

CITY OF YUBA CITY
STAFF REPORT

Date: May 3, 2016
To: Honorable Mayor & Members of the City Council
From: Administration
Presentation By: Darin E. Gale, Economic Growth & Public Affairs

Summary

Subject: Support funding for Yuba Sutter Chamber of Commerce Tourism Business Improvement District and to establish a Tourism Business Improvement District (TBID)

Recommendation: Authorize the City Manager to enter into an agreement with the Yuba Sutter Chamber to establish a Tourism Improvement District, provide interim Tourism funding of \$70,000 to the Chamber and \$53,500 contingent upon regional support of a TBID and make a supplementation appropriation of \$123,500 to Account No. 901164-65501 from one-time funds established by Council in November 2015

Fiscal Impact: \$123,500 from one-time funds and approximately \$80,000 of TOT funds annually (10% of TOT collections) once a TBID is established

Purpose:

Provide funding to the Yuba Sutter Chamber of Commerce for the operation of a Yuba Sutter Visitor Center and to establish a Tourism Business Improvement District

Discussion:

In 2013 the City authorized an investment of \$210,000 to the Chamber for tourism efforts over a three year period. The source of funding for this project was from one time funds returned from the former Redevelopment Agency. The stated goal of the City's Tourism Funding was to garner support from the Hotels for a Tourism Business Improvement District (TBID).

A TBID is an overlay area which allows hotels to assess fees onto their visitors pursuant to the Property and Business Improvement District Law of 1994 which commences at 36600 of the Streets and Highway Code. Normally these fees average about 2% and are on top of the existing Transient Occupancy Tax (TOT) already collected. A 2%TBID would provide approximately \$160,000 annually from Yuba City based hotels for the promotion of tourism related activities. The management and oversight of a TBID would be overseen by the hotel operators and not the Chamber.

Over the past three years the Chamber has been successful in their tourism effort, establishing "Visit Yuba Sutter", increasing tourism spending through existing and new events, and garnering the support of the majority of Yuba City hotels (based upon TOT revenue) for a TBID. The Chamber has provided the City with three letters of support for the TBID which include the following requests:

1. The City to cover the cost of the formation process of a TBID
2. The TBID percentage applied to overnight visitors shall not exceed 2%

3. An annual 10% match of existing TOT funds to be provided to the TBID for tourism efforts
4. Interim funding to support the Chamber's tourism efforts until the first month of TBID funding
5. Any TBID must be a regional effort

Analysis:

The \$123,500 request from the Chamber would be used as follows:

- \$53,500 – Tourism Improvement District Formation Contract with Civitas (Budget Contained in Attached Proposal)
- \$70,000 – Interim funding to continue the Chamber' Tourism efforts (Budget Attached)

Civitas is a leading national consultant with expertise in forming, modifying, and renewing improvement districts. Civitas is based in Sacramento and has been part of forming over 80% of all TBIDs in California. The Chamber will contract with Civitas to work directly with our local hotels and other lodging partners to draft the necessary documents to establish a TBID. This will include language that the City's investment of \$53,500 for the establishment of the TBID will be credited towards future Yuba City financial commitments.

Although the Chamber has written support of Yuba City hotels, they are still working to gather enough signatures to ensure regional support for a TBID as requested by Yuba City hotels. The Chamber will provide an update on this effort at the Council meeting and the funding for the Civitas contract will be contingent upon the Chamber providing the City written support of the majority of lodging partners in the Yuba Sutter region.

Fiscal Impact:

\$123,500 from one-time funds and approximately \$80,000 of TOT funds annually (10% of TOT collections) once a TBID is established

Alternatives:

1. Approve alternative funding amounts
2. Do not approve the funding request

Recommendation:

Authorize the City Manager to enter into an agreement with the Yuba Sutter Chamber to establish a Tourism Improvement District, provide interim Tourism funding of \$70,000 to the Chamber and \$53,500 contingent upon regional support of a TBID and make a supplementation appropriation of \$123,500 to Account No. 901164-65501 from one-time funds established by Council in November 2015.

Attachments:

- A. Chamber Tourism Budget
- B. TBID Letters of Support
- C. Civitas TBID Proposal
- D. 2/5/13 – Tourism Funding Staff Report

Prepared By:

/s/ Darin Gale

Darin E. Gale
Economic Development Manager

Submitted By:

/s/ Steven C. Kroeger

Steven C. Kroeger
City Manager

Reviewed By:

City Attorney

TH via email

Finance

RB



Visit Yuba-Sutter

March 18, 2016

Interim Funding Request Breakdown

\$70,000 total ask

- **\$35,000 Admin:** (= 100% dedicated use towards defraying cost of Dr. of Visitor Services role)
 - Social Media Marketing
 - Website Management and Continued Development
 - Tourism Recruitment (Competitive Process for Targeting Tour Groups, Conferences, Trainings, etc.)
 - Regional Marketing, Promotion and Networking (CA Farm to Fork, CalTravel, Visit CA, CA Watchable Wildlife, Central Valley Tourism Association)
 - Management and Distribution of Custom Visitor Swag Bag (Materials and Offers)
 - Management of Visitor Center
 - Management of Visit Yuba-Sutter Events
 - CA Swan Festival
 - CA Farm Fest
 - Visit Yuba-Sutter Bike Poker Run
 - Development, Management and Implementation of All Visit Yuba-Sutter Marketing Collateral
 - Travel Tradeshows (management)
- **\$31,000 Marketing/Advertising/Promotion**
 - External Print Advertisement (examples: USA Today Go Travel, VIA, Sunset)
 - Digital Advertising
 - Social Media Ads (example: Targeted Facebook paid advertising)
 - Visitors Guide
 - Travel Videos
 - Visit CA Annual Travel Publication (Print and Digital)
 - Hosting Travel Writers & Magazine Editors
 - Travel Trade Media Shows (Registration Fee's and Show Swag)
- **\$4,000 CA Farm Fest (seed funding)**

Seed funding will be recaptured back to CA Farm Fest event budget through event sponsorships

To Whom It May Concern:

Earlier this year Visit-Yuba Sutter made the decision to actively explore the idea of forming a regional TBID (Tourism Business Improvement District), to maintain and grow the existing tourism efforts for marketing the Yuba-Sutter area to visitors.

Visit Yuba-Sutter drives this initiative with the best interests of the hoteliers and property owners in mind. We need a source of funding to market this area as a tourism destination to maintain and grow visitor traffic. Not only would the increased traffic generate more revenue for the hotels and camping facilities, but also it would have ancillary benefits by means of additional tax and other revenue for related businesses and organizations. I truly feel that once people see what the area has to offer, they will return.

More than 90 California destinations have formed tourism business improvement districts, collectively raising more than \$150 million for local destination marketing, which has raised tourism to the #1 industry in California.

In order to move forward with this proposal I am requesting your support in this endeavor, as this is a decision that affects all of us.

In signing this letter, you are pledging to support the formation of a regional Yuba-Sutter TBID.

LINCOLN YOUNG, PRESIDENT (CEO) 4-9-14
Name Date

COLLINS LAKE MGMT CORP. (YUBA COUNTY)
Hotel/Property

[Signature]
Signature

Thank you for your support.

Briana Struckmeyer
Director of Visitor Services
Ph: 530-743-6501 | Cell: 530-200-0634



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In signing this letter you are pledging to support the formation of a TBID under the following conditions from local area jurisdictions.

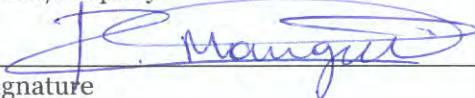
- The City of Yuba City will cover the total fees assessed during the formation process*.
- The percentage applied to overnight visitors will not exceed 2%.
- A 10% match of TOT funds from the City of Yuba City will be added to the TBID budget to provide additional financial support.
- Interim funding will be provided to support Visit Yuba-Sutter's efforts until the first month of TBID funding.

**Other sources of funding to cover formation fees are being sought.*

RICK MANGU
Name

02-04-16
Date

BONANZA INN
Hotel/Property


Signature

Thank you for your support.

Briana Struckmeyer
Director of Visitor Services
Ph: 530-743-6501 | Cell: 530-200-0634



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In signing this letter you are pledging to support the formation of a TBID under the following conditions from local area jurisdictions.

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**Other sources of funding to cover formation fees are being sought.*

Chait Reel
Name

2/8/16
Date

Hayden Inn and Suites
Hotel/Property

[Signature]
Signature

Thank you for your support.

Briana Struckmeyer
Director of Visitor Services
Ph: 530-743-6501 | Cell: 530-200-0634



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- Interim funding will be provided to support Visit Yuba-Sutter's efforts until the first month of TBID funding.

**Other sources of funding to cover formation fees are being sought.*

HARKEY, HOUSE Bed and Breakfast 2/5/16
Name Date
Harkey House Bed B
Hotel/Property
[Signature]
Signature

Thank you for your support.

Briana Struckmeyer
Director of Visitor Services
Ph: 530-743-6501 | Cell: 530-200-0634



SACRAMENTO

CONVENTION & VISITORS BUREAU

Feb. 12, 2016

To whom it may concern:

Yuba/Sutter's on-going efforts to enhance and promote its tourism assets play a critical role in continuing to shape this region as a national agricultural destination. As the greater Sacramento area's profile continues to rise, it becomes increasingly crucial that our regional partners are able to simultaneously grow their visitor profiles, so that collectively we can showcase the tremendous bounty of experiences available throughout the region.

The Sacramento Convention & Visitors Bureau is focused on cementing our greater region as America's Farm-to-Fork Capital – the country's premier destination for food all things food and agriculture-related. Our partners like Visit Yuba Sutter are vital to our success. By helping the SCVB to showcase both diverse agricultural options and unique culinary offerings, Visit Yuba provides validity to our program and demonstrates the prowess of our region. Visitors are looking for real Farm-to-Fork experiences, and Yuba Sutter is well positioned to leverage its assets to appeal to these travelers.

