaign Channels**

- Digital TV
- Targeted Display Ads
- Mobile Apps
- E-blasts
- Paid Search
- Facebook & Instagram

### **Traditional Markets**

- San Diego
- Orange County/Long Beach
- Los Angeles
- San Francisco
- Sacramento (Bridge Construction & Hwy 50 Road Closure information only)

### **New Markets**

- Seattle

**Objective**

- Drive preference
- Increase traffic on and engagement to TahoeSouth.com

**New Target**

- Summer Active Adventurers Ages 25-49

**WINTER 2019/2020 ADVERTISING CAMPAIGN**

The Winter campaign objectives included driving preference for Tahoe South as a vacation destination and increasing shoulder season and mid-week stays. Another emerging market, Houston was added to support increased flight service to Reno Airport.

**Traditional Markets**

- Los Angeles
- San Francisco

**New Markets**

- Seattle
- Houston

**Objective**

- Drive preference
- Increase traffic on and engagement to TahoeSouth.com

**New Target**

- Winter active adventures ages 25-49

The FY19/20 winter campaign was originally planned for longer flight dates than previous years. The goal was to push out specific messaging supporting the extended four weeks of Spring Break events through mid-April, branded under the umbrella of “Tahoe South Spring Loaded”. However, due to travel restrictions associated with the COVID-19 pandemic, the entire campaign was paused in mid-March. The winter campaign ran from November 4, 2019 through March 16, 2020 and received over **28 million digital impressions and 328,000 website sessions**.

With paid media paused, LTVA staff utilized owned and earned channels (social, website and PR) to promote a safe, caring, “stay at home” message. This was timely and well received by consumers. In early summer the message evolved to one of inspiration to keep our destination top of mind when the time was right to travel again. In this messaging, there was no direct call to action.

**SPECIAL EVENTS**

Special event showcase touristic assets of the region to increase awareness of the destination. The LTVA sponsors and supports iconic events:

- Valhalla Art Music & Theatre Festival 2019
- Labor Day 2019
- Heavenly Holidays 2019
- SnowGlobe 2019
- Spring Loaded 2020 (most events cancelled due to COVID-19)
- American Century Championship 2020 (conducted without spectators)

Other events were supported with advertising and promotion as well as with staff expertise and execution. The LTVA strived to involve as many local businesses as possible, providing opportunities to promote their individual business and products/services.

## **PUBLIC RELATIONS**

The LTVA retains Weidinger Public Relations (WPR) to execute a comprehensive national and regional media communications plan to keep the Lake Tahoe brand awareness high in targeted markets through influential media.

- Media Objectives:
    - Obtain media coverage in 5-10% of top 150 media outlets as defined by LTVA and WPR, reinforce key messages, talking points and the brand within a 12-month period
    - Produce an earned media value of 5 – 10:1 the PR investment within a 12-month period
  - Results:
    - Exposure in 17%+ of top 150 desirable outlets: reinforced key messages, talking points and brand
    - Circulation, Viewers, Listeners: 153.5 million; Total publicity value to date: \$1,055,000; editorial value of 14:1
  - Digital Influencer Objectives
    - Host 8-12 digital influencers over a five-month period with a minimal engagement of 3-5% (industry standard is 3%) and minimum of 10,000 followers per single social media channel
    - Generate an exposure value of 3-5 times in DI fees
  - DI Results:
    - Average engagement rate of 2.5%
    - Earned publicity (determined by third party, Influencer Marketing Hub): \$29,165; Total Impressions: 551,000; exposure value of 3.35:1 (publicity value/influencer fees)
- Note: *Spring 2020 Digital Influencer visits were cancelled due to COVID-19*

## **OPERATION SIERRA STORM**

JANUARY 2020

- Live and taped shots from major drive and direct service air markets:
  - Los Angeles, Denver, Portland, Washington D.C., Boston, Orlando, Sacramento, and Reno.
- Total Publicity: \$8 million
- Total Audience: 11.4 million
- Featured on:
  - Yahoo! News
  - NBC News Channel 4 – Los Angeles
  - NBC News Bay Area
  - CNN.com
  - Tahoe Daily Tribune

## **AMERICAN CENTURY CHAMPIONSHIP JULY 2020**

Due to COVID-19 restrictions the event occurred with no spectators and limited volunteers on site. All prize money was donated to charity, resulting in \$250,000 being distributed to local South Shore nonprofits.

Recap of PR value for the Celebrity Golf event:

- Total audience: 1,455,857,369 (print, TV, online, radio)
- Total publicity and earned media value: \$41,937,538 (print, TV, online, radio)

NBC Ratings for the event:

- 5.5 million total viewers (across live & encore); +700K vs. last year
- 4.8 million total viewers for live coverage; +1% from last year
- Saturday's coverage +37% in the P18-34 demo
- Saturday's coverage +24% in the P25-54 demo
- Sunday's coverage +4% in the P18-34 demo
- Sunday's coverage +7% in the P25-54 demo
- 1<sup>st</sup> round live coverage on NBCSN +17% HH rating; +14% P2+
- Coverage peaked at 1.24 million from 5:30-6PM on Sunday

## **INTERNATIONAL MEDIA**

Highlights from key markets include:

- Chinese media group that drove 240M impressions at a media value of \$294,462.
- Indian celebrity Ranjivay Singha's visit was shared with 13.5M Indian viewers and 20 minutes on the Tabi Salad Japanese TV program with 9M viewers.
- The travel editor of Cosmopolitan UK visited and wrote a story aimed at the female, luxury market.

