



Pleasant Hill Tourism Improvement District 2023/ 2024 Annual Report

Submitted to the City of Pleasant Hill pursuant to Streets and Highways Code section 36650, for the period from April 1, 2023 through March 31, 2024

April 1, 2023 - March 31, 2024

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2022/2023 Accomplishments

Pursuant to the provisions of the PHTID Plan, details of the accomplishments of the PHTID from fiscal year 2022/23 are summarized below.¹

- In alignment with the national travel trends of 2022, travel spending in Pleasant Hill soared by 10% from the previous year, surging from \$90.6M in 2021 to an impressive \$99.6M in 2022.
- Direct employment opportunities generated by the travel sector expanded by 50 jobs, marking a commendable 6.6% increase compared to the employment figures for 2021.
- The earnings generated directly from travel-related activities elevated to \$28.9 million, exhibiting a substantial gain of 8.9% in comparison to the earnings of the preceding year.
- Tax receipts stemming from travel spending increased to \$7.7 million, reflecting an impressive growth of 7.7% compared to the figures for 2021.
- The overall influence of travel spending on the Pleasant Hill community translates to an approximate contribution of \$311 per resident household in local tax receipts.
- The travel sector in Pleasant Hill has been bolstered by the establishment of enriching community partnerships, including:
 - Off the Grid
 - Haunted Trail
 - PH Perks
 - Art, Wine & Music Festival
 - Blues & Brews Festival
 - Fourth of July Celebration
 - Light up the Night
 - Jewish Film Festival
 - DVC Business Administration Department Advisory Board

¹ Data provided from the Pleasant Hill Economic Impact Report from Dean Runyon

2023/2024 Improvements and Activities

The improvements and activities to be provided for the fiscal year 2023/24 are consistent with the Management District Plan (Plan). Aligned with the activities and improvements outlined in the Plan, these are just a few highlights and areas of focus anticipated for the fiscal year 2023/24:

- Brand enhancement: Stay Pleasant Hill (SPH) is prepared to implement brand refresh initiatives, including the launch of a new business name and a new website name under the domain (visitpleasanthill.com), new brand guidelines that encompass key elements such as positioning, logos, and font that align with the five (5) year strategic plan of growth;
- Elevated public relations engagement for visibility to local, regional, and national audiences to drive visitation to assessed lodging businesses;
- Rollout of an updated SPH Visitor Guide, providing a valuable resource to businesses and visitors alike to drive overnight visitation to assessed lodging businesses;
- Comprehensive website refresh to reflect the new brand enhancements;
- Deployment of partnership brochures to drive overnight visitation to assessed lodging businesses, including entertainment brochures, sports brochures, and wedding brochures;
- Implementing new marketing campaigns, including “I Love PH,” “It’s a Dog’s World,” and “I belong here...” poised to resonate with a wide range of audiences, driving demand for overnight visitation to assessed lodging businesses; and
- Fostering strong partnerships with essential marketing groups, including but not limited to:
 - DVC College
 - Live Nation – Toyota Pavilion @Concord
 - NBC
 - JSX Airlines
 - San Francisco Travel Association
 - Visit California
 - Mt Diablo DMO Alliance

To accomplish the programs highlighted above, the following budget categories outlined in the Plan will continue into fiscal year 2023/24:

Sales, Marketing & Communications

A sales, marketing and communications program will continue to promote assessed businesses as tourist, meeting, and event destinations. The sales, marketing and communications program will continue to have a central theme of promoting Pleasant Hill as a desirable place for overnight visits. The program will continue to have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses, including public relations, online and social media campaigns, updating and maintaining website, print, television, digital and radio advertising;
- Attendance of trade shows, professional industry conferences and affiliation events to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Development of a strategic plan to benefit assessed businesses, including branding and destination management;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Comprehensive and integrated way finding signage systems, including signage to parking lots and decks, designed to create a visitor experience that will bring repeat visits to assessed businesses;
- Transportation programs connecting assessed businesses and local music venues, sports venues, and other attractions, to increase overnight visitation and room sales at assessed businesses;
- Art and cultural projects to attract overnight visitors to assessed businesses;
- Local destination marketing programs designed to drive overnight visitation and room sales to assessed businesses;
- Destination product development programs and improvements designed to drive overnight visitation and room sales to assessed businesses; and
- Sports and outdoor recreation marketing programs designed to drive overnight visitation and room sales to assessed businesses.

