

Visit Morgan Hill

DESTINATION STRATEGIC PLAN

VISIT
MORGAN HILL

August 2020

Visit Morgan Hill

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EXECUTIVE SUMMARY

INTRODUCTION

As the official destination marketing organization (DMO) for the City of Morgan Hill, Visit Morgan Hill (VMH) works to increase overnight visitation to its assessed lodging establishments. VMH launched a destination strategic plan effort to build a framework through which the organization can successfully develop, market, and sell what the community has to offer to increase overnight visitation.

PURPOSE

The Destination Strategic Plan (DSP) is meant to channel the enthusiasm and momentum stakeholders have for the community into a roadmap to guide Visit Morgan Hill’s strategy over the next 3 years and beyond. To ensure VMH stays on target, clear mission and vision statements were created:

Mission statement

Position Morgan Hill as a vibrant leisure, sports, and event destination and be the catalyst for local tourism benefit through overnight hotel stays

Vision statement

Recognition of Morgan Hill as a dynamic destination and a thriving local tourism economy

These guiding statements reinforce VMH’s purpose as the DMO for Morgan Hill and are representative of the key priorities and focus areas that are contained in this Destination Strategic Plan (DSP). It is recommended that these statements be revisited and reevaluated in fiscal year 2023.

BACKGROUND & MARKET STUDIES

The DSP leveraged two areas of study to provide the foundational research for VMH’s priorities, goals, recommendations, and tactical approaches.

The DSP Background Study reviewed VMH’s Organizational Purpose, Situation Analysis, Destination Marketing Trends, Baseline Tourism Information, and reviewed a set of Comparative Destinations.

The DSP Market Study conducted Stakeholder Engagement, a Destination Asset Review & Analysis and Identified VMH’s destination Positioning & Opportunity Markets and Product Gaps & Opportunities.

The outcomes of these studies identified that Morgan Hill’s assets are currently positioned as connected attractions but are not currently driving new overnight visitors on their own. The outcomes also identified Morgan Hill’s positions, product gaps, and opportunity markets to grow tourism. These findings informed strategic priorities, developed to give focus and tactically move VMH forward over the next three fiscal years. **For the wellbeing and longevity of VMH, this plan, supported by the foundation and formation of**

the MHTBID's District Management Plan, will guide the core focus of benefit to assessed district hotels for years to come.

DESTINATION STRATEGIC PLAN PRIORITIES

The DSP process determined four main priorities, or areas of focus, around which VMH will apply specific actions in order to drive overnight hotel stays. These priorities are those elements that surfaced to the top as a focus of this Plan. However, it is important to note that these priorities are part of a broader functional plan for VMH and are not representative of all the areas of focus detailed in the plan. Each priority and its respective recommendations are based on the best use of the destination's assets and organizational resources. These top priorities are highlighted here as strategic features with recommendations for the short and long-term, and additional focus areas are detailed throughout the plan.

1. Competitive Sports Tournaments

The Attractor Scale analysis determined that competitive sports tournaments are an area that could drive the highest return in the short-term based on existing facilities. As a business development opportunity for VMH, maximizing the relationship and partnership with the Outdoor Sports Complex and Aquatic Center and sports event decision makers will be needed to pursue group sports tournaments and win bids.

2. Events & Festivals

The Attractor Scale analysis identified several strong local events and festivals that are positioned today for the local community. Morgan Hill also has numerous outdoor event venues to support large and small special events. The DSP identifies an opportunity to support enhancements to existing events that would successfully attract new visitors to Morgan Hill. New special event opportunities that demonstrate a good fit from a facility, lodging, and community standpoint should be pursued. An Event Matrix with specific criteria is recommended, and included in this DSP, to support VMH in determining event organizers to proactively work with to grow Morgan Hill's profile with visitor audiences. Additional event types i.e. weddings and social events are part of the business development opportunities for VMH to support and pursue in separate and in addition to the destination-style events and festivals. Business development is detailed in the plan to include a sales focus for group events including sports, weddings and small corporate meetings.

3. Leisure Marketing

The Attractor Scale identified several assets that support leisure visitation including dining, wineries, outdoor experiences, downtown, and cycling. These position Morgan Hill for growth with individual leisure visitor audiences over time. and will need to be highly focused on audience interest in these themed areas. The Leisure Marketing priority encompasses those elements of Morgan Hill that are primed for visitors today and in the near future. This includes recreational

activities that will be built into annual campaigns for marketing messaging around weekend stays, family getaways and regional “stay-cations” that involve Morgan Hill’s wineries, dining experiences, outdoor recreation and more.

4. Product Development

Most of Morgan Hill’s current assets are not driving new visitors into hotel rooms, as confirmed by stakeholder engagement and the Attractor Scale analysis. In addition to driving awareness, existing assets will need continued resource support, investment, and partnership to become visitor demand drivers. Additionally, investment in new tourism product should be encouraged and solicited. VMH will work with partners i.e. City, developers, etc. to identify opportunities and provide data to support strategic developments to improve the industry’s offerings in Morgan Hill. The DSP identifies product gaps and opportunities which includes both enhancements to *existing* assets i.e. Outdoor Sports Complex improvements, and *new* product opportunities i.e. new hotel options, unique attractions, and group meeting space options. These items would make Morgan Hill more attractive to visitors in the future and add to the destination’s attractors.

While priority areas one and two (Competitive Sports Tournaments and Events & Festivals) are challenged due to COVID-19 restrictions on large-scale gatherings at the time this report was written, Morgan Hill’s leisure assets can be marketed and introduced to a target audience regionally while travelers are looking for new experiences.

These priorities are addressed in more detail throughout the DSP with recommendations and action items in the Tactical Approaches section. The DSP advises that these priorities remain in focus through continual reporting to the VMH Board of Directors.

OVERVIEW OF STRATEGIC GOALS

The DSP addresses the Priorities above within broader Strategic Goal areas, providing organizational direction and core recommendations. The Strategic Goal areas position VMH to successfully manage resources to achieve its priorities. Some of the Strategic Goals are more administrative and operationally focused while others address the visitor-facing role that VMH will play. This will achieve a needed balance to move the organization and destination forward.

1. Develop Organizational Role & Identity

VMH will simultaneously establish 1) brand identity and awareness for visitors through direct marketing efforts to target audiences and 2) local and regional partnerships to support its mission and extend reach and leverage for Morgan Hill’s tourism development over the short and long term.

2. Develop Awareness with Target Markets

VMH will need to create and share engaging, informative, on-brand leisure-focused content in alignment with the identified Assets, Positions, and Opportunity Markets to establish a presence on web, email, social media, earned and paid media. Targeted content will provide an approach

to develop awareness with markets directly aligned with Morgan Hill's destination offerings and converting new overnight stays. The Leisure Marketing priority will be part of this Strategic Goal.

3. Identify Business Development Opportunities for Strategic Markets

VMH to create a targeted annual business development plan for strategic group markets that have a high propensity overnight opportunity and match Morgan Hill's facilities and destination assets. The plan will include generating and distributing sport tournament, special event, and small teambuilding/meeting leads through active sales efforts and supporting marketing materials and be continually assessed for return on resources. The Competitive Sports Tournaments priority will be part of this Strategic Goal.

4. Product Development Support

For long-term destination development, VMH will advocate and partner across the local tourism business community, non-profit organizations, and municipal entities to identify and foster new and enhanced overnight visitor products and experiences such as facilities hotels, transportation, events, and infrastructure. VMH is not able to unilaterally create product; however, it can creatively support and facilitate connections for development opportunities resulting in overnight stays and tourism industry growth for Morgan Hill. VMH will develop ongoing relationships with local community to foster improved visitor experiences and marketing opportunities within the top destination assets and supporting tourism infrastructure. Product development will include both leisure and group market development opportunities.

5. Formalize Business & Administrative Operations

As a business organization, Visit Morgan Hill must establish all internal operational and administrative controls needed to conduct foundational business. VMH will need to invest time to create and finalize systems and policies to manage and execute administrative tasks for organizational business functions and processes for marketing and reporting on recurring basis (monthly, quarterly, annually). These internal controls and practices will enable the organization to function successfully and carry out the mission.

TACTICAL PLAN OVERVIEW

VMH's Tactical Approaches take the DSP's Strategic Goals and Priorities further with recommendations and action steps for implementation, laying the foundation for annual Marketing & Business Plans. The Tactical Plan is organized into four disciplines for execution: Operations, Partnership, Marketing Communications, and Business Development. Each of the DSP identified Strategic Goals and Priorities fit within one or more of these areas. Annual marketing and business work plans allow ongoing assessment of and flexibility to adjust within strategy for greater effectiveness.

To implement action items and effectively make progress with the Strategic Priorities, VMH must allocate time and resources appropriately. It is recommended that the resource allocation be as follows:

- Administration/Operations – 15%
- Product Development & Partnership – 20%
- Business Development – 30%
- Marketing & Communications – 35%

The recommended breakdown will achieve the balance of moving the destination and the organization forward. As stated above, the identified priorities as well as the Strategic Goals involve more than just marketing and content development. The DSP recommends this resource deployment to ensure these items continue to be a focus.

DSP CONCLUSION

VMH is poised for success with these priority areas of focus, Strategic Goals and Tactical Plan recommendations. While this plan is intended to be a three-year guiding roadmap, there is potential to extend the shelf-life of the strategic plan's initiatives especially considering the implications of COVID-19 on timing for execution and realizing success. Setting expectation through an annual business plan utilizing the DSP as the foundation will be critical to implementation on an annual basis. In line with the recommended mission and vision, VMH will need to move the organization forward in parallel with the destination development and long-term vision for success in Morgan Hill.

BACKGROUND STUDY

ORGANIZATIONAL PURPOSE

Led by the lodging establishments and supported by the City of Morgan Hill (City), the Morgan Hill Tourism Business Improvement District (MHTBID) was formed on January 1st, 2019, as an assessment district designed to provide specific benefits to assessed hotels through funding tourism marketing, sales promotion, and sports facility marketing. The current assessment duration is 5 years. Pursuant to Streets and Highways Code §36670, Visit Morgan Hill (VMH) serves as the MHTBID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs. Visit Morgan Hill is a nonprofit 501(c)6 and stands independently from any other local organization. Visit Morgan Hill's District Management Plan designates that funds must be used for marketing programs to promote the assessed businesses as a tourist, sport, and event destination and have the goal of increasing overnight visitation and room night sales. VMH's Mission Statement is: Visit Morgan Hill promotes Morgan Hill as a tourism destination which has numerous amenities for visitors to enjoy. A recommended updated Mission Statement and addition of a Vision Statement is included in the Strategic Goals & Recommendations section of this report to provide clarity and longer-term vision for the organization.

VMH services are designed to provide targeted benefits directly and only to assessed businesses paying the MHTBID. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the MHTBID.

Visit Morgan Hill is governed by a nine-person Board of Directors and employs an Executive Director, operating within the District Management Plan and By-laws. The district management plan outlines services the TBID funds must be allocated towards. This allocation is roughly 75% Marketing & Sales, 11% Sports Marketing and Development, and 15% Administrative (4% is for collection related administrative fees and reserve).

The TBID funds, assessed at 1.5% of gross hotel room rate, is the sole funding source for Visit Morgan Hill. The goal to increase overnight visitation and grow the visitor economy in Morgan Hill will add incremental economic benefit to the City through patronizing local business and generating tax revenue. The MHTBID is a separate assessment from the Transient Occupancy Tax (TOT). TOT is collected and kept by the City of Morgan Hill, along with property and sales taxes, to support public services through its general fund.

SITUATION ANALYSIS

This section describes the current conditions for Visit Morgan Hill to consider within its development of this destination strategic plan.

- New organization in startup mode
- First ever comprehensive tourism effort
- Current available lodging trends
- Tourism economy recovery

New organization “Start Up”

As the TBID was formally established in January 2019, VMH is a new organization making its first comprehensive destination marketing effort to establish Morgan Hill as a visitor destination. The Board of Directors recognized the value of this fresh start and decided to engage in a Destination Strategic Plan effort. To execute destination marketing programming, Visit Morgan Hill must focus on establishing key organizational needs and strategy to develop and implement the efforts outlined in the District Management Plan. Initial operational and partnership elements are crucial to the successful deployment of destination marketing and sales activities. Staff resources must be considered when weighing anticipated return on investment and programming. Creating basic infrastructure for data, processes, and policies will be key to getting the organization into a position to execute successful marketing tactics. Administrative and operational functions like human resources, accounting, insurance, and systems administration are necessary for the sound operation of the organization. While operations are an expected element of any organization, initial years for VMH may require more attention and development in these areas than a long-established organization might exert.

First ever comprehensive tourism effort

Morgan Hill offers a valuable tourism proposition, which has been untapped and not comprehensively marketed until this point. Lack of awareness and the need to establish consistent messaging for Morgan Hill as a visitor destination is inherent to the TBID formation. The development of the strategic plan confirms the community’s interest and enthusiasm in tourism as an economic driver for the City. While Morgan Hill offers great experiences for visitors, messaging and content needs to be continually created and vehicles for distribution established. Morgan Hill is entering a competitive destination marketing landscape in California, with similar assets to many other destinations that have been marketing to visitors for far longer. While this is an exciting start for Morgan Hill, it is important to recognize this starting point and that establishing the owned content and channels necessary for visitor awareness will take time to develop from the ground up. As a true start up, Visit Morgan Hill must establish basic marketing and “sales” processes, infrastructure, brand, and communication channels.

Current available lodging trends

As a recently formed organization, Visit Morgan Hill has yet to establish a consistent source of visitor lodging data. However, information has been gathered from lodging stakeholders and City partners. Anecdotes suggest that corporate business travel has been the predominant overnight stay type, with as much as 70-90% at some properties. Most of the stays are business travel “overflow” or “compression” driven, from San Jose and greater Silicon Valley area. Peak occupancy and rates in Morgan Hill hotels generally occur Monday through Thursday, with prices ranging seasonally. With new lodging inventory (more hotel rooms) opening in San Jose recently, Morgan Hill has experienced softening of this overflow corporate travel business. Morgan Hill hotels have also noted construction, healthcare, and trucking overnights, as well as some extended stay hotel use. The small makeup of leisure visitors appears to be from the San Francisco Bay Area, Sacramento, Stockton, and Fresno. Leisure markets visit on weekends for leisure social events, such as weddings or festivals, and sporting events. Based on feedback from stakeholders, the sports tournament business volume peaked 3-5 years ago. As reflected globally, the

COVID-19 pandemic and shelter in place orders halted non-essential travel for nearly four months and caused a tremendous decline in hotel occupancy beginning late February 2020.

COVID-19 Tourism economy recovery

Due to the unprecedented effect the Coronavirus pandemic has had on the economy and tourism, destination marketing organizations funded through lodging assessments are experiencing budget decreases. With the uncertainty of the virus and the longevity of its impact, Visit Morgan Hill must plan to remain adaptable and strategy focused, as recurring public health and economic hinderances may be at play for an indeterminate amount of time. Even with lifted shelter in place orders, travel will likely recover slowly. Consumer sentiment shows extended hesitancy to travel and corporations are slow to bring back business travel. This, coupled with significantly reduced budget, means that VMH destination marketing programs and messaging must be carefully thought out and within a minimal expense and staff framework. Visit Morgan Hill is in the unique position of a clean slate for tourism promotion, as many established DMOs have had to slash staff and abort marketing and sales programs. In developing strategy, Visit Morgan Hill must consider the unprecedented impact of COVID-19 and set parameters for fiscally scalable, deliberate “must-have” initiatives as opposed to “nice to haves” or redundancies.

DESTINATION MARKETING TRENDS

This section describes the most relevant and current trends in the tourism and destination marketing industry that similar organizations across the country, and world, are experiencing. Visit Morgan Hill will stay current on trends and determine how to engage on items that benefit the organization and the destination.

- Health & Safety
- Road Trips & Regional Travel
- Regional Partnership Approach
- Destination Management & Responsible Travel

Health & Safety

The ability to communicate effectively to visitors and stakeholders about the destination operation during a time of crisis is of importance. Due to the COVID-19 pandemic, travelers are, and will be, more concerned with health and safety than ever before. Cleanliness, cleaning protocol, distancing, face coverings, and other health measures will need to be part of travel experience and visitors will want to know what businesses are doing to keep them safe. As such, health and safety are becoming part of the messaging coming out of DMOs, in the form of information sharing and even “pledges”. Consistent implementation at the business level (hotels, restaurants, wineries, retail stores, venues, facilities, and more) is critical to this messaging. Furthermore, DMOs have been playing an increasing role in crisis response and should consider a crisis communication plan in the event of natural disasters, wildfires, power outages, and other civic and social crises.

Road Trips & Regional Travel

With the COVID-19 pandemic and shelter orders keeping people at home, some pent-up demand for travel is expected. However, traveler sentiment information from Longwoods International, a globally recognized tourism industry research firm, indicates that leisure visitors are willing to travel locally and regionally by car, rather than by plane, in the immediate aftermath of COVID-19. The shortening of the visitor travel distance, a preference for personal auto over flying, and use of alternate types of accommodations are considerations for destination marketers. DMOs that were targeting global visitor audiences are now refocusing efforts on in-state and regional marketing, such as Visit California, the state's destination marketing organization. The drive market (radius of a day's drive), multi-stop road trips, and "staycations" are important for Visit Morgan Hill to consider in marketing messaging as visitors plan to stay closer to home but still wish to experience travel after months of sheltering in place.

Regional Partnership Approach

Across the country, destination marketing organizations look to cooperative partnerships with other destinations across their jurisdiction's lines. This allows them to leverage and complement each other's assets and marketing to reach a broader audience. A regional approach is desirable not only to pool minimized funds and leverage resources, but an aligned destination message can be more effective or relevant to travelers than municipal or governmental boundaries. For example, Visit California implements annual grant funding to regions around the state expressly for tourism marketing. Aligning with neighboring destination partners does not replace the individual destination marketing but can augment a DMO's reach and exposure to incremental markets through targeted initiatives. Because of this trend, it is common for DMOs to strategically partner with other communities to maximize opportunities in sales, marketing, and communications efforts. Regional partnerships can also provide advocacy support at levels that DMOs cannot approach on their own, such as statewide industry association memberships.

Destination Management & Responsible Travel

The DMO role has evolved to be more than marketing entities. Ensuring that a destination's development maintains and manages sustainable environmental, social/cultural, and economic growth is a trend DMOs are taking a more active role in. The ability to collaborate in destination development and management is critically important and often conducted through partnership efforts with businesses, local agencies, and municipalities. Enhancing the local tourism product (or experience) provides increased visitor incentive and supports a healthy business environment, while the cooperative management at the destination level fosters smart growth appropriate for the community. DMOs, as representing hotels, accommodations, and broader tourism businesses, may have varying levels of involvement to advocate for the industry's interests on issues that impact tourism. This trend delves further into promoting responsible travel principles that can be communicated to the visitor as expectations for travel behavior, or marketed as a destination enhancement. The Visit California Responsible Travel Code is an example of this.

BASELINE TOURISM INFORMATION

The world has seen the greatest tourism and related revenue drops in modern history due to the Coronavirus shelter in place orders, with Santa Clara County's beginning in March 2020. Within its first year of existence, and less than a year of MHTBID collections, Visit Morgan Hill is benchmarking in

extremely unusual times. The District Management Plan, drafted pre-COVID-19, projected \$410,000 in annual funds for Visit Morgan Hill. Per State and County orders restricting non-essential travel, hotel occupancy and therefore TBID revenue, dropped significantly. VMH projects the original estimated annual funds could be as much as 70% down. A better-case scenario would be roughly 50% under original budget estimate, but still significant. VMH must continue to monitor the impact on revenue, industry data, trends, and research for future fiscal year projections and budgeting. Sources of lodging data include Visit California's regional data for the designated SF Bay Region, which Santa Clara County is a part of, and tourism economic impact data for state Senate and Assembly districts. While these are helpful sources, the data reflects regional figures rather than specific to the City of Morgan Hill.

MHTIB collections may indicate tourism health, however missing collections may provide inaccurate lodging conclusions. The Transient Occupancy Tax, while not distributed to Visit Morgan Hill, may provide another lodging performance estimate that may be referenced over time. TOT is imposed on guests staying 30 days or less at a hotel at the City's current rate of 11%. Fiscal Year 20-21 TOT collections are projected at \$2.5 million, and FY 21-22 at \$3.3 million. The City's 5-year forecast assumes 2% steady growth. Year over year TOT is estimated to be down 36% for 2020, per COVID-19 related downturns. Visit Morgan Hill may estimate similar decreases to the MHTBID, although the COVID-19 situation is fluid, with an undetermined end date or finite long-term economic impact prediction.

COMPARATIVE DESTINATIONS

As part of this Background Study, JLL reviewed the organizational structures and destination make up of other California DMOs and compared to Visit Morgan Hill. The comparable destinations selected to profile and study during this process are described in this section. The goal was to use a sampling of destinations that have similarities in their assets to Morgan Hill and offer insight into how other destinations of similar size and attributes function and offer points of distinction and consideration for Morgan Hill to be aware of in development of its strategy.

JLL studied the following destinations:

- Morgan Hill
- Oxnard
- Rancho Cordova
- Paso Robles

JLL researched each identified destination/DMO and gathered the following information:

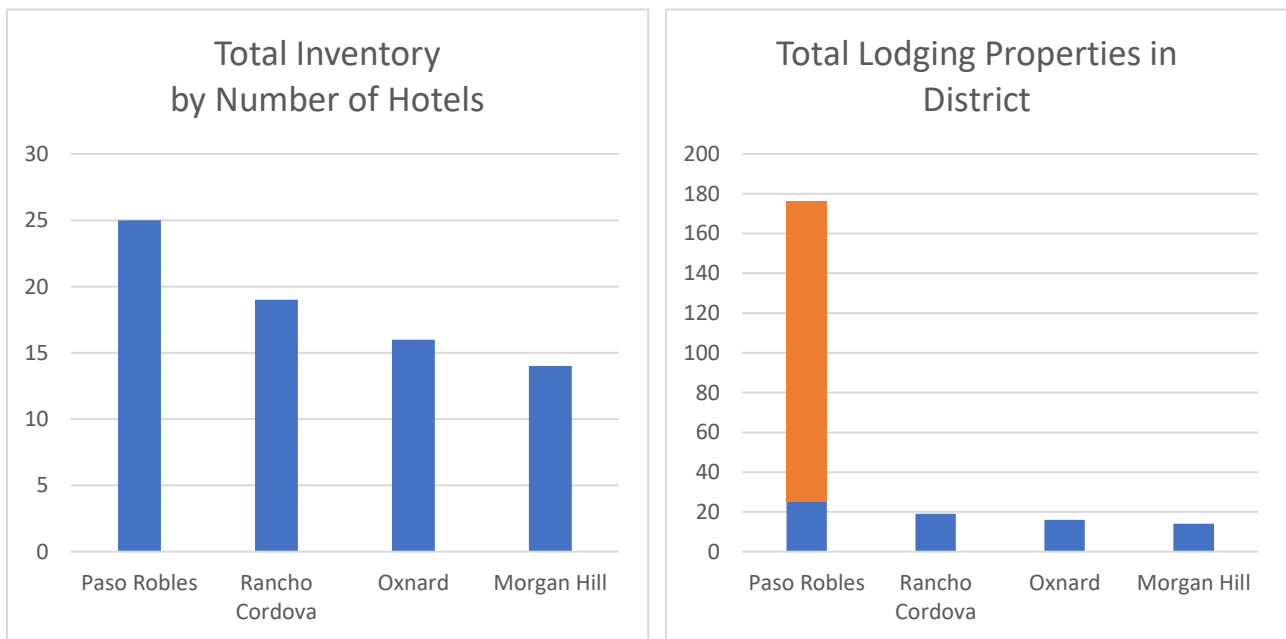
- Organizational model (TBID, TMD, Chamber, City-run, etc.)
- Destination Property Mix
- Number of hotel rooms by type
- Funding type
- Total budget
- Budget to hotel rooms ratio
- Destination assets

Smith Travel Research (STR), which is an international hotel tracking and reporting company, for the global lodging industry, was utilized to source hotel data in the comparable destination review.

JLL has created the destination profiles of each competitive destination, which can be found in the **appendix** of this report. Each of the destinations studied represent a single municipality and its respective visitor assets and amenities.

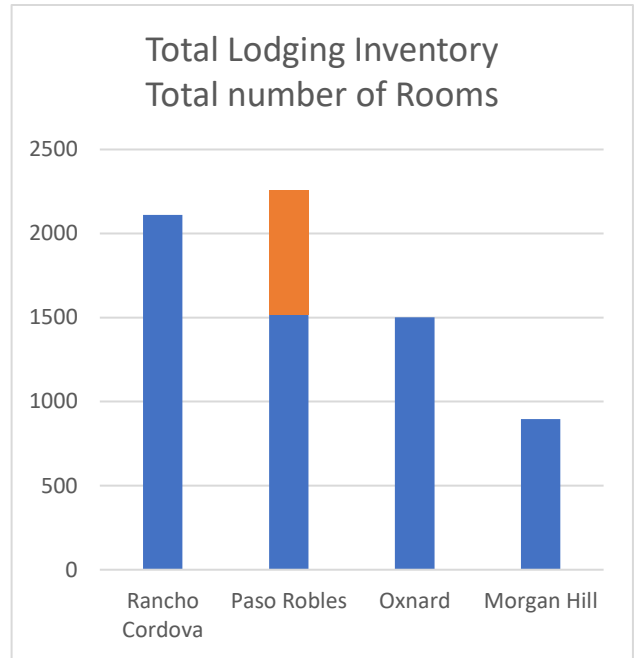
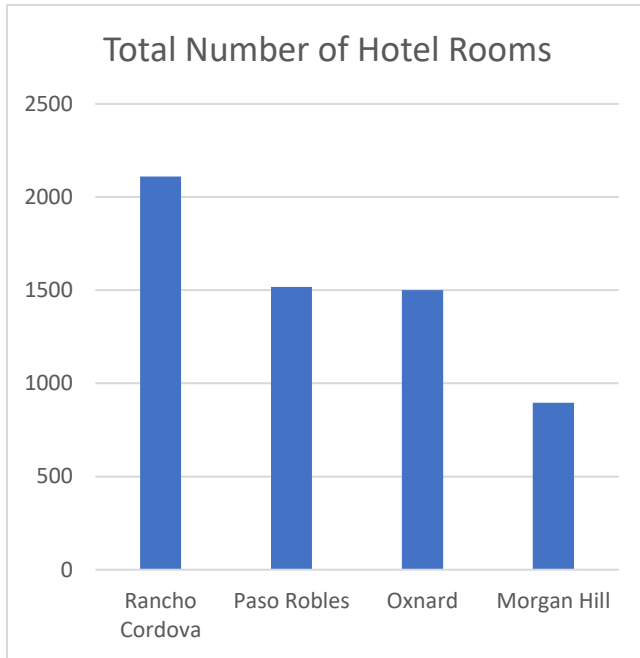
After compiling the data points above into destination profiles, JLL compared all the information gathered to VMH. Below are charted examples of how Morgan Hill as a destination, and VMH as an organization, compares to the destinations studied.

Of the comparable destinations, Morgan Hill is a smaller sized destination with 14 properties in the market contributing to the TBID. There are additional hotel properties in adjacent San Martin, however those properties do not contribute to the TBID. Comparing the hotel properties that report to Smith Travel Research (STR), which is an international hotel tracking and reporting company, Morgan Hill has the smallest hotel lodging inventory.



Above left - Comparable destinations by total number of hotels. Above right – comparison by total lodging properties (includes shared accommodation – orange).

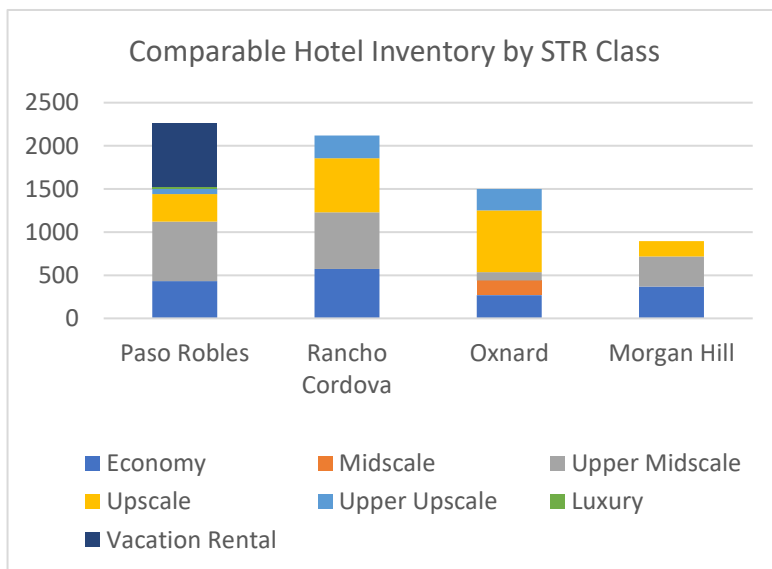
An interesting point of reference when comparing the lodging inventory, Paso Robles’ TBID includes vacation rentals. The inclusion of the vacation rentals in the TBID boundaries provides an added benefit in supporting the budget for the DMO. Paso Robles has 25 hotel properties and an additional 151 vacation rental properties participating in the TBID.



Above left - Comparable destinations by total number of hotels rooms in inventory. Above right – comparison by total lodging inventory number of rooms (includes shared accommodation – orange).

When considering number of hotel rooms in the district, Morgan Hill has the least inventory with just under 900 total hotel rooms. Paso Robles inclusion of vacation rentals in the district causes the destination to have the greatest inventory with nearly 2,500 rooms available and contributing to the district and DMO efforts.

Additionally, Morgan Hill primarily has limited and select service hotel property types. By comparison, Morgan Hill has the majority of its properties classified as Economy (41%) and Upper Midscale (39%) and only 20% in the upscale category. The comparable destinations studied have a greater percentage of the hotel lodging stock spread across different STR Classes.



Class Definitions according to STR:

Hotel classes are scaled through a method by which branded hotels are grouped based on the actual average room rates. Independent hotels are assigned a class based on the ADR, relative to that of the chain-affiliated hotels in its geographic proximity. The chain scale segments are:

- Luxury – example Ritz Carlton
- Upper Upscale – example Hilton
- Upscale – example Hyatt Place
- Upper Midscale – example Clarion
- Midscale – example La Quinta
- Economy – example Days Inn

This indicates that the current inventory is geared toward business travel and overflow travel from neighboring San Jose and Silicon Valley. This notion of Morgan Hill’s hotel inventory being primarily tied to business travelers was supported in stakeholder conversations with hoteliers. The current situation is reflective of the city’s hotel inventory.

The organizations that represent the destinations studied (Visit Oxnard, Travel Paso Robles, Visit Rancho Cordova, and Visit Morgan Hill) are the marketing and sales engines for their respective destinations. Each organization and the districts they represent are governed by boards of directors which oversee the DMO leadership and action. VMH is the smallest of the comparable DMOs.

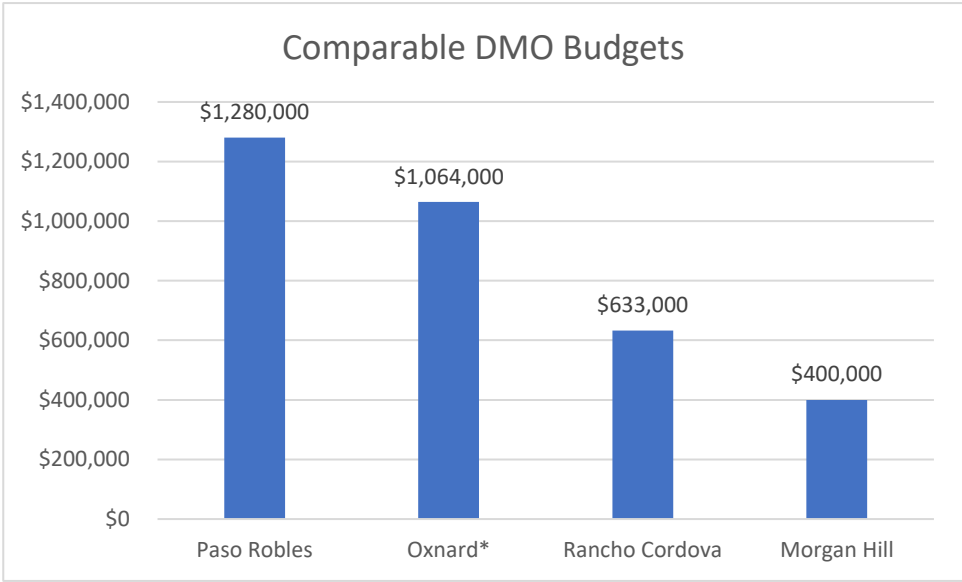
Destination Organization	Board Size	Staff Size
Visit Oxnard	17	4
Travel Paso Robles	9	3
Visit Rancho Cordova	7	3
Visit Morgan Hill	9	1

Budgets and funding are critical components for Destination Marketing Organizations (DMOs) to make an impactful difference in marketing the destination. While the size and scale of the operation and destination all vary and impact the budget number, JLL decided to look at the budgets side by side as well as use the room inventory to normalize the budgets for the size of the destination. It is important to note that the budget comparison below considers budgets based on funding levels prior to the COVID-19 outbreak.

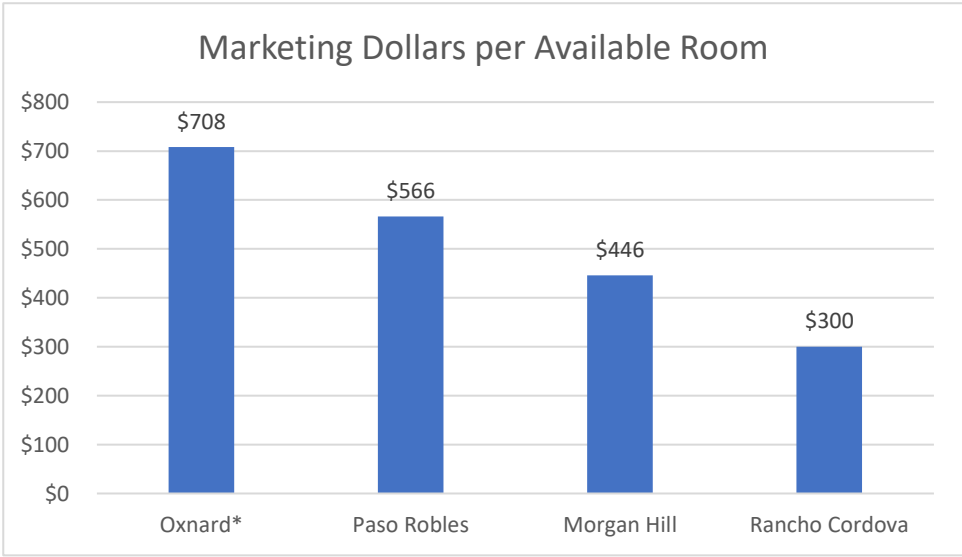
All of the destinations studied are funded through an assessed district similar to the VMH’s funding method of the Tourism Improvement District. The assessment levied is similar across all four destinations with Rancho Cordova being the only district with a \$1.50/occupied room while all the others are between 1.5%-2.0% of occupied room rate.

Based on total budget size, VMH has the smallest budget within the comparable destinations. Oxnard’s budget is estimated based on data gathered. Additionally, Oxnard is the only destination studied whose funding source is a combination of both assessment district and municipality (City), which contributes general fund revenue annually and makes up roughly 30% of the estimated budget. It is important to note, JLL budget data was pulled to compare pre-COVID-19 budgets. The budgets represented below do not reflect impacts from COVID-19.

Additionally, as mentioned above, Paso Robles district includes vacation rentals which make up 85% of the total inventory and contribute revenue to the DMO’s funding in addition to the 25 hotel properties.



When compared based on the DMO budget representing the hotel inventory, VMH’s budget per hotel room is the second lowest at \$446 per hotel room. Oxnard has the highest at \$708, however, without the City’s contribution to the DMO the budget per room would be \$475. This chart illustrates how significant the district funds and budget are as an engine behind marketing the destination’s inventory.



Looking beyond the districts and organizations, the destinations offer similar assets and amenities while offering points of distinction. From a leisure perspective, Oxnard leads with the beach as the primary

demand generator and builds off the beach persona with the Channel Islands National Park and the harbor. Oxnard also leverages dining and architecture, and a sports center to draw visitors. Paso Robles and Rancho Cordova lead with wine and an outdoors experience. Paso Robles leans into the down-to-earth ranch-like experience and a unique attraction named Sensorio Field of lights, while Rancho Cordova positions itself as an active destination for outdoor activities and sports tournaments.

From a group event perspective, Paso Robles is the only destination in the comp set with a dedicated event center with a capacity for 2,300+ people attendees. The Paso Robles event center is mostly exhibition space on the fairgrounds and is not a true conference or banquet center. Rancho Cordova has multiple privately-owned banquet facilities. Each of the destinations studied promote their hotels with meeting and event space for groups as part of their overall strategy.

As noted above, all comparable destinations have a profile in the appendix.

MARKET STUDY

ABOUT

This Market Study section reports the outcomes of the Stakeholder Engagement and Asset Overview & Analysis portions of the strategic planning process. A thorough inventory and assessment of Morgan Hill's tourism assets was conducted to develop a foundational understanding of what the community has to offer from a visitor perspective. An Attractor Analysis further informs of each asset's propensity to draw overnight visitors. This research creates a platform for developing overnight tourism strategy and informs Morgan Hill's destination Positions & Opportunity Markets, and Product Gaps & Opportunities.

STAKEHOLDER ENGAGEMENT

Morgan Hill's official destination marketing efforts may be new, but the enthusiasm from stakeholders about what the community has to offer has been long established. VMH's Executive Director, in partnership with JLL, the strategic plan facilitator, conducted various engagement efforts with tourism industry and community partners. This effort reached out to roughly 200 stakeholders across Morgan Hill.

Feedback from the Tourism Symposium in October 2019 helped build the foundation for a pointed stakeholder engagement plan for the destination strategic planning process. The stakeholder engagement included several efforts, to be summarized in this section below:

- Tourism Symposium
- Stakeholder Survey
- Focus Groups (Wineries, Sports and Outdoor Recreation, Hotels, Restaurants and Farms, and Events & General Business)
- Individual Interviews

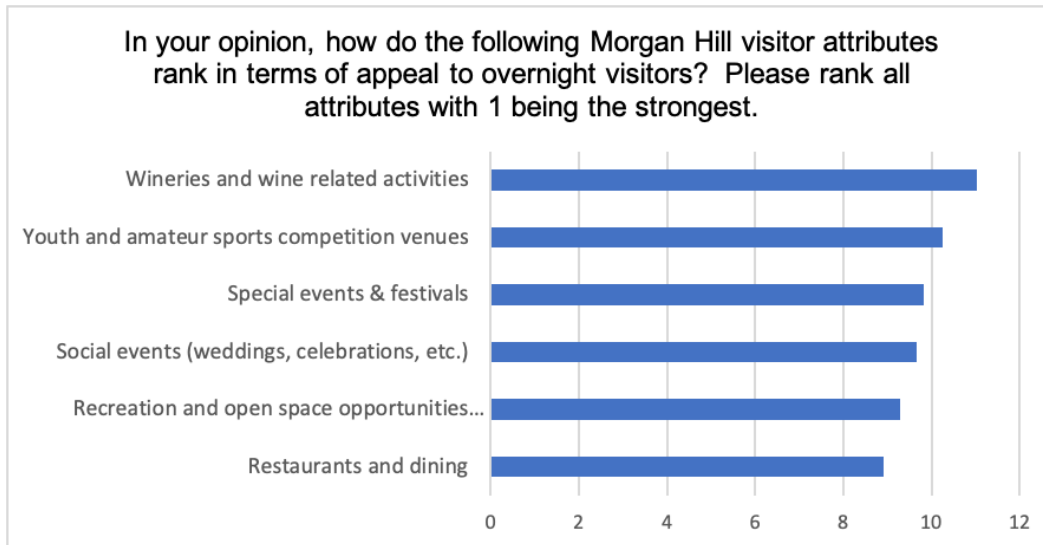
The response was strong, with active engagement in a series of focus groups, survey responses, and individual meetings and follow up calls. Considering this initiative was taking place in parallel with the COVID-19 fallout and response to recovery, the stakeholders were committed to making time for the strategic planning process and engaged in Visit Morgan Hill's development.

SURVEY SUMMARY

JLL conducted a stakeholder survey to receive broader input from the community and industry members. The survey received a 20% response rate which is almost double the typical industry response. This reiterated the strong engagement and interest from stakeholders that participated in focus groups and conversations. The survey, which was built upon initial feedback from the Tourism Symposium and interim conversations with VMH Board members, sought to vet strengths and opportunities as well as surface hurdles that VMH should consider in the planning process.

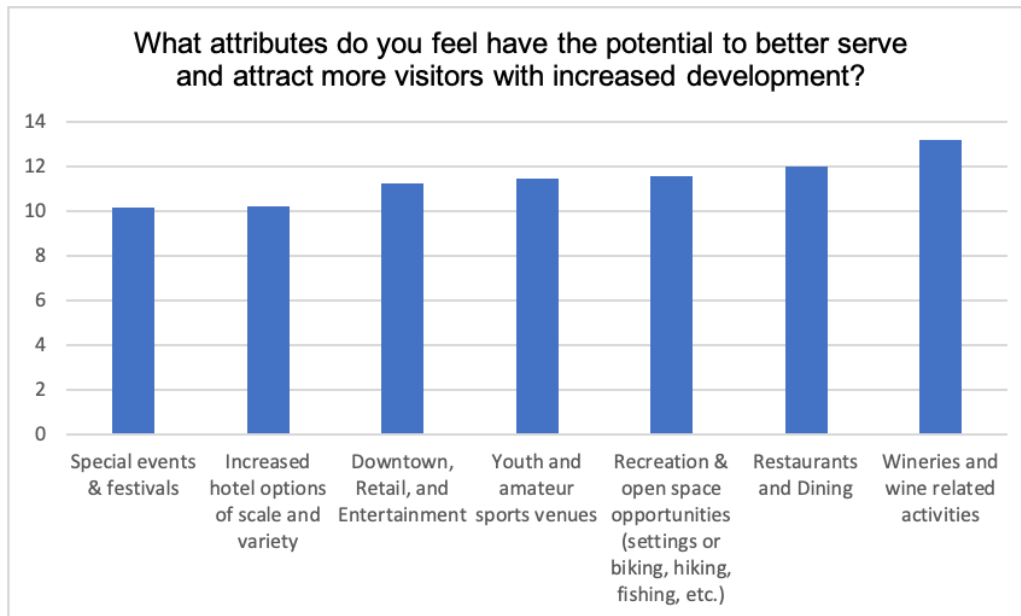
Survey respondents represented several different lines of businesses within and adjacent to the hospitality and tourism industry, with 42% of the survey responses coming from hotels, wineries and

restaurants combined. Survey respondents were asked to rank Morgan Hill’s visitor attributes. The top responses are shown below.



