

# BUTTE COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT

## 2025 ANNUAL REPORT

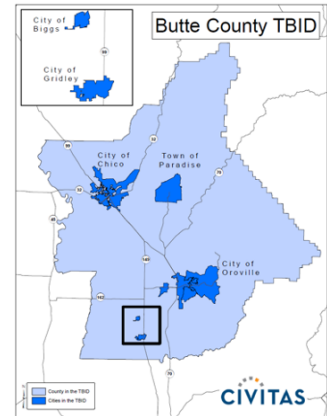
Submitted by Explore Butte County, pursuant to Streets and Highways Code section 36650, for the period from January 1, 2025 through December 31, 2025.

### BOUNDARIES

The Boundaries of the Butte County Tourism Business Improvement District ("BCTBID") Management District Plan currently reads:

"The BCTBID will include all lodging businesses with four (4) rooms or more, existing and in the future, available for public occupancy within the boundaries of Butte County including the cities of Chico, Oroville, Gridley, and Biggs, the Town of Paradise, and all unincorporated communities and areas. "

The BCTBID Owners Association, seeks a modification of the Boundaries in the BCTBID Management District Plan, adopted by the Butte County Board of Supervisors on September 29, 2020 in Resolution 20-133.



### NEW BOUNDARY LANGUAGE IN THE BUTTE COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

*The renewed Butte County Tourism Business Improvement District ("BCTBID") includes all lodging businesses located within the boundaries of Butte County including the cities of Chico, Oroville, Gridley, and Biggs, the Town of Paradise, and all unincorporated communities and areas, as shown on the map in Section IV.*

### ASSESSMENT RATE

Per the BCTBID Management Plan, the assessment rate may be increased by the Owners Association in maximum increments of one half of one percent (0.5%) in a year to a maximum of four percent (4%) of gross short-term room rental revenue.

The BCTBID Owners Association, seeks a modification to the BCTBID Management District Plan, adopted by the Butte County Board of Supervisors on September 29, 2020 in Resolution 20-133, for the increase of the assessment on April 1, 2025 and January 1, 2027.

### NEW ASSESSMENT LANGUAGE IN THE BUTTE COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

During the ten (10) year term, the assessment rate may be increased by the Explore Butte County's Board to a maximum of four percent (4%) of gross short-term room rental revenue. If the assessment rate is increased, it may subsequently be decreased but shall not be decreased below a minimum of two percent (2%) of gross short-term room rental revenue. The maximum increase or decrease in any year shall be one-half of one percent (0.50%).

*On April 1, 2025, the assessment rate shall increase by half of one percent (.5%) from two percent (2%)*

*to two point five percent (2.5%), the maximum assessment increment allowed in a year. On January 1, 2027, the assessment rate shall increase by half of one percent (.5%) from two point five percent (2.5%) to three percent (3%), the maximum assessment increment allowed in a year.*

The term "gross room rental revenue" as used herein means: any fee, charge, or other valuable consideration received by a lodging business as gross proceeds paid by a transient for lodging. Gross room rental revenue shall be valued in money, whether it is received in money or in-kind goods and services. Gross room rental revenue shall include all services of any kind or nature prior to any deduction for any reason whatever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

## ***DURATION***

The Duration of the Butte County Tourism Business Improvement District ("BCTBID") Management District Plan currently reads:

*"The renewed BCTBID will have a ten (10) year life, beginning December 1, 2020 through November 30, 2030. Once per year, beginning on the anniversary of BCTBID renewal, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a Board of Supervisors hearing on BCTBID termination."*

The BCTBID Owners Association, seeks a modification of the Boundaries in the BCTBID Management District Plan, adopted by the Butte County Board of Supervisors on September 29, 2020 in Resolution 20-133.

## **NEW DURATION LANGUAGE IN THE BUTTE COUNTY TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN**

*The renewed BCTBID will have a nine (9) year and one (1) month, beginning December 1, 2020 through December 31, 2029. December 1 - 31, 2020 will be a limited fiscal year, with January 1, 2021 - December 31, 2021 being the first complete fiscal year. The BCTBID will expire on December 31, 2029. Once per year, beginning on the anniversary of BCTBID renewal, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a Board of Supervisors hearing on BCTBID termination.*

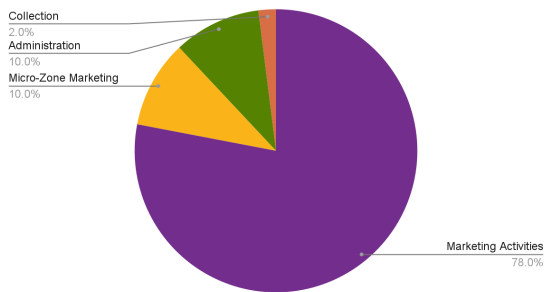
## ***BUDGET***

The following budget, for January 1, 2025 through December 31, 2025, is in compliance with the percentage threshold set forth in the BCTBID Management Plan approved by the Board of Supervisors on September 29, 2020 in Resolution 20-133.

In 2025, Explore Butte County ("EBC"), as the BCTBID Owners Association, intends to utilize up to \$250,000 in reserve funding for destination management activities, which includes a Sports Tourism Infrastructure Feasibility & Economic Impact Report, Public Relations Activities, and reprinting of the Adventure Guide.