Administration and Operations

The administration and operations portion of the budget shall continue to be utilized for administrative staffing costs, office costs, advocacy, and other general administrative costs such as insurance, legal, and accounting fees.

Contingency/Reserve

The budget shall continue to include a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may continue to be held in a reserve fund or utilized for other program, administration, or renewal costs at the discretion of SPH. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall continue to be set by the SPH Board. Contingency/reserve funds may continue to be spent on PHTID programs or administrative and renewal costs in such proportions as determined by the SPH Board. The reserve fund may continue to be used for the costs of renewing the PHTID.

City Collection Fee

The City shall continue to retain a fee equal to two percent (2%) of the amount of assessment collected, to cover its costs of collection and administration.

Cost

FY 2023/2024 Projections

The cost of providing improvements and activities for FY 2023/24 is consistent with the Plan. The total estimated assessment budget has increased from 2022/23 as a result of improved business conditions. The anticipated total budget for FY 2023/24 is \$731,300 in anticipated collections and \$0.00 in estimated carry over from the previous year, for a total budget of \$731,300. The categorical breakdown is below. All budget category allocations are within the authorized fifteen percent (15%) adjustment of the total budget from the prior year.

Category	FY 2023/24 Estimated Assessment Revenue	FY 2023/24 Estimated Expenditures	% of Assessment Budget
Sales, Marketing & Communications	\$548,475	\$548,475	75%
Administration & Operations	\$131,634	\$131,634	18%
Contingency & Reserve	\$36,565	\$36,565	5%
City Fee	\$14,626	\$14,626	2%
Totals	\$731,300	\$731,300	100%

Note: the table above reflects assessment revenue only and does not include the surplus carried over from the previous PHTID Owner's Association term that ended on March 31, 2022. The surplus balance is \$478,887 for FY 2023/24 and is explained in more detail on Page 12.

FY 2022/2023 Actuals

Pursuant to the PHTID Plan, below is an overview of the projected revenue versus actual expenditures for FY 2022/23. Actual collections were \$621,883, less than the \$710,000 projection. The difference of \$88,117 was funded by the surplus carried over from the previous Owner’s Association, as explained on Page 12.

Category	FY 2022/23 Estimated Assessment Revenue		FY 2022/23 Actual Assessment Expenditures (accrual basis)
	%	\$	\$ Spent
Sales, Marketing & Communications	75%	\$532,500	\$535,950
Administration & Operations	18%	\$127,800	\$163,052
Contingency & Reserve	5%	\$35,500	\$0
City Fee	2%	\$14,200	\$10,350
Totals	100%	\$710,000	\$709,352

Assessment

For fiscal year 2023/24, the assessment rate for the Pleasant Hill Tourism Improvement District will continue to be 3%.

Assessment

The initial annual assessment rate is three percent (3%) of gross short-term room rental revenue for lodging businesses. Based on the benefit received, assessments will not be collected on: stays of more than twenty-nine (29) consecutive days; a person as to whom, or an occupancy as to which, it is beyond the power of the city to impose the tax; and by any state officer or employee of the federal government or a foreign government who is exempt by reason of express provision of federal law or international treaty.

In years 2024 through 2026, the assessment may be subject to an increase during the five (5) year term. At the discretion of the Stay Pleasant Hill Board, the assessment rate may be increased to a maximum rate of five percent (5%) of gross short-term room rental revenue for assessed lodging businesses. However, the increase in any year shall not exceed one percent (1%) of gross short-term room rental revenue. The assessment rate may also be decreased by the Stay Pleasant Hill Board by up to a maximum of one percent (1%) per year but shall not drop below the initial three percent (3%) of gross short-term room rental revenue. Any increase or decrease authorized by the Stay Pleasant Hill Board shall be included in the Annual Report described in Section V of the Management District Plan.

The term “gross room rental revenue” as used herein means the consideration charged, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, services, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

Time and Manner for Collecting Assessments

The PHTID assessment was implemented beginning April 1, 2022 or as soon as possible thereafter, and will end five (5) years from its start date. The City will continue to be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties, and interest) from each lodging business. The City shall continue to take all reasonable efforts to collect the assessments from each lodging business. The City shall continue to forward the assessments collected, less the two percent (2%) collection fee, to the Owners’ Association.

