

HUMBOLDT COUNTY GROWERS ALLIANCE

February 8, 2021

Humboldt County Board of Supervisors
825 Fifth Street
Eureka, CA 95501

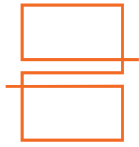
Attn: Clerk of the Board

Dear Humboldt County Supervisors and County Staff,

The Humboldt County Growers Alliance appreciates the opportunity to comment on the Board of Supervisors agenda for February 9, 2021, on the Humboldt County Visitor's Bureau Second Marketing Report to the Board of Supervisors and an Examination of the Current Transient Occupancy Tax (TOT) Rate for Humboldt County, its proposed new direction, their proposed funding request and the future of the tourism and promotion of Humboldt County in general. Below you will find our specific recommendations and the supporting analysis and discussion to justify our positions and requests.

RECOMMENDATIONS:

1. Request the BOS direct staff to add to any future contract with HCVB a required MOU between the organization that receives the Project Trellis Cannabis Marketing award and the HCVB. Should the BOS not be agreeable to an MOU, then HCGA strongly opposes the funding requests of the HCVB and respectfully requests the BOS open and competitive RFP process for the promotional needs of Humboldt County.
2. Should the BOS agree to the above-mentioned MOU, then HCGA would be supportive of the funding requests of HCVB.
3. We respectfully request the BOS prohibit any reengagement of the HCVB and the HLA that would 1-combine or share leadership 2- have a majority of the HLA's board of directors sit on the HCVB board or 3- combine/merge the organizations in any way directly or indirectly to ensure the county's promotional activities are not controlled by a single industry or stakeholder. HCGA would be supportive of a MOU developed between the HCVB and the HLA exclusively for the promotional content of accommodations over 5 rooms. Should this not be adopted by the BOS, HCGA **opposes** all future contracting between the county and the HCVB and requests the county open a competitive RFP process for the promotional needs of Humboldt County.
4. We strongly recommend that the county clearly own all the IP related to the promotion of the county and request that the Economic Development Department house all available content promoting the collective of Humboldt County, so it can



HUMBOLDT COUNTY GROWERS ALLIANCE

be shared in a centralized repository that is accessible to all parties contracted or engaged with an MOU with the county on promotional activities.

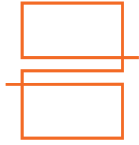
5. HCGA strongly recommends that the county contract with HSU or other 3rd party consultants with expertