

Highway 1 Tourism Alliance Board of Directors Meeting Minutes | June 24, 2026 | Cambria Pines Lodge

Call to Order

The meeting was called to order by Chair Aaron Graves at 2:07 PM.

Roll Call

Members Present: Aaron Graves, Gary Setting, Mike Hanchett, Melissa Kurry, Bram Winter, Laila Kollmann

Members Absent:

County Liaison: Tessa Cornejo

Staff Present: Cheryl Cuming

Guests: Molly Cano (SLO CAL); Emily Brown (Civitas, via Zoom); Lori Keller (Momentum Strategies); Ann Balboa (Orange22)

Quorum

A quorum was established with six members present.

Public Comment

Cheryl Cuming shared that Aaron Graves' Hotel Ava in Paso Robles was awarded by Hilton as Best New Build.

Information Items

- Upcoming Events: Members were reminded of the next meetings scheduled for July 29 and August 26.
- Marketing: The mid-year roll-up report was shared. Key takeaways include that traffic is lower, but consistently engaged; organic visibility continues to increase; destination and experience-based content keeps performing well; and paid media is shifting from scale to quality.
- Financials: The May financials were reviewed. Of note was the revenue is \$33,344 above budget and expenses paid are \$32,014 under budget. Total available funds are \$395,105.

Presentations

- Ann Balboa and Lori Keller presented the 2026-2027 Media Plan strategy. Bram asked about conversion opportunities. Ann reviewed digital marketing performance, noting that Google is top platform despite not running Lighthouse ads, while Meta and TV platforms follow in engagement metrics. She reported that CPMs on Meta were reduced from \$20 to \$10 through bringing the campaign in-house.

Consent Items

- Approval of May Board Minutes, Financials. Motion: To approve the minutes of the prior meeting and financials.
Moved by: Gary Setting; Seconded by: Bram Winter; Laila Kollmann abstains. Motion carries.



FY'26 Paid Media Strategy

Smart Scaling. Strategic Optimization

Quality over scale, planning behavior over traffic, stronger engagement and conversion efficiency



The FY'26 Media Story

Discovery

Google, YouTube, StoryStudio, Spotify



Inspiration

Video, Meta, Pinterest, destination content



Planning

Search, PMax, Database, Lead Forms, Map Downloads



Validation

Handshake/Partner, QR, Amplified Earned Media



Action



KPIs -Traffic (Cost Per Visitor)- Engagement (CPE)-
Key Events (CPKE or Deep Visit) - Maps (CPL)



Why it worked and What we Learned

Discovery

- Video increased destination visibility
- Google became our largest planning engine, full-funnel, nearly half new visitors generated
- PMax expanded reach and efficiency across Google Search • Maps • Discover • Gmail • YouTube. Two LFA's signed up and it worked for them too
- AI Max Expanded Discovery and reach into long-tail travel searches that we never explicitly targeted while surfacing Highway 1 content that already exists

Inspiration

- Expanded Video drove deeper engagement - Deep sessions from video increased 31%.
- Specific experiences outperformed generic destination messaging
- Wildflowers and Boardwalks led performance; Travelers want experiences

Planning

- Database, lookalikes and PersonaLive audience overlays improved visitor quality
- Lead forms and map downloads captured traveler intent
- Sacramento emerged as a growth market

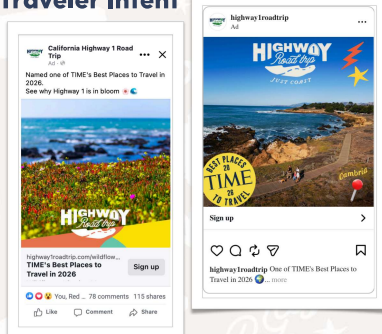
Validation

- Alignment with Trusted sources drove highly engaged traffic: ie TIME recognition, Handshake Ads, QR-enabled content improve CTR, Engagement + key-event rates



TIME Recognition Increased Traveler Intent

- CTR +18%
- Key Events +22%
- Engagement Time +3 sec
- Results were strong enough to inspire a new **Content Amplification** program to extend earned-media success into paid media.