Delinquencies

The PHTID shall reimburse the City for any costs and fees (including, but not limited to, both City staff time as reasonably calculated by the City, as well as any attorney's fees) associated with collecting unpaid assessments. If sums in excess of the delinquent PHTID assessment are sought to be recovered in the same collection action by the City, the PHTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. Original Delinquency: Any lodging business which fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. Continued Delinquency: Any lodging business which fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. Fraud: If the City determines in its sole reasonable discretion that the nonpayment of any remittance due under this section is due to fraud and/or intent to mislead the City, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties stated in subsections 1 and 2 of this section.
4. Interest: In addition to the penalties imposed, any lodging business which fails to remit any assessment imposed shall pay interest at the rate of one-half of one percent (0.5%) per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. Penalties Merged with Assessment: Every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the assessment required to be paid under this section.

Surplus and Other Funding

Surplus

The surplus carried over from FY 2022/23 assessment revenue is \$0. Separate from the annual assessment revenue, a surplus balance of \$567,004 was carried over from the previous PHTID Owner's Association term that ended on March 31, 2022. Of this amount, \$77,822 was spent in 2022/23, leaving a balance of \$478,887 for FY 2023/24. This surplus will be used in FY 2023/24 and in future years for one-time expenses, such as marketing campaigns, partnerships and sponsorships of local events, and trade shows. Currently, Stay Pleasant Hill is budgeting \$1,161,795 for both on-going and one-time expenses for 2023/24, which leaves a total balance of \$48,392 to carry forward for 2024/25.

Other Funding

There are no anticipated contributions to be made from other sources.

Stay Pleasant Hill
FY23 Budget vs. Actuals (Accrual Basis)
 April 2022 - March 2023

	TOTAL			
	Actual	Budget	over Budget	% of Budget
Income				
5100 Program Sales & Fees				
5110 Hotel Assessment	621,828.09	710,000.00	(88,171.91)	87.58%
Total 5100 Program Sales & Fees	621,828.09	710,000.00	(88,171.91)	87.58%
5300 Revenue From Investments				
5310 Interest Income	55.25	-	55.25	
Total 5300 Revenue From Investments	55.25	-	55.25	
Carryover (for budget only)	-	500,000.00	(500,000.00)	0.00%
Total Income	621,883.34	1,210,000.00	(588,116.66)	51.40%
Expenses				
7200 Salaries & Related Expenses				
7210 Salaries & Wages	306,331.28	377,950.00	(71,618.72)	81.05%
7220 401k/403b Contributions	-	5,000.00	(5,000.00)	0.00%
7230 Employee Benefits	18,049.51	9,751.00	8,298.51	185.10%
7240 Payroll Taxes	24,856.65	-	24,856.65	
7250 Payroll Service Fees	4,635.18	-	4,635.18	
7290 Workers Comp	1,530.84	1,450.00	80.84	105.58%
Total 7200 Salaries & Related Expenses	355,403.46	394,151.00	(38,747.54)	90.17%
7500 Contract Service Expenses				
7510 Contractors - General	400.00	-	400.00	
7520 Accounting	15,587.00	30,240.00	(14,653.00)	51.54%
7530 Attorney & Legal	46,270.00	7,500.00	38,770.00	616.93%
7540 IT Consultant	-	15,000.00	(15,000.00)	0.00%
7550 Social Media Consultant	36,250.00	48,000.00	(11,750.00)	75.52%
7560 Marketing Agency	30,000.00	92,000.00	(62,000.00)	32.61%
7561 Creative Agency	15,560.00	25,000.00	(9,440.00)	62.24%
7562 PR Agency	-	20,000.00	(20,000.00)	0.00%
7563 Bandwagon - Activation Agency	-	30,000.00	(30,000.00)	0.00%
7570 Internships	-	12,000.00	(12,000.00)	0.00%
7580 Photographer	-	4,000.00	(4,000.00)	0.00%
7585 Videographer	-	2,500.00	(2,500.00)	0.00%
7590 Freelance Designer	-	3,000.00	(3,000.00)	0.00%
Total 7500 Contract Service Expenses	144,067.00	289,240.00	(145,173.00)	49.81%
8100 Non-personnel Expenses				
8110 Supplies	11,161.88	22,450.00	(11,288.12)	49.72%
8115 Food & Refreshments	187.09	-	187.09	
8120 Telephone & Internet	3,921.81	-	3,921.81	
8130 Postage & Shipping	906.27	11,500.00	(10,593.73)	7.88%