Word about what's happening in the greater Sacramento area is beginning to spread to national and international audiences, so there is no better time to examine tourism efforts. By continuing to work together, the SCVB and Visit Yuba Sutter can tell the rich story of our region and establish a strong visitor connection for years to come.

Sincerely,

Kari Miskit

Director of Public Relations
Sacramento Convention & Visitors Bureau





Partnerships. Progress. Prosperity.
Sacramento • Los Angeles • San Luis Obispo

July 14, 2015

Ms. Rikki Shaffer
Executive Director
Yuba Sutter Chamber of Commerce
1300 Franklin Road
Yuba City, CA 95993

Re: Proposal to Form the Yuba Sutter Tourism Business Improvement District

Dear Ms. Shaffer:

I am pleased to present to you our enclosed proposal for services to form the proposed Yuba Sutter Tourism Business Improvement District ("YSTBID"). Civitas is California's premier consultant in TBID formation and renewal. We will bring to Yuba Sutter the experience and expertise necessary to guide a successful TBID formation process.

Civitas has served as consultant to 74 of California's 91 TBIDs. We have been forming and renewing special districts since 1995, and assisting in the operation of those districts since 2000. Our track record in successfully forming and renewing districts is California's best.

Our proposal outlines the necessary steps for a successful TBID formation process. Our process is designed to secure significant support for the project while complying with applicable laws. Throughout the process we will work closely with your staff, business owners, and local officials to create a specialized district meeting Yuba Sutter's needs. We will guide a process that will be promptly responsive to the needs and concerns of Yuba Sutter stakeholders.

Thank you for the opportunity to submit this proposal. I look forward to working with you on this exciting project.

Best Regards,

John Lambeth, Esq.

1102 Corporate Way, Suite 140
Sacramento, CA 95831
(800)999-7781 • www.civitasadvisors.com

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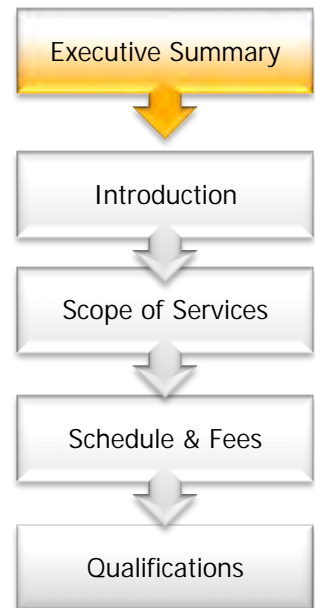


I. Executive Summary

Civitas proposes to assist Yuba Sutter Chamber of Commerce (“the Chamber”) with formation of the proposed Yuba Sutter Tourism Business Improvement District (“YSTBID”). Civitas has formed or renewed a majority of California’s tourism business improvement districts, and will provide expert advice and guidance throughout the project.

Our proposal encompasses five steps leading to successful YSTBID formation. Civitas will create the database of district businesses, assist in consensus building, prepare and revise documents, and guide the City Council hearing process. Throughout the project Civitas will work closely with business owners and City officials.

We anticipate completion of the project in ten months. If started in September 2015, the project could be completed by July 2016. If the project is completed during this time period and the scope of services described herein, Civitas’ fees and expenses would not exceed \$53,500.



“The Santa Ynez Valley Hotel Association worked closely with the staff of Civitas to establish the first TBID in Santa Barbara County. We found John and his staff to be knowledgeable and efficient, working within our budget and timeline, always with integrity and patience. Their extensive TBID experience throughout the state, and their ability to work directly with city and county governments, gave our hoteliers confidence that the TBID we crafted together would meet our needs.”

-Bill Phelps, Board Chair
Santa Ynez Valley Hotel Association



II. Introduction

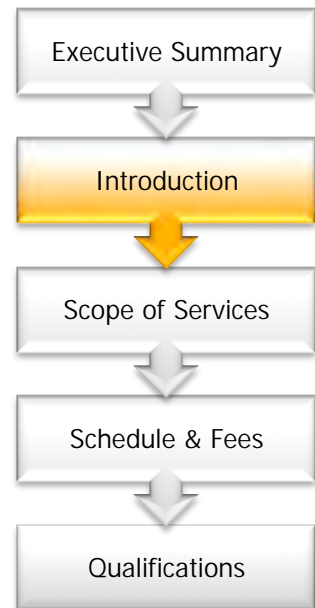
Thousands of business owners in cities throughout the United States are successfully using business improvement districts to improve their businesses. The proven track records of those districts led to implementation of BIDs for tourism promotion in California. Businesses in Yuba Sutter have expressed interest in using this model to form and grow a stable funding source that will help support them.

The Property and Business Improvement District Law of 1994 ("1994 Law") is a powerful tool available to business owners and local governments. This law empowers private business owners to work closely with local government officials and establish a new funding source dedicated to providing services which benefit the businesses.

As with most areas, there is a greater need for tourism promotion services in Yuba Sutter than can be provided with limited government funding. The TBID can address this need and provide a dependable source of revenue for marketing Yuba Sutter lodging businesses.

In concert with the Chamber, the Civitas team will guide a formation process that includes developing and manipulating data, obtaining feedback from business owners, preparing documents including a Management District Plan, guiding the petition drive, and attending City Council hearings.

This proposal is based on the understanding that business owners and the Chamber will provide assistance and time needed to facilitate the process on the local level, including some database work, substantial time devoted to outreach meetings, and gathering support and signed petitions from businesses.





III. Scope of Services

Overview

Five steps are anticipated over ten months, resulting in successful YSTBID formation. The five steps are briefly described below and outlined in further detail on the following pages.

Step One: Initiation/Infrastructure

This step creates the necessary leadership structure to carry out the project. During this step Civitas, the Chamber, and business owners will identify their respective roles in the formation process. This step also includes gathering information on the district.

Step Two: Outreach and Consensus Building

Outreach efforts are undertaken in step two to connect with business owners and City and County staff and officials and gain their support for the proposed district.

Step Three: Document Preparation

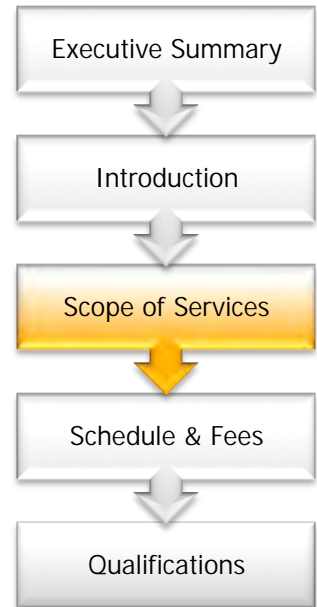
In step three documents necessary to form the district are drafted. Civitas will work closely with business owners, the Chamber, and the City to ensure documents reflect the needs and priorities of assessed businesses.

Step Four: Document Revision

Documents drafted by Civitas will be submitted to the Chamber, business owners, and the City for review. Based on their input, Civitas will revise documents as necessary and prepare final documents.

Step Five: Hearing Process

Finally, Civitas will guide the Chamber through the City Council hearing process to form the district. This proposal assumes that Yuba City will be the lead jurisdiction in forming the district; if not we will adjust our services accordingly.





Step One: Initiation and Infrastructure

This task includes development of program infrastructure necessary to carry out a successful formation project. Civitas will work with the Chamber to create the database of district businesses.

1.1 Develop Project Parameters

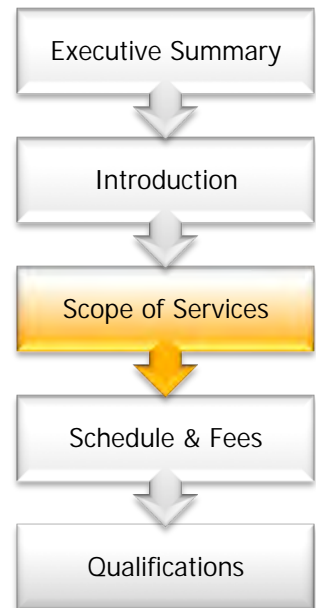
Civitas will work with the Chamber and business owners to clarify the project parameters. Assignments for Civitas, the Chamber, and business owners will be established.

1.2 Leadership Infrastructure

A project steering committee composed of the Chamber staff, business owners, and City staff, will be formed. We will work with the steering committee to provide guidance and keep the project on track.

1.3 Database

Civitas will work with the Chamber and local governments to create the district database. The database will be used for various purposes throughout the project, including calculating assessments and mass mailings. Variables that may need to be assembled include business name and address, owner name, business type or occupancy, and revenue. Revenue is proprietary information; Civitas will sign a non-disclosure agreement if necessary, or work with the cities and counties to determine the petition and protest weight of each business.





Step Two: Outreach and Consensus Building

It is our understanding that the steering committee will conduct outreach to, and build consensus among, business owners within the district. Reaching out to business owners and City staff and officials is a crucial piece of the formation process. This step includes six trips by Civitas to Yuba Sutter to meet with business owners and City staff and officials.

2.1 Develop Outreach Program

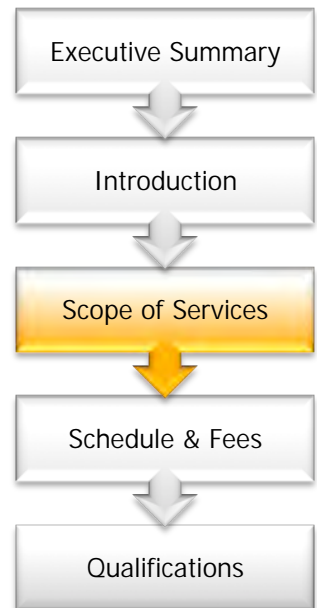
Civitas and the Chamber will work together to develop an effective outreach program. The program will include educating City and County staff and officials and business owners about TBIDs, and seeking their input on the best strategy for Yuba Sutter.

2.2 Establish District Parameters

During the outreach process, priorities for services will be established. An assessment rate which will be proportional to the services received by each business will be developed. Other elements of the district, such as governance provisions and service priorities, will also be determined.

2.3 Database

The initial database will be updated and manipulated throughout the outreach process. Civitas and the Chamber will build on previously obtained information to maintain a complete and current database of district businesses.



"John Lambeth and his team at Civitas are the 'go to' people for creating marketing districts. Their knowledge and professionalism not only made this complicated process easier to maneuver, they were instrumental in helping us achieve success in creating our district."

-Leslee Gaul, CEO and President
Visit Oceanside Conference and Visitors Bureau



Step Three: Document Preparation

Civitas will utilize information gathered in the outreach and consensus building process to prepare documents required for YSTBID formation.

3.1 Management District Plan

Civitas will prepare a Management District Plan that complies with California law and serves as a user-friendly educational tool. The Management District Plan will include:

- District rationale and objectives
- District boundaries, benefit zones, and business classifications
- Service plan and annual budget
- Proposition 26 compliance provisions
- Assessment rate
- Governance structure
- District rules and regulations
- Exhibits including a map and list of businesses

3.2 Petition

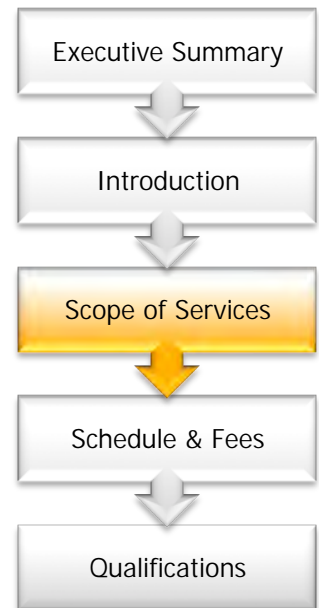
The 1994 Law requires signed petitions from businesses to begin the district formation process. Civitas will draft the petition based on the Management District Plan.

3.3 Resolutions and Notice

Civitas will draft the two resolutions necessary to form the district: a Resolution of Intention and a Resolution of Formation. The resolutions will include parameters from the Management District Plan and other required elements. A notice must also be sent to businesses proposed to be in the district; Civitas will draft the notice.

3.4 Consent Resolutions

Because the district will include multiple jurisdictions, one will need to act as the lead and the others will need to consent. Civitas will prepare the necessary resolutions requesting and granting consent and provide them to the jurisdictions.





Step Four: Document Revision

Draft documents will be submitted to the steering committee, the Chamber, and City for review. Civitas will revise drafts as necessary.

4.1 Steering Committee Review

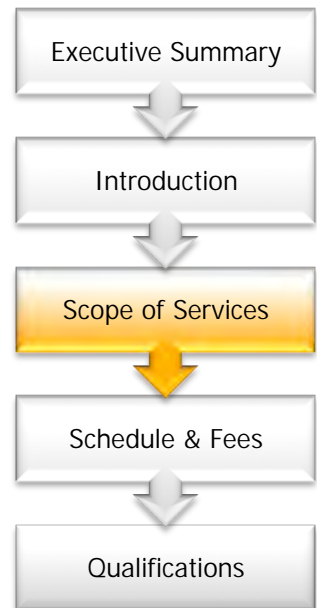
Civitas will submit draft documents to the steering committee for review. Civitas will revise documents to incorporate any comments from the steering committee.

4.2 Consultation with Counsel

Civitas' staff will work with the City Attorney's office to obtain their review and approval of documents. Civitas will incorporate their comments as necessary, and prepare finalized documents.

4.3 Finalization

Based on comments from the steering committee and City Attorney, Civitas will prepare a final version of the Plan. Finalization may require several rounds of edits and negotiation between the parties.





Step Five: Hearing Process

Once the steering committee and City have approved final documents, Civitas will assist in submitting the project to the City Council. This step includes three trips to Yuba Sutter by Civitas to attend hearings.

5.1 District Finalization

Civitas will take all necessary steps to prepare for district formation. This will include coordinating with City staff to set and prepare for hearings and discussing matters with the City Attorney. Frequent phone calls, email correspondence, and other communications will be necessary throughout this step.

5.2 Petition Collection

Civitas will work with the steering committee to ensure adequate petition support has been garnered. This will include working with the City to devise a calculation method, and working with the steering committee to identify the most influential businesses. The steering committee and the Chamber will be responsible for collecting signed petitions from businesses.

5.3 Resolution of Intention

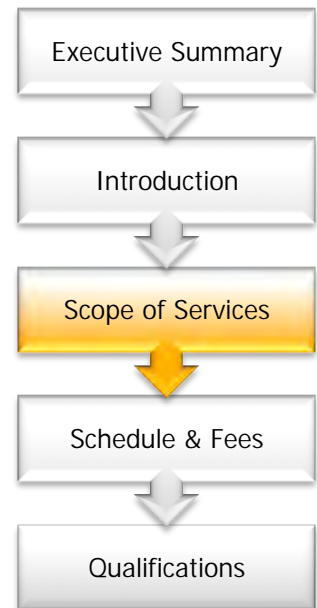
Civitas will attend the City Council hearing on the Resolution of Intention. If necessary, Civitas will be prepared to make a brief presentation about the proposed district to the City Council. After the Resolution of Intention is adopted, Civitas will coordinate with City staff to ensure notice is given to district businesses in accordance with the 1994 Law.

5.4 Public Meeting

Civitas will help the Chamber prepare for the public meeting. Civitas will outline the requirements of the meeting and work with counsel to ensure compliance with the 1994 Law.

5.5 Public Hearing

Civitas will attend the public hearing and be prepared to make presentations and address any issues that may arise.

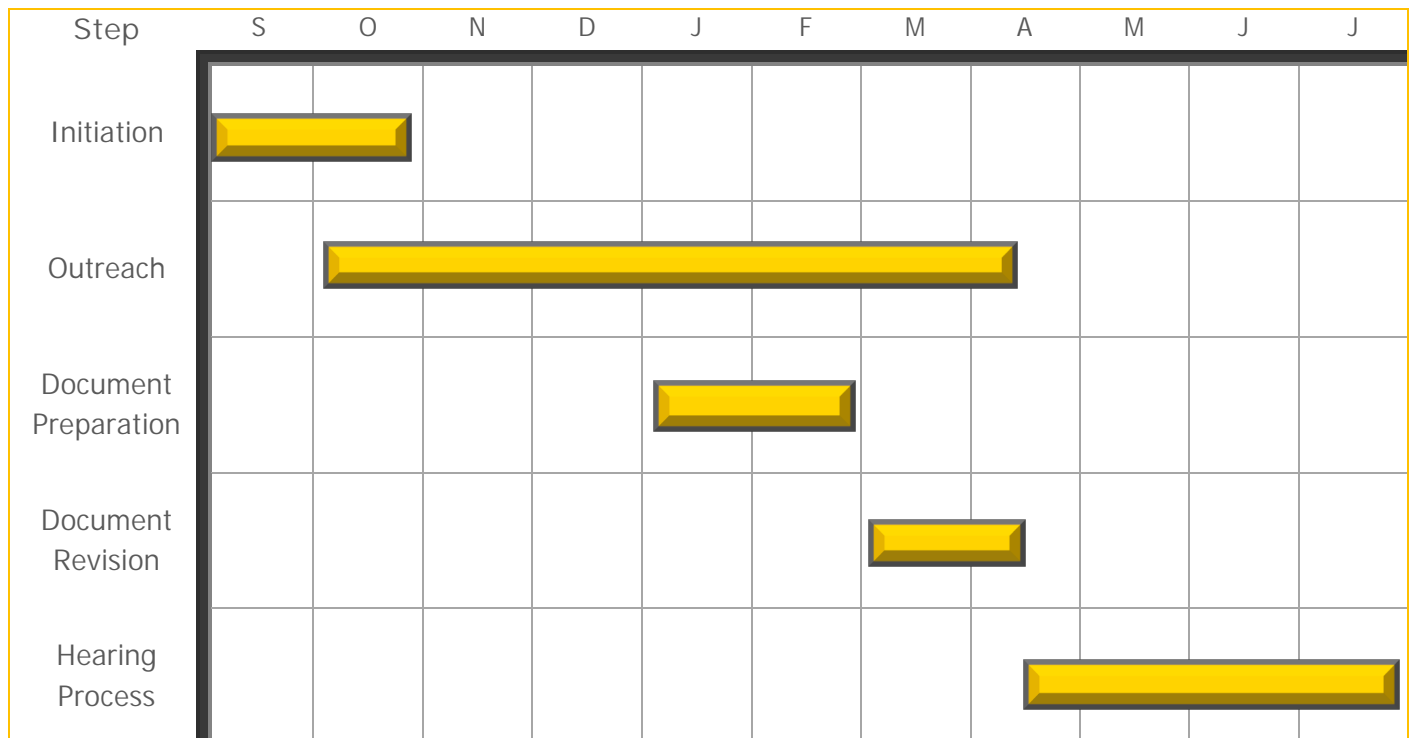
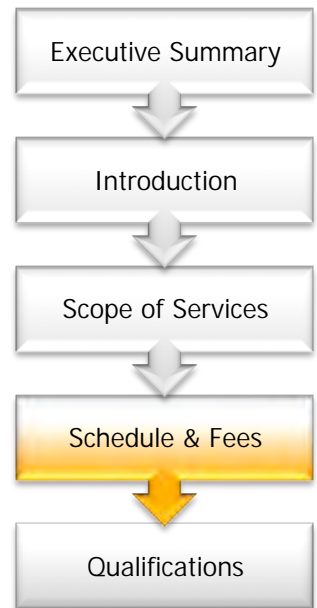




IV. Schedule and Fees

Schedule

We estimate that the project can be completed in ten months. If started in September 2015, the project could be finished by July 2016. As you know, there are many unknown variables in a project of this nature. Although we would work diligently to form the district, factors outside Civitas and the Chamber's control could delay or thwart even the best-developed plans. We will work to minimize risks and complete the project at the earliest possible date. Our expected progress for the project is below.





Fees

Fees

Civitas' fees for the scope of work in this proposal reflect our professional team's quality and experience. Our professional fees for the scope of services and timeline described herein shall be \$50,000. Fees and expenses include nine trips to Yuba Sutter; six to meet with business owners and City officials and three to attend City Council hearings. If additional trips are necessary, we would be happy to make additional trips for a professional fee of \$750 per trip by Nichole Farley.