Tahoe South received media exposure in the following countries: India, China, United Kingdom, Japan, Australia, Norway, Sweden, France, Germany, Belgium, Canada, Mexico, and Brazil.

- Known Media Value: \$1 million+
- Impressions/Viewing/Circulation: 571 million
- Media visits: 17
- Magazine placements: 109

*International media visits ceased in early 2020 due to COVID-19.*

## **DIGITAL MARKETING**

Digital marketing has proven to be the most crucial and meaningful part of the LTVA's advertising, public relations, and sales strategy during the COVID-19 pandemic. LTVA staff was able to quickly pivot messaging and creative for owned and earned channels, enabling LTVA to be relevant, up-to-date, and responsible.

The tactic continues to emphasize the area's outstanding natural beauty, while focusing on safer visitation and responsible recreation.

The monthly e-newsletter promotes events, entertainment, news and special offers and is distributed to 39,000 opt-in subscribers. In FY19/20 the list was updated to remove stagnant emails which resulted in a doubling of the open rate.

#### Instagram

- 62,500 followers

#### Facebook

- 152,415 followers
- 280k engagements

#### Twitter

- 13,216 followers

### **TAHOESOUTH.COM**

2.3% decrease in organic visits due to lower website visitation during the first two months of the pandemic. The website saw a huge increase in visits to the newly created Healthy Travel page, which informs the visitor what is open and the restrictions and protocols in place. The Healthy Travel page remains the most visited page during the recovery phase of the pandemic.

- Total website visits: 3.1 million
- Unique visitors: 2.3 million
- Lodging referrals: 149k
- Mobile device: 62%
- Desktop: 33%
- Tablet: 5%

### **TAHOE SOUTH VISIT WIDGET APP**

In November 2019, Tahoe South introduced Visit Widget which is a trip planning application. This tool provides a new way to explore what the area has to offer, including hotels, popular restaurants, activities, and shopping. Users can view it all at once or search by category, like Beaches, Golf, and Campgrounds.

To date the App has 4k IOS downloads and 800 Android downloads with 48k user sessions and average session time of 2.5 minutes.

### **LTVA.ORG**

Business to Business resource site

Website visits up 242%

Most visited pages: COVID-19, American Century Celebrity Golf Future Dates, Industry/data statistics and Contact us

### **VISITOR CENTERS/OPERATIONS**

LTVA operates a Visitor Center 169 Hwy 50, Stateline, NV, and the Explore Tahoe Visitor Center in

the Heavenly Village. Due to COVID-19 both centers were closed in mid-March 2020 and remained closed through the end of FY19/20. Daily calls and emails were handled by staff during the shut-down, with many inquiries related to state and local travel restrictions and availability of services.

With very strong visitation at the Heavenly Village location prior to shut-down, Visitor Information Specialists assisted almost 35,000 in-person visitors, 77% of them at that location.

### **SALES – DOMESTIC AND INTERNATIONAL**

There are numerous lodging properties within the City limits that provide corporate meeting, incentive and social event services. However, many of these properties do not have the staff resources and/or the funds necessary to reach the markets from which this type of group business typically originates. The LTVA is able to provide support to these properties in the form of an inquiry and lead resource; a destination liaison for industry related events and activities; and a catalyst for other cooperative programs. The LTVA also assists through staff support and attendance at trade shows.

LTVA retains the services of four international representative firms, covering the United Kingdom/Ireland, Australia, China (Beijing and Shanghai) and Germany. The firms represent South Lake Tahoe in the sales, public relations and social media arenas. Through its membership in the High Sierra Visitors Council, the LTVA also receives additional representation in France. The LTVA maintains strong working relationships with Visit California, TravelNevada, and Brand USA, all of whom have representative offices in many other countries.

In partnership with Brand USA and Visit California, LTVA participated in product training roadshows in India, Japan and China.

The LTVA has produced eight international destination brochures in the following languages: Chinese, English, French, German, Japanese, Korean, Portuguese and Spanish. In addition, the TahoeSouth.com website has 14 foreign language landing pages and 42 specific country pages.

#### **Sales Missions**

The LTVA attended the following sales missions:

- Visit California IFTM Top Resa Trade Show & Mission - France
- Visit California India Sales Mission

#### **Trade Shows**

The LTVA represented the destination at several travel trade shows including:

- Nevada Governor's Global Tourism Summit
- Visit California Outlook Forum

Other planned shows were either rescheduled or cancelled due to COVID-19.