Micro-Zone Marketing Funding collected in 2024 is budgeted to be spent in 2025. The Micro-Zone Marketing Funding collected in 2025 will be budgeted in 2026.

2025 TBID Assessment Budget



2025 TBID Assessment Budget: \$1,116,500

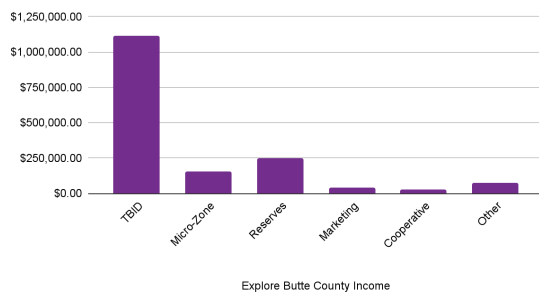
Marketing Activities: \$869,000

Micro-Zone Marketing Deferred Revenue 2026: \$116,500

Administration: \$111,650

Collections: \$22,330

Explore Butte County Total Revenue



2025 Total Revenue Budget: \$1,659,000

TBID Assessment: \$1,116,500

Micro-Zone Marketing Deferred Revenue: \$152,500

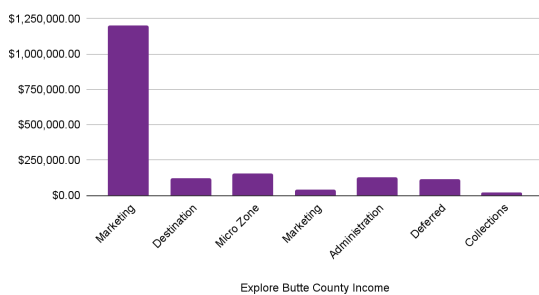
Reserves: \$250,000

Marketing Contracts: \$40,000

Cooperative Programs: \$25,000

Other: \$75,000

Explore Butte County Total Expense



2025 Total Expenses Budget: \$1,659,050

Marketing Activities: \$1,201,000

Micro-Zone Marketing Funding: \$152,500

Destination Development Activities: \$120,000

Marketing Contract Deliverables: \$40,000

Administration: \$131,570

Deferred Revenue: \$111,650

Collections: \$22,330

EBC, operated at a net loss of approximately \$150,000 in 2024. Despite the net loss, EBC retains **\$250,000** in the organization's operating account and has \$500,000 in a money market account per the organization's Reserve and Investment Policy.

## IMPROVEMENTS & ACTIVITIES

The BCTBID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing, sales, destination product development, and visitor service enhancements will increase overnight tourism and market payors as tourist, meeting, and event destinations, thereby increasing room night sales.

### DESTINATION MARKETING

Explore Butte County continues to build our partnership with Madden Media. Year Two of the strategic marketing strategy has us continuing to build brand awareness in the Sacramento Valley, Bay Area, and Las Angeles. Here are the key initiatives:

- **Media Strategy:** Build on proven media tactics in core markets, explore emerging markets, and employ competitive conquering to increase reach and impact. We will create an expanded media strategy with increased investment in pitching and reporting, media monitoring, quarterly newsletters, and individual press trips.
- **Trade Trade:** Continue the development of a Travel Trade program by building relationships with tour operators and travel receptives. Proposed to attend International Inbound Travel Association, Visit California Outlook Forum, California Cup, and if budget allows America's Cup.
- **Creative Development:** Develop diverse content that aligns with top travel motivations, creating engaging, destination-specific assets. Rebranding of the Hike Butte program and resources for hiking and mountain biking in Butte County.
- **Partnership Expansion:** Collaborate with influential local partners through Butte365 for co-branded marketing efforts, including social giveaways with well-known regional brands and campaigns with local micro-influencer. A Butte365 Podcast is also being considered.
- **Resident Engagement:** Launch campaigns that promote pride in Butte County, such as a Tourism Impact Day or an annual stakeholder meeting to share the community benefits of tourism.
- **Market Growth and Diversification:** Increase market share by leveraging data tools to identify new opportunities, diversifying audiences, and exploring segmented messaging across tested and emerging markets

### DIGITAL MEDIA PLAN

Explore Butte County primary media spend is focused on digital and social media buys in our target markets for increased demand from visitors not located within Butte County. Explore Butte County targets potential visitors from Sacramento, the Bay Area, and the Los Angeles region.

### DESTINATION MANAGEMENT

Explore Butte County will:

- Work with our regional marketing committees to provide support for Micro-Zone Marketing Funding programs.
- Continue to support Travel Chico under a contract with the City of Chico for website maintenance, a travel guide, and content creation.
- Launch a Destination Development Committee to focus on the development of a Sports Tourism Infrastructure Master Plan to study the feasibility and economic impact of current and proposed sports infrastructure development projects.
- Continue its ongoing recognition of the visitor economy as an economic development resource.

## ORGANIZATION MANAGEMENT

Explore Butte County will:

- Continue to implement the organization strategic plan developed in 2023
- Increasing Board and Advisory engagement, feedback, and strategic support
- Exploring potential funding opportunities from non-lodging strategic partners

## ***COLLECTION***

The County, cities, and Town will be responsible for collecting the assessment on a monthly or quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the BCTBID. The County, cities, and Town shall take all reasonable efforts to collect the assessments from each lodging business.

## ***MANAGEMENT***

Explore Butte County will continue to serve as the BCTBID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the Board of Supervisors.