These established assets and amenities surfaced in virtually every stakeholder conversation and their positioning was particularly debated and discussed during the respective focus groups. A summary of the strengths, weaknesses and challenges from the combined stakeholder engagement effort will follow this section.

When asked what attributes have potential to grow visitation going forward, the top responses were:

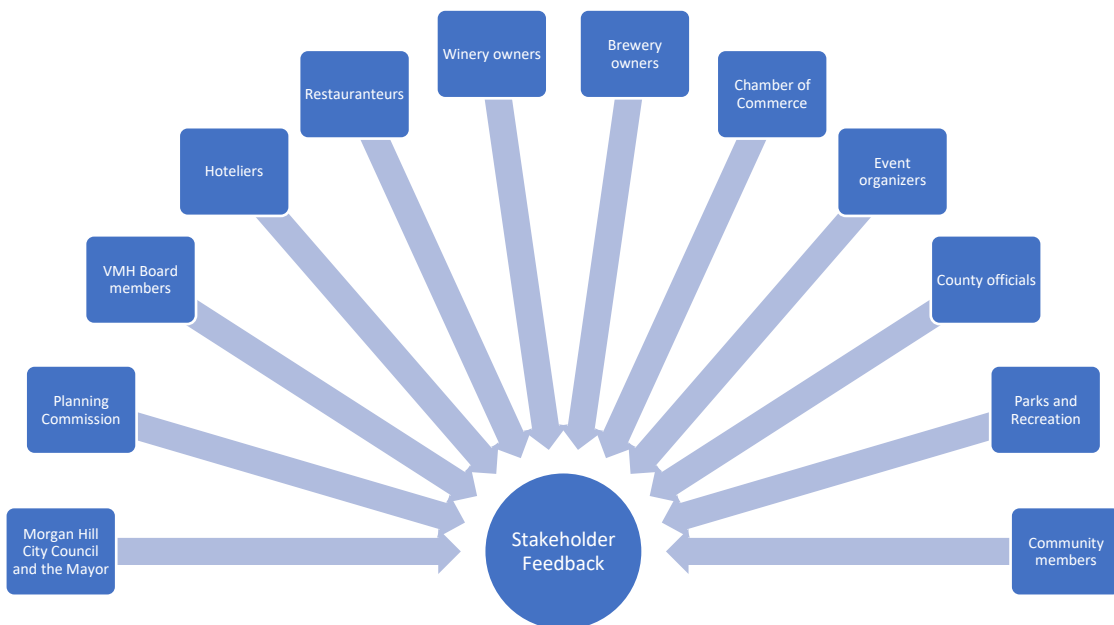


The opportunities for the future were similar to many of the current strengths, however the notoriety of Morgan Hill’s dining scene and the potential to position downtown as a destination within the City were consistent themes that emerged in stakeholder conversations, as the stakeholder survey responses illustrate above.

The survey also asked respondents to provide their opinion on valuable visitor markets and provide a foundation for further probing in the individual stakeholder meetings and additional market study research. Stakeholder feedback indicated that sports tournaments are perceived as a potential top driver with special event visitors being the second most important for future focus. It is important to note that both markets are the most significantly impacted by COVID-19 distancing orders, as group gatherings are postponed or cancelled.

STAKEHOLDER FOCUS GROUPS AND INDIVIDUAL INTERVIEWS SUMMARY

In addition to the survey, JLL and VMH Executive Director facilitated five focus groups and 20 individual stakeholder video meetings and calls. The focus groups were targeted to Wineries, Sports and Outdoor Recreation, Hotels, Restaurants and Farms, and Events and General Business. The focus groups were highly engaged and enabled the conversation to go further on key topics relevant to the tourism industry in Morgan Hill for that group.



Similarly, the individual stakeholder meetings provided an opportunity to meet with stakeholders who could not attend focus groups or those who made themselves available to share more detailed insight. As the individual conversations could go deeper, JLL and VMH Executive Director could spend time probing recurring themes that had surfaced during the process.

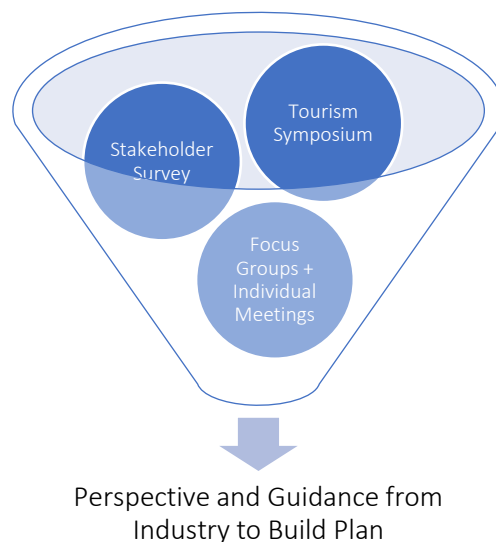
Stakeholders echoed many of the same sentiments that surfaced through the survey with the wine experiences, outdoors, dining, and downtown as Morgan Hill’s leading leisure amenities, and sports and

events as group market amenities, from their perspective. Based on the stakeholder feedback, the following chart summarizes the themes for Morgan Hill’s strengths, opportunities weaknesses and threats.

Strengths	Opportunities	Weaknesses / Threats
<ul style="list-style-type: none"> •Quality & quantity of outdoor experience - proximity and access •Dining & culinary scene •Wineries and wine trail •Downtown •Strong community events •Competitive sports facilities 	<ul style="list-style-type: none"> •Increased awareness - new brand platform •Local and regional travel markets •Outdoor experiences •Competitive sports tournaments •Scaling strategic existing events into visitor facing events 	<ul style="list-style-type: none"> •Lack of awareness •Lack of signature i.e. event, attraction, niche etc. •Perception of bedroom community, sleepiness or old fashioned •Traffic and infrastructure concerns

These conversations enabled stakeholders to provide their perspective on additional opportunities. Stakeholders reiterated the interest in capturing Morgan Hill’s fair share of the sports tournament market once COVID-19 restrictions are eased and tournament sports resume. Similarly, stakeholders are interested in seeing strategic growth in specific events that exist today becoming visitor-facing events. Additionally, stakeholders talked about new ideas for future growth in existing leisure assets and new ones, such as hot air balloons or safari type experiences. These kinds of ideas were valuable to gain perspective and insight from a broad spectrum of industry and community leaders across Morgan Hill.

Stakeholders felt strongly that Morgan Hill’s assets needed awareness, but were also keenly aware of the destination’s current product offerings and that the competitive nature of the tourism industry will require a strategic effort out of VMH and partners across the community to ensure long-term success.



ASSET REVIEW & ANALYSIS

OVERVIEW

Assets, also referred to as attractors, are used in this Strategic Plan as topical focus areas, not only to inform positioning and strategy, but to guide brand and content development over the next several years. Assets refers to the overall destination features, while attractors will be used for further analysis. The destination assets make up the destination “product,” referred to throughout this plan. The asset categories listed below include the most reported/discoverable assets but are not limited to only the features included. The asset categories provide focus areas to be leveraged as identified by the Attractor Analysis process, based on propensity to draw targeted overnight visitors.

The assets reviewed have been combined into the following themes:

1. Parks, Open Space, Lakes, Trails
2. Wineries, Breweries, and Farms
3. Sport, Recreation & Special Event Facilities
4. Dining
5. Downtown, Entertainment and Retail
6. Events/Festivals
7. Arts, Culture, History & Unique Attributes
8. Accessibility/Proximity
9. Hotels*

*Hotels: The appendix includes an overview of Morgan Hill’s Hotel product. Hotel inventory is an important component of the tourism landscape, however, is not necessarily defined as an “asset” as reviewed within the Attractor Analysis. The comprehensive asset inventory is enclosed in the appendix of this report.

DESTINATION ASSET INVENTORY AND PILLARS

Each category above is described in the appendix from both quantity and quality perspectives. Stakeholder engagement feedback and VMH research contributed to this inventory. This detailed review of Morgan Hill’s available assets further vets and supports the Asset exploration within the Market Study. From this review, destination themes or “pillars” emerged for key destination differentiation factors. The assets and pillars also provide a reference point to support the Visit Morgan Hill brand development process, conducted in parallel to this Destination Strategic Plan. These pillars may also provide a strong foundation for Visit Morgan Hill’s content development.

ATTRACTOR ANALYSIS

Part of the strategic planning process included studying and assessing Morgan Hill’s current assets and amenities to determine what types of assets are currently positioned to draw visitors to stay overnight. An Attractor is something that drives demand on its own and is the reason for a visit while other assets are “things to do” while in the area and not necessarily the cause for the visit. JLL’s process of studying assets to determine their current viability and position to drive demand ranks assets on an Attractor Scale of 10-100. The greater the score, the more likely the asset is to be an Attractor or demand driver. The

Attractor Scale classifies assets in seven categories depending on the asset’s ranking within the scale. Anything below a 60 is classified as a local asset. Anything between 60-70 is a regional attractor, scores of 80-90 indicate the asset is a national-level attractor, and anything 90 or above can attract international visitation.

For purposes of determining the current tourism position for Morgan Hill, JLL grouped the assets in the categories defined previously and scored each category to place on the Attractor Scale. Those asset categories are placed below with the parentheses denoting the abbreviated names in the Attractor Scale chart:

1. Parks, Open Space, Lakes, Trails (Outdoor Rec)
2. Wineries, Breweries, and Farms (Wineries)
3. Sport, Recreation & Special Event Facilities (Competitive Sports)
4. Dining (Dining)
5. Downtown, Entertainment and Retail (Downtown)
6. Events & Festivals (Events & Festivals)
7. Arts, Culture, History & Unique Attributes (Unique History)

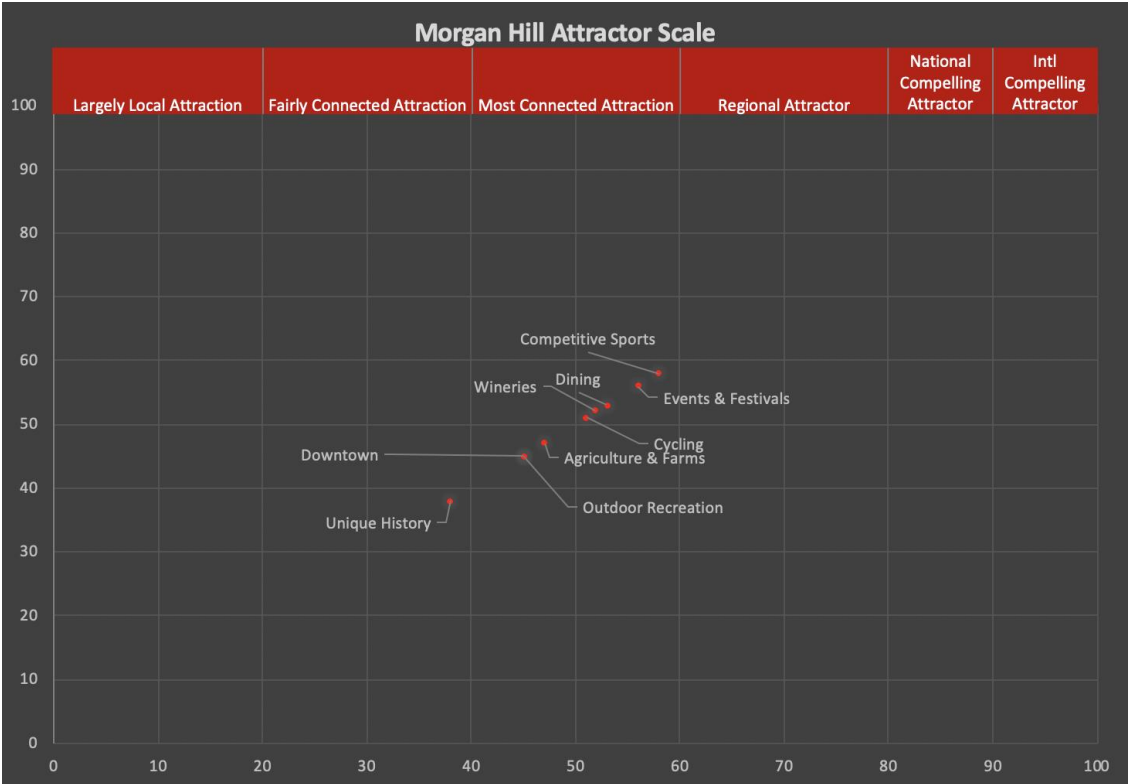
As stated previously, a comprehensive, proactive tourism strategy is a new effort for Morgan Hill and the City’s assets generally reflect the current local or hyper regional positioning. The following Attractor Criteria is a vetted process to assess how existing assets are positioned to visitors today. Understanding this criterion is important for VMH to connect assets together and generate demand for overnight stays.

Attractor Criteria:

One of a Kind	Captivating content or collections that drives interest and appeal. Proximity of alternative similar offerings can be a factor in overall uniqueness
Iconic Scale	Dramatic visual prompting a curiosity powerful enough to inspire a visit (Instagram worthy- trying to capture a moment)
Engaging Visitor Experience	Interaction between the guest and the attraction
Current Visitor Demand	Level of visitor traffic, reviews, etc. to the asset currently
Event Opportunities	Programming temporal, catalytic events
Venue Capabilities	Easily transformed and adapted to host various functions
Identified Target Audience(s)	Multiple target audience and visitor types can be targeted based on overall connectivity
Future Unique Development	Upcoming additions or plan initiatives that elevate potential

For example, an international iconic asset like the Eiffel Tower, receives a max point value score on the Attractor Scale. This places the iconic Parisian tower into a class of worldwide attractors generating tourism on its own. The Attractor Scale is meant to identify assets’ current positioning and support product development growth and inform marketing messaging going forward.

As VMH begins to market the community’s assets to visitors, it is important to understand where the destination is starting from. With the stakeholder feedback in mind, JLL assessed Morgan Hill’s assets by category.



The above chart illustrates that when grouped together, Morgan Hill’s asset categories fall between **40-60, making them mostly well “connected” or local attractions**. The Attractor Scale uses this definition to identify that these assets are currently positioned as local “things to do”, which indicate today that they are visited as day-trip activities. These scores reflect the absence of a comprehensive tourism marketing effort on behalf of Morgan Hill and the reported lack of awareness. This is an important starting point for VMH as it considers destination marketing efforts and how to position potential drivers in visitor-related content.

Competitive youth sports tournament facilities are ranked at the top of our current asset categories. Morgan Hill has competitive facilities for specific sports i.e. soccer and swimming, where the destination will compete well and others where it will be more challenging. In an already highly competitive niche industry of youth sports tournaments, continued investment in facilities and growth in product offerings will make Morgan Hill more desirable from a tournament organizer’s perspective. This line of thinking is

true for all asset categories studied. There is room for growth in destination product while developing messaging around what we have today. More details and recommendations associated with this niche are included in the Strategic Goals & Recommendations section related to Business Development efforts.

As COVID-19 has greatly impacted the top two asset categories ranked here (large group gatherings for events and sports) strategies for each will need to be thought through in the short-term. Recommendations contained later in this Strategic Plan expand upon how VMH can use this intel to support strategic priority identification.

Additionally, interconnectivity of these asset categories will make VMH’s product offerings more competitive in the future. Additional detail on this is provided below in the Product Gaps & Opportunities section.

POSITIONING & OPPORTUNITY MARKETS

With the Background Study and Market Study research compiled, foundational positions and opportunity markets were identified to pursue in the tactical phase of the strategic plan.

Assessment of the stakeholder engagement and asset review informs the positions and opportunity markets for Morgan Hill. These were validated through the many stakeholder engagement interface opportunities. The presentation of these positions are not in any particular order:

Position	Opportunity Markets
<i>Untapped sports tournament destination (facilities, hotels, and availability match)</i>	A business development and partnership opportunity for mid-large scale organized/competitive youth and adult turf and aquatic sports events
<i>Appealing special event destination (facilities, hotels, and availability match)</i>	A business development and partnership opportunity for weddings, special occasions, local/regional events, festivals, and concerts
<i>Undiscovered, easily accessible leisure destination (proximity and leisure asset match)</i>	A marketing communications, business development, and partnership opportunity for leisure drive markets interested in culinary, wine, and outdoor experiences
<i>Business travel friendly destination (proximity, hotels, and meeting space match)</i>	A business development opportunity for Silicon Valley adjacent corporate travel, small corporate meetings, and teambuilding

These positions and opportunity markets set the initial direction for VMH to develop tactical approaches and refine the targets as market conditions change. Each position applies one or more target markets VMH should consider when creating visitor marketing.

PRODUCT GAPS & OPPORTUNITIES

While many stakeholders were enthusiastic and positive about what Morgan Hill has to offer today, there is always room for growth regarding visitor product. In Morgan Hill's case, when considering positions and target markets desired, the following gaps in product were identified through stakeholder perspective and research ("weaknesses/threats" noted in Stakeholder Engagement). Some of these gaps indicate more immediate opportunities, however we have included more longer-term development areas that may not pose a "gap" but rather an "opportunity." While VMH cannot close the gaps on its own, and some may not be achievable overall, defining these is important to developing a long term tourism strategy. The organization shall be active in development through partnership engagement where influence and high overnight visitor return may be had. By working with partners to develop and improve visitor experience related offerings. i.e. City Economic Development, Chamber of Commerce, etc., Visit Morgan Hill will play a role as the tourism voice regarding long-term enhancement of the City.

1. Hotel inventory and location – As noted previously (in the benchmarking section), the current lodging amenities are geared towards business travel, which means that the majority of properties are limited service and are located along major highways and throughways, which makes their location less walkable for leisure visitation. Additionally, more upscale hotel product may better attract visitor markets that match the defined assets identified in the Market Study i.e. culinary, wine and cycling. With potential pipeline projects coming to downtown, this will be a needed boost in the lodging options for visitors looking for a higher end, boutique accommodation experience. It is important to note that new inventory should not directly conflict or cannibalize the existing business travel market, but to serve as an added amenity diversifying the lodging options and appealing to new visitor markets.
 - a. Opportunities to close the gap on hotel product include
 - i. Working with City economic development to provide data, visitor experience sentiment, and support the solicitation of desired hotel development i.e. full-service and upscale or STR classification
 - ii. Identifying locations that would benefit from hotel development and where existing hotel inventory does not reach
 - iii. Identify amenities within potential development areas that should be considered in tandem i.e. banquet/meeting space, restaurant, retail, spa
 - iv. Explore vacation rental/shared accommodations inventory, visitor appeal, and incorporation into TBID for marketing
2. Infrastructure – The perception of challenging commuter traffic patterns, concern with increased congestion with incoming developments, and difficult parking in key visitation areas was noted. The location of the destination assets in perspective to the hotel inventory location expressed a challenge in visitor walkability. Limited taxi and rideshare services were noted and there are also limited concentrations of activities in one location throughout the city. A lack of food options in the wine country can shorten visits. Stakeholders also noted challenges with wifi and bandwidth/connectivity. Lack of Morgan Hill signage/visibility on Highway 101 for Silicon Valley

and Bay Area traffic was also mentioned. Additionally, as stated above, Morgan Hill's assets that could be positioned to drive visitors in the future i.e. wineries, downtown, dining, sports, etc. could be better serviced through enhanced transportation and connectivity infrastructure. Further infrastructure and supporting amenities like a transportation loop, or tour companies, directed at moving visitors and pedestrians through the visitor areas could vastly improve desirability. This could be achieved through a third party and a public-private transportation model where a route or loop would be set, and stops be dedicated.

- a. Opportunities to close the gap on infrastructure needs include
 - i. Working with City economic development and Chamber of Commerce to provide data and identify potential transportation providers and work through routing options
 - ii. Establish potential "visitor districts" where boundaries are determined for walkability to be improved and landscaping and hardscaping to be improved for beautification
 - iii. Work with partner segments (wine, cycling, etc.) to develop realistic visitor itineraries and develop content for awareness
3. Increased and enhanced sporting facilities – as mentioned previously, competitive sports tournaments are an opportunity market, and the ability to compete with other destinations will be enhanced by expanded and enhanced sporting facility amenities and supporting infrastructure. This includes suggestions for added amenities such as locker rooms, coach/referee meeting rooms, broadcast capabilities, more or improved fields, lighting, and new facilities such as the proposed sand volleyball courts. Sports tournaments are an increasingly competitive market as other cities subsidize rental fees. Sporting events, such as marathons, may be also be approached through Business Development (Sales) efforts.
 - a. Opportunities to close the gap on sporting facilities include
 - i. Working with the City and MHOSC to provide data and insight as to what facility expansion elements would be most desirable to sports planners i.e. quality grass fields, added turf, lights, etc.
 - ii. **Evaluate and analyze economic impact reports/studies on projects with city and private developers, from the tourism perspective**
 - iii. Vet organizers' propensity to choose Morgan Hill based on expansion and enhanced vision – target real feedback
4. Event opportunities – while Morgan Hill has many popular community events, the sentiment across many conversations was that none are strong tourism drivers. Further commentary shows that as local-driven events, these also depend on a dwindling volunteer base. The gap identified is an event, or series of events, that has the ability to scale up, or build upon, for visitors. Some noted that events focused on local wine, culinary, music, and film would be attractive. The opportunity to collaboratively consider enhancements and revitalization in event models to drive

overnight visitors after COVID-19 restrictions are eased should be considered. It was also noted that there are limited venue options for small to medium size concerts and musical events.