What's Next ?

Google, video, trusted content and audience intelligence all succeeded for the same reason: they met travelers where planning decisions are actually being made.

Travelers now enter and exit the planning journey from multiple directions before taking action.



The Funnel has Become a Whirlpool!

Old model:

- Awareness
- ↓
- Consideration
- ↓
- Visit
- ↓
- Conversion



Destination Discovery is Changing

• What We're Seeing

- AI is becoming part a new entry point into the trip planning journey.
- Travelers are discovering destinations in new ways, through AI Overviews, ChatGPT, Gemini, Perplexity, and publisher ecosystems.
- Success increasingly depends on being discoverable, not just clickable.
- As AI reshapes search, paid media plays a growing role in keeping Highway 1 visible throughout the planning journey.

• Example Approach: SFGate AI Discovery Pilot

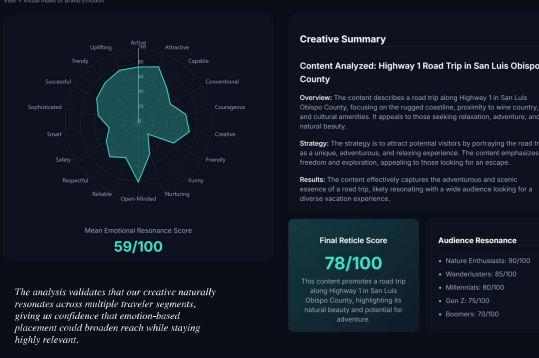
- SFGate has invited Highway 1 to participate in a no-extra cost pilot designed to improve visibility in AI-generated responses and search results.
- How It Works -
 - We build a Story Studio Feature HIRT Article just like always
 - Repurposed into AI-readable format - Structured summaries, FAQs, Key takeaways, Search-focused copy, Metadata
 - Published on SFGate
 - Monitor AI referrals, search traffic, organic visibility, discovery opportunities, and impressions
- This is one of the first examples we're seeing of publishers actively adapting content for AI discovery.

SFGate "Content Companion"

We can now do Emotion based Targeting with Reticle.AI

Why we're exploring it
Uses AI to identify emotional themes already present in our creative.
Lets us buy media based on traveler mindset, not just demographics or keywords.
Available through our existing Trade Desk partnership as a no-cost pilot.
Our creative naturally scores highest for adventure, relaxation and natural beauty. Reticle helps us find media environments where those emotions already exist.

Your VIBE Emotional Heatmap



Other ways we're adapting to the Whirlpool

- Besides AI Discovery explorations (like the one with SFGate Content Companion) and Emotion based Targeting with (Reticle.AI +Trade Desk), we are also exploring:
 - Linear TV expansion, Live Sports, premium video w/ Netflix
 - Pinterest TV exploration
 - Sacramento DMA expansion
 - PersonalLive audience segments expansion to CTV
 - currently only running with META (Suburban Families, Elite Families, Diverse Suburban Families)
 - Building a Future AI KPI framework, across BID Bunch teams
 - Exploring a "Direct Demand" metric, (Impact of direct traffic as it aligns w/ swells in paid media).
 - Building a Content Amplification turnkey approach
 - Continuing Local Region Priorities

Listening to Our Partners

- In Spring, we surveyed our Local Funding Areas to help shape both FY'26 and FY'27 strategy.
- They asked for :
 - Deeper engagement programs
 - Increased CRM/Database programs
 - Greater visibility into traveler behavior and results
 - Retargeting engagement travelers
- What we're doing
 - Expanding Retargeting and first-party audience strategies
 - Provided centralized reporting to results and insights
 - Amplification efforts (i.e. San Simeon World Cup "Extra Time" leverage with Visit Cal assets).

FY'27 Strategic Priorities

- **Planning behavior**
 - Optimize towards traveler intent and planning actions. Turn the “Just Coast” feeling into real behavior by layering in emotion and mindset-based buying to reach users when they are in a travel or escape mindset.
- **Audience intelligence**
 - Increase efficiency through H1RT’s database, location targeting, lookalikes, other first party audience insights, behavioral targeting and retargeting to improve conversion performance.
- **Premium video**
 - Expand high impact video across YouTube, streaming and live sporting events.
- **Content alignment and amplification**
 - Connect media more closely to content, itineraries, traveler motivations/emotional state, and earned media opportunities.
- **AI discovery**
 - Explore how H1RT can remain visible as travelers increasingly discover + plan trips through AI-powered tools. Work with BID Bunch teams to build an AI KPI metric.
- **Expand learnings to LFA’s**



FY’2027 H1RT.com Media Plan

Channel	Strategy	Budget	Impressions	CPM
Google Ads	High Intent, SEM, Discover, PMAX, AI Max, YouTube	\$166,000	26,571,429	\$7
Premium Video/Audio	Video Storytelling across CTV, Linear TV, Live Sports and Spotify Audio	\$60,000	4,000,000	\$15
StoryStudio	Native Advertorial for deeper story telling and AI Discovery	\$24,000	3,000,000	\$8
Meta	Reels, Static, trip inspiration /itinerary content, Lead Gen, FB/Insta	\$129,000	10,750,000	\$12
Audience Intelligence	Deeper PersonaLive including CTV	\$7,500		
Trade Desk Retargeting	Including Test with Reticle.ai	\$20,000	3,333,333	\$6
Testing & Innovation	I.e. Handshake Ads	\$18,500	2,312,500	\$8
Total		\$445,000	49,967,262	\$8

First Up:

- SFGate Story for September with Content Companion

ORANGE22



FY'26: Quality Over Scale FY'27: Turning Great Content into Planning Behavior

Paid media is the engine that turns content into planning behavior



Action Items (each topic will allow for Board Discussion, followed by Public Comment)

- 1989 Renewal & 1994 Formation: The protest rate was confirmed as 0.315% with 20 total protestors, 9 of which are “zero rents”. Aaron considers getting the 89 district renewed a win and it was noted that the survey results show clear support from constituents. Emily reviewed the decision tree paths and timing options. The potential overlap of petition drives with Visit SLO CAL is not ideal and needs to be avoided.

CAO Cuming reviewed the TOT and timeline history, noting the that it has included eighteen months. 69 local fund meetings across 8 lodging boards and 10 communities, hours of collaborative meetings with County staff, multiple BOS and public meetings, a protest rate of under 1% in all years except 2025 at an investment \$222,609.

The board wants to improve the Board of Supervisors’ confidence level. Bram reminded the board that the County CAO Matt Pontes asked the CBID to transition to the 94 district back in January 2025. Tessa confirmed that there is an option to continue the 89 district, but the 94 Management District Plan must be kept as an agenda item, currently slated for July 28, 2026. Laila asked about Civitas’ role and Melissa expressed concern for the shift in attitude from February 5-0 vote of support to form the 1994 district. The July 28th BOS meeting will review input on the MDP and may require another approval vote. Tessa confirmed that Matt Pontes’ preference is to hold internal meetings prior to the July BOS meeting. The Talking Points for the BOS were shared, as well as responses to the May 19th policy considerations. A constituent list for each board member will also be provided.

Motion: To defer the 94 district formation to 2028, after the SLO CAL renewal; Moved by: Aaron Graves; Second: No second received. Failed motion.

Motion: Proceed to meeting with each Supervisor to share outcome goals and address concerns prior to the July 28th meeting. Moved by: Laila Kollmann; Second: Gary Setting. Motion carries.

The July H1TA board meeting date will be moved in order to accommodate the timing of the 7/28 BOS meeting, and will be scheduled on 7/29.

The board agreed adding a community and government affairs advocate to the BID Bunch disciplines is timely and necessary. A Scope of Work for Tracy Campbell, CEA, will be placed on the July agenda, at which time the outcome of the July 28th BOS meeting will be known.

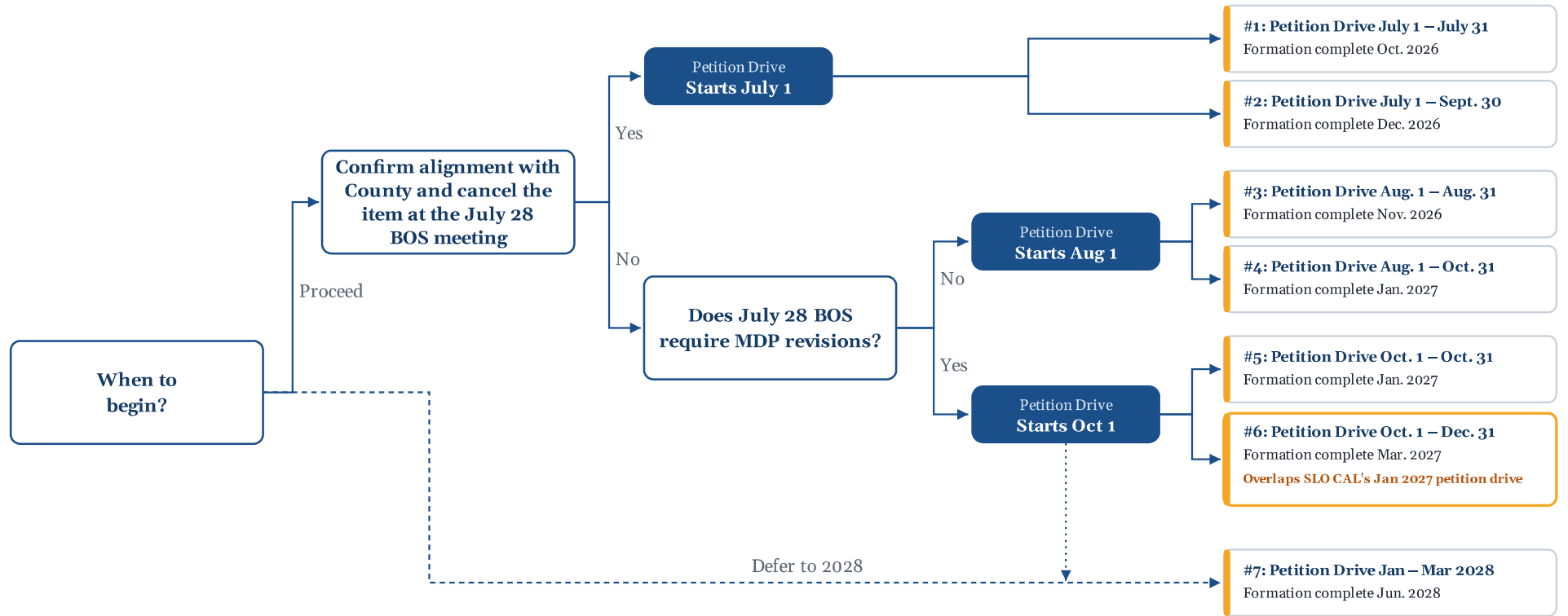
- FY 26 27 Local Fund Area Budgets
Motion to approve the 2026-2027 Local Fund Area budgets as presented. Moved by: Mike Hanchett; Seconded by: Bram Winter. Motion carries.
- FY 26 27 Contract Renewals:
Motion to approve the Edna Valley/Arroyo Grande Valley marketing contract as presented for Golden Days Media. Moved by: Bram Winter; Seconded by: Mike Hanchett. Motion carries.

Highway 1 TMD Conversion

Decision pathways for the H1TA Board · June 2026

Seven paths complete the Highway 1 TMD conversion, organized around three sequential decisions. Timing is shaped by two outside factors. Visit SLO CAL plans to begin the petition drive for its renewal in January 2027, so completing the H1TMD petition as early as possible in 2026 prevents the two petition drives from overlapping and overwhelming the same lodging owners. And because the current '89 district runs through June 30, 2027, the board must also decide when the new district begins — disestablishing the '89 as soon as the '94 forms (beginning the next quarter), or letting it sunset on June 30, 2027 and beginning July 1, 2027, a cleaner handoff that holds the start to mid-2027 regardless of when formation completes. The Management District Plan is approved by County staff, and the Board of Supervisors has previously approved moving forward with the conversion; what remains is a timing choice.

DECISION TREE



1 · Resume in 2026 or defer
Resuming in 2026 targets a 2027 district start and keeps momentum. Deferring avoids overlap with SLO CAL's planned 2027 renewal and January petition drive, but adds another '89 renewal cycle.

2 · Alignment in July
If alignment with the County is confirmed and the item at the July 28 BOS meeting is cancelled, the petition drive can begin in July; otherwise it delays the process and risks overlap with SLO CAL.

3 · MDP revisions
If on July 28 the BOS request changes, the plan returns through the H1TA board, steering committee, and county counsel (~2-3 months) before the petition can begin.

4 · Petition depth (each branch)
A 1-month drive meets the 50% statutory minimum to initiate (§36621). A 3-month drive runs too close to SLO CAL's January petition drive.

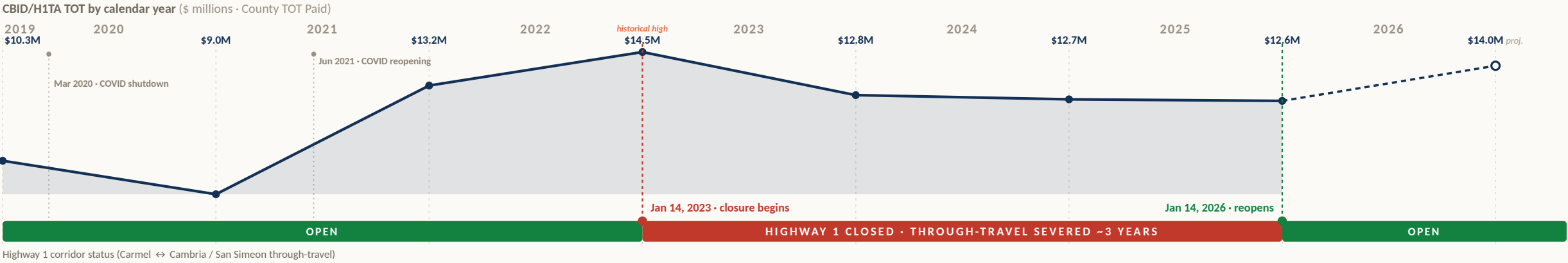
Conversion Timeline & Highway 1 Corridor Status

San Luis Obispo County · '89 → '94 district formation, set against six years of Highway 1 corridor disruption and the district's TOT record

June 2026
Sources: H1TA conversion record; Caltrans / county road status; County TOT Paid (CY); H1TA Fact Sheet



Highway 1 corridor status & CBID/H1TA TOT, 2019–2026



+183%

CBID/H1TA TOT growth since inception (2009) — the strongest lodging-tax growth in the region.

5.3×

TOT-growth-to-room-count ratio, 2018–2026 — highest in the county; peer markets ≤0.2. (Whereabout)

+25%

San Simeon TOT year-over-year since the Highway 1 reopening (Jan 2026); +16% across the district overall.

2025 · Q2–Q3	Late 2025 · early 2026	Feb – Apr 2026	Apr – Jun 2026
● Jan–May 2025 Form nonprofit Highway 1 Tourism Alliance (H1TA)	● Oct–Nov 2025 Survey deployed; lodging-owner support via 7 LFAs, Board & Steering	● Feb 10, 2026 BOS presentation; 5–0 vote to continue '94; 30 support letters	● Apr 24, 2026 Updated MDP submitted to County
● Jun 3, 2025 1989 District renewal; BOS requests survey of all CBID lodging	● Dec 3, 2025 Whereabout reports survey results to H1TA Board	● Feb 12, 2026 Civitas reviews MDP & next steps	● May 18, 2026 Final MDP & petition approved by County
● Jul 23, 2025 CBID/H1TA Advisory Board approves '89 → '94 conversion	● Dec 16, 2025 Survey results submitted to County	● Feb 18, 2026 Steering Committee meeting	● May 18, 2026 Civitas meeting to launch petition drive
● Jul 29, 2025 County staff: confirm conversion process & survey plan	● Dec 16 – Jan 21 County review of survey results	● Feb 25, 2026 CBID/H1TA Board confirms unanimous BOS support	● May 19, 2026 BOS 5–0 renew '89; BOS requests additional MDP input
● Aug 19, 2025 H1TA Board & first '94 Steering Committee; survey plan	● Jan 2026 Draft Service Plan (MDP outline); results shared with LFAs & published	● Feb 27, 2026 Steering Committee reviews lodging-owner MDP input	● May 20, 2026 Steering Committee re: BOS delays — petition drive canceled
● Aug 22, 2025 All-agency meeting — LFA admin & marketing teams	● Jan 20, 2026 Steering Committee input to draft Service Plan	● Mar 2–10, 2026 District boundary discussions with County staff	● May 26, 2026 County staff re: delays & SLO CAL petition overlap
● Sep 2025 '94 conversion & survey outreach plan shared with 7 LFA boards	● Jan 28, 2026 CBID/H1TA Board approves Service Plan	● Mar 11, 2026 Draft MDP submitted to County staff	● May 26, 2026 Civitas with H1TA Chair & Vice-Chair
● Sep 8, 2025 STR management-company Zoom; survey implementation agreed	● Jan 30, 2026 Civitas reviews MDP feedback	● Mar 25, 2026 H1TA Board reviews MDP input	● May 27, 2026 H1TA Board re: delay impacts & options
● Sep 12, 2025 County staff review survey, letter & outreach plan	● Feb 2–27, 2026 Draft MDP — discussions with Steering, 7 LFAs & Board	● Apr 10, 2026 County MDP revisions received; prep petition drive	● Jun 17, 2026 Civitas: review decision pathways & historical timeline
● Sep 16, 2025 County receives updated survey, letter & outreach plan	● Feb 2, 2026 Steering Committee re: MDP	● Apr 22, 2026 Board approves MDP updates; name confirmed — H1TMD	● Jun 19, 2026 Civitas with H1TA Chair & Vice-Chair
● Sep 19, 2025 LFA admin & marketing partners review next steps	● Feb 9, 2026 H1TA Board walk with Supervisors; request '94 support	● Feb–Apr 2026 Ongoing updates at each of the 7 LFA board meetings	● Jun 24, 2026 CBID/H1TA: decision pathways, expense impacts, petition timing
● Late Sep 2025 Deploy constituent-wide letter with printed survey	● Oct–Feb 2026 Ongoing updates at each of the 7 LFA board meetings		● Apr–Jun 2026 Ongoing updates at each of the 7 LFA board meetings
● Jun–Sep 2025 Ongoing updates at each of the 7 LFA board meetings			

EVENT TYPE

- Board of Supervisors / County
- CBID/H1TA Board
- Steering Committee
- Constituent outreach
- Civitas: Nonprofit setup, '89 renewal & '94 formation

KEY TAKEAWAYS

Proven performance. Strongest lodging-tax (TOT) growth in the County, outpacing every destination including SLO CAL — with no new hotel development.

Resilient through crisis. Despite a 3-year Highway 1 closure and COVID, regions sustained full programming — protecting economies, jobs, nonprofits & community projects.

Major revenue driver. H1TA regions generated \$12.69M in TOT (2024–25) — 77% of the County's total.

Critical to the General Fund. Lodging uniquely contributes to all three major General Fund revenues — Property Tax, TOT & Sales Tax.