8150 Software & Hardware < \$X,XXX	1,486.21	2,000.00	(513.79)	74.31%
8160 Printing & Copying	957.46	16,000.00	(15,042.54)	5.98%
8170 Subscriptions & Website	2,736.62	11,000.00	(8,263.38)	24.88%
Total 8100 Non-personnel Expenses	21,357.34	62,950.00	(41,592.66)	33.93%
8200 Facility Expenses				
8210 Office & Storage Rent	7,428.00	-	7,428.00	
Total 8200 Facility Expenses	7,428.00	-	7,428.00	
8300 Travel & Conference Expenses				
8310 Transportation	9,411.74	-	9,411.74	
8320 Airfare	6,863.17	-	6,863.17	
8330 Meals	3,472.40	-	3,472.40	
8340 Hotels & Lodging	11,787.40	-	11,787.40	
8350 Conference Registration Fees	13,226.24	40,000.00	(26,773.76)	33.07%
8355 Trade Show Attendance	8,222.04	-	8,222.04	
8360 Incentives (Groups + Meetings)	427.80	4,000.00	(3,572.20)	10.70%
8370 Client Entertainment	1,094.96	10,000.00	(8,905.04)	10.95%
Total 8300 Travel & Conference Expenses	54,505.75	94,000.00	(39,494.25)	57.98%
8400 Other Program Specific Expenses				
8410 City Fee	-	14,200.00	(14,200.00)	0.00%
8420 Co Campaigns	5,000.00	25,000.00	(20,000.00)	20.00%
8421 SPH Advertising	-	25,000.00	(25,000.00)	0.00%
8422 Digital Marketing Activations	56,990.00	60,000.00	(3,010.00)	94.98%
8423 Social Media Campaigns	9,132.87	16,000.00	(6,867.13)	57.08%
8430 Marketing Contingency	-	30,000.00	(30,000.00)	0.00%
8440 Memberships	22,218.59	46,970.00	(24,751.41)	47.30%
8460 Merchandise	-	20,000.00	(20,000.00)	0.00%
8470 Partnerships	-	30,000.00	(30,000.00)	0.00%
8480 Community Sponsorships	8,160.28	10,000.00	(1,839.72)	81.60%
8490 Trade Fam Trips	1,427.67	8,000.00	(6,572.33)	17.85%
Total 8400 Other Program Specific Expenses	102,929.41	285,170.00	(182,240.59)	36.09%
8500 Other Expenses				
8510 Interest Expense	36.55	-	36.55	
8520 Insurance - Non-employee Related	1,146.35	23,310.00	(22,163.65)	4.92%
8530 Membership Dues - Organization	5,000.00	-	5,000.00	
8540 Staff Training and Development	990.00	8,000.00	(7,010.00)	12.38%
8545 Board Training and Development	16,697.63	30,000.00	(13,302.37)	55.66%
8550 Bank Fees	160.00	-	160.00	
8590 Other Expense	(369.58)	-	(369.58)	
Total 8500 Other Expenses	23,660.95	61,310.00	(37,649.05)	38.59%
Total Expenses	709,351.91	1,186,821.00	(477,469.09)	59.77%
Net Income	(87,468.57)	23,179.00	(110,647.57)	-377.36%

APPENDIX II – Assessed Businesses

Business Name	Street Address	City
EXTENDED STAY AMERICA	3220 BUSKIRK AVE	PLEASANT HILL, CA 94523
HOMEWOOD SUITES BY HILTON	650 ELLINWOOD WAY	PLEASANT HILL, CA 94523
HYATT HOUSE	2611 CONTRA COSTA BLVD	PLEASANT HILL, CA 94523
SONESTA SELECT	2250 CONTRA COSTA BLVD	PLEASANT HILL, CA 94523
PLEASANT HILL INN	1432 CONTRA COSTA BLVD	PLEASANT HILL, CA 94523
RESIDENCE INN BY MARRIOTT	700 ELLINWOOD WY	PLEASANT HILL, CA 94523
SUN VALLEY INN	2045 CONTRA COSTA BLVD.	PLEASANT HILL, CA 94523