- a. Opportunities to close the gap on events include
 - i. Utilize the Event Matrix criteria included in the appendix of this plan to coach local organizers on what metrics are most important from a tourism perspective with VMH i.e. room nights and visitor spending
 - ii. Spend time with event organizers and partners like the Chamber of Commerce and Downtown Association to curate new or expand on existing events using the matrix to frame the tourism possibilities

5. Enhanced outdoor experience – so much of Morgan Hill’s appeal is the ability to be outdoors in expansive protected areas quickly and retreat from city life. gain, awareness is lacking. In addition to marketing, protecting, maintaining, and ultimately enhancing the outdoor experience will reinforce and sustain the outdoor appeal of Morgan Hill. It will be important to strategically identify land opportunities and facility enhancements supporting the outdoor experience. This could include trail heads, trail and park amenities, and signage/markings, etc. Furthermore, Morgan Hill lacks a distinct and unique attraction that cannot be found anywhere else, for instance Gilroy Gardens, Sensorio Field of Lights in Paso Robles, or the Serpent Mound in Ohio. Attractions such as landscape art or unusual outdoor installations create interest and visitation, and Morgan Hill has many open spaces to consider. Similarly, indoor attractions should be considered a gap as well.
 - a. Opportunities to close the gap on outdoor experience include
 - i. Working with City Parks and Recreation on existing plans for upgrades and where visitor signage may be needed in the future
 - ii. Similarly, work with County Parks to identify visitor amenities include restroom facilities that may be needed
 - iii. Work with the City and Downtown Association to ensure visitors coming for the outdoor experience can easily and seamlessly get downtown and stay for dinner to capture their spending
 - iv. Explore and develop relationships with artists that may have interest and ability to bring unique attractions to Morgan Hill.

6. Enhanced retail options – much of downtown’s amenities are rooted within the dining experience and it was identified that downtown would benefit from additional, and more varied local retail being added into the downtown from a visitor perspective. Comments indicated more upscale boutique culinary stores and bicycle rental options would support target market appeal and encourage visitors to stay longer and spend more within popular areas/districts with town.
 - a. Opportunities to close the gap on retail expansion include

- i. Working with City economic development and Chamber of Commerce to provide data and insight to identify local business that are interested in expanding or relocating
 - ii. Similar to the infrastructure opportunity, expand on downtown “district” where new retail could grow
- 7. Meeting space development – Morgan Hill does not have the capacity to host large indoor events for groups and meetings. Being part of Silicon Valley with the world’s business being conducted just miles away, a future meeting space to accommodate 500+ attendees would create a new visitor market. This gap in product was identified by stakeholders in the business community.
 - a. Opportunities to close the gap on meeting space development include
 - i. Work with the Chamber of Commerce to network with the existing meeting locations on space and availability to coordinate a proactive effort for space management at the destination level rather than the property level – VMH should be a resource for this information when a planner wants to utilize multiple venues
 - ii. Track any business opportunities lost on an ongoing basis to support a future study for feasibility of larger meeting space development under one roof

As VMH is the new voice of the local tourism industry, this is where key partnerships and relationships will need to be established and developed to monitor and advocate for product improvements. VMH will be able to represent the visitor and lodging business interests to improve visitation and extend visitor spending across the community. Potential partners that play a more active role in long term development are identified in the Tactical Plan and these partners will need to be managed and engaged when there is opportunity to take action for mutual benefit.

STRATEGIC GOALS & RECOMMENDATIONS

STRATEGIC GOALS

Based on the research, findings, and considerations from the Background Study and Market Study, the following high-level strategic goals are identified for VMH. All Visit Morgan Hill efforts should be planned and executed with these in mind. The ambition of these goals, and the strategies and tactics associated with them, connect to the purpose of generating and converting new overnight stays. It is important to note these Strategic Goals are broad, categorical goals for VMH as a new organization. These Strategic Goals provide guidance and structure for the Tactical Approaches, provided in the proceeding sections of this plan. The Strategic Goals themselves are not tactical, but provide that overarching roadmap for VMH to successfully execute on priorities over the next three years.

To successfully achieve that ambition, the following strategic goals are defined below.

DEVELOP ORGANIZATIONAL ROLE & IDENTITY

Visit Morgan Hill will develop a brand identity to support local relationships as well as visitor facing marketing. Additionally, VMH will create and build local and regional stakeholder partnerships to reinforce itself and extend the reach of its purpose through partnerships.

DEVELOP AWARENESS WITH TARGET MARKETS

There is little to no awareness of Morgan Hill as a visitor destination and the experiences it can offer visitors. A focus on creating and sharing attractive, comprehensive, and targeted destination content in alignment with the previously identified Positions & Opportunity markets will increase return on existing visitor assets.

IDENTIFY BUSINESS DEVELOPMENT OPPORTUNITIES FOR STRATEGIC MARKETS

Visit Morgan Hill will deploy marketing and business development (sales) efforts for strategic markets that have a high propensity overnight opportunity and are a match for the facilities and products Morgan Hill has to offer. A comprehensive marketing and sales plan will be implemented. With limited budget and resources, markets to be continually assessed.

PRODUCT DEVELOPMENT SUPPORT

For the long term, aspirational destination development of Morgan Hill, Visit Morgan Hill will seek to advocate and partner across the tourism and business community to see product and experience development opportunities surface. Visit Morgan Hill cannot unilaterally create product; however, it can creatively facilitate input and support.

FORMALIZE BUSINESS & ADMINISTRATIVE OPERATIONS

Visit Morgan Hill must establish all internal operational frameworks, tools, and support to conduct foundational and comprehensive destination marketing activities.

STRATEGIC RECOMMENDATIONS

The Destination Strategic Plan makes the following strategic recommendations to achieve the Strategic Goals listed above. These recommendations are rooted in the research conducted and intend to provide high-level guidance and inform the Tactical Strategic Plan. The Tactical Strategic Plan will outline in greater detail, specific initiatives for Visit Morgan Hill.

DEVELOP ORGANIZATIONAL ROLE & IDENTITY

Establishing a brand is foundational for this goal area. It is recommended that Visit Morgan Hill complete the brand and logo project as soon as realistically possible in order to start building equity in its identity not only from a visitor perspective, but as a local and regional partner and the go-to advocate in the tourism space. Successful partnerships will allow VMH more opportunities. It is also recommended that VMH update its Mission Statement and adopt a longer-term Vision Statement to guide the organization's further reaching aspirations. Many aspects of this plan touch on where the organization and destination is today, which provides a starting point. However, the organization and the stakeholders it represents aspire for the destination beyond the three fiscal years this plan is geared towards. The following Mission and Vision Statements are recommended:

Mission statement

Visit Morgan Hill's mission is to position and market the destination for new overnight visitors and inspire new investment in tourism products.

Vision statement

Visit Morgan Hill seeks to play an active role in the growth of Morgan Hill's tourism industry, to market the destination, and drive economic benefit as the City becomes a more vibrant location for visitors outside *our region*.

Local tourism constituent communications will be an ongoing opportunity to educate local officials, hotels, and businesses about the purpose and plan of VMH. It is recommended that the Executive Director take an active role with partners across the community to further establish its role as the DMO. Educating the front-line industry on the destination aspects VMH is promoting can foster an awareness or a "local ambassador" effect as visitation grows. Engagement may take the form of communications, events, local organization participation, and cooperative partnership opportunities. For public projects with proposed tourism benefits, Visit Morgan Hill may provide research and visitor return perspective. VMH may also serve as a conduit to advocacy resources for hotel and other industry partners, where appropriate. Furthermore, a short-term COVID-19 recovery-based effort could be explored to develop mutually beneficial partnerships and working relationships with local organizations and individual businesses. A list of potential partners have been identified and outlined based on focus area in the Tactical Plan that follows. These partnerships will need to be fostered and acted on when and where there is opportunity to do so. These partners are identified to start that process, but not all organizations listed will ultimately require an ongoing relationship.

DEVELOP AWARENESS WITH TARGET MARKETS

Morgan Hill lacks awareness as a visitor destination and even locals lack knowledge of what may strongly compel an overnight stay. The hoteliers, City officials, and other partners understood this need and formed the MHTBID and Visit Morgan Hill. Visit Morgan Hill's brand identity being developed in parallel with this strategic plan will round out the foundation needed to begin marketing and awareness efforts. It is recommended that awareness begin with educating about the foundational assets Morgan Hill has today, to maximize their potential to attract new overnight visitors. Much of this information exists but has not been compiled and presented in comprehensive or visitor friendly ways. Due to COVID-19, people will not be travelling as far, which provides a unique opportunity to create awareness locally through visitor marketing efforts and grow regionally. This issue of local awareness also supports the recommendation addressed above for VMH to establish itself within the community and grow partnerships with other organizations. An integrated marketing approach is recommended with content marketing and owned marketing channels as key to providing organized and easily accessed information for potential visitors to find what they need to form a travel decision. Content and messaging may be shared through VMH's owned channels including the website, email marketing, and social media. Content may include itineraries, themed blog posts, asset listings, etc. All content will be created to directly market Morgan Hill's strengths and leveraged for awareness in priority markets based on propensity to drive overnight hotel stays. As this plan lays out, VMH will need to build attractive marketing content tied to the identified attractors and stay consistent with the overall goal to drive new overnight visitation into Morgan Hill hotel rooms. Lastly, it is recommended that VMH adopt a phased approach to ramping up destination marketing efforts, in order to support economic recovery

IDENTIFY BUSINESS DEVELOPMENT OPPORTUNITIES FOR STRATEGIC MARKETS

Morgan Hill's assets provide positioning for a variety of visitor segments, specifically in the leisure space. Within the leisure market there are different visitor segments with unique interests that should be identified and targeted based on their "fit" for Morgan Hill's assets. It is recommended that Morgan Hill consider a flexible yet streamlined content development plan to align with the identified positions and opportunity markets i.e. regional travelers interested in wine and winery experiences, the outdoors, or cycling and culinary travel. Furthermore, some market segments will be approached through business development efforts which are recognized as more traditional "sales" activities such as networking, prospecting, or attending "buyer-supplier" matching events. The following are recommended focus areas within the identified markets:

Leisure Market: This is an important opportunity for incremental visitation growth, especially considering that Morgan Hill's hotel need periods traditionally fall on the weekends. Enhancing awareness with leisure audiences of where Morgan Hill is and what it is will be key. Further, providing information on 'what to do' in Morgan Hill will provide a message that Morgan Hill has a desirable experience for leisure visitors who may not have considered spending their weekends in Morgan Hill the past. Awareness in the greater San Francisco Bay Region is a start, but VMH is recommended to be cautious of extending efforts on nearby markets that will not produce an overnight stays. Leisure personas outlined in the Tactical Plan will assist with targeting, drawing on the regional road trips, city professionals escaping for the weekend, or families looking for

casual nature escapes. Content will be established based on existing asset inventory and key destination themes to be highlighted: outdoor recreation, cycling, wine, and culinary.

Sports Market: Visit Morgan Hill's TBID District Management Plan indicates roughly 11% of the organization's efforts will be dedicated to sports marketing and development, and stakeholder feedback supports this. With COVID-19 impacting group events, there may be pent up demand for tournaments. However, the sports tournament market is highly competitive as the quality of the facility, safety of attendees, and pricing will be paramount. Balancing the pursuit of valuable sports tournament bids with the organization's ability to offset expected costs will be important. It is recommended that a process for vetting tournament RFPs be established by the Executive Director. Long term focus should be to seek ways to appropriately prioritize designated sport funds for maximum return and exploring partnered LOC approach. Additionally, new and improved sporting facilities should be explored collaboratively with other community and City entities, for example sand volleyball courts. As a community asset augmenting the City's sport facilities, VMH should monitor sport development projects and analyze for potential overnight draw.

Local Festivals & Events: Currently the events and festivals in Morgan Hill primarily draw local crowds. With COVID-19, many have had to cancel, postpone, and reimagine their events in the short-term. Marketing events to visitors will be tied to a regional visitor audience for specific events that have been identified with the ability to attract a wider market by hitting on destination asset themes. Events include, but may not be limited to the Mushroom Mardi Gras, Taste of Morgan Hill, Wine Stroll, Boots and Brews, and Poppy Jasper International Film Festival. Being at the table in a collaborative role will allow Visit Morgan Hill to understand opportunities and contribute ideas for enhancing events for a visitor market over the long term. Events should be a core component of visitor information and potential cooperative marketing or funding to be considered for events that meet criteria, detailed in the Tactical Plan, to grow or increase the event's ability to convert new overnight stays. Additional opportunities for event growth are detailed under the Product Development section below.

Special Events/Social Events: Weddings and other celebratory social events were noted by stakeholders as a small but promising piece of Morgan Hill's overnight visitor sources. Furthermore, a concentration of event services available in the area make this a pragmatic market to approach. With information on where to hold an event, where to stay, what to do, and where to eat in Morgan Hill, VMH can support awareness of Morgan Hill as a destination for event attendees and perhaps gain longer stays, repeat visitors, and word of mouth awareness. Also, understanding and presenting the total inventory, capacity and capabilities of Morgan Hill's event spaces will be important for VMH to generate and handle inquiries. VMH to consider developing collateral materials for marketing the area's special event venues to generate more social event business, making it easy for planners to find services they need and make booking decisions.

Business Travel: Morgan Hill's primary overnight visitor in recent past is tied to corporate business-related travel. There is an opportunity to impact more of this market segment and provide a higher level of service to increase visitor spending in Morgan Hill by providing information on where to eat and other things to do. Additionally, Morgan Hill has an opportunity to grow this market by appealing to small teambuilding and executive retreat events. There is a lack of large facilities for conferences but there are smaller locations and venues for teambuilding, mixers, and small group activities. Similar to the special event market, there is opportunity to approach this market through targeted collateral, as well as business development efforts, such as industry association/meeting/business travel associations.

PRODUCT DEVELOPMENT SUPPORT

VMH is primarily a marketing and sales organization tasked with growing awareness of Morgan Hill to drive new overnight stays to hotels in the City. However, it is recommended that part of the role VMH play is one of advocating and partnering with other organizations within the City to see new product be developed, which will enhance Morgan Hill's offerings. Many of the Product Gaps may be addressed through partnership and cooperation with other local organizations. For example, there may be a gap between some leisure segments and the hotel type they desire. VMH can provide the tourism perspective, research, and data to conversations related to hotel and other tourism related development. Other impediments to converting target markets to overnight visitors may be infrastructure and parking and accessibility from existing hotels to activities. Future multi-use, flexible meeting/event space connected to hotel inventory or unique visitor attractions should be kept on the radar. Product development on a more granular level may also entail focus on creating itineraries or themed experiences, facilitating partnerships for package development, or enhancements for existing events. VMH's position as an advocate for the tourism and hotel industry and the voice of the visitor make it imperative that the organization play an active, even if limited, role in product development opportunities with partners within the City.

FORMALIZE BUSINESS & ADMINISTRATIVE OPERATIONS

VMH was formed to begin a concerted tourism marketing effort on behalf of the City and its hospitality industry. The Board of Directors appointed a full time Executive Director to carry out the goals and objectives of the organization. In order to successfully carry out these objectives and maintain organizational status, VMH will need to further establish day-to-day operations using the outcomes of this plan as guidance. It is recommended that the Executive Director establish technical systems, hardware, software, and other tools and resources to support the ongoing operation and administration. This includes setting annual timelines for fiscal year accounting, reporting, maintaining insurance, office rental, and other administrative items related to the organization's establishment and mission. It is recommended that the Executive Director develop periodic communication processes with board and stakeholders. The Board will need to understand the annual plans and monitor success of the broader Destination Strategic Planning goals by overseeing the work of the Executive Director. Leveraging a tactical strategic plan, VMH may develop an annual sales and marketing plan/schedule, to align with the fiscal year. VMH will need to establish and maintain proper channels for all areas of destination marketing. With limited, and likely reduced resources and funding, this will take time and consistency. For

the organizational health of VMH, creating organized systems for handling the administrative tasks will be imperative in initial years. Lastly, it may be kept open to explore state and or federal funding or grant opportunities.

MEASURES FOR SUCCESS

In order to measure success, VMH must stay the course with the Strategic Goals and Recommendations outlined above. All of the Tactical Approaches must tie back to these goals and recommendations in order to move the organization forward. It is recommended that a measurement and reporting plan be developed on a monthly, quarterly and annual basis for the Executive Director to report elements of success back to the Board of Directors and relevant stakeholders against these Strategic Goals and Recommendations. Measures for success could include the following, but will be defined in annual sales and marketing plans:

1. Website traffic and navigation
2. Engagement on social platforms
3. Inquiries
4. Group (sports, weddings, small meetings, etc.) conversions
5. Partner referrals
6. Overnight stays tied to VMH leads

CONCLUSION

Morgan Hill as a visitor destination will be new to many outside the community of stakeholders who know and love what the community has to offer. The outcomes from the study and the guidance from the strategic planning process will provide a roadmap to successfully implement and grow the destination's profile with new visitation and most importantly, new overnight stays. To be successful VMH must understand the starting point and the current positioning in order to successfully grow the destination's ability to attract new visitors to the community. With these strategic guidelines in place, this plan may recommend tactical approaches for Visit Morgan Hill. These approaches provide a more detailed strategy for the practical implementation of VMH's operational, partnership, marketing and communications, and business development initiatives in the Tactical Plan that follows.

TACTICAL PLAN & APPROACHES TO STRATEGIC RECOMMENDATIONS

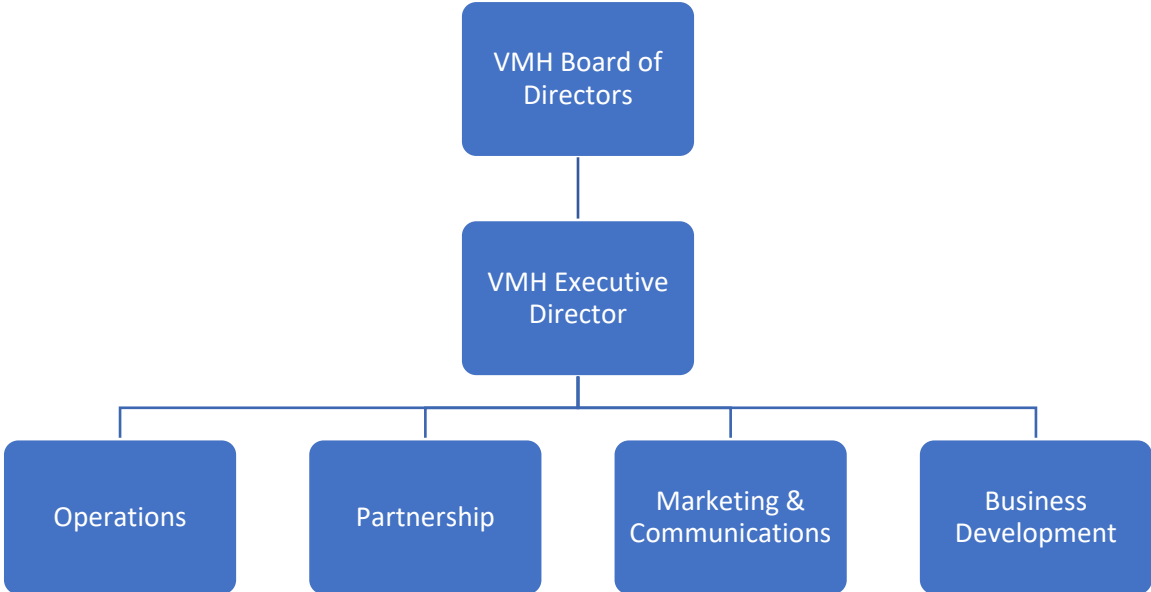
Action steps to be taken over the next three fiscal years (FY21-23).