Constituent voice is clear. 18+ months of surveys, public meetings, steering committees & formal letters show consistent, repeated lodging-stakeholder support.

Unmatched transparency & oversight. 69 public meetings/yr, 35 board members, <1% protest rate for 10 consecutive years — among California's most stakeholder-driven districts.

Efficient, measurable results. TOT up 183% since inception (incl. +46.6% during COVID), sustained through the 3-year closure.

Depth of constituent connection. Engagement is continuous, not one-off — recurring updates across all 7 LFA board cycles, all-agency meetings, FAM trips and direct outreach to 250+ partner organizations keep operators and communities closely connected.

CONVERSION INVESTMENT TO DATE

2025 formation, legal, Civitas & survey	\$121,809
2026 legal & Civitas (projected, thru Dec 2026)	\$100,800
Total investment	\$222,609

If formation is delayed to 2028: \$88,499 in sunk / unrecovered expenses, plus \$74,800 in additional future costs.

Source: H1TA conversion funding-impact summary, June 2026

Motion to approve the Edna Valley/Arroyo Grande Valley branding and marketing oversight contract as presented for Sunshine & Bourbon. Moved by: Bram Winter; Seconded by: Gary Setting. Motion carries.

Motion to renew the San Simeon marketing contract as presented for Solterra Strategies. Moved by: Bram Winter; Seconded by: Mike Hanchett. Motion carries.

- Local Fund Area Applications

- Avila Beach:

- Leatherback bronze turtle sculpture & interpretive signage for \$30,000 by Upwell Turtles. Moved by: Bram Winter; Second: Mike Hanchett. Motion carries.
 - Farmers Market event support for \$10,000 to Avila Beach Farmers Market. Moved by: Mike Hanchett; Second: Bram Winter. Motion carries.
 - Pale Kai Outrigger Exposition event for \$6,500 to Pale Kai Outrigger canoe club. Moved by: Bram Winter; Second: Gary Setting. Motion carries.

- Los Osos | Baywood:

- Oktoberfest event for \$500 to Los Osos Chamber of Commerce. Moved by: Melissa Kurry; Second: Bram Winter. Motion carries.
 - Big Big SLO calendar sponsorship and photo usage to Big Big SLO \$2,000. Moved by: Bram Winter; Second: Mike Hanchett. Motion carries.

- Oceano | Nipomo:

- Central Coast Classic bike ride for \$2,500 to Arthritis Foundation. Moved by: Bram Winter; Second: Gary Setting. Motion carries.
 - Stay & Shop Local banners to Vitality Advisory Council of Oceano (VACO) for an additional \$500 for a total of \$1,600. Moved by: Bram Winter; Second: Melissa Kurry. Motion carries.

- San Simeon:

- Scarecrow Festival event for \$4,500 to Scarecrow Festival. Moved by: Bram Winter; Second: Gary Setting. Motion carries.

- Local Fund Area Board Members

- Edna Valley | Arroyo Grande Valley:

- Resignation of Elizabeth Thompson, Claiborne & Churchill VR. Moved by: Bram Winter; Second: Melissa Kurry. Motion carries.

- Oceano | Nipomo:

- Appointment of Kayla Stearns, Dunes Surfer Inn. Moved by: Mike Hanchett; Second: Gary Setting. Motion carries.

- San Simeon:

- Appointment of Diane Ramey, Ragged Point Inn. Moved by: Gary Setting; Second: Bram Winter. Motion carries.

Future Agenda Items

- Tracy Campbell/CEA Scope of work
- Board of Supervisors meeting outcomes from July 28th and 1994 district formation
- FY Roll-Up Report and Content strategy (Lori R)
- Board succession
- SEO and AI
- Investment policy

Closing Comments

Gary noted that if we need to call a special meeting prior to 7/29 that we could do so; the board members agreed.

Adjournment

Motion: To adjourn the meeting. Moved by: Mike Hanchett; Seconded by: Gary Setting. Motion carries. Meeting adjourned at 4:28 PM.