Expenses

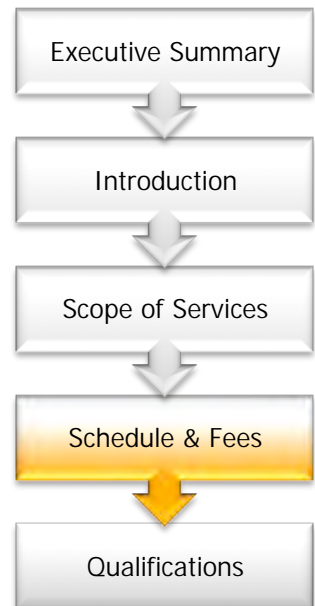
Civitas will incur various costs and expenses in performing services described in this proposal. The Chamber will be responsible for all costs and expenses in addition to the professional fees. Ordinary costs and expenses, including telephone charges, postage, and photocopying will be billed at 4% of professional fees. Other costs, such as travel, overnight shipping, bulk mailing, and bulk printing costs (over 500 pages per month) shall be billed at Civitas' actual cost. Expenses are not expected to exceed \$3,500.

Staff

It is anticipated that Nichole Farley, Melanee Cottrill, Nathan Hyde, and Sean Pratt will work on this project.

Billing

Civitas proposes a fixed monthly fee of \$5,000 per month for ten months. A start-up fee of 10% of project costs, \$5,350, will be due and payable upon execution of an agreement for services between Civitas and the Chamber. The amount of the start-up fee will be deducted from the final invoice, which will also be adjusted to account for the total contract price. Civitas will send the Chamber a monthly invoice for fees and costs incurred. Invoices will include the fixed professional fee and expenses. The basis of calculation or other method of determining expenses will be clearly identified by item and amount. If the project is completed within the scope and timeline described herein, fees and expenses shall not exceed \$53,500.





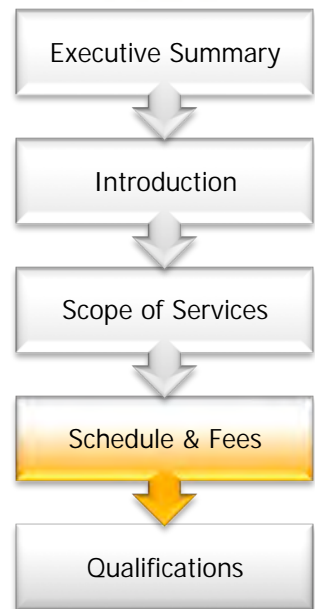
Cost Assumptions and Guidelines

We have projected a specific amount of time for YSTBID formation. It is assumed that the project will not exceed the budgeted amount of time. If unanticipated comments result in additional time beyond that which has been projected, we would continue billing professional fees of \$3,500 per month for the project duration. Factors that could increase the scope of work and estimated costs outlined above include additional meetings not described in this proposal, analysis of additional issues above those described in this proposal, or a lack of steering committee and business owner involvement in the project.

Business Information

The database for this project will rely on information from the cities and counties. Errors can and will occur in this data. While Civitas will do its utmost to identify and correct any errors, it is acknowledged that data will always contain errors. We recommend the Chamber continue to pursue data correction strategies during and after formation, including mailings and error checking by city and county officials.

Thank you for the opportunity to submit this proposal. We look forward to working with you.

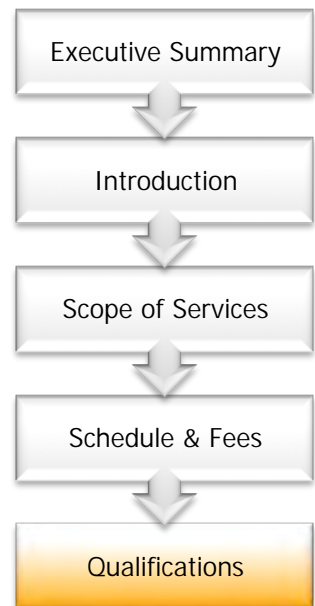




V. Qualifications

Partial Client List – TBID Projects

Carlsbad Tourism Business Improvement District
Claremont Tourism Business Improvement District
Coronado Tourism Business Improvement District
Dana Point Tourism Business Improvement District
Del Mar Tourism Business Improvement District
Fairfield Tourism Business Improvement District
Folsom Tourism Business Improvement District
Fresno-Clovis Tourism Business Improvement District
Lodi Tourism Business Improvement District
Long Beach Tourism Business Improvement Area
Los Angeles Tourism Marketing District
Madera County Tourism Business Improvement District
Marin County Tourism Business Improvement District
Mariposa County Tourism Business Improvement District
Mendocino County Tourism Business Improvement District
Monterey County Tourism Business Improvement District
Napa Valley Tourism Improvement District
National City Tourism Marketing District
Newport Beach Tourism Business Improvement District
Oceanside Tourism Marketing District
Placer Valley Tourism Business Improvement District
Rancho Cordova Tourism Business Improvement District
Redding Hilltop Hotel Business Improvement District
Sacramento Tourism Marketing District
San Diego Tourism Marketing District
San Jose Hotel Business Improvement District
San Luis Obispo County Tourism Business Improvement District
Santa Barbara South Coast Tourism Business Improvement District
Santa Cruz County Tourism Business Improvement District
Santa Monica Tourism Marketing District
Santa Ynez Valley Tourism Business Improvement District
Sonoma City Tourism Improvement District
South Lake Tahoe Tourism Improvement District
Stockton Tourism Business Improvement District
Temecula Valley Tourism Business Improvement District
Tri-Valley Tourism Business Improvement District
Torrance Tourism Business Improvement District
Vallejo Tourism Business Improvement District
Ventura-Oxnard-Camarillo Tourism Business Improvement District
West Hollywood Tourism Business Improvement District



Staff Biographies

Nichole Farley, Project Manager



Ms. Farley specializes in the development and execution of strategic strategies with a strong focus on creating, maintaining, and growing B2B relationships. Nichole earned a bachelor's degree from California State University, Chico in Agriculture Business with a minor in Recreation Administration. She is currently working towards a master's degree in Communication with an emphasis in Travel and Tourism and International Communications at California State University, Fullerton. When not studying, Nichole is active with the Sacramento Metro Chamber young professional group Metro EDGE and the United Way's Young Leaders Society.

Nathan Hyde, Paralegal



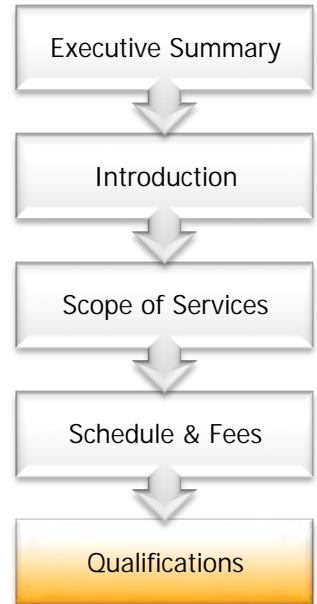
Mr. Hyde began his career in the legal field as an intern at Friends of the River while attending American River College. He earned an associate's degree in legal assisting with highest honors. Mr. Hyde is currently attending Lincoln Law School of Sacramento with the aspiration of practicing law in California. Mr. Hyde is married to his wife Steph and together they have two children, Colt and Anabel.

Sean Pratt, GIS and Database Specialist



analysis.

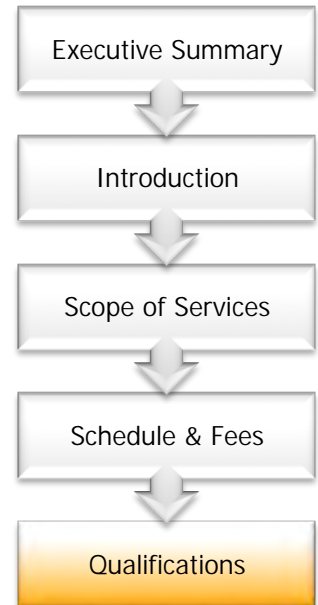
Mr. Pratt specializes in creating, updating, and managing property owner information databases. He earned a bachelor of arts degree at UC Davis. He began his GIS career while working for UC Davis Plant Sciences, and earned an Associate degree at American River College in GIS. He volunteers at the UCD Medical Center researching new ways to identify regions of California's at risk teen population using GIS to do spatial



Melanee Cottrill, RP, Operations Manager



Mrs. Cottrill began her career in the legal field at the firm Gardner, Janes, Nakken, Hugo and Nolan while attending California State University, Sacramento. While at CSUS she was inducted into the Phi Kappa Phi, Phi Alpha Theta, and Golden Key honor societies. She earned a bachelor's degree in history with honors. Mrs. Cottrill has spent several years managing the operation of assessment districts, specializing in budget and legal document preparation. She is also the Immediate President of the Sacramento Valley Paralegal Association and the President of the Bits 'N Speeches Toastmasters club.





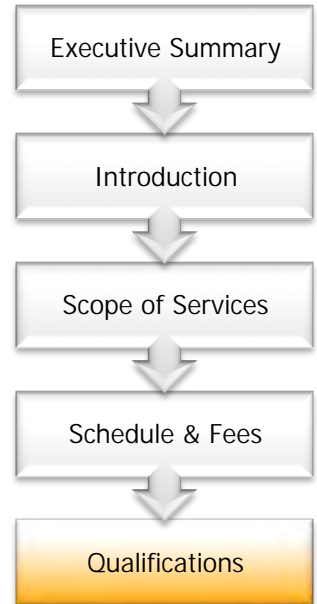
Industry Contacts

Civitas has had the pleasure of working with many experts in the tourism promotion field. The following individuals have extensive experience with tourism promotion, including establishing and operating tourism business improvement districts.

Mr. Lorin Stewart
Executive Director
San Diego Tourism Marketing District
(619)209-6108

Mr. Kelly Miller
President
Visit Huntington Beach
(714)969-3492

Mr. Gary Sherwin
President
Newport Beach Conference and Visitors Bureau
(949)719-6100



CITY OF YUBA CITY
STAFF REPORT

Date: February 5, 2013
To: Honorable Mayor & Members of the City Council
From: Administration
Presentation By: Darin E. Gale, Economic Development Manager

Summary

Subject: Support funding for Yuba Sutter Chamber of Commerce Tourism and Visitor Center Plan

Recommendation: Authorize the City Manager to enter into an agreement with the Yuba Sutter Chamber to provide a Visitor Center and Tourism related effort and make a supplementation appropriation of \$210,000.

Fiscal Impact: \$70,000 per year for three years (for a total of \$210,000) allocated to a General Fund Capital Project Account for professional services related to Chamber funding – [901164-66514 General Fund Capital Project – Chamber Funding—Professional Services]

Purpose:

Provide support funding to the Yuba Sutter Chamber of Commerce for the operation of a Yuba Sutter Visitor Center and Tourism Marketing efforts.

Discussion:

Tourism funds are an investment into the future prosperity of our region. The Chamber has developed a Yuba-Sutter Tourism & Visitor Center and Marketing Plan for tourism promotion, regional attraction and branding. On December 18, 2012 the Chamber presented their plan to the City Council for discussion and review. The need to create specific metrics and annual reporting requirements for this project was recommended by the Council during this discussion. The Council also directed the project be reviewed by the Yuba City Economic Development Commission, which was done on January 9, 2013 and again at their regularly scheduled meeting where the Commission unanimously supported the Chamber's proposal on January 23, 2013.

As part of this project, the Chamber will work directly with key tourism stakeholders and most importantly our hotel owners. Through this collaborative approach the goal of the City will be for the Chamber to gather support from the Hotels for a Tourism Management District (TMD). A TMD is an overlay area which allows hotels to assess fees onto their visitors. Normally these fees average about 2% and are on top of the existing Transient Occupancy Tax (TOT) already collected. A 2% TMD would provide approximately \$160,000 annually from Yuba City based hotels for tourism related programs.

In order for the Chamber to be successful in this project, a three year commitment is being requested for \$70,000 a year for three years at total of \$210,000. The source of funding for this project will be from one time funds returned from the former Redevelopment Agency Low/Moderate Income Housing Fund balance which was required to be submitted to the County Auditor-Controller for redistribution to the taxing entities. Yuba City is estimating our share of this one-time re-distribution to be approximately \$493,000. In accordance with the City's Adopted Budget Policy, the City strives to

fund current expenditures from current revenues (thereby utilizing one-time revenues to fund one-time expenditures). Using this funding source to support the Chamber's request accomplishes this. Throughout this funding agreement, the Chamber will submit semi-annual reports to the City of its efforts to implement their Tourism plan and TMD.

Fiscal Impact:

\$70,000 per year for three years (for a total of \$210,000) allocated to a general fund capital project account for professional services related to chamber funding – [901164-66514 General Fund Capital Project – Chamber Funding—Professional Services]

Alternatives:

1. Do not approve the funding request to the chamber
2. Fund the project at a lower level than what has been requested
3. Provide funding for this project for one year only at \$70,000

Recommendation:

Authorize the City Manager to enter into an agreement with the Yuba Sutter Chamber to provide a Visitor Center and Tourism related effort and make a supplementation appropriation of \$210,000.

Prepared By:

/s/ Darin E. Gale
Darin E. Gale
Economic Development Manager

Submitted By:

/s/ Steven R. Jepsen
Steven R. Jepsen
City Manager

Reviewed By:

City Attorney
Finance

TH
RB

MEMORANDUM

TO: Mayor Buckland & Yuba City Council Members
FROM: Yuba Sutter Chamber of Commerce
DATE: December 12, 2012
RE: Yuba-Sutter Tourism & Visitor Center Funding Proposal



The Yuba-Sutter Chamber of Commerce's tourism goal is to increase business revenue from both visitors and local consumer spending through promotion and education of tourism. The Chamber has created the Yuba-Sutter Tourism & Visitor Center Funding Proposal, which is attached hereto, for the Council's consideration. The primary purpose of this Plan is to increase visitor interest, awareness, and ultimately travel into the Yuba-Sutter Region for businesses, services, and attractions.

In order to accomplish the goals and objectives set forth in the Plan, the Chamber is requesting monetary support from the City of Yuba City. The City receives Transiency Occupancy Tax ("TOT") as a result of persons paying to lodge at the local hotels and motels. A five-year average of the TOT collected by the City is SIX HUNDRED TWENTY ONE THOUSAND FOUR HUNDRED FORTY DOLLARS (\$621,440.00). The Chamber is requesting TEN PERCENT (10%) of this value or SIXTY TWO THOUSAND DOLLARS (\$62,000.00) per year for three consecutive years.

The Chamber has set forth a proposed budget in the Plan, which reflects that it will cost in excess of SEVENTY FOUR THOUSAND DOLLARS (\$74,000.00) in order to accomplish the objectives in the Plan. The Chamber intends to seek out other funding sources for these efforts in future years, however, in order to get the program off the ground the Chamber is requesting the initial support from the City.

The Chamber is also requesting rent for the Madden House be reduced to the sum of ONE-DOLLAR (\$1.00) per year for the remainder of the term of the Lease to assist in offsetting the additional tourism budget that is in excess of the amount being requested from the City. The Chamber is currently paying EIGHT HUNDRED AND FIFTY DOLLARS (\$850.00) per month in rent, for which FOUR HUNDRED DOLLARS (\$400.00) of the rent is being deposited into a sinking fund being maintained by the City for maintenance expenses associated with the Madden House. This proposal entails the Chamber continuing to pay the City FOUR HUNDRED DOLLARS (\$400.00) per month for the City to deposit into the sinking fund until it reaches the sum of TWENTY THOUSAND DOLLARS (\$20,000.00) as set forth in the Lease between the Chamber and the City to ensure that the Madden House may be properly maintained.

In summary, the Chamber is requesting as follows:

| Year | Tourism Funding | Rent Reduction | Net Sum |
|-------------|------------------------|-----------------------|----------------|
| 2013 | \$62,000.00 | \$5,400.00 | \$67,400.00 |
| 2014 | \$62,000.00 | \$5,400.00 | \$67,400.00 |
| 2015 | \$62,000.00 | \$5,400.00 | \$67,400.00 |

The goals set forth by the Chamber in the Plan include the following:

- Create an optimized website that promotes our regions key events, activities, natural resources and provides a platform for primary tourism stakeholders to mutually benefit.
- Collaborate with local jurisdictions & regional tourism groups & initiatives to attract and increase visitor traffic and spending.
- Increase/emphasize visitor-friendly business atmosphere through education and publicity.
- Provide the Yuba-Sutter area an official Visitors Center with strategic business and marketing objectives to attract visitors and obtain crucial statistics.
- Grow the Chamber's role as the region's ambassador by partnering with neighboring Visitor Bureaus, California Welcome Centers, and Chambers of Commerce to ensure Yuba & Sutter County attractions are publicized.
- Explore the feasibility of a Tourism Management District which will more specifically fund a sanctioned Visitor Center as well as regional tourism efforts. This would theoretically be accomplished with an increase in the TOT that is collected by the local jurisdictions.

The Chamber intends on carrying out the goals through five core strategies:

- Strategy #1: Develop and re-launch a results driven visitor's website
- Strategy #2: Integrate tourism with local economic development efforts
- Strategy #3: Launch public awareness campaign promoting value of visitor spending
- Strategy #4: Manage and market an official regional Visitor's Center
- Strategy #5: Expand tourism database via online and direct contact

The Chamber is a regional source for visitor information and already receives numerous requests from people seeking information about the local area and what it has to offer. The Chamber's office location, on a highly traveled corridor for the Yuba-Sutter area, makes it an obvious choice for a regional Visitor's Center. With proper funding, the Chamber has the ability to provide tourism opportunities, information, and coordination to the Yuba-Sutter Area and looks forwarding to partnering with the City of Yuba City to provide this service with the funding requested herein.

YUBA-SUTTER TOURISM & VISITOR CENTER FUNDING PROPOSAL



DECEMBER 2012

A Regional Strategic Visitor Services Plan

A funding request and marketing proposal for Yuba-Sutter tourism promotion, regional attraction and branding. This proposal contains key performance indicators regarding our local tourism industry and marketing initiatives utilizing transient occupancy tax revenues to capture and maximize visitor revenues.

Yuba-Sutter Tourism & Visitor Center Funding Proposal

A REGIONAL STRATEGIC VISITOR SERVICES PLAN

Organization: Yuba-Sutter Chamber of Commerce
Contract Period: January 2013 – December 31, 2015
Date: December 12, 2012
Marketing Objective: To increase Yuba-Sutter counties annual tourism fiscal impact through strategic marketing initiatives and regional branding efforts.

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EXECUTIVE SUMMARY

The Yuba-Sutter Chamber of Commerce's tourism goal is to increase business revenue from both visitor and local consumer spending through promotion and education of tourism. One of the most significant elements of this plan is capturing and maximizing visitor revenues. The Chamber has both public and private partnership memberships and is responsible for the enhancement of the business environment in both Yuba and Sutter counties. This is achieved by properly representing these memberships through publicity, interaction with city and county government entities, and surrounding tourism stakeholders. The primary purpose of this plan is to increase visitor interest and awareness of the businesses, services and attractions available in the Yuba-Sutter Region.

Acknowledging that all categories of consumer overnight visits are important, both for leisure and business, every effort will be made to leverage existing resources over the broad travel industry. Marketing sense dictates that we prioritize efforts for maximum impact. Various marketing tactics such as qualitative market research, economic research, social media campaigns, promotions, direct marketing, public relations, collateral, development and distribution of fulfillment and special events are used with each program area to reach the marketing plan's primary objectives.

The Chamber board and the general business community recognize that successful economic development involves a comprehensive, multi-faceted approach. Tourism related economic development is just one program among many goals aimed to improve overall business conditions in the Yuba-Sutter area. The Chamber Tourism Program is linked to multiple efforts and entities that are constantly striving to improve infrastructure, respond to business-related issues, assist new enterprise and attract business.

A key component to this proposal/plan is evaluations and measurements that provide key market information for progress assessment and future planning. There are many intangible factors that motivate an individual visitor to travel or extend a stay at a particular destination. Considerable performance indicators will be evaluated monthly to ensure the long-term economic impact of the Visitor Center efforts are current with the evolving tourism marketplace. All programs and plans listed in this Marketing Plan must be performed and executed with the full support and cooperation of the jurisdictional economic development professionals.

With the foregoing in mind, this Plan is intended to create goals to be accomplished in a phased effort over the course of the next three years and lay the appropriate groundwork to create a regional Tourism Management District (TDM) with the potential to increase the TOT received by the local jurisdictions to fund these efforts.

VISITOR SERVICES MARKETING PLAN - SCOPE OF WORK

PRIMARY MARKETING GOALS

1. Create an optimized website that promotes our regions key events, activities, natural resources and provides a platform for primary tourism stakeholders to mutually benefit.
2. Collaborate with local jurisdictions & regional tourism groups & initiatives to attract and increase visitor traffic and spending.
3. Increase/emphasize visitor-friendly business atmosphere through education and publicity.
4. Provide the Yuba-Sutter area an official Visitors Center with strategic business and marketing objectives to attract visitors and obtain crucial statistics.
5. Grow the Chamber's role as the region's ambassador by partnering with neighboring Visitor Bureaus, California Welcome Centers, and Chambers of Commerce to ensure Yuba & Sutter County attractions are publicized.
6. Explore the feasibility of a Tourism Management District which will more specifically fund a sanctioned Visitor Center as well as regional tourism efforts.

CORE STRATEGIES, TARGET AUDIENCES & PERFORMACE MEASURES

Core Strategy #1: Develop and re-launch results driven visitor's website

| | |
|--|--|
| Target Audience(s): | On-line tourism search engines, site location specialist, outdoor/recreational individuals and agri-tourism interests |
| Key Tactics & Deliverables: | <ul style="list-style-type: none"> • Branding our region. Increasing online search capability and appealing marketing coverage information will encourage positive branding of the entire area. Focusing on our key recreational resources: agri-tourism, hunting, fishing, camping, hiking, cycling and other outdoor activities will grow image as an attractive destination • Marketing Key Events. Utilizing on-line tools, search engine optimization techniques and a central platform for events and activities showcasing our area. Create and maintain a highly optimized website that will capture an average of 5,000 hits per month within one year of launching • Maximize visitor referral to local business. By combining events with local attractions and accommodations, weekend visitors are encouraged to visit and stay. Online accommodation packages for key weekend events will be part of the first year marketing goals with the new website and accommodation stakeholders • Public Relations. Produce/identify and market press releases for a minimum of 1 key event each month (12/year) with free media outlets • Create and launch a Visit Yuba-Sutter Facebook page and "like" campaign • Create and launch a Visit Yuba Sutter social media presence through Pinterest attraction boards |
| Performance Measures: | <ul style="list-style-type: none"> • Online website analytics and vitality of social campaign |

Core Strategy #2: Integrate tourism with local economic development efforts immediately

| | |
|--|---|
| Target Audience(s): | Local Economic Development organizations, Yolo Visitors Bureau, Sac Valley Wine Region, WACVB + |
| Key Tactics & Deliverables: | <ul style="list-style-type: none"> • Maintain regular involvement with key local economic development organizations • Join Western Association of California Visitor Bureaus and actively participate in forums, seminars and communicate results • Continue to gain area recognition for wine, other agriculture production and recreational offerings with surrounding visitor campaigns. • Partner with surrounding Visitor Center executives to create regional maps and defined trails for optimal exposure • Obtain oversight and contract management responsibility for in-room hotel guide and ensure product continues to promote regional branding goals |
| Performance Measures: | <ul style="list-style-type: none"> • Online analytics results • Results from tourism committee hospitality forums (minimum 2/year) |

Core Strategy #3: Launch public awareness campaign promoting the value of visitor spending

| | |
|--|---|
| Target Audience(s): | Yuba-Sutter business owners & employees |
| Key Tactics & Deliverables: | <ul style="list-style-type: none"> • Educate the local business owners on the significant impact that visitor spending has on our overall economic climate to encourage a visitor-friendly atmosphere • Create and distribute marketing information in conjunction with Chamber publications (Business Today, Nu-Alerts, Constant Contact Newsletter etc.) highlighting economic impact of tourism • Highlight lead results distributed to hospitality industry through new website CRM tools • Engage tourism related businesses and services in collaborative efforts to market region • Educate visitor center staff and chamber staff on up-selling and revenue capture plan on a monthly basis • Work with successful tourism hot spots in the region to obtain statistical visitor information and capture additional opportunities |
| Performance Measures: | <ul style="list-style-type: none"> • Survey visitor contacts captured through website and social media • Monitor non-direct commodity purchases annually |

Core Strategy #4: Manage and market an official regional Visitor's Center

| | |
|--|---|
| Target Audience(s): | Local, regional, state wide and out of state tourism related inquiries |
| Key Tactics & Deliverables: | <ul style="list-style-type: none"> • Increase visitor attractions at Visitor Center • Over a 12 month period identify and obtain sufficient resources to restore and expand Visitor Center hours during peak times • Enhance the interactivity and content of the Chamber website and new visitors website • Continue to prepare market and distribute “relocation packets” to interested business and individuals. (Add electronic order form through new website.) • Continue to market and distribute “regional maps” in office and add electronic availability to locals and visitors • Investigate the opportunity for our regional Visitor's Center to become a California Welcome Center within 5 years. |
| Performance Measures: | <ul style="list-style-type: none"> • Tracking of map sales and relocation packet requests • Monitor increase in foot traffic related to tourism efforts |

Core Strategy #5: Expand tourism database via online and direct contact

| | |
|--|---|
| Target Audience(s): | All visitor types – primarily visitors searching online |
| Key Tactics & Deliverables: | <ul style="list-style-type: none"> • Fully functional online presence directing area visitors to key events and attractions with a online registration to receive area updates • Distribute Yuba-Sutter based publications, (including maps, guides, events, press releases) to visitor centers and California chambers throughout the State of California • Monitor online activity and utilize tools to increase the websites search engine optimization • Capture visitor information and visitor interests by analyzing click through and page views • Distribute visitor statistical information to tourism-based business, services providers and primarily economic development professionals throughout the region on a monthly basis • Offer online ordering of visitor materials • Implement an employee visitor policy to track and educate all tourism-related visitors on area offerings and upcoming events, emphasizing registration online to receive area updates |
| Performance Measures: | <ul style="list-style-type: none"> • Online analytics reports • Visitor center in-office traffic reports |

PROPOSED BUDGET

The proposed agreement for funding between the City of Yuba City and Chamber will provide for the delivery of an array of services intended to increase and maximize the impacts of visitor spending. Business and industry of all types and including the City itself will directly benefit from the Visitor Center operation.

To initiate the program, the Chamber is requesting **10% of TOT** collected (non-collected fees are excluded from estimate) on an annual basis and a credit of 50% of the current building rent. Below is the estimated budget based on 2012 YTD actual operational cost, and estimated start-up fees for new technology and publishing. The budget will be provided to Council for Years 2 and 3 upon report to the Council as to progress and direction.

| Proposed Budget | |
|------------------------|-----------------|
| | Expense |
| Technical | |
| Website Upgrade | \$15,000 |
| Mobile Site | \$1,500 |
| Mobile App | \$3,000 |
| Domains - Hosting | \$150 |
| Facility | |
| Visitor Center Rent | \$28,346 |
| Print Media | |
| In Room Hotel Guide | \$15,000 |
| Maps & Brochures | \$3,500 |
| Visitor Packages | \$5,000 |
| Other | |
| Membership WACVB | \$550 |
| Seminar & Travel Costs | \$2,500 |
| Total | \$74,546 |

| Visitor Center / Office (Annually) | | |
|------------------------------------|-----------------|-----------------|
| Total Building Overhead | Monthly AVG. | Annual |
| Utilities | \$326 | \$3,912 |
| Phone/Internet | \$242 | \$2,904 |
| Janitorial | \$239 | \$2,868 |
| Postage | \$125 | \$1,500 |
| Office Supplies | \$250 | \$3,000 |
| Copier | \$165 | \$1,980 |
| Facility Insurance | \$233 | \$2,800 |
| Total | \$1,580 | \$18,964 |
| Space Requirements | | |
| Total Building SqFt | | 2,835 |
| Visitor Center (1/3) SqFt | | 936 |
| Current Rent | \$850 | |
| Current Rent / sq ft. | \$0.30 | |
| (1/3) Operations OH | \$522 | |
| Staff (1/2 FTE-FB\$18) | \$1,560 | \$18,720 |
| Visitor Center Rent | \$2,362 | \$28,346 |

SITUATION ANALYSIS

YUBA & SUTTER COUNTY TOURISM MARKET

The Yuba-Sutter Visitor's Center primary GEOGRAPHIC target market is travel decision makers within a three hour radius researching weekend activities.

RATIONALE: The greater Yuba-Sutter area is easily accessible by car and successful in-area operations such as Bishop's Pumpkin Farm that service more than 200,000 annual visitors, validate the target market. The Yuba-Sutter area needs to use repetitive marketing techniques targeting this audience to gain and maintain recognition from travelers.

MARKET STRENGTHS

The primary strength of the Yuba-Sutter region is its vast recreational opportunities. Our strongest distinction among other destinations is our ability to host visitors and activities on and around the Sutter Buttes (the smallest mountain range in the world), thirty one different lakes and five rivers¹. Fishing tournaments, dirt bike racing, golf, boat races, hiking, wine tours, bike tours, hunting (waterfowl, upland game & big game), camping, and boating provide us a diverse advantage over many other travel destinations.

Our area also has significant agricultural resources with year-round crop production and viewable wildlife that when marketed correctly, will draw significant visitor traffic.

MARKET WEAKNESSES

A lack of community consensus/knowledge concerning tourism and visitor traffic is evident in the area. Very little regional marketing or partnerships with out of county organizations for tourism efforts have been solidified. The largest deficiency is insufficient financial resources in comparison to other destination market areas and the ability to fund a Visitor Center operation.

A review of historical receipts reveals that TOT increased in 2011 over 2010, but still holds a deficit over the 5+ year high in 2008.

| TOT to Local Jurisdictions 2005-2011 | | | | | | | |
|--------------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|
| JURISDICTION | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| SUTTER COUNTY | | | | | | | |
| Yuba City | 563,500 | 571,700 | 635,000 | 744,100 | 648,200 | 520,800 | 559,100 |
| YUBA COUNTY | | | | | | | |
| Unincorporated | 191,500 | 214,000 | 290,800 | 300,300 | 283,600 | 222,500 | 244,000 |
| Marysville | 132,000 | 69,600 | 62,400 | 70,800 | 67,100 | 66,300 | 75,400 |
| Total Yuba County | 323,500 | 283,600 | 353,200 | 371,100 | 350,700 | 288,800 | 319,400 |
| Total Sutter & Yuba Co. | 887,000 | 855,300 | 988,200 | 1,115,200 | 998,900 | 809,600 | 878,500 |

Information provided by the Yuba-Sutter Economic Development Corporation

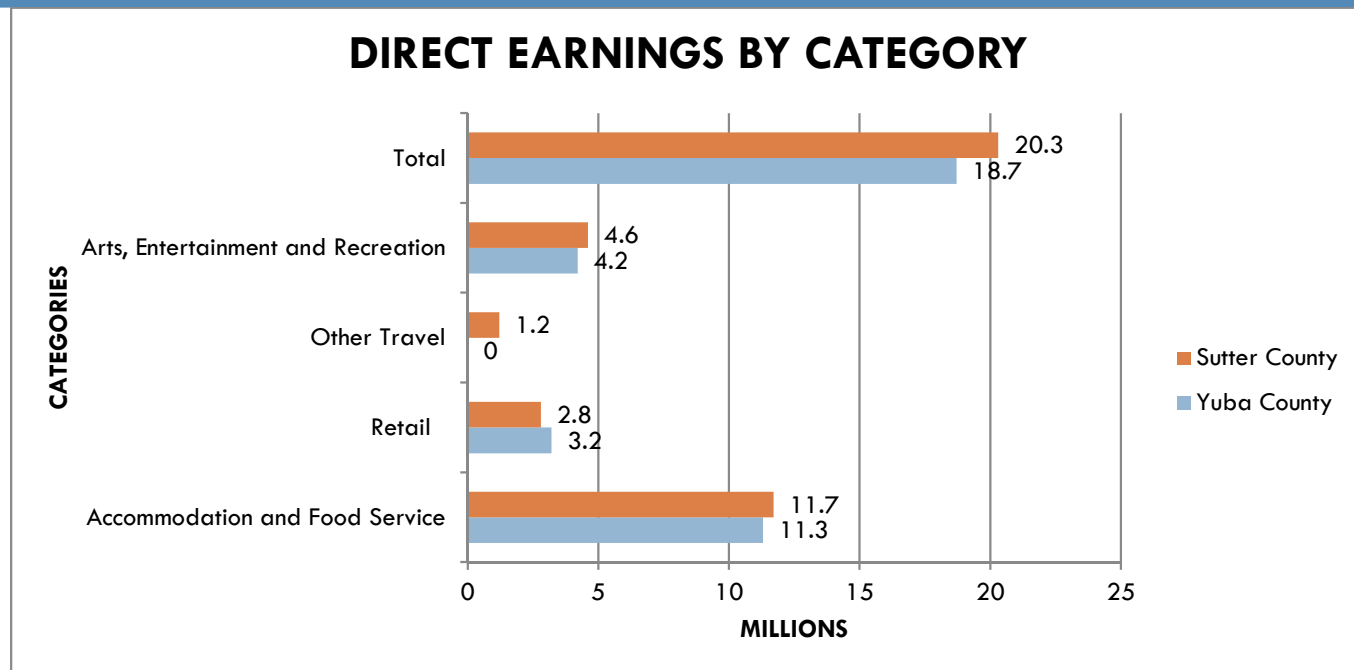
YUBA-SUTTER ECONOMIC IMPACT

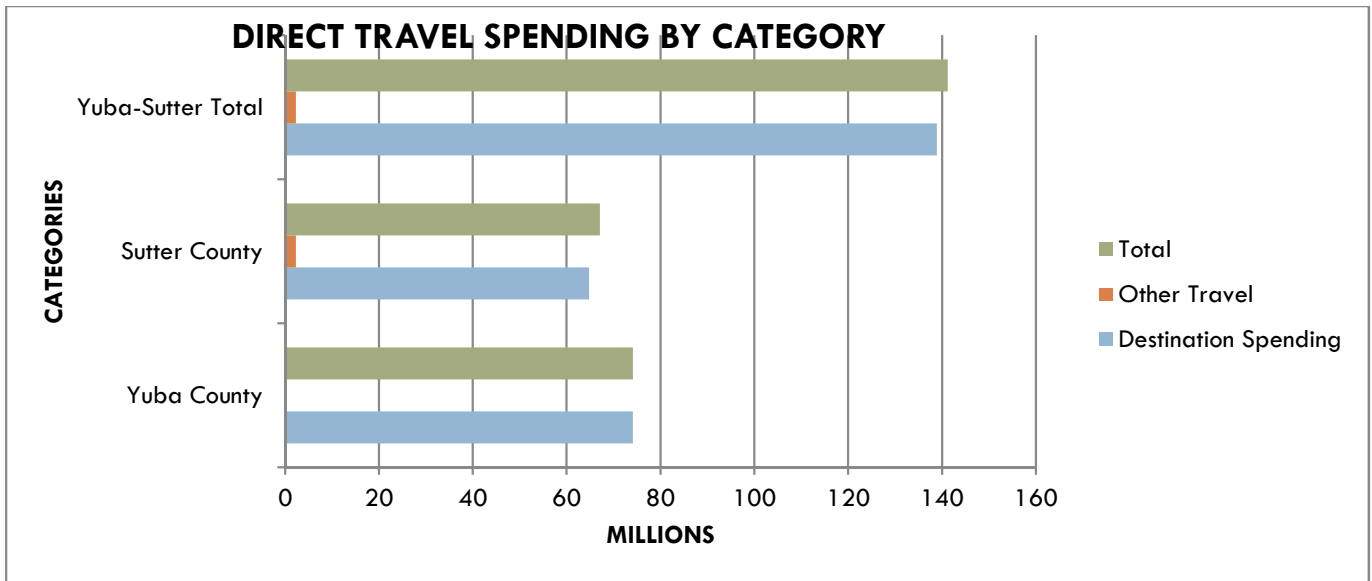
The Yuba-Sutter Chamber of Commerce and the City of Yuba City have been engaged in a mutually productive, dynamic partnership for more than a century. The economic development initiatives and primary goals of both the city and Chamber have worked together to improve economic conditions, create employment opportunities and generate resources to provide essential public services.

In 2011, California experienced growth in local tax revenues (+10.1%) which was driven by increased lodging tax receipts and preliminary reports reflect the same for Yuba & Sutter Counties. Following a decline in 2009, tourism related economic development in the State of California has begun to rebound with impressive increases in 2010 & 2011. Travel spending in California suffered a 10 percent drop in 2009 but recovered to produce a 7.4 percent increase in 2010 and 7.6 percent (preliminary) in 2011. With signs emerging that the economy has started to recover, communities and local governments across the country continue to explore new and creative ways to attract and increase revenues.

During the same period, Yuba and Sutter counties visitor related spending decreased in 2009. However, in 2010 the Yuba-Sutter counties received a 2.92 percent increase in direct travel spending. Preliminary reports for 2011 reflect an increase of 8.5 percent in TOT for combined Yuba & Sutter Counties.

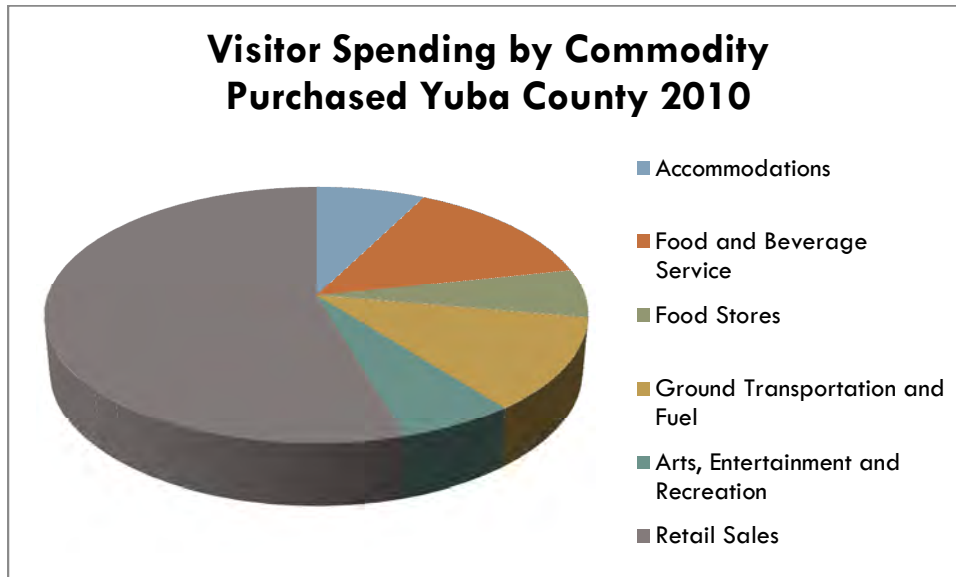
DIRECT REVENUE IMPACTS (2010)



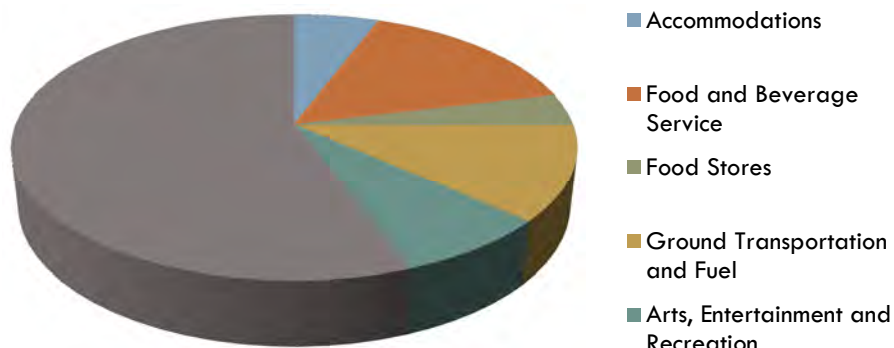


NON-DIRECT REVENUE IMPACTS (2010)

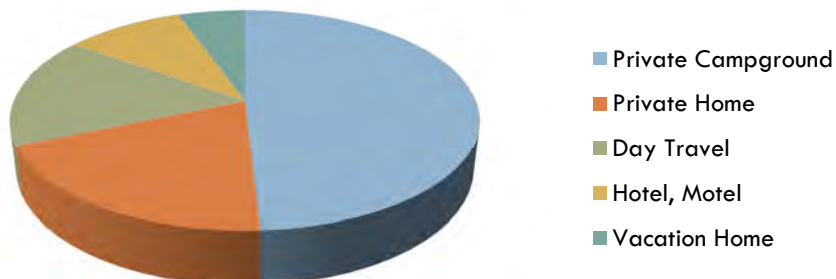
Hospitality providers are not the only beneficiaries of tourism promotion and activity, just as transient occupancy tax (TOT) is not the only contributor to increased economic activity for businesses and tax revenues for local governments. The figures below show the substantial impact of visitor spending on non-direct earnings.



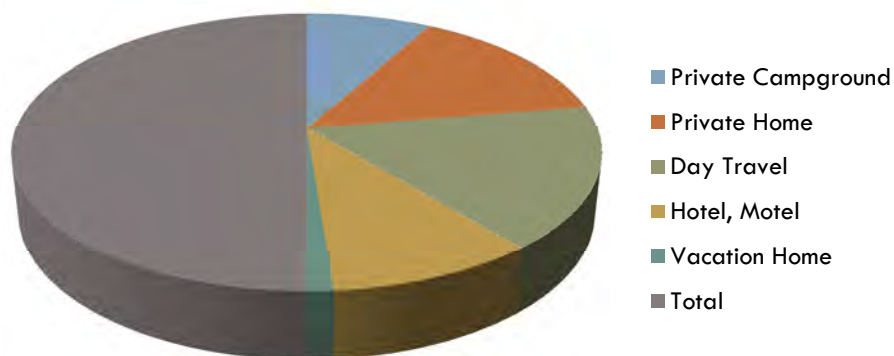
Visitor Spending by Commodity Purchased Sutter County 2010



Visitor Spending at Destination Yuba County 2010

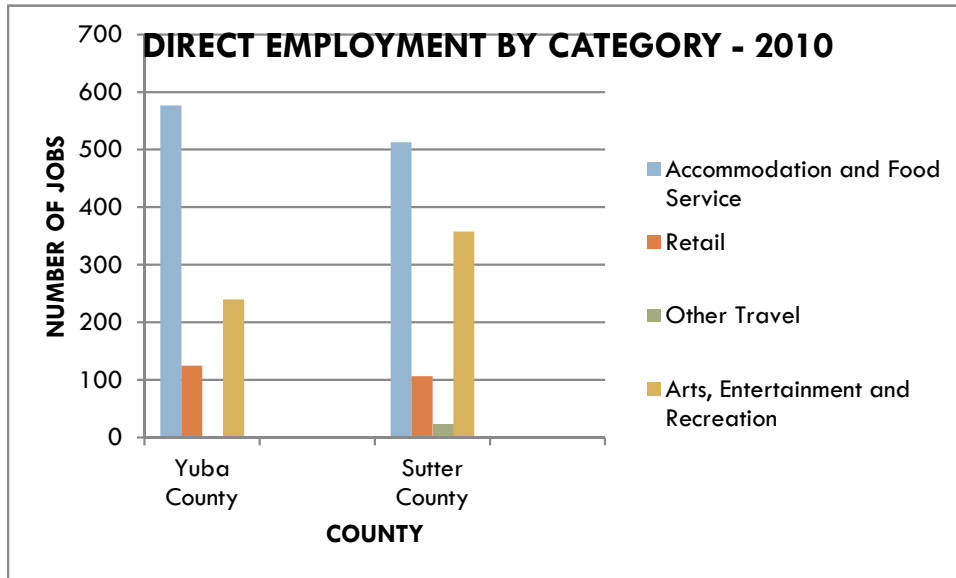


Visitor Spending at Destination Sutter County 2010



DIRECT JOB IMPACT (2010)

One of the most crucial components of increased tourism to our area, is the direct effect it has on employment. One of the Chambers primary partnership objectives is job growth. Assisting in the decrease of the current unemployment rate in Yuba County currently 17.1% and Sutter County of 15.2% (as reported by the Employment Development Department in August 2012) remains our priority. The most recent reported direct employment impact statistics are below.



Local statistics information provided by the Yuba-Sutter Economic Development Corporation.

ADDENDUMS

KEY PERFORMANCE INDICATORS


| DIRECT INFORMATIONAL CONTACTS | 2012 AVG Monthly | Annually |
|--|-------------------------|-----------------|
| On-site Visitor Center Referrals (Walk-in's, including area map & visitor guide distribution) | 60 | 720 |
| Off-site Information Request (via Telephone) | 90 | 1,100 |
| Off-site Information Request (via website or email) | 3 | 36 |
| Total Direct Contacts | 153 | 1,856 |

CURRENT WEBSITE & SOCIAL MEDIA ANALYSIS

Alexa Ranking is a world-wide recognized website evaluation company owned by Amazon. Alexa reports that the current visitor's website that was established in 2001 (www.visityubasutter.com), is ranked at #18,753,172 (out of 30+ million) which reflects an estimate of the sites lack of popularity. The rank is calculated using a combination of average daily visitors and page views over the past 3 months. The backlinks score reflects the number of other websites linking to a page on the website which improves the sites ranking on search engines.

The social components evaluation shows that the site has only been shared 3 times on facebook and virtually has 0 presences on any the social media platform.

Summary Statistics for Visityubasutter.com (provided by webstats.com)

| | | | |
|-----------------------|--|--|---|
| Alexa Rank: |  18,753,172 |  Facebook Comments | 0 |
| Backlinks: | 37 |  Facebook Likes | 0 |
| Website Worth: | \$905 USD |  Facebook Shares | 3 |
| SEO score: | 15% |  Count Tweets | 0 |

LAST AVAILABLE HISTORICAL WEBSITE ANALYTICS (Source Google Analytics)

| | Feb 2008- Dec 2008 | 2008 Monthly Average (excluding January) | 2009 Total | 2009 Monthly Average |
|--------------------------|-----------------------|--|------------|-------------------------|
| visits | 26653 | 2423 | 31675 | 2880 |
| Page views | 73629 | 6694 | 97258 | 8842 |
| pages per visit | 30.86 | 2.81 | 33.86 | 3.08 |
| unique visitors | 23555 | 2141 | 25740 | 2340 |
| avg. time on site | 21:50 | 1:59 | 21:25 | 1:56 |
| home page views | 8626 | 784 | 12021 | 1093 |

CALIFORNIA ECONOMIC IMPACT

Prepared by Dean Runyan Associates for the California Travel and Tourism Commission – April 2012

The multi-billion dollar travel industry in California is a vital part of the state and local economies. The industry is represented primarily by retail and service providers including lodging establishments, restaurants, retail stores, gas stations, and other types of businesses that sell their products and services to travelers. The money that visitors expend on various goods and services while in California produces business receipts at these businesses, which in turn provide jobs for California residents and pay their wages and salaries. State and local government units benefit directly from travel as well. The state government collects taxes on the gross receipts of businesses operating in the state, as well as sales and use taxes levied on the sale of goods and services to travelers. (Local governments also collect sales and use taxes generated from traveler purchases.)

IMPACTS OF TRAVEL IN CALIFORNIA

Total direct travel spending in California was \$102.3 billion in 2011 (preliminary). Travel spending increased by 7.6 percent in current dollars compared to 2010. Inflation-adjusted (real dollar) travel spending increased by 2.2 percent from 2010 to 2011, following a 3.4 percent increase the preceding year. Price increase in transportation and lodging were the primary sources of inflation in 2011.

Other indicators of visitation also show positive, but slightly lower rates of increase. Room demand in California increased by 4.4 percent from 2010 to 2011, down from 6.0 percent the preceding year (Smith Travel Research). Visitor air arrivals on domestic flights increased by 1.3 percent from 2010 to 2011p, down from 1.7 percent the preceding year.

Total travel-generated employment increased by 1.5 percent during the past year. Employment in the travel-generated portion of the leisure and hospitality sector has increased by 1.8 percent. This is the first substantial increase in employment since 2007. Average weekly hours in the broader leisure and hospitality sector are now almost at the same level as 2007.

DOMESTIC TRAVEL TO CALIFORNIA

California was the destination for 208.6 million domestic person-trips in 2011. 80% of California's domestic leisure visitors in 2011 were residents of California.

INTERNATIONAL TRAVEL TO CALIFORNIA

13.6 million International visitors traveled to California in 2010. Approximately 5.7 million were from overseas origins, 6.6 million were from Mexico and 1.4 million were from Canada.

California's top overseas markets in 2010 were the United Kingdom (682,000), Japan (545,000), Australia (502,000), China (401,000) South Korea (390,000), Germany (388,000), France (383,000), and India (184,000).

All California economic information and statistics from the California Travel and Tourism Commission Reports April 2011