INTRODUCTION

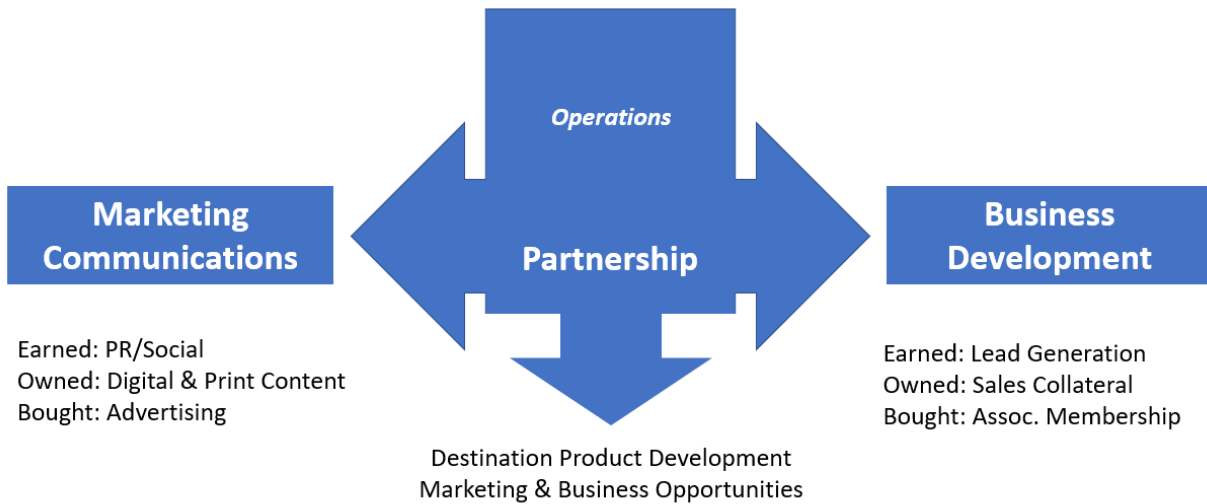
The proceeding Tactical Plan outlines action areas to move forward on over the next three fiscal years for VMH to achieve the Strategic Goals and Recommendations included in the Strategic Plan. To do so, the Tactical Plan is organized into four focus areas: Operations, Partnership, Marketing Communications, and Business Development (Sales). The relationship between the four focus areas is that Operations and Partnership provide a platform enabling VMH to execute on the Marketing Communications and Business Development. Each focus area encapsulates the assessment, approach, target markets, tactics, action items, and potential metrics. Adoption of this DSP and tactical approach set the framework for annual marketing and sales plans.

FRAMEWORK FOR MEETING STRATEGIC GOALS

Each of Visit Morgan Hill’s Strategic Goals fit within one or more of the four focus areas introduced above. These focus areas function much like “divisions” or “departments” of larger organizations. Understanding that VMH is a start up with a single employee, these focus areas will help organize and approach recommendations from the Strategic Plan. Visit Morgan Hill must not only consider the tourism promotion efforts, but develop the administrative processes, and relationships needed to deploy them in order to be a successful Destination Marketing Organization for years to come.



These functional “departments” are areas of focus for tactical execution that the Executive Director will function within depending on the Strategic Goal and Recommendation at hand. Not all of the Strategic Goals and Recommendations can be implemented at the same time, but many initiatives will touch on more than one area. Prioritizing a timeline for these focus areas will be important to VMH to stay on task and on target, while maintaining sight of strategy.

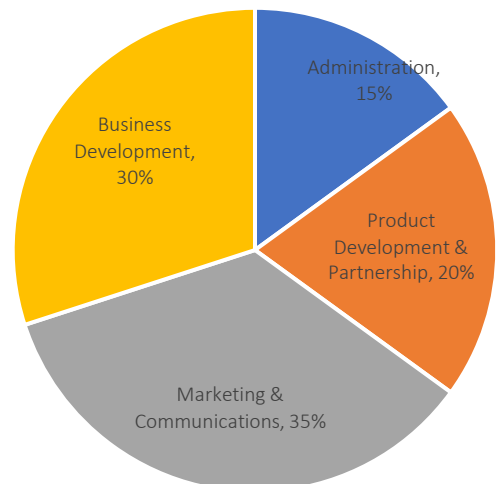


Operations and Partnership will be overarching areas of discipline for VMH, as they apply to all the Strategic Goals & Recommendations within Marketing & Communications and Business Development’s programmatic tactical approaches. According to the TBID’s District Management Plan, funds from TBID collections shall be allotted as follows:

- Sales and Marketing – 70%
- Administration & Operations – 15%
- Sports Management – 15%
- Reserves – 2%
- City Admin Fee – 2%

The four functional departments mentioned above encompass responsibilities and action items associated with each of the TBID allotments and will be executed on as the Tactical Plan outlines. With this in mind, the Executive Director, and any future staff or contract support, will spend time and resource in the following allocations to execute on the recommendations for the four functional departments.

Proposed Allocation of Resource



The proposed allocation of resources indicates where Visit Morgan Hill spends focus, as opposed to budget. The five Strategic Goals noted in the DSP overlap with many of the discipline areas as outlined below.

Strategic Goals & Resource Allocation by Focus Area				
Strategic Goal	Operations	Partnership	Marketing & Communications	Business Development
Develop Organizational Role & Identity	X	X	X	
Develop Awareness with Target Markets		X	X	
Identify Strategic Markets		X	X	X
Product Development Support	X	X		
Formalize Business & Administrative Operations	X			

PHASED APPROACH

It is important to balance implementation and action items with goals related to timing, and outline milestones for achievement. The Tactical Plan contemplates three Phases over the three-year timeline of the Strategic Plan. Phase 1 is the first 30-90 days after the Plan is put in place; these are the things that need to happen immediately as foundational steppingstones in VMH’s development. Phase 2 is 90-180 days and covers those items that enable VMH to take on more of the strategic initiatives. Phase 3 is 120 days and beyond and encompasses more of the Marketing & Communication and Business Development focused actions like paid media and sales efforts. The Phases are a guide, not a definitive timeline, as many items will be recurring or continual DMO efforts depending on brand and resources. However, a milestone calendar will be adopted to provide timeline for launch of programs, single occurrence efforts, and tracking these accomplishments. An annual Marketing & Sales plan will outline specific initiatives and work plan items. The Phases are laid out below and each element is detailed out in its respective section to follow.

Phase 1: 30-90 days (FY 20-21 August–October)

Develop operations calendar for ongoing services/renewals, establish and add to owned channel development of VMH’s website and social platforms, complete and implement brand design elements, develop earned media toolkit/boilerplate copy, engage in passive consumer email newsletter list development, and create a destination profile sheet. Monitor and engage in short-term paid media opportunities, where there is demonstrated ROI and opportunity to stimulate COVID-19 related business recovery.

Phase 2: 90-180 days

Continue owned channel development for more regular themed content creation and distribution, begin proactive development of consumer email newsletter, establish a defined lead generation and distribution process and reporting, create strategic market collateral/content, and identify business development/sales activities.

Phase 3: 180+ days

Identify long term, targeted paid media plan, but implement targeted and achievable co-ops in phase 1 or 2 with components and budget in place. Engage in target market business development activities, and continue ongoing regular content creation and communications

It is important to note that VMH will work through all three phases in parallel with the COVID-19 reopening in accordance with the State of California's regulations, Santa Clara County guidelines and all federal recommendations. The organization must remain nimble as the industry "re-opens" and Visit Morgan Hill can be more proactive with future marketing.

OPERATIONS

The administrative functionality of the organization is the "back of house" side of the DMO but must not be overlooked as it is the backbone of VMH's effectiveness and success with visitor and partner audiences. Ensuring that the operational functionality at the staff and board level is in place and maintained will enable VMH to grow and successfully implement against the Strategic Goals and Recommendations from the Strategic Plan. The following are tactical steps to ensuring the Operations focus area is established and maintained:

1. Develop all necessary operations, procedures, and policies to function on a daily, monthly, quarterly and annual basis

The District Management Plan outlines how VMH will function within the enabling legislation, collect and expend funds and comply with legal proceedings for a TBID. VMH will need to take the operational considerations farther now as a 501c3 non-profit, start-up organization and will need to develop standard operating procedures (SOPs) related to day-to-day functionality. This includes policies and procedures for the following areas:

- Human resources
- Organization documents and bylaws
- Board administration
- Budget, finance, and accounting
- Business related insurance, policies, recurring procedures
- Business location, office equipment, payroll systems, etc.
- Event sponsorship/fund distribution and commitment policies and forms
- Continual destination marketing education for staff and Board of Directors (industry conferences, board retreats, etc.)

2. Establish necessary tools to deploy VMH efforts

The prior item was focused on internal functionality while this area is more focused on the platforms needed to execute on the marketing and sales efforts. The exciting possibilities the VMH has ahead of it as a new DMO uniting the industry's voice in Morgan Hill can only be successful if the necessary tools are in place to execute.

- Website hosting and CMS system(s)
- Database/contact list management
- Data and research subscriptions or bespoke projects
- Information/data/image/video storage devices or cloud services
- Other necessary software and programs

Operational policies, procedures and other administration functionality areas are included in the appendix.

PARTNERSHIP

Partnerships are critically important for VMH to maximize its limited funds and extend its reach as the designated DMO for Morgan Hill. Partnership addresses two main areas of focus as defined in the DSP: 1) destination product development and 2) destination marketing opportunities. Destination product development refers to the collaborative development of Morgan Hill's tourism assets and Visit Morgan Hill's role in advocacy, data, and improvements. Destination marketing opportunities refers to cooperative marketing and strategic partnership models to augment Visit Morgan Hill's marketing reach through combined resources.

Partnerships should be carefully considered, strategically developed, and always be done with the objective of furthering VMH's mission to convert new overnight stays in Morgan Hill hotels. Partnerships can be local, regional, or beyond and bolster many different aspects of VMH's marketing and sales efforts.

This partnership section describes detailed tactical recommendations and action areas for partnership. Within each focus area of partnership there are *potential* partners identified and listed. It is important to note that these partners are identified and listed for future vetting and exploration. This does not mean that each organization listed will play a definitive and ongoing role as a partner, nor exclude any partnerships not listed. Partners should be established and collaborated with when and where there is opportunity to make progress with one of VMH's Strategic Goals and Recommendations. As an organization with limited time, staff, and resources partnership opportunities should be strategic in moving the goals and objectives of the organization further.

Because of the volume of numerous potential partnerships, the partnership section is organized as follows:

1. Develop Local partnerships for organizational purpose awareness and visitor product development opportunities with:

- Business and Community Organizations
- City & County Government
- Local Event Organizers

2. Develop Regional destination partnerships to augment destination awareness and marketing efforts with:
 - Strategic Destination Alliances
 - Industry Advocacy Organizations
 - Business Development Memberships (These found in Business Development section)

Local partnerships are focused on organizations that have programs that align with VMH’s mission to develop and advocate for industry improvements. Local partnerships are divided into three main categories, as listed above. These partnerships will help grow VMH’s profile locally, establish an understanding of what “tourism” means to Morgan Hill, grow support for the industry through VMH’s efforts, and support long-term destination development for an improved visitor experience. There may also be some marketing opportunities through local partners, but the primary focus is on destination development and product improvement.

Business and Community Organizations – these are established community associations that tend to be membership or segment based. Partnership with these organizations should have a goal to complement rather than duplicate and aim to further develop Morgan Hill visitor product through engagement and collaboration. They shall also encourage unique, attractive visitor experience models and quality destination development. Ongoing, regular communication will allow for informed collaboration, strategy, and adjustment as visitation increases. These organizations may also be an extension of VMH’s marketing efforts or collaborators within content development and story creation. The unique personalities bring vibrancy and authenticity to destination marketing.

Partners to Consider within Business Organizations
Chamber of Commerce
Downtown Association & Restaurant Group
Morgan Hill Historical Society
Outlets/California Welcome Center (see in regional section below)
Wineries of Santa Clara Valley
Santa Clara County Farm Bureau
Specialized Bicycle Components
Shopping Center Owners
Local Realtors
Hotel/TBID Constituency
San Martin Airport
MHOSC

City and County Government - Partnerships with the local government entities allow opportunity for articulating the local tourism industry stance on future development. While DMOs cannot lobby, they can provide the tourism perspective for consideration in city’s development projects. VMH is unique that it has City employees within its Board and should be leveraged to its advantage. Tourism is one of Morgan Hill’s Economic Development blueprint pillars, which is forward thinking. Many of the elements that make a place good to visit, also make it a good place to live. Supporting the livelihood of local business and workforce keeps the destination alive. Local measures impacting business, transportation, and facilities can impact tourism. Park projects, street improvements/modifications, hotel development, sport facilities, and business ordinances can all impact tourism. In addition to the ongoing relationship with the City of Morgan Hill Economic Development and Parks and Recreation departments, it would be helpful for VMH to have good familiarity with local law enforcement to be a resource for emergency/crisis communication impacting visitors and hotels, or non-emergency referrals. VMH should take a leadership role amongst these partners to advocate for a tourism vision and interface on communication where needed.

- Developers considering new hotel development should be brought into the fold and research should be shared. These kinds of partnerships with local developers and investors can help MH garner new product to attract visitors in the long-term.
- Additionally, establishing relationships with these players in the market also help position the industry as one interested in new business and being business friendly. To do this, VMH should also maintain a close partnership with the City and the Economic Development Department to understand how best to recruit new investment and new product to Morgan Hill as a team to grow the industry.

Partners to Consider within City & County Government
Choose Morgan Hill (Economic Development)
Department of Parks & Rec
City of Morgan Hill
Morgan Hill Police & Fire
Santa Clara County Parks
Santa Clara County Sheriff
County Supervisor, District Senator & Assemblyperson
State Parks (Henry W. Coe)

Local Event Organizers – VMH should partner with local events to develop programming better suited to attract overnight visitors, and to extend destination content and promotion opportunities. Work with event organizers on overnight stay opportunities and advance their ability to book into hotels for overnight stays. Creative ways to partner and support in-kind through established VMH marketing channels. As an organization with limited resources, VMH cannot broadly commit funds to events that do not demonstrate ROI with trackable hotel room nights. Instead, specific event evaluation criteria should

be established so that event organizers can both understand and build out their events to speak to VMH's criteria for ROI and in return receive funds and/or resources where possible.

Event Name:	Fail	Poor	Average	Above Average	Excellent	Total Points Awarded
Components						
Point Allocation	1	2	3	4	5	65 MAX
Maximum = 5 points per component						
Program Components						
1. Tourism Promotion – Destination Impact						0
2. Benefit to the Destination Brand						0
3. Innovation - uniqueness						0
4. Evidence of Partnerships						0
5. Organizational Structure & Management Capability						0
6. Economic Impact (Direct Spending)						0
7. Quality of Research – understanding of audience						0
8. Suitable Target Market(s)						0
9. Comprehensive Marketing Plan/Approach						0
10. Funding plan						0
11. Evaluation/Measurement Plan						0
12. Room nights						0
13. Scale of Project – future potential						0
Total	0	0	0	0	0	0
Maximum possible points = 65						0%

This evaluation criteria not only provides a foundation for when and how VMH should invest in an event, but also provides the foundation to decline sponsorship dollars and hold that investment until an event can meet and exceed the criteria. An Event Matrix for evaluating events against tourism ROI has been included above as well as in in the appendix.

Event Organizers to Work With
Poppy Jasper International Film Festival
Boots and Brew
Friday Music Series
Taste of Morgan Hill (Chamber)
Wine Stroll & Beer Crawl (Downtown Association)
Mushroom Mardi Gras
Freedom Fest

Local Partnership Action Items:

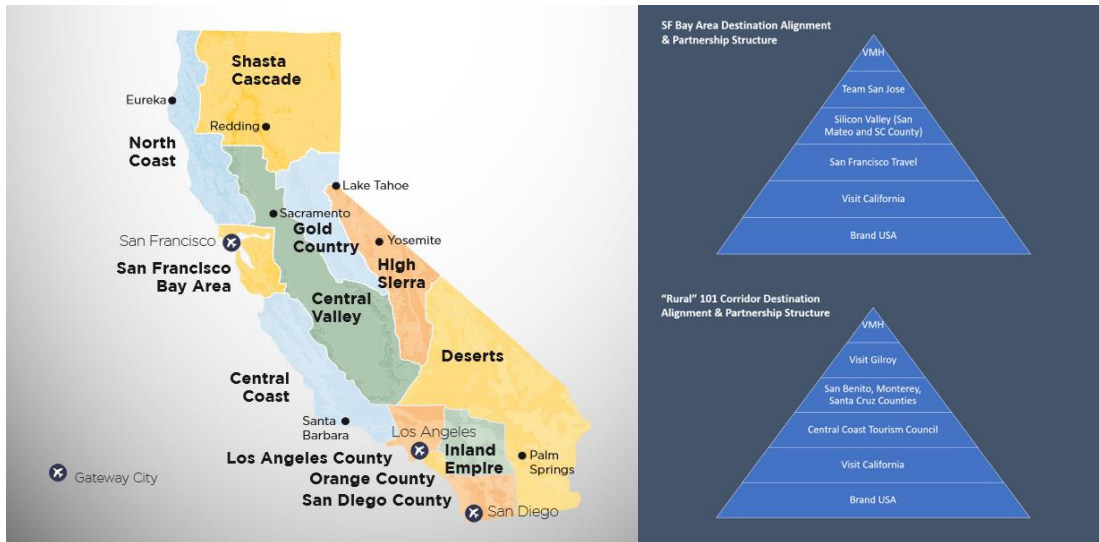
- Regularly engage and educate local tourism community on destination marketing development – example Tourism Symposium annually, site visits, or educational/ambassador training workshops
- Leverage partner member-bases for relevant communications and opportunities for non-hotel entities

- Arm local businesses, organizations, and events with ambassador tools/visitor resources and destination toolkits that may be implemented in their own efforts
- Take inspiration from local partners for destination visual and written content development, storytelling, personalities, and photography
- Develop a list of partners that would like to host FAM trips in the future
- Consult and collaborate with those that have interest in developing or investing in new tourism related product in Morgan Hill
- Facilitate connections between businesses and hotels where appropriate
- Collaborate on local business sector campaigns
- Work with existing events to add visitor appealing components, like pop ups
- Continued development of local tourism industry email list and regular correspondence
- Explore partnership ideas locally to develop tourism and bolster local economy post COVID-19 tied to City and County re-opening regulations and plans
- Consider ongoing stakeholder meetings i.e. restaurants, wineries, event organizers, etc. on progress, share opportunities, and discuss local tourism product development
- Consider creating committees or annual planning meeting focused on topic areas to improve VMH positioning and partnership opportunities that will deliver local ROI including business development – sports focused, leisure marketing and product development
- Establish and implement event evaluation criteria for marketing and funding (see appendix)

Regional destination partnerships are leveraged by DMOs to extend their reach and elevate their message through additional, marketing communications and business development efforts. Partnering with neighboring destinations, larger regional organizations, and industry specific associations creates greater destination awareness in many audiences at appropriate levels of investment. It is important to note that this section is in the context for partnership. Regional partnership is not the sole, or primary, recommendation for how VMH should market the destination. As described in the Strategic Plan, VMH has identified target markets for leisure and strategic markets for sports. This is an illustration of how regional partnerships would work.

Cooperatively marketing with other DMOs that align with Morgan Hill geographically and asset-wise is beneficial as often a regional destination message is more relevant to the visitor than just one jurisdiction, and cost effective for the partners. As Visit California promotes the entire state as a destination, Morgan Hill may partner with nearby destinations to promote as a “mini-region” targeting the same audiences. The partnership identifies the destination, not the target market. Partnering with Visit Gilroy would not mean targeting Gilroy residents. Morgan Hill and Gilroy could partner to target, for example, Los Angeles, as pooling funds would be more effective than Morgan Hill and Gilroy each separately marketing to Los Angeles residents and Morgan Hill and Gilroy are close enough to align as the same “area”. This goes for regions in between state and local as well, , where participants maintain their identity but aim for a common target. Opportunities may be bespoke new partner arrangements, or signature co-op programs crafted by state, national, or regional organizations. Possible regional partnership models are displayed below, to give an idea of the “nesting” effect of leveraging a wider destination message than Visit Morgan Hill alone. Visit Morgan Hill is fortunate to lie at the border between two distinct geographic areas and

offers characteristics identifying with both the state’s identified San Francisco Bay Area Region and the Central Coast Region. San Francisco is positioned as a convention and major metro, gateway city destination, while the Central Coast leverages a more natural non-city escape. We recommend an a la carte approach leveraging a combination of smart partnerships within both to maximize available marketing opportunities to target audiences in common.



Regional partnerships will require research and vetting to determine the best ROI for VMH. To ensure that ROI is delivered VMH should:

- Build relationships and craft a regional strategy with neighboring, or broader area destination organizations, such as Gilroy or San Jose. The messaging and efforts deployed through any partnership should always be targeted at VMH’s audiences while leveraging the collaborative effort to extend interest in the assets and amenities of multiple communities
- Monitor organizations like Visit California and Brand USA to understand what initiatives they are undertaking and how a participation would benefit. Visit California is not membership based, but has pay to play marketing opportunities

Strategic Destination Partners for Consideration
Team San Jose/Visit San Jose
Visit Gilroy/California Welcome Center
Visit California
Mineta San Jose Airport
San Benito County Chamber of Commerce & Visitors Bureau
San Mateo County CVB
SF Travel
Central Coast Tourism Council

Regional Partnership Actions should include:

- Involve neighboring destinations in discussion and alignment on marketing efforts
- Engage in high ROI “bought” cooperative partnership campaigns
- Seek cooperative efforts and campaigns for like target markets

Industry Advocacy Organizations – These are the tourism membership associations for industry support, education, and information/research access. These often come with membership fees, therefore all memberships should be strategic and considered based on need and benefit. For example, CalTravel invests in lobbying efforts if proposed legislation at the state level could impact the hospitality and tourism sector. As a non-profit, VMH and other DMOs are limited in political and lobby efforts, so relationships with advocacy groups such as CalTravel greatly support at the state level. Additionally, in times of crisis i.e. COVID-19, CalTravel has been an information sharing platform to the industry and an advocate for stimulus funds reaching industry partners. CHLA put together a DMO group hotel membership program to get free legal service for a year and exclusive access federally funded sanitizer and masks. Membership with tourism advocacy organizations should be evaluated before securing, to ensure benefits ultimately support VMH and stakeholder businesses.

Tourism Industry Advocacy Organizations
U.S. Travel Association
California Travel Association (CalTravel)
California Hotel Lodging Association

Industry Advocacy actions should include:

- Explore and identify top association partnerships for advocacy and data
- Identify 1-2 key business development association memberships

Business Development Memberships – These membership/partnership opportunities are organizations that support specific industries such as sports, business travel, or meeting planning and offer opportunity for strategic market “sales” opportunities. Therefore, these partnerships are outlined within the Business Development section of this Tactical Plan.

MARKETING COMMUNICATIONS

Integrated marketing communications is the cornerstone of destination marketing and one of the primary disciplines leveraged to inspire Target Markets to book overnight stays. All future marketing plans and initiatives will be built on and the foundational reason the City of Morgan Hill and its hotel community came together to form the Tourism Business Improvement District. The outcomes from the Strategic Plan and this Tactical Plan will drive all future annual marketing campaigns and programs and is focused on the Target Markets identified in the DSP.

Not surprisingly, this area is also where most stakeholders and industry partners have been eager to see VMH step in and bring a voice to the community for tourism and visitation. The desire to develop and grow awareness of Morgan Hill as a visitor destination is strong and will only gain momentum as VMH establishes a brand and develops campaigns and targeted messages. The success of this focus area will require VMH to stay closely aligned with the recommendations in this Plan to create targeted marketing campaigns on an annual basis as part of the organization's annual sales and marketing plan.

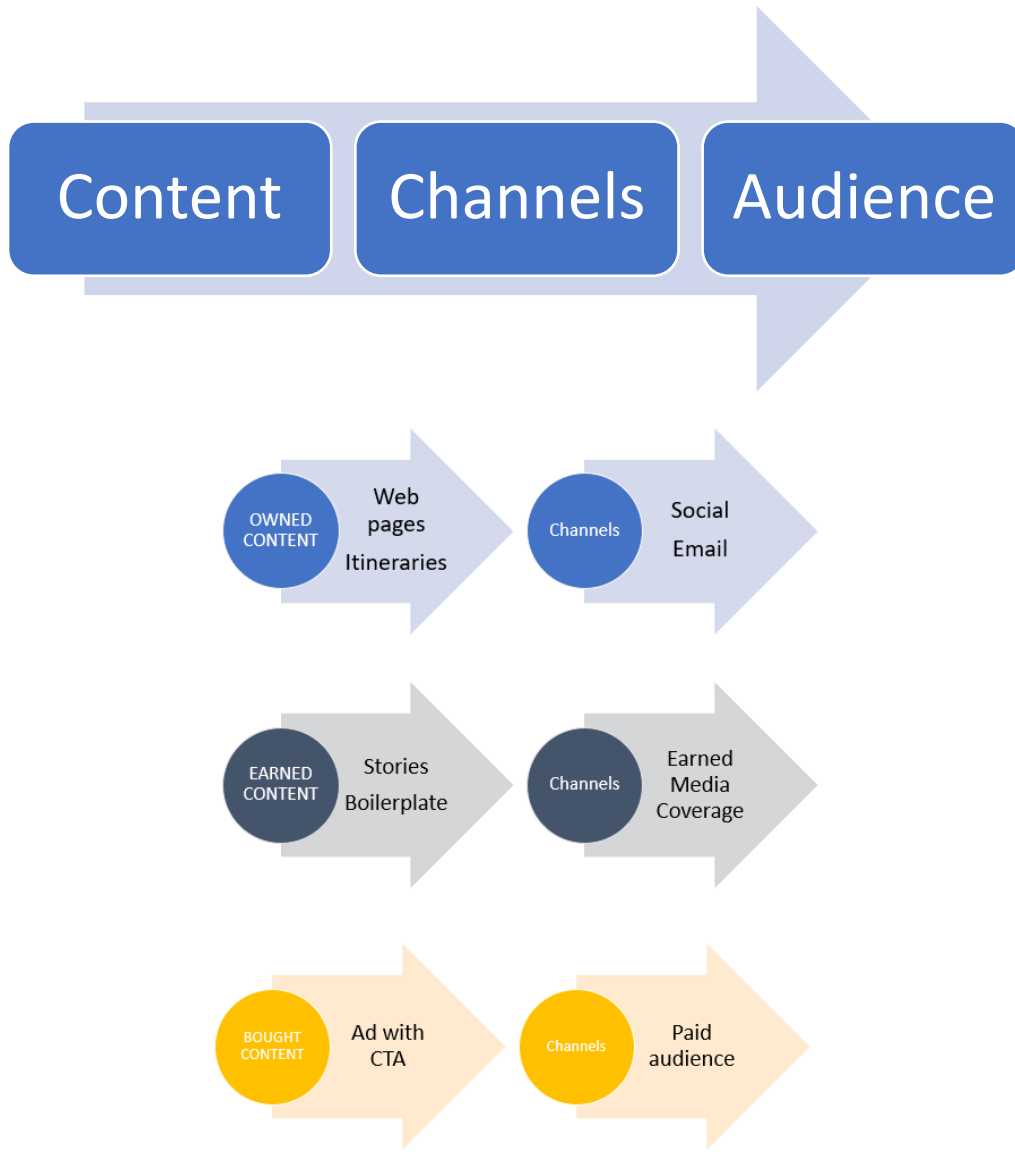
Marketing Communications refers to the owned, earned, and bought media and related destination marketing efforts. Visit Morgan Hill will have a strong focus on content development at launch and ongoing, as well as identifying channels for distribution to reach audiences. Such efforts include, but are not limited to, the following activities:

- **Owned:** Development and maintenance of a website designed to promote assessed businesses and destination assets, development of social media channels, email marketing and blog publication, themed content development
- **Earned:** Public relations efforts with travel media, journalists, influencers, story development, trade media, local communications efforts, and (business development/sales efforts)
- **Bought:** Internet marketing efforts, digital and print ads in magazines and newspapers, broadcast and streaming channel ads, social media advertising, search and pay per click, cooperative travel marketing campaigns, and paid listings or print/digital collateral features

Initial marketing and communication efforts must focus on implementing the new destination brand and developing content based on the assets and attractions that are determined to be visitor facing amenities (see Asset Review & Analysis in the Market Study). High ROI channels to communicate messaging through earned, owned, and bought marketing efforts will be leveraged. The timing of COVID-19, while dramatically damaging to the tourism industry across the globe, has provided a unique opportunity to introduce Morgan Hill as a visitor destination to a local and regionalized marketplace. VMH will focus effective, streamlined, and cost-efficient marketing efforts to reach target audiences and convert new visitors. This does not mean VMH will be placing broad and general awareness marketing ads, as all content and messaging should be targeted to one of the audiences that have a direct interest in Morgan Hill's experiences (outdoors, cycling, wine, culinary, farm, downtown).

The following are the tactical areas VMH will undertake for Marketing & Communication. All of the marketing communications execution will be followed under the premise of the overall resource allocation for the ED's time and focus on an annual basis. As VMH's highest area of focus, integrated marketing communications support may need to be considered at some point within the term of this plan, whether ad hoc or incremental hours in the areas of content development, public relations, digital advertising, email marketing, and/or social media. Understanding that Marketing & Communication takes time and has multiple ongoing channels, an integrated marketing and content calendar will need to be built out annually and distribution channels identified.

The following section outlines Visit Morgan Hill's tactical Marketing Communications efforts within Content and Channels:



The following outlines elements that should be included the annual marketing plan.

1. Develop Visit Morgan Hill brand and **OWNED CONTENT** for leisure marketing
 - o Complete an organizational brand process
 - VMH undertook this strategic planning process and a brand development process in parallel. These efforts are both heavy lifts, but mutually beneficial for the organization to have a roadmap and a new brand platform completed at the same time. This process will establish the look and feel for VMH's brand identity and help craft a brand story that will extend VMH's visitor messaging and

mission. The implementation of the brand platform across all owned channels will be an immediate pursuit once a brand is established.

- Complete establishment of brand assets, logos, files, and guidelines
 - An outcome from the brand process will include these brand assets and establish the inventory of branded elements to utilize going forward. VMH may create additional materials utilizing the brand elements.
 - Owned content and assets may include:
 - Logo
 - Brand guidelines
 - Purpose, promise, pillars, voice
 - Mockups of paid and owned digital content
 - Image set
 - Destination profile (all assets including leisure, access, geography/map)
- Prioritize types of owned content to create/obtain
 - With this plan’s recommendations and a new brand platform in hand, VMH will be ready to establish itself on multiple owned content channels.

Recommended content development structure:
WHERE – Location, Travel Info
WHAT – Destination Overview
HISTORY – History/Unique Attributes
PLAY -- Outdoor Activities, Recreation, Sports
DRINK -- Wineries, Breweries
EAT – Dining and Farms etc.
SHOP – Retail, Art, Downtown
EVENTS – Local Events, Festivals, Entertainment
VENUES – Facilities for Special Occasion Events, Sports

- With limited resources, content pieces should be prioritized and timed based on target and strategic market ROI which include ease of access, visitor audiences, and cost effectiveness.
- Owned content to be developed based on the assets and amenities most likely to convert overnight stays.
 - Website content – pages, things to do, event calendar itineraries, maps
 - group sales profile, (specific to rooming, group/event capacity space, sporting inventory)
 - Digital/print pieces- digital templates, social post graphics, rack card or tri fold, group sales pieces, ad mockup(s)

- Marketing briefs –to guide themed marketing content and campaign pieces defining the messaging, audience, tone etc. resulting from the branding process
 - Video (original or repurposed/b-roll)
 - Table top stand or other physical display items TBD
 - Business development decks (leisure & group markets including venue inventory and capacity)
 - potential blog for leisure activities
 - Web should also speak to local stakeholders and partners - add partners page, local email newsletter signup
2. Develop effective and efficient marketing communication **CHANNELS** for content distribution
- Establish visitor audiences and target markets annually (allowing flexibility). As identified in the Strategic Plan there are several leisure markets that should be refined and broken out on an annual basis for specific campaigns that tie back to the assets and amenities Morgan Hill has to offer. Market Personas are defined in the Target Market Appendix.
 - Develop **owned channels** through which to distribute content including web, email and social media platforms.
 - Owned web channel CMS is Squarespace. This site to be utilized and updated to reflect new brand standards and incorporate outcomes of the strategic planning process i.e. leading with assets and amenities that will appeal to the target markets.
 - Add RFP submission form for sports and groups, consumer email newsletter sign up, or any other submission forms necessary
 - Continually evaluate Squarespace’s ability to meet VMH web needs
 - Owned email marketing should be direct to target audiences and rely on the leading assets and amenities
 - Campaigns and messaging and CTAs to be defined annually in the annual marketing and sales plan.
 - Evaluate Squarespace’s ability to meet email needs
 - Owned social platforms should be leveraged with content that is visually captivating to inspire travel and message Morgan Hill’s offerings.
 - Social posts should follow the integrated content and campaign calendar built out, but allow for ad hoc posting
 - Consider leveraging social automation platforms
 - Execute social media and content development strategy with clearly defined goals in annual plan
 - Leverage Instagram, Facebook, and Twitter with regular, scalable posts tying to brand, content plan, and CTAs
 - **Earned channels** i.e. media and public relations (PR) will likely be strongest through shared social platforms with the ability to circulate content with followers, but travel and

regional media may be approached for publicity. Additional earned media include press release pickups and other story “coverage”. Items to develop for earned media and PR:

- Press release templates
- Boilerplate destination copy – general and themed
- Media lists
- Media kits with images and quick fact sheets
- Journalist and influencer lists – regionally
- Pending COVID19 restrictions, host target media for hosted familiarization tour, or develop a digital format virtual fam for outdoors, food and wine themes.
- Consider an agency in Phase Three and beyond, budget willing
- **Paid channels** include paid activations, digital campaigns, or cooperative marketing efforts. Paid campaigns should be strategic and highly focused on markets with best return on investment. Some paid media will incorporate outside content development.
 - Create a baseline pay per click and search engine optimization
 - Create an annual schedule for paid media opportunities including digital, social, and cooperative campaigns with partners.
 - From the identified target markets, prioritize those to be considered for paid media spend
 - Based on the Strategic Plan findings and understanding Morgan Hill’s assets, marketing initiatives need to be targeted to visitor segments that have interest and will travel for these kinds of experiences.
 - Identify OTA opportunities to increase hotel bookings
- COVID-19 re-opening marketing should be considered as the industry in the State of California and Santa Clara County take steps to re-open and bring visitors back into communities.
 - Timing of any and all marketing in the short-term should be aligned with re-opening efforts. Paid media should not be spent until re-opening phases have moved further along from Phase 2.
 - These efforts should still remain targeted and not be general awareness and should leverage the outdoor experience and open outdoor feel Morgan Hill has to offer.
 - Seek campaign and promotional opportunities to share a “safe & welcoming” message

BUSINESS DEVELOPMENT

The final functional “department” within the Tactical Plan is focused on business development, or what is traditionally referred to as “sales.” This area is a proactive approach to the Strategic Markets identified in the DSP, driving new business into Morgan Hill that is tied to group events including sports tournaments, small meetings and other social group events. As identified in the Strategic Plan, Morgan Hill has limited group meeting assets however, the sporting tournaments are a priority for stakeholders as the existing sports facility has significant potential to capture its share of the youth sports tournament market.

Additionally, Morgan Hill's outdoor open space and outdoor venues makes it a desirable location to grow leisure events that would host small or large groups. It is important to note, that while this is part of the Tactical Plan, COVID-19 group gathering limitations will slow or delay the time in which VMH can begin actively soliciting this type of business.

A detailed Target Market & Business Development Tier assignment schedule has been developed and included in the appendix.

1. Develop awareness of Morgan Hill as an overnight sporting, group event, and business travel destination
 - Identify target business development markets for Morgan Hill
 - The primary business development market is turf field and aquatic sports that are a fit for Morgan Hill's sports complex including soccer, lacrosse and football, and swimming.
 - Consideration in the annual budget process should be given to tournament organizer networking and relationship development, site tours, attending trade shows and paid promotions
 - Pending COVID-19 restrictions, within this 3-year plan, host a sports market decision maker familiarization tour of Morgan Hill, its facilities, lodging, and leisure activities. Alternatively, consider a virtual fam, video format if can be accomplished within budget.
 - Secondary sales markets include the event planning market, meeting planner market, and corporate business travel market. Furthermore, new sporting events such as marathons, cycling, or events that fit the MHOSC or other open areas can be considered with business development efforts.
 - Establish guidelines for investment level (bid funds) in the various target markets
 - Tournament sports often desire discounted rental and waived fees to benefit the organizers. This market segment is highly competitive and often bids include DMOs committing funds to help support the tournament. As VMH has limited resources, guidelines need to be established to determine how to prioritize any investments as the organization cannot pursue all the opportunities.
 - These guidelines for when and how VMH commits dollars and resources to a client should be formalized. VMH's Executive Director should work collaboratively with the facility, for example, the Outdoor Sports Complex to develop the criteria that would identify, at a minimum:
 - Date of event
 - Number of players
 - Number of total attendees
 - Number of committable (blocked) hotel rooms
 - Level of funds requested (bid fund dollars)
 - Purpose of funds being requested

- Additional marketing exposure value to Visit Morgan Hill (utilize Event Matrix)

As stated in the Operations section of the Tactical Plan, this criteria should be formalized into a Memorandum of Understanding or something similar with any event receiving funds. This document should become a policy and procedure that is followed each time a client commitment is made, especially when funds are involved. The document should also state when the funds are to be distributed and how the funds are to be returned – in full – in the event that the organizer cancels the event. This document should be signed by the client receiving funds, Executive Director for VMH and the Board Chair for VMH. It has also been done in other destinations where the facility the event is being held in is also party to the document.

- Establish appropriate content/collateral for targets
 - Tournament organizers need to know key facts and features to help make the commitment and decision to bring their tournament to a destination. Additionally, collateral should feature those amenities and assets Morgan Hill has to entice the visitor and have a positive impact on their experience should they choose Morgan Hill.
 - Event and meeting planners need to know event venue capacities
- 2. Develop new business opportunities within target markets
 - Establish calendar for all business development sales activities
 - VMH should identify key contacts and organizations to network with. On an annual basis this would include sales calls, site visits, tradeshow (or other buyer/supplier matching opportunities in the new COVID era).
 - Additionally, VMH should identify and set goals to meet with and have key touch points with sports prospects. This includes tournament organizers and the regional planners for organizing bodies with control over event placement for those target sports that fit Morgan Hill’s sports facilities inventory.
 - Engage in strategic partnerships and memberships with target market associations
 - As part of the annual planning process, VMH should work closely with the Morgan Hill Outdoor Sports Complex, Aquatic Center and any other future venue that is developed on how collaboratively the partners can work to attract visitor driving sports events , develop relationships with organizers, and bid on business together.
 - Actively develop qualified leads for hotels
 - As the end goal is to convert new overnight stays, the tactical approach taken to this segment will bid on the event component and incorporate lodging terms and facilitation, to distribute those qualified leads to Morgan Hill hotels to participate in.
 - VMH should actively track wins and losses and the participation from hotels in order to measure success and understand what works and what might need

adjusting to be successful in the future. VMH should also seek hotel input on lead distribution processes and procedures.

- o Business Development Memberships: Many niche membership associations exist for VMH’s strategic markets, such as meeting planner organizations, business travel associations, or sports associations. These memberships allow access to member networks and decision makers in many of these areas. Tech company networking is an important way to generate destination awareness with corporate meeting planners and corporate business travel management agents.

Business Development Memberships to Consider
Silicon Valley Business Travel Association
San Jose Sports Authority
National or State Sports Tourism Association
Visit San Jose/Visit Tri Valley (referrals)
National Youth Soccer Association
Cal North Youth Soccer
Business Travel Association Bay Area Chapter
CVENT
NorCal Soccer
USA Swim; Pacific Swimming; Zone 1 South

TACTICAL PLAN CONCLUSION

Although Visit Morgan Hill is a relatively new DMO getting started on implementation through this planning process, stakeholders have made it clear that the interest in visitors experiencing what the community offers is far from new. VMH has the opportunity to make an impact on stakeholder businesses by putting these key actions in place to grow the visitor industry’s success in Morgan Hill. While there are significant steps to successfully implementing and completing what has been researched, contemplated, developed and recommended in the pages above, this strategic plan will guide VMH’s detailed work plans to achieving many goals ultimately converting new and increased overnight stays in Morgan Hill hotels and industry partner businesses through spending. The Strategic Plan and Tactical Plan are guiding documents that will enable VMH to complete annual planning processes while confidently conducting day-to-day business operations.

APPENDIX

- A. Competitive Destination Profiles
- B. Asset Inventory
- C. Event Matrix Criteria
- D. Target Market & Business Development Tiers
- E. Operations Policies and Procedures Recommendations
- F. Milestone Timeline

Appendix A. COMPETITIVE DESTINATION PROFILES

Destination Profile: Visit Oxnard

Visit Oxnard is a DMO that represents the City of Oxnard. The DMO operates within a Business Improvement District with 4 staff members and 17 board members representing hotels and the broader hospitality and tourism industry.



Annual DMO Budget:

FY2020: 1,064,000*

*Pre-COVID-19

Budget : Rooms Ratio

About \$708

Leisure Assets/Leading Focus Areas

1. Beach
2. Channel Islands National Park
3. Harbor/waterfront
4. Architecture
5. Dining
6. River Ridge Playing Fields
7. The Collection at River Park shopping center

Group Assets/Leading Focus Areas

1. 150,000 square feet of meeting space
2. Maximum capacity under one roof – 865 guests

Regionalism/Partnerships

1. Leverages positioning between Los Angeles and San Francisco
2. Is within the Ventura County Coast assessment with a separate TBID representing south Ventura County
3. Ventura County Coast and Visit Oxnard both leverage Visit California's rural grant region, Central Coast Tourism Council, for cooperative marketing opportunities

Funding Structure

Visit Oxnard is funded primarily by the Tourism Business Improvement District (TBID) assessed on rented hotel rooms at 1.5% of the average daily rate. The TBID was established in 2017. Additionally, the City of Oxnard contributes funding on an annual basis, which represents about 30% of the total DMO budget.

Visitor Services

Includes a Visitor Center with visitor guides, maps, directions, and information on activities and attractions in Oxnard.

Target Audiences

The demographic profile of Oxnard's target traveler:

- Geography
 - Bay Area
 - Southern California
 - Central Valley
 - Arizona
 - Nevada
 - Texas
 - Canada
- Demographic/Personality Info
 - Young, outdoor explorers without kids
 - Digitally connected
 - Active family oriented travelers
 - Value driven traveler
 - Cultural experiential traveler

Destination Profile: Travel Paso Robles

Travel Paso Robles is a DMO that represents the City of Paso Robles. The DMO operates within a Business Improvement District with 3 staff members and 9 board members representing hotels and the broader hospitality and tourism industry.



Annual DMO Budget:

FY2020: 1,280,000*

*Pre-COVID-19

Budget : Rooms Ratio

About \$566

Leisure Assets/Leading Focus Areas

1. Wine – over 200 wineries
2. Ranches
3. Outdoor experiences
4. Down to earth feel
5. Annual California Mid State Fair
6. Sensorio Field of Lights
7. Downtown/City Square & Farm to Table Dining

Group Assets/Leading Focus Areas

3. Paso Robles Event Center with - 2,300 capacity – fair grounds and facilities

Regionalism/Partnerships

4. Paso Robles falls within SLO CAL, which is a County assessed DMO – adding marketing power to the messaging efforts

5. SLO CAL & Travel Paso leverage Visit California's rural grant region, Central Coast Tourism Council for cooperative marketing opportunities
6. Paso Robles also leverages the geographic location between Los Angeles and San Francisco

Funding Structure

Travel Paso Robles is funded primarily by the Tourism Business Improvement District (TBID) assessed on rented hotel rooms as well as shared accommodations at 2% of rental rooms average daily rate. The TBID was established in 2008.