### **FAMILIARIZATION TOURS (FAMs)**

The LTVA and partners in the community are proponents of educational FAM tours, and host individuals and small groups of travel trade professionals from key markets. Prior to the COVID-19 pandemic, five international FAMs were conducted from Australia, France, India, and the United Kingdom.



## **MEETINGS, CONVENTIONS & GROUPS**

The LTVA promotes Lake Tahoe's South Shore as a destination for meetings, conventions, corporate retreats, and other group gatherings. Services are designed to assist potential clients in identifying appropriate venues and contacts. A meetings marketing & sales advisory group, made up of LTVA staff and partners, continues to guide strategic direction which is executed by Digital Edge Meetings Marketing.

The FY19/20 Meetings marketing campaign reached nearly 1 million planners, generating 10k clicks to the landing page and 246 soft leads for hotel partners to develop.

For the first time the LTVA hosted a meeting planner FAM with nine third party planners and one journalist introduced to Tahoe South. Digital Edge's production team shot throughout and created five meetings videos. A pre and post destination perception study was completed with attendees to assist with ongoing meetings campaign strategy.

## **MARKETING TO WEDDINGS**

The LTVA Wedding Co-op performance, despite COVID-19, has remained steady and strong. All performance indicators are up substantially and partners are receiving an average of 55 RFP's per month, a 60% increase over last year. The combination of the TahoeWeddingSites.com website redesign, plus better tracking, new creative, and quick adjustments in campaign strategies to maximize ROI, has helped to keep marketing performance high.

## **STRATEGIC ALLIANCES**

The LTVA leverages funds through strategic alliances that broaden reach outside the regional advertising efforts.

The Regional Air Service Corporation - A regional public/private collaborative has a singular goal: to maintain and grow air service and to promote the Reno-Tahoe area as a viable year-round travel destination through marketing and additional air carrier incentives.

Visit California, Travel Nevada, and Brand USA - these alliances allow LTVA to present South Lake Tahoe to national and international markets unreachable without the leverage of the cooperative effort and funds.

The LTVA supports the Lake Tahoe South Shore Chamber of Commerce in the annual Blue Ribbon Awards honoring local businesses, and also with the annual Sample the Sierra event.

## **THE FUTURE**

Looking ahead, it's a slow, sometimes daily, check-in on local sentiment, visitor behavior and any glimmer of opportunity to safely and responsibly support the South Shore community. LTVA paused advertising, cancelled events, engaged visitors with responsible traveling and use of PPE, and closed visitor centers in response to COVID-19. Now the focus shifts to the 2020-21 winter and how that will unfold with ski resorts limiting capacity, restaurants with limited indoor seating, and lodging still at less than 100% capacity. The drive market appears to be strong, but fly markets and destination visitors will take longer to return.

### III. Budget Summary

#### **FISCAL YEAR 2021 SERVICE PLAN BUDGET SUMMARY**

The summary of the FY2021 service plan budget for the South Lake Tahoe Tourism Improvement District is provided on the following pages (Attachment A). The fiscal year for the SLTTID is October 1 through September 30. Based upon previous year's performance and trending occupancy, the total improvement and service plan budget for 2021 is projected at \$2,678,178 which is a 1% decrease over budget for FY2020 (the FY2021 budget includes a \$1.00/occupied room night increase effective 12/18/2020). Lodging businesses will contribute the entire amount through annual assessments. Budgeted expenditures will be made in the following areas:

- Marketing and Promotions

The budget for the Marketing and Promotions program is estimated at \$1,687,252, which represents 63% of the total District budget. Marketing and promotions will include media advertising and promotional programs designed to attract visitors to visit and stay at the South Shore lodging establishments as well as promote the area as a lodging and conference destination.

- Communications and Public Relations

The budget for the Communications and Public Relations program is \$107,127, which represents 4% of the total district budget.

- Special Events

The budget for Special Events is \$348,163, which represents 13% of the total district budget.

- Visitor Center Operations

The budget for Visitor Center Operations program is \$133,909, which represents 5% of the total district budget.

- Administration/Operations

The budget for Administration/Operations including office rent, insurance, utilities and supplies is \$241,036, which represents 9% of the total district budget.

- Administrative Fee to the City of South Lake Tahoe

The City of South Lake Tahoe charges an administrative fee to collect assessments and distribute the funds to the SLTTID Corporation. The budget for this administrative fee is 1% of the total annual assessment, or \$26,782 in FY2021.

- Annual Service Plan – Contingency/TID Renewal (5%)

The budget also includes a portion for contingencies and renewal of the District. This amount equals 4.6% of the total district plan budget, or \$135,250. A line item in the budget has been added for credit card fee reimbursements to the City of South Lake Tahoe, to account for those operators who pay TID taxes with a credit card. This line item equals \$10,713 or 0.4% of the total district budget, for a total Contingency Plan of 5% of the FY2021 district budget.

(See Attachment B for Reviewed Financial Statements from previous fiscal year and current 9-month calendar year)

**THE METHOD OF ASSESSMENT**

No changes in assessments are proposed in the current assessment methodology, as they are not allowed under the district management plan.