

# Visalia Tourism Marketing District

## 2025 Annual Report

Submitted to the City of Visalia pursuant to Streets and Highways Code section 36650, for the period from January 1, 2025, through December 31, 2025.



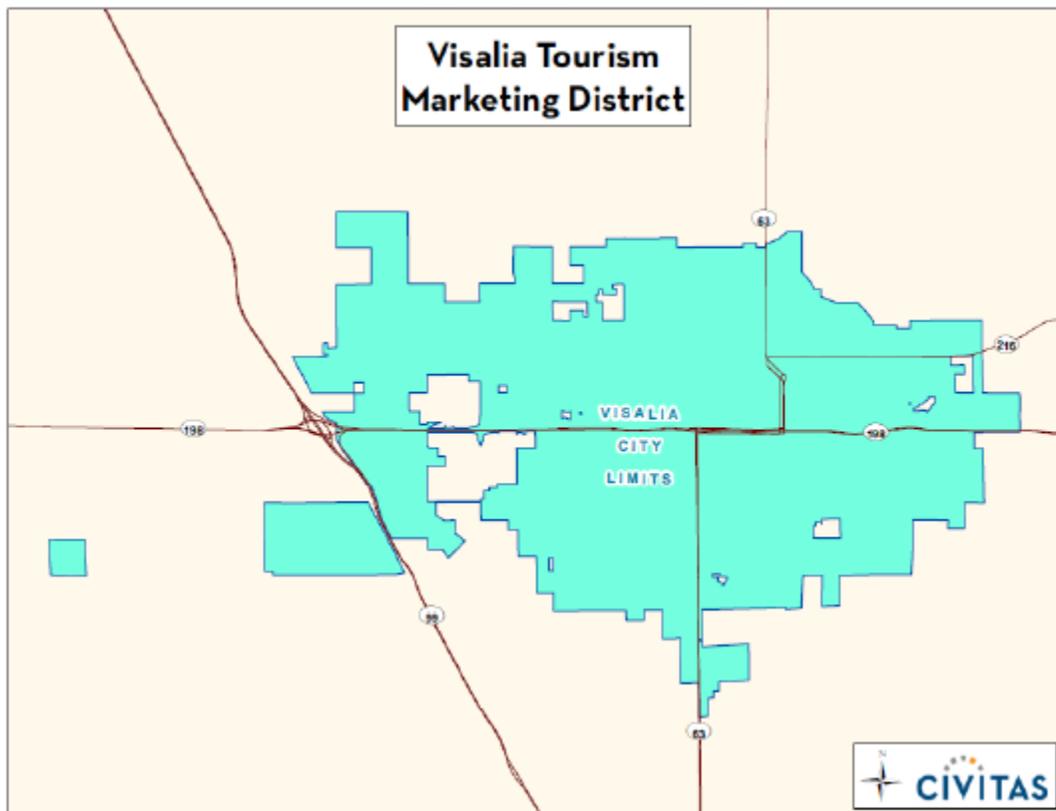
## Contents

|                               |    |
|-------------------------------|----|
| Boundaries.....               | 3  |
| Assessment Collections.....   | 4  |
| Assessment Spending 2025..... | 5  |
| Special Projects.....         | 6  |
| 2025 Key Deliverables.....    | 7  |
| 2026 Projections.....         | 8  |
| Delinquencies.....            | 9  |
| Surplus & Other Funding.....  | 10 |
| Appendix 2025.....            | 11 |

## Boundaries

The Visalia Tourism Marketing District (VTMD) includes all lodging businesses with twenty (20) rooms or more, existing and in the future, available for public occupancy within the boundaries of the City of Visalia. There are no proposed changes to the boundary or assessed businesses at this time.

The boundary, as shown in the map below, currently includes fifteen (15) lodging businesses and a complete listing of lodging businesses within the VTMD can be found in the Appendix. (Lodging business means: any structure or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other similar structure or portion thereof.)