Target Audiences

The demographic profile of Travel Paso Robles's target traveler (pulled from marketing plans, where possible):

- Geography
 - N/A
- Demographic/Personality Info
 - N/A

Destination Profile: Visit Rancho Cordova

Visit Rancho Cordova is a DMO that represents the City of Rancho Cordova. The DMO operates within a Business Improvement District with 3 staff members and 7 board members representing hotels and the broader hospitality and tourism industry.



Annual DMO Budget:

FY2020: 633,000*

*Pre-COVID-19

Budget : Rooms Ratio

About \$300

Leisure Assets/Leading Focus Areas

1. Wine
2. Weekend getaway
3. Outdoor activities
4. Arts and culture

Group Assets/Leading Focus Areas

1. Sports tournament facilities
2. Maximum capacity under one roof – 1,000 guests

Regionalism/Partnerships

1. Leverages Gold Country California, a Visit California rural grand region which represents 10 counties in California

Funding Structure

Visit Rancho Cordova is funded primarily by the Tourism Business Improvement District (TBID) assessed on rented hotel rooms at \$1.50 per occupied hotel room. The TBID was established in 2010.

Target Audiences

The demographic profile of Rancho Cordova's target traveler (pulled from marketing plans):

- Geography
 - N/A
- Demographic/Personality Info
 - N/A

Appendix B. ASSET INVENTORY

Morgan Hill’s destination assets, or “destination products” are categorized, listed, and described in detail below. This is intended to be an overview for purposes of analysis within the Strategic Plan and identifying top opportunities for visitor marketing. This also serves as starting point for structuring visitor content, as opposed to serving as an exhaustive list. An asset, also known as an “attractor,” is an attribute of the destination that may serve visitors. Assets listed here are mostly facility driven, but some are more conceptual or feature driven. Some individual assets will transcend categories or fit within more than one. Assets that are in known development are noted within categories.

For purposes of Visit Morgan Hill’s strategic planning, the assets are grouped to identify key pillars to inform positioning, market prioritization, and content development. These assets have also been run through an attractor analysis to determine each’s propensity to attract visitors and further support positioning. Also, these assets support Visit Morgan Hill’s initial branding effort and pillar/theme development.

Asset Categories (each described in detail below):

10. Parks, Open Space, Lakes, & Trails
11. Wineries & Breweries
12. Orchards & Farms
13. Sport & Recreation Facilities
14. Event Venues & Services
15. Dining, Downtown/Entertainment, & Retail
16. Local Events & Festivals
17. Cultural Attributes
18. Location, Accessibility, & Proximity
19. Hotels

Assets Quantified:

Wineries	Farms	Parks	Lakes	Rec Centers
9	6	10	3	4
Restaurants	Special Events	Event Venues	Hotels	Hotel Rooms
100	10	25	14	867

Assets Inventory & Analysis

1. Parks, Open Space, Lakes, & Trails

There are several outdoor spaces and parks in Morgan Hill, strongly noted by local stakeholders for their numerous recreational amenities. Great weather makes the appeal of getting outside

even greater. Three are 25 parks within Morgan Hill, and although many are community and neighborhood amenities with less visitor interest, articulating the number of parks speaks to the open space and protected areas Morgan Hill is known for. Henry W. Coe State Park is the largest state park in Northern California, offering nearly 90,000 protected acres of scenic hills and ridges of the Diablo Mountain Range. The park has undeveloped, rugged terrain ideal for hiking, mountain biking, horseback riding, and wildlife and plant viewing highlights such as spring wildflowers and fall tarantula season. Another highly noted outdoor space is Anderson Lake County Park, with over 4,000 acres surrounding a 7-mile-long lake and offering great hiking trails, picnic areas, and fishing spots. The park encompasses the Coyote Creek Parkway connecting Morgan Hill with San Jose 15 miles north with a flat, paved trail along Coyote Creek. There is also a 2.9-mile loop trail and both paths are suitable for walkers, runners, cyclists, and skaters. An equestrian trail runs parallel to the Coyote Creek Parkway and there are several equestrian facilities locally. The Coyote Valley Open Space Preserve is another protected space utilized for recreation. The area is referenced as the “greenbelt” for its expansive open space and its distinction from the Silicon Valley cityscape. Downtown Morgan Hill offers two interesting parks: Nob Hill Park with a unique hillside slide, and Railroad Park located at the Depot. In addition to Anderson Lake, there are also Uvas Reservoir, offering hiking, fishing, and picnicking, and Chesebro Reservoir. Boating may be enjoyed at Coyote Lake Harvey Bear Park in nearby Gilroy, or Calero Reservoir. Road cycling was also emphasized, as the local backroads are known for cycling with beautiful backdrops. Some of the larger parks evolved from prior ranch land, such as Henry W. Coe SP, and Morgan Hill is along the Anza National Historic Trail, which are of interest to visitors that seek historic features. An accessible, inclusive park in downtown Morgan Hill is in development. Although current visitation indicates a mostly local draw, parks and open space offer a strong visual and experiential asset for to promote to visitors. This unknown quality could be an opportunity to position as new, undiscovered places appealing to visitors that have already visited the state’s major parks and seek off the beaten path or “non-touristy” outdoor experiences. Visit Morgan Hill may seek collaborative opportunities with State Parks, County Parks, and the Open Space Authority.

Notable Morgan Hill Parks

Henry W. Coe State Park
Coyote Valley Open Space Preserve
Coyote Creek Loop Trail
Nob Hill Trail Park
Railroad Park
COMING: Magical Bridge Accessible Park

Lake Parks

Anderson Lake County Park
Chesebro Reservoir County Park
Uvas Reservoir Park

Additional Surrounding Parks for Boating:

Coyote Lake Harvey Bear County Park (Gilroy)
Chesebro Reservoir and Park

Morgan Hill Local Parks

Christmas Hill Park

Diana Park
Galvan Park

Paradise Park
Morgan Hill Community Park
Murphy Springs Park
Nordstrom Park
Stonecreek Park
El Roble Park
Forest Street Park
Las Animas Park
Miller Park
Murphy Springs Park
Nordstrom Park
San Ysidro Park

Stonecreek Park
Sunrise Park

Equestrian Facilities

Big Oak Ranch
Hensley Ranch
Ligara Farms
Coyote Creek Ranch
Five Star Farms
Triple Bar Stable
SM Second Chance Ranch
SM Lone Star Equestrian Center

Potential Partners: Open Space Authority, Santa Clara County Parks, California State Parks

[MAP](#)

2. Wineries & Breweries

Morgan Hill's wineries are within the Santa Clara Valley Wine Trail, making up 9 of the Trail's 34 wineries. When combined with neighboring San Martin, Morgan Hill offers 10 wineries. There are around 15 wineries within a 10-15-minute car ride from downtown and over 20 within 15 miles. Visit Morgan Hill shall remain flexible in promoting regional wineries as part of overall messaging. The wine tasting experience is noted as approachable, unpretentious, and offers a value proposition for price to quality of wine ratio. In these wineries, a visitor may often meet the winemaker, and many are second, third, or more generations family run, which appeals to visitors seeking localized and personalized wine experiences. The winery setting, experience, and vineyard views are sought after, often just as much as the wine. Only a handful of Santa Clara Valley wines are featured in national or chain distribution, which means there is some lack of awareness beyond wine club members and a small regional radius. However, uncommercialized, boutique operations offer an attractive (and affordable) counterpoint to more developed wine areas, particularly to those who have seen and done Napa, Sonoma, or Santa Barbara or don't wish to travel as far. Santa Clara Valley AVA is known for some of the first premium wine producers in the state (up to 95 years old) and the discovery of native "Vitis Californica" grapes growing wild. It boasts an impressive number of award-winning wines and is a rapidly growing wine region, having tripled in the last 5-10 years. The area's wineries offer a robust number of events seasonally, such as vineyard tours, live music series, special dinners, and several offer special event venues and services. There is also a local wine tour company, which provides custom tasting tours, transportation, and sustenance for a day of wine tasting supporting a true leisure experience. The Wineries of Santa Clara Valley member association is a great resource for the region's wine experience, producing a wine map, summer event calendar, and offering a Wine Trail Pass good for tastings at member wineries. There are also Trail Days three times a year generally, where wineries bring in live music, food trucks, and other entertainment. Morgan Hill has a brewery and taproom that are worth noting within the broader "drink" category as they are appealing to visitors and provide a casual and authentic experience to visitors. Kelly Brewing Company brews their own beer and is set downtown, offering a patio and live music, and special food truck/pop-up dining features. The Running Shop and Pour House offers a vast selection of

craft beers out of their Granary location near the train depot and downtown. There is a key downtown space of the former El Toro Brew House that may reopen and be a notable restaurant and brewery for visitors. Visit Morgan Hill shall seek partnership and experience development opportunities with the Santa Clara Valley Wineries association and direct with Morgan Hill wineries, breweries, and any other local organizations that may focus on wineries and breweries.

Morgan Hill Wineries

Guglielmo Winery
Morgan Hill Cellars
Lightpost Winery
P&V Winery
Vallee Vineyards
EmmaLily Vineyard
Hill Road Vineyard
Castillo's Hillside Shire Winery
J. Winston Winery

Nearby Wineries (San Martin, Surrounding)

Ross Vineyards & Winery
Lion Ranch Vineyards & Winery
Clos La Chance Winery
MO|HI Sycamore Creek Winery
Aver Family Winery
Martin Ranch Winery
Fernwood Cellars
Kirigin Cellars
Jason-Stevens Winery
Dorich Family Winery
Creekview Vineyards
Miramar Vineyards
Churchcreek Cellars
Wine Tours: California Passport Tours

Potential Partners: Wineries of Santa Clara Valley (Wine Association), Morgan Hill wineries direct [MAP](#)

3. Orchards & Farms

Like most of California, agriculture is a prominent industry within Morgan Hill and the Santa Clara Valley, even with recent growth and development. The area's produce is leveraged by many Morgan Hill restaurants and elements of local ag history are featured throughout downtown Morgan Hill, such as public parklet tables made from fruit packing materials. Santa Clara Valley farms grow 100 different crops, such as garlic, prunes, walnuts, grapes, and olives. Most notable within Morgan Hill are its stone fruit orchards, with cherries in the spring, and mushrooms. There are 15 farms within 15 miles of downtown Morgan Hill, with 6 of them offering experiences appealing to visitors. U-pick and farm stand fruit are available seasonally at U Pick Orchards (Borello Family) at two orchard sites in Morgan Hill. Andy's Orchard also has seasonal fruit picking events and the widest variety of specialty

stone fruits (cherries, apricot, peach, plum) on the west coast. Andy's also has a farm stand retail market for pre-packaged fruits. The Battaglia Christmas Tree Farm, Paradise Christmas Tree Farm, and Uesugi Farms Pumpkin Patch offer holiday season family fun. Morgan Hill also has the Royal Oaks Mushroom Farm and is noted by stakeholders the "mushroom capital", which is also the theme of Morgan Hill's annual Mushroom Mardi Gras Festival. A year-round weekly Farmers Market takes place downtown Morgan Hill on Saturday mornings, at the Depot area. Locally sourced produce and hand-crafted goodies can be found there, as well as the localized experience that many travelers seek.

Orchards & Farms

Morgan Hill Farmers Market
Andy's Orchard
U-Pick Orchards (Borello Family Farms)
Paradise Christmas Tree Farm
Uesugi Farms Pumpkin Patch
Battaglia Ranch Christmas Tree Farm
Spinaca Farms – San Martin

Potential Partners: Downtown Farmer's Market, Santa Clara County Farm Bureau

[MAP](#)

4. Sports & Recreation Facilities

Morgan Hill has several desirable organized sport facilities. The community embraces athletics and there are 3 major sports facilities: the recently improved Outdoor Sports Center (OSC) fields for turf and grass sports, an Aquatic Center with an Olympic size pool, swim programs, and kid friendly water park features, and the Centennial Recreation Center. The OSC is positioned well for soccer tournaments, with 11 full size playing fields, 2 of which are turf with lighting and the rest grass. The OSC may also serve lacrosse, football, ultimate frisbee, baseball/softball, or other niche sports. It is also noted within the Special Event Venue section as a facility for non-sporting events (concerts) and is primarily known for local and Northern California youth soccer events. The Aquatic Center is known as a "fast" pool because of the depth, which is desirable for swimmers and has ample deck space appealing to swim meets. The water park features may also appeal to family leisure. The Centennial Recreation Center offers recreational programming, fitness, and more year-round. Morgan Hill is home to Coyote Creek Golf Club, which hosts golf tournaments, and there are some notable golf courses in the surrounding vicinity offering a leisure or group amenity. Morgan Hill hosted the Amgen cycling tour twice on City streets and the area back roads are known for great cycling opportunities.

Organized Sports Facilities

Morgan Hill Outdoor Sports Center
Morgan Hill Aquatic Center
Morgan Hill Centennial Recreation Center
Morgan Hill Community Cultural Center
Possible development – Sand Volleyball Courts adjacent OSC

Golf

Coyote Creek Golf Club Morgan Hill
 Rosewood CordeValle – San Martin
 The Institute in Morgan Hill – private/closed
 Cinnabar Hills – San Jose

Potential Partners: City of Santa Cruz Parks & Recreation, MHOSC, SJSA, USYS, Cal North
[MAP](#)

5. Event Venues & Services

Morgan Hill has about 25 social and meeting event spaces with indoor and outdoor settings at historic parks, vineyards, sport facilities, public spaces. Venues are attractive for social events, such as weddings, but also networking, festivals, and concerts. The MHOSC, Community & Cultural Center (CCC), and City Parking Garage can host large outdoor events into the thousands of guests. Examples of this are the Boots N Brews country music festival held at the OSC or the Friday Summer Concert Series at the CCC downtown amphitheater. The CCC is also a great venue for meetings, banquets, receptions, parties, and other special events that require an elegant state of the art facility. The niche event strength for Morgan Hill noted by stakeholders is weddings, which bring out of town guests who could extend stays with greater awareness of things to do. There are also numerous personal services and businesses to support events, such as bakeries, florists, officiants, nail, hair and makeup salons, some wellness/spa services, jewelers, balloon artists, and photographers. Some restaurants offer group dining options for special events of smaller sizes. There is also a selection of small hotel meeting spaces at 4 of the local hotels, which offer options for small conference set ups for approximately 40 people. The Rosewood CordeValle is a full-service resort with meeting space but falls outside of the MHTBID.

As part of Business Development, Visit Morgan Hill will create detailed venue capacity and feature charts for prospective meeting and event planners.

Hotel Meeting Rooms

- Hampton Inn (2 meeting rooms, 1496 total square feet, largest room 896 square feet)
- Holiday Inn Express (2-3 rooms, up to 275 people for select formats)
- La Quinta Inn (1 meeting room, 750 square feet, up to 60 guests)
- Marriott Courtyard (1 meeting room)
- Various City-Managed Meeting Rooms for Rental at the CCC and outdoor spaces

Non-Hotel Special Event Venues

Morgan Hill has a variety of approximately 20 venues for social events, networking, special interest, festivals, etc. Nine of these facilities can host between 175-300 guests outdoor, with lower indoor capacities. The OSC and CCC can host guests outside into the thousands.

Sycamore Creek Vineyards/MoHi Wine	Troy's Bocce & Wine Bar	Villa Mira Monte/Historical Society	Clos La Chance Winery
Willow Heights Mansion	Coyote Valley Sporting Clays	City Downtown Amphitheater	Fitz Place
Granada Theatre	Guglielmo Winery	City Playhouse	Leal Vineyards
Rosewood Cordevalle	The Weaver Ranch	City Parks and Picnic	South Valley Lodge

Coyote Creek Golf Club	Morgan Hill Cellars	Outdoor Sports Complex	Morgan Hill Grange
Community & Cultural Center			

6. Dining, Downtown/Entertainment, & Retail

Dining

Morgan Hill has an appealing and distinctive dining scene which is important to consider when communicating the overall visitor experience of Morgan Hill. Morgan Hill’s restaurants have created a reputation as *the* dining destination for the South Bay and South Santa Clara County, particularly in the downtown area. Alfresco and patio dining is a highlight, with great weather and lively atmospheres. The culinary experience ranges from Michelin Star-awarded chef to new and unique finds such as craft vegan food. Several restaurants offer full bars, with creative “mixologists” and feature live music. Many restaurants utilize fresh local ingredients from local farms and some feature local wine. A strength of the dining scene noted by stakeholders is that many of the restaurants are independent “mom and pop” which allow for uniqueness and an intimate setting where it’s not unusual to meet the chef and owners. There are also bakeries, coffee shops, dessert shops, and “hole in the wall” gems to discover throughout the city, such as a 100% gluten free bakery. These offer further points of interest for visitors during their stays. There are 100+ restaurants citywide, with around 30 downtown, and the overall dining experience could be described as eclectic, understated, and upscale. There are several cuisines to choose from, with fusion and regional cuisine options that may create draw, as well catering to dietary preferences (vegan, gluten free). Morgan Hill also offers several franchised and casual options, utilized by travelers conveniently off highway 101. The local reputation as a dining destination can be built upon for visitor interest.

Potential Partners: Morgan Hill Restaurant Association, Downtown Association, [MAP](#)

Downtown/Entertainment

Downtown Morgan Hill offers an authentic sense of place with a walkable, quaint, up and coming feel, celebrated dining, retail, and services. It was consistently noted by stakeholders as the “heart of Morgan Hill” and important to the visitor experience, with public art, gathering spaces, and special touches nodding to the City’s culture and history. The area has murals, outdoor tables, parklets, a small stage for live music, and a large outdoor amphitheater. Downtown is also the setting for many community events, the Community & Cultural Center, and the Granada Theatre. There are 1250 free parking spaces including the Downtown garage. Depot area and the Granary are adjacent, which is also the setting for the farmers market, the Cal Train station, with shops, restaurants, and mixed development projects. Just north of downtown is the historic Mira Monte Villa (the Hiram Morgan Hill House) with a garden and centennial walking/history tours. More about the historic features noted in the Cultural section.

Potential Partners: Morgan Hill Downtown Association, Morgan Hill Chamber of Commerce, Historical Society, [MAP](#)

Retail

Shopping can be an important feature of travel, and enticing retail options can encourage foot traffic and longer visits. Morgan Hill has dozens of independent small businesses and retail stores citywide, and many hidden gem and unique shopping experiences. There is a bike shop, gifts, books, and toy stores, clothing, home décor, and craft supply. There are a couple of therapeutic wellness spas, which some travelers seek out on vacation, as well as many other personal care options like nails, hair, esthetic salons. Stakeholders noted that vibrant boutique retail appealing to target markets, such as culinary stores, craft products, and art galleries would support visitor interest in Morgan Hill. There are various shopping center hubs throughout the city and numerous big-name stores, which offers convenience and comfort for travelers. The Gilroy Premium Outlets located in Gilroy are a major retail draw just south of Morgan Hill.

Potential Partners: Chamber, Downtown Association, Prime Commercial Inc

7. Local Events & Festivals

Events in Morgan Hill are loved by local and regional audiences, from Palo Alto to Watsonville, with some potentially drawing attendance from even wider. These events celebrate local artisans, musicians, businesses, and the community through various annual festivals. Many are volunteer produced and are looking at re-imagining to meet new social distancing protocols. Events are a feature that provide an added element of interest for a visitor and Visit Morgan Hill features an event calendar on its website. Research shows that there is opportunity for Visit Morgan Hill to work with event organizers to determine their most successful elements and grow visitor appeal. Here are some of the signature annual events that may draw visitors:

Local Annual Events

Mushroom Mardi Gras (May)

Taste of Morgan Hill (September)

Poppy Jasper International Film Festival (April)

Wine Stroll (Spring)

Friday Night Music Series (Summer)

Fourth of July Freedom Fest (July)

Beer Crawl (Fall)

Tarantula Festival at Henry W. Coe State Park (October)

Morgan Hill Blues Festival

Christmas Parade & Holiday Tree Lighting (December)

Potential Partners: Chamber, Downtown Association, PJIFF, CBF, MHMMG

8. Cultural Attributes

Morgan Hill has some unique features and nuances which provide differentiation from other cities and brings dimension to destination storytelling to entice new visitors. Morgan Hill is home to the Poppy Jasper semi-precious gemstone, a rare dotted orange and red stone which is said to originate in Morgan Hill. The Villa Mira Monte, a registered Historic landmark, is another unique feature defining Morgan Hill's history as a train side ranch stop. The Villa offers visitor activities

such as a museum, a history walking trail, and an heirloom rose garden. Morgan Hill is home to Specialized Bicycle Components, a cycling manufacturer, and the area's affinity for cycling was consistently noted by stakeholders. There is public art throughout town and an open studios event, welcoming visitors into artist's studios annually. Art is a beloved element within the local community, incorporated within the local events, such as Taste of Morgan Hill. There is a giant 10'x10' tarantula sculpture at the public parking garage as well as a glowing glass poppy jasper staircase, providing unique and recognizable features only found in Morgan Hill.

Potential Partners: Historical Society, Specialized, Amgen

9. Location, Accessibility, & Proximity

Morgan Hill is well located on the major north-south State Highway Route 101 and near 3 international airports (SJC, SFO, and OAK) and regional air service at (MRY). Morgan Hill's destination assets are located relatively close to one another offering ease for visitors within the destination. Morgan Hill is easily accessed from the greater SF Bay Area and Central Valley, with huge populations of spending power for travel. It is a convenient last stopping point on way from LA to SF (personal road trips and bus tours) and marks the edge of the Silicon Valley high tech metro area unfolding into more rural and agricultural and open space landscape. Morgan Hill was noted as a central point for regional friends and family meeting for leisure visits and dining, between Monterey Peninsula, South Santa Clara County, Santa Cruz County, and the Bay Area. Morgan Hill lies in a valley, flanked to the west by the Santa Cruz Mountains and the Diablo Range to the east and punctuated by El Toro Peak, which is visible from most areas within the town. Morgan Hill is positioned well from other regional attractions, such as the Gilroy Premium Outlets, Monterey Bay Aquarium, and Santa Cruz Beach Boardwalk, the Tech Museum, and Silicon Valley campuses, SAP Center. Some noted potential as a "hub and spoke" location for overnighters wanting to have a home base overnight and make day trips to these locations, or offering a comfortable and convenient overnight on the way to other destinations (multi-stop trips). There is a Cal Train station in Morgan Hill, offering limited commuter route schedules to and from San Jose and San Francisco.

Transportation

Closest International Airports: SJC, OAK, SFO
Regional Airports: MRY
Located on California Highway 101
Cal Train Commuter Route
Amtrak Thruway Motorcoach Connection
Coastal Access via 129 or 85 to 17, to reach HWY 1

10. Hotels

Hotels are an overarching destination asset and it is important to understand and articulate the accommodation options when creating strategy. The existing lodging product in Morgan Hill may not

be the lead motivator for a leisure guest, but they are attractive to some leisure segments, corporate individual, and group markets – they hold a piece to the destination story. Morgan Hill hotels may be described as a quaint collection of mid-scale, limited-service hotels, representing both trusted brand flags and independent management and ownership. The small-town setting provides Morgan Hill hotels with proximity to downtown, dining, entertainment, sports, and recreation/leisure activities. Morgan Hill offers a great selection of reliable branded hotels, friendly to business travelers, families, and groups that want a simple place to rest their head for the night. Rates are typically higher Monday-Thursday, due to business traveler demand, which leaves availability for weekend social and leisure business. This is a potential opportunity, as other popular destinations are at peak rates on weekends. High rates during the weekdays may deter price conscious markets. There are not currently any full-service hotels, however the Granada Hotel is being developed and will offer a boutique full-service product in Morgan Hill, in heart of downtown. There is one resort in unincorporated San Martin, falling outside of the TBID. The location of many of the hotels are not walking distance to downtown, and there is limited rideshare and taxi options.

Number of rooms in City: 867 (529 Mid-Scale rooms, 338 Economy rooms)

Number of hotels in City: 14 (6 Mid-Scale hotels, 8 Economy hotels)

Hotel Name	Scale	Total Rooms	Meeting Space
Comfort Inn	Mid-scale	54	
Courtyard by Marriott	Mid-scale	90	Yes
Hampton Inn	Mid-scale	106	Yes
Holiday Inn Express	Mid-scale	85	Yes
Residence Inn by Marriott	Mid-scale	90	
La Quinta	Mid-scale	104	Yes
Economy Inn	Economy	26	
California Inn	Economy	50	
Extended Stay America	Economy	93	
Microtel by Wyndham	Economy	60	
Executive Inn	Economy	31	
Budget Inn	Economy	29	
Holiday Motel	Economy	25	
Morgan Hill Inn	Economy	24	
TOTAL		867	
Granada IN PIPELINE		60	

DESTINATION ASSET PILLARS

Analysis of the destination assets detailed above reveal key destination pillars*, which are important when considering a destination marketing plan and brand. These aim to encapsulate the dominant themes and sense of place that makes Morgan Hill a memorable, distinctive, and attractive visitor destination. These points help inform the positioning and target markets that match the assets, articulated in the body of the Strategic Plan.

**Please note a comprehensive branding process will be conducted for Visit Morgan Hill which will finalize brand pillars. These are an initial analysis for purposes of strategic planning and to be vetted through the branding process:*

Charming & undiscovered	Undiscovered, uncrowded, hidden gem, off the beaten path, approachability, not a big city, not a tourist city, but has many visitor assets appealing to all kinds of travelers, local culture & history, backroads
Fresh air, rolling hills, movement	Great weather, active lifestyle opportunities, health and wellness, largest state park, sport culture, hiking trails, cycling, golf, lakes, open space, and all the activities that go with the outdoor settings
Elevated wine, culinary and agriculture experience	Agriculture roots and history, local produce, award winning vineyards with approachable and unpretentious tasting and prices, Michelin star awarded chef, u-pick farms, downtown culinary hub, public arts, culinary events, outdoor dining
Connecting history and modern industry	A meeting of the high-tech capital of the world and modern amenities with historic industry, rustic spaces, and agricultural countryside
Superb event location (recreation, sport, special, corporate)	Facilities providing a blank canvas for events of many kinds – especially large outdoors for organized competitive sports, special events and festivals, weddings, small corporate teambuilding, winery events
Easily navigable & accessible	Hotels and visitor assets in close proximity and the destination location has easy access via road, air, and rail and near other great destinations and attractions

Appendix C. Event Matrix Criteria

Definitions for the events matrix.

1. Tourism Promotion Impact: Will it promote a positive image for Morgan Hill? Will it attract tourists, build new audiences and encourage tourism expansion? Will it increase awareness of the area's amenities, history, facilities and/or natural environment?
NOTE: an overnight visitor is defined as "one person on a trip away from home overnight, in paid accommodations for business or pleasure."
2. Benefit to the Destination: How will this project benefit the destination?
3. Innovation: Is the event different and unique? Does it bring something new to the city?
4. Evidence of Partnership: Is the event leveraging other local Morgan Hill partners?
5. Organizational Structure & Management Capability: How has the event demonstrated an ability to successfully complete the project thorough effective business practices in the areas of finance, administration, marketing and production? What are the administrative credentials of paid or volunteer staff or individuals? What is the experience with key management personnel in the execution of this type of activity? Does the project and organizer have the support in place already to acquire permits?
6. Economic Impact: In addition to quantifying the number of tourists and overnight stays projected, event organizers should detail the impact on Morgan Hill's economy. Projects should include levels of direct spending anticipated due to this project and how that spending will benefit the local economy. Event organizers should also detail the time of year during which this project will take place and how it will impact shoulder periods.
7. Quality of Research: Research must be conducted in a manner that provides conclusive evidence of the event's acceptance with targeted markets. Methodology must be understandable and deemed effective.
8. Suitable Target Market: Who are the target markets? Are they a fit with the research that exists on Morgan Hill's current visitors today?
9. Comprehensive Marketing Approach: Proposals should include detailed marketing plan as well as the approach to advertising, PR and social media. Projects should also include an evaluation plan of the marketing efforts, to include attendee satisfaction.
10. Funding Plan: Do you have a history of successful use of funding? Is there a reliance on annual funding from the same sources? Does the project anticipate using these funds to replace existing funds? You may apply for and receive funds in subsequent years; however, continuity of funding is not guaranteed. Please submit a detailed realistic budget.
11. Evaluation/Measurement Plan: Quantifiable results are an essential component of this process. All recipients must determine the effectiveness of the project for which they receive funding. Please define what methodologies will be used to measure and evaluate the effectiveness of the project as it is vital to securing this funding.
12. Room-Nights: What are the hotel room-nights projected out of your event?
13. Scale of Project: Is the project of a scale suitable and will it elevate the Morgan Hill area? Has something of this proposed size and scale previously occurred in our area? Please provide applicable comparisons and how the comparable project is of a scale to draw visitors to Morgan Hill.

Event Name:	Fail	Poor	Average	Above Average	Excellent	Total Points Awarded
Components						
Point Allocation	1	2	3	4	5	65 MAX
Maximum = 5 points per component						
Program Components						
1. Tourism Promotion – Destination Impact						0
2. Benefit to the Destination Brand						0
3. Innovation - uniqueness						0
4. Evidence of Partnerships						0
5. Organizational Structure & Management Capability						0
6. Economic Impact (Direct Spending)						0
7. Quality of Research – understanding of audience						0
8. Suitable Target Market (s)						0
9. Comprehensive Marketing Plan/Approach						0
10. Funding plan						0
11. Evaluation/Measurement Plan						0
12. Room nights						0
13. Scale of Project – future potential						0
Total	0	0	0	0	0	0
Maximum possible points = 65						
						0%

Appendix D. TARGET MARKET & BUSINESS DEVELOPMENT TIERS

Target & Strategic Markets

This section will 1) Identify Visit Morgan Hill's Target and Strategic Markets, 2) Describe Market Tiered investment structures and 3) Describe each Market within a Business Development structure. Morgan Hill's destination assets, brand pillars, and positioning defined in the plan inform Marketing Communications and Business Development efforts.

TARGET MARKETS (LEISURE SEGMENTS)

- Interest in wine, culinary, and outdoors
- Greater SF Bay Area/Northern CA (expand with time as Coronavirus restrictions ease)
- Expendable income & time
- Weekend Getaways/VFR – Couples, Friends, Family
- Road Trips/Multi-Destination Trips

Target markets **approached through marketing**: owned, earned, and paid brand and content opportunities within themes of strongest destination assets (culinary/agriculture, wine, outdoors/recreational sports, and events/downtown/entertainment). Initial focus to build digital presence of destination information, with long term strategy to implement multi-purpose brand content for distribution and paid digital marketing efforts. Demographics to generally target high propensity markets with expendable income, ability to travel, interest in destination offerings, and overnight regional proximity.

STRATEGIC MARKETS (NON-LEISURE SEGMENTS)

- sports tournaments
- weddings/ social events
- events & festivals
- corporate meeting/teambuilding

Strategic markets **approached through business development** and targeted informational collateral/content and supported by overarching destination brand content. Business development efforts to include relationship building, lead generation, lead distribution, and tournament bidding through key organizations and associations within segments. Furthermore, internal strategies, processes, and partnerships will be developed for bidding and securing group business (particularly sports tournaments).

Market Tiers

Destination marketing best practice implements market "tiers" to guide organizational prioritization and decision making for marketing and sales opportunities. Tier 1 markets employ all 1) Marketing Communication, 2) Business Development, and 3) Bought Media opportunities, while lower tiers will focus on more Earned & Owned, Business Development, and lower investment/partnership opportunities. Partnership overarches tiers and allows for collaborative, market-appropriate, and cost-effective approaches to targets, despite tier level. Tier 1 indicates direct spending on paid media, while Tiers 2 & 3 would look to cooperative paid opportunities.

		Bought Media
	Earned Media	Earned Media
Owned Media	Owned Media	Owned Media
Business Development	Business Development	Business Development
Tier 3	Tier 2	Tier 1
Partnership		
Operations		

Market Definitions & Tier Assignments

Destination marketing best practice also suggests that visitor markets be divided into two primary categories of Individual and Group. The two categories are inclusive of ALL potential visitor markets but allow Visit Morgan Hill to streamline efforts and major content pieces into two main audiences as opposed to fragmented and limited piecemeal collateral. Specific target markets for Visit Morgan Hill live within the Individual and Group and the are organized into tiers are below:

Individual Markets (Leisure, Business Travel, Travel Trade FIT)

Group Markets (Sports, SMERF, Corporate, Travel Trade Group)

Tier 3	Tier 2	Tier 1
Individual Travel Trade - FIT	Individual Business Travel	Individual Leisure
Group Travel Trade	Group SMERF	Group Sports
	Group Corporate	

Market Descriptions & Approach

Visit Morgan Hill target markets, and general strategy for each, are defined below. Please note they are outlined in accordance with Individual and Group category structure (not in order of tier level):

1. Individual Markets

- a. **Leisure:** leisure markets are focused on Morgan Hill's top leisure assets of outdoors, wine, culinary/agriculture, downtown, and cycling.
 - i. **Drive Market:** It is recommended to prioritize local/regional staycation, VFR (visiting friends and relatives) and local/regional drive markets, particularly in recovery of COVID-19 and economic decline. Leisure drive markets to include Silicon Valley, Monterey/Salinas, Santa Cruz, SF Bay Area and East Bay, Sacramento, with more regional drive market of San Luis Obispo, Fresno, Bakersfield, Santa Barbara/Ventura, and Los Angeles.

- ii. **Themed travel:** friends' getaway, wellness, couple's getaway, family travel, sport spectator, wine and culinary tourism
 - iii. **Persona fits** for leisure Morgan Hill visitors, to be approached through marketing:
 - a. active couples or friends' groups without kids (young professional or retired/empty nesters) that have seen "bucket list" destinations and looking to discover new, convenient destinations to enjoy a weekend escape with great wine, dining, and outdoors recreation
 - b. young, active families looking for convenient affordable vacations with a taste for quality food and amenities
 - c. outdoor seekers, cyclists, hikers, photographers, etc. wanting to try off the beaten path, unique, and undiscovered destinations that their friends haven't been to
 - d. VFR – leverage residents to encourage their friends and relatives to visit them in Morgan Hill but stay at a hotel, friends and family getaways
 - iv. **Long Haul Domestic:** Long haul domestic markets imply air travel, are usually out of state visitors, and will be considered with monitoring of COVID-19 recovery.
- b. **Travel Trade FIT (foreign individual traveler):** B2B market for observation. Domestic & international wholesalers and tour operators (the travel trade) sell travel packages to domestic and international markets. International visitors generally stay longer and spend more than domestic. Efforts will consider countries indicating early economic recovery from COVID-19. Working with Travel Trade, VMH can generate individual leisure visitors, and MH offers a unique proposition for those seeking a more affordable option during summer weekends that tour operators and FITs are looking for.
 - c. **Business Travel (BT):** Corporate business travelers are the individuals traveling for work, but their travel is often handled by corporate travel managers based within the company or within third party management companies. Most hotels have captured this market through corporate travel management accounts with their respective flagged hotel groups. VMH may support and cultivate greater awareness of the appeal of Morgan Hill. Leisure content and targeted consumer marketing may influence this market, as "bleisure", or adding an extra day or two to business travel stays for leisure, is common and remote work is becoming more common. This market to be monitored with COVID-19 recovery.

2. Group Markets

- d. **Sports:** This will be a long-term, focused development market. Engage in key relationship building, prospecting, and direct sales activities, as resources allow and in accordance with other VMH priorities. Develop relationships with sport planners and internal facilities contacts. Anticipate only a few events secured in first couple years, and see number grow by year slowly. Be willing to accept events that may not be initial target to

facilitate the process and procedure of bidding and executing events, which will establish a framework for more major events. The sports effort will work with local and regional sanctioning bodies and groups to incentivize hosting of regional and national events. In many cases the local club bids on hosting and their volunteering is crucial to carrying out the events. Partner with local facility and sporting organizers to help generate “bid coalitions” or “local organizing committee” for sporting events and to augment destination product (more hotel rooms, more/improved facilities, more/improved leisure assets).

a. Turf Sports— soccer, lacrosse, flag football, ultimate frisbee

Target events in partnership with Cal North soccer and club teams. Support in marketing and sponsorship, or direct bids for high ROI opportunities

b. Aquatic Sports – swimming, diving, water polo

Develop relationships with local clubs and familiarize with US Swimming competition structure. Seek to incentivize clubs to host and run meets, which is often done by volunteers.

ii. **SMERF**: refers to Social, Military, Education, Religious, and Fraternal group events that are not business focused. Recommended to focus on Social groups. Develop content specific to hotel meeting space, non-hotel event venues, and restaurants that serve group dining, and place into digital channels, web, and association membership/partnership if budget allows.

a. wedding, birthday, anniversary, local networking groups, etc. is the highest propensity market, as such already exists in Morgan Hill. However, the market can certainly expand with focused efforts. The social event market is particularly appealing to Morgan Hill as the weekend patterns of social events complement the existing weekday business traveler pattern.

b. festivals, concerts, themed interest group events (gem show, plant club, historic society, writers club, etc.) networking/standing events of larger size, and large-scale outdoor events and sporting events.

iii. **Corporate** – the corporate market refers to business functions including but not limited to company meetings, offsites, teambuilding, conferences, retreats

a. target small indoor/outdoor meeting events of up to 40, business Approach through relationship building, meeting planner trade associations, trade shows, networking events, and CVENT

iv. **Travel Trade Group** – Also known as Tour & Travel, Tour Groups, this market refers to the travel trade opportunities through third party travel buyers. Morgan Hill is the supplier. Travel buyers can include thousands of tour operators and travel agencies spanning the globe specializing in group motor coach tour packages, international

MICE, special interest/theme, student, senior, fly-drive long haul packages, and more. It is a long term, relationship building market (like the sports market). Direct efforts and through the Travel Trade, defined as: the tourism network involved in the sourcing, planning, and advising of travel product on behalf of the end consumer-- B2B; third party; tour operators, wholesalers, MICE planners, sport planners, OTAs.

- a.** motor coach tours, long haul travelers booking through tour operators on multi-day itineraries, looking for reliable flag properties at (comparatively) affordable rates. Opportunity on weekends to secure groups that cannot afford the coastal hotel peak pricing. Suggest attending 1-2 key travel trade events, focused on awareness opportunities, and building contact network.

Appendix E. OPERATIONS POLICIES & PROCEDURES RECOMMENDATIONS

- Human resources
 - Processes for employee practices i.e., vacation, sick time, benefits, as well as future consideration for hiring new staff, etc.
 - Budget, finance, and accounting
 - Utilize the four departmental focus areas to guide annual budget development. The District Management Plan outlines to percentage budget allocation by area. VMH should operationalize those areas into the four functional departments each year.
 - Research and secure affordable accounting software/service (Quickbooks online) to assist with monthly cash flow, annual balance sheets, and income statements required for annual processing. Processes for bank draws, committing VMH dollars to contracts for expenses, check signing capacity, etc.
 - Align the Fiscal Year start and end date, annual meeting date for budgeting and reporting, etc. as well as establishing the sales and marketing annual plan
 - Identify and seek new funding opportunities i.e. grants that may be available to VMH. These grant opportunities may or may not be something that is available on an annual basis but should be identified in the annual budget process where possible and time be allocated to write and pursue grant funds to extend the budget of VMH
 - Business related insurance, policies, recurring procedures
 - As part of the annual meeting items that recur or require annual decisions should be part of the agenda to confirm or change any insurance provider, vendor or other business administrative contracts and services.
 - Any changes needed outside the annual meeting should be brought to the Board for policy review and decision.
 - Business location, office equipment, etc.
 - Establish a formal business location/address and place for the operations to occur. It is understood that this will likely continue to be the City Hall offices. Consider implementing a land line phone at primary office, with forwarding to mobile for long term. Consider a designated mobile device for VMH business – phone, social media, photo/video capability, content storage, and communications.
 - Identify, and provide, the necessary equipment to undertake the operation of a DMO
3. Establish necessary tools to deploy VMH efforts
- The prior item was focused on internal functionality while this area is more focused on the platforms needed to execute on the marketing and sales efforts. The exciting possibilities the VMH has ahead of it as a new DMO uniting the industry's voice in Morgan Hill can only be successful if the necessary tools are in place to execute.
- Website hosting
 - This would be part of the annual decision-making process for the Board based on contract timing and Executive Director recommendation.
 - Database/contact list management

- Develop and maintain a system for managing local partners, stakeholders and contacts as well as a system for managing visitor databases and customer contacts
 - This CRM system can be tied into the website to manage the flow of inquiries.
 - Currently VMH utilizes a form of Excel to manage all contacts which has been helpful to begin a foundational database, however a professional platform should be considered. Something like Tempest’s IDSS system is cost effective and easy to use for a start up CRM system that would allow VMH to manage contacts, clients and visitor databases. Similar systems from other industry vendors i.e. Simpleview, Sage ACT, etc. should also be considered.
- Data and research
 - In order to continue to make informed decisions, VMH should consider investing in research to deliver data-driven marketing strategies. VMH has not had visitor research completed previously and should, during the course of the next three years, establish a research schedule as part of the annual budget process.
 - This could include monthly and annual subscriptions to STR, a variation on a visitor profile study conducted by a third party or something as simple as Google Analytics and website traffic forensics to understand more about the potential visitor and craft messaging targeted to those audiences. With limited resources, VMH should consider “new” research investments every two to three years.
- Information/data storage
 - This includes a singular digital storage point for all VMH business documents including insurance and formation documents, as well as annual and day-to-day business operations i.e. content and image assets. VMH should consider a business file storage system similar to Dropbox, Box or Google Drive.
- Necessary software and programs
 - Similar to the CRM system noted above in Database/contact list management, VMH should identify other software and programs that might be necessary to support the ongoing operations, sales and marketing efforts. Systems that have been identified for consideration already include: Adobe, Windows Office, and McAfee virus protections.
- Sports Competition and Event Subsidy Funds Criteria & MOU
 - A policy should be developed around key criteria for both sports contributions for marketing/sponsorship as well as event marketing/sponsorship contributions.
 - In the event that there is VMH funds awarded to a particular event organizer or sports tournament criteria should be met and that exchange of dollars should be documented through a MOU or something similar.