## Tourism Marketing District

### Assessment Collections

The Visalia Tourism Marketing District (VTMD) is funded by a two percent (2%) assessment on gross commercial room rental revenue collected from lodging businesses. This assessment provides a stable and dedicated funding source for tourism promotion and the development of tourism assets.

The Visalia Tourism Marketing District Board projected 2025 assessment receipts would total \$872,727.27. In 2025, assessment revenue totaled **\$862,407.85**, reflecting stays from **October 2024 through September 2025**. This represents less than 1% under projected revenue and a **0.75% increase\*** over 2024 assessment income of \$856,019.52.

| Month Collected | 2025 Assessments    |
|-----------------|---------------------|
| October         | \$77,423.73         |
| November        | \$61,037.04         |
| December        | \$47,478.03         |
| January         | \$48,881.98         |
| February        | \$86,695.80         |
| March           | \$64,750.38         |
| April           | \$75,426.74         |
| May             | \$82,439.74         |
| June            | \$82,619.05         |
| July            | \$65,387.57         |
| August          | \$97,000.43         |
| September       | \$73,267.36         |
|                 | <b>\$862,407.85</b> |

\*Represents 2,331 additional room nights in 2025, at \$137 ADR (12/31/2025 YTD STR).

## Assessment Spending 2025

Although actual revenues fluctuate due to market conditions, the Management District Plan outlines consistent proportional allocations of the assessment budget. Those allocations are as follows:

|                               |           |
|-------------------------------|-----------|
| Assessment Collection Fee     | 1%        |
| Administration and Operations | 15%       |
| Destination Development       | 10%       |
| Sales & Marketing             | 69%       |
| Contingency/Reserve           | <u>5%</u> |
|                               | 100%      |

## 2025 Financial Overview

| <b><u>ITEM</u></b>                    | <b><u>AMOUNT</u></b> |
|---------------------------------------|----------------------|
| 2025 Assessment Revenue Collected     | \$ 862,421           |
| Beginning Retained Earnings (1/1/25)  | <u>\$ 572,429*</u>   |
| *includes required reserves: \$42,800 |                      |
| Total Available Funds                 | \$1,434,850          |
| 2025 Expenditures                     | \$1,219,000          |
| Ending Balance (12/31/25)             | \$ 215,850           |

SPECIAL PROJECTS

At the end of 2024 Visalia Tourism Marketing District had a surplus, retained earnings, of \$577,082.52. Just over \$280,000 of the surplus was invested in special tourism marketing initiatives and destination development projects.

| LEISURE MARKETING INITIATIVE                               | AMOUNT           |
|--|------------------|
| Brand USA -Digital Global Inspiration Program              | \$ 52,300        |
| Carvertise – Outdoor Advertising                           | \$ 17,785        |
| Walking Tour Brochure Printing                             | \$ 976           |
| Photo and Video Asset Development                          | \$ 27,778        |
| Brand Refresh  | \$ 12,500        |
| Live Visalian Series Production                            | <u>\$151,414</u> |
|  | \$262,754        |
| <br>   |                  |
| DESTINATION DEVELOPMENT INITIATIVE                         | AMOUNT           |
| Bandwango - Digital Platform of Gamified Self-guided Tours | <u>\$ 20,300</u> |
| <b>Special Projects Total</b>                              | <b>\$283,054</b> |

Visalia Heritage Loan

The VTMD Board also loaned Visalia Heritage, a 501c3 Corporation, \$95,000 to secure a professional campaign consulting company to lead their capital campaign for the purpose of purchasing and renovating the historic Depot into a Cultural Center.

2026 Prepayment to Visalia Convention and Visitors Bureau

In 2025 in accordance with the memorandum of understanding, \$61,750 was paid to the Visalia Convention and Visitors Bureau (VCVB) for the January 2026 prorated monthly expenses manage by the VCVB.

## 2025 Key Deliverables

In addition to a comprehensive marketing and advertising program with Fourth Idea, our agency of record, the Visalia Tourism Marketing District invested in the following tourism marketing and destination development initiatives.

### Marketing

- Media/Travel Writer Familiarization (FAM) Tours
- Co-Op Campaigns: Hotel Beds and Expedia
- Westways Magazine
- Visit California Newsletter
- World Ag Expo Sponsorship
- National Geographic Traveler
- Live Visalian Production and Video Campaign
- Media and Tour Operator Tradeshows

### Destination Development

- Basecamp Better – Digital Platform of Gamified Self-guided Tours
- Loan to Visalia Heritage for Depot Cultural Center & Museum Campaign

### Administration and Operations

The Visalia Convention and Visitor's Bureau employees provide administrative oversight and implement the VTMD operations in accordance with the Management District Plan. VTMD bookkeeping, accounting, and insurance fees are paid by VTMD Directly.

### City Administration Fee

The City of Visalia retains one percent (1%) of the amount of assessment collected to cover its costs of collection and administration.

## 2026 Projections

Tourism is a volatile industry in Visalia. Being heavily dependent on access to Sequoia and Kings Canyon National Parks, natural occurrences such as fires and flooding within the Parks, decrease opportunities for tourism.

In 2026 the political climate, domestic economy and dollar exchange rate are predicted to soften leisure travel throughout the United States including California.

Economic forecasting of the projected boost in tourism due to the 2026 World Cup matches played in California have been tempered due to the team/match draws and ongoing international travel barriers. What was originally slated to draw international visitors to Sequoia and Kings Canyon National Parks has been repositioned to provide rest, relaxation and rejuvenation for California's wanting to escape the World Cup hub and overflow communities.

The Visalia Tourism Marketing District will closely monitor hotel occupancy and revenue per available room to learn if budget projections made in 2026 are overly optimistic.

In 2026, the Visalia Tourism Marketing District (VTMD) is projecting 7% decline in actual Assessment collections received in 2025. The Tourism Marketing District has set aside the 5% required reserve funds, totaling \$42,800. This prior planning provides a larger investment in tourism marketing initiatives than otherwise allowed had the 5% not been set aside.

Projected 12 Months of Assessment Revenue \$800,000

Based on regulatory guidelines, the Assessment Revenue may be allocated as follows:

|                        |                  |     |
|------------------------|------------------|-----|
| COV Collection Fee     | \$8,000          | 1%  |
| Required Reserves (5%) |                  |     |
| Admin/Operations       | \$120,000        | 15% |
| Destination            |                  |     |
| Development            | \$80,000         | 10% |
| Marketing              | <u>\$592,000</u> | 74% |

## Delinquencies

If delinquencies occur among lodging businesses within the District, the following guidelines outline assessment penalties and procedures.

**Original Delinquency** – Any business failing to remit any assessment due within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the assessment.

**Continued Delinquency** – Any business failing to remit any delinquent assessment on or before a period of thirty days following the date on which the assessment first became delinquent shall pay a second delinquency penalty of ten percent of the amount of the assessment, in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.

**Fraud** – If the City or County determines that the nonpayment of any assessment is due to fraud, a penalty of twenty-five percent of the amount of the assessment shall be added thereto, in addition to the penalties stated above.

**Interest** – In addition to the penalties imposed, any business which fails to remit any assessment shall pay interest at the rate of one percent per month, or fraction thereof, on the amount of the assessment, exclusive of penalties, from the date on which the assessment first became delinquent, until paid.

**Penalties Merged with Assessment** – Every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the assessment required to be paid.

**Audit Delinquency** – If, upon audit by the City, a business is found to be deficient in its return, remittance, or both, the City shall immediately invoice the business for the net deficiency, plus a penalty of ten percent of the net deficiency. If the business fails or refuses to pay the deficient amount and applicable penalties within thirty days of the date of the invoice, an additional ten percent penalty shall be added to the original deficiency. In addition to the penalties imposed,

any business which fails to remit payment of billed audit deficiencies within thirty days of the date of the invoice shall pay interest at the rate of one percent per

month, or fraction thereof, on the amount of the assessment, exclusive of penalties. The business shall also be liable for the cost incurred by the City for the audit if a deficiency is substantiated.

### **Surplus & Other Funding**

At the end of 2025 Visalia Tourism Marketing District had a surplus, retained earnings, of \$172,960.50. This surplus is the result of collections exceeding the budget projections and carry-over from the previous fiscal years, planned convention incentive support for the Knights of Columbus over 5 years, beginning in 2024.

In 2026, tourism special marketing campaigns and destination development initiatives will be considered and may be funded with surplus/reserves.

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## Appendix

### 2025 - Assessed Lodging Properties

| Property                                    | Sleeping Rooms |
|---|----------------|
| Wyndham Visalia 9000 W. Airport Dr.         | 256            |
| Visalia Marriott 300 S Court St.            | 197            |
| Hilton Garden Inn 8715 W. Hillsdale Ave.    | 112            |
| Lamp LITER Inn 3300 W. Mineral King Ave.    | 100            |
| Residence Inn Visalia 205 N. Plaza Dr.      | 94             |
| Holiday Inn Express 5625 W. Cypress Ave.    | 91             |
| Hampton Inn Visalia 4747 W. Noble Ave.      | 88             |
| Motel 6 Visalia 4645 W. Noble Ave.          | 77             |
| Comfort Suites 210 E. Acequia Ave.          | 72             |
| La Quinta Inn & Suites 5438 W. Cypress Ave. | 65             |
| Best Western 9300 W. Airport Dr.            | 64             |
| Fairfield Inn 140 S. Akers St.              | 63             |
| Super 8 Motel 4801 W. Noble Ave             | 39             |
| Americas Best Value Inn 623 W. Main St.     | 38             |
| The Darling Hotel 210 N. Court St.          | 32             |

1388

Visalia Tourism Marketing District 2025 Board of Directors.

| VISALIA TOURISM AND MARKETING DISTRICT 2025 OFFICERS AND DIRECTORS |       |                               |                      |  |                                    |       |       |
|--|-------|-------------------------------|----------------------|--|------------------------------------|-------|-------|
| Property   | Size  | Property Owner/GM             | Office               | Address  | Phone                              | Group | Rooms |
| Comfort Suites Downtown  | 51-99 | Anil Chagan, Owner            | Treasurer            | 210 E. Acequia Ave.<br>Visalia, CA 93291<br>Anil@infinitehospitality.com | P: 559-738-1700<br>M: 559-779-1825 | A     | 72    |
| Wyndham Visalia  | 100+  | Christina DaSilva             | Director             | 9000 W. Airport Dr.<br>Visalia, CA 93277<br>cdasilva@altamonthotels.com  | P: 559-651-5000<br>M: 559-759-8119 | A     | 256   |
| The Darling Hotel  | 20-50 | David Ahern                   | Director             | 210 N. Court St<br>Visalia, CA 93291<br>dahern@charlestownehotels.com    | P: 559-713-2113                    | B     | 32    |
| Visalia Marriott at the Convention Center                          | 100+  | Carrie Groover                | Vice Chair/Secretary | 300 S. Court St.<br>Visalia, CA 93291<br>carrie.groover@marriott.com     | P: 559-636-1111<br>M: 559-972-0222 | B     | 197   |
| Hilton Garden Inn  | 20-50 | Hector Ramos                  | Chair                | 8715 West Hillsdale Ave,<br>Visalia 93291<br>Hector.Ramos@hilton.com     | P: 559-205-1332<br>M: 310-923-5170 | A     | 32    |
|  | 51-99 |                               |                      |  |                                    | B     |       |
|  | 100+  |                               |                      |  |                                    | B     |       |
| Group A Term   |       | Jan. 1, 2024 to Dec. 31, 2025 |                      |  |                                    |       |       |
| Group B Term   |       | Jan. 1, 2023 to Dec. 31 2026  |                      |  |                                    |       |       |

\*Separate Attachments

- December 31, 2025, Balance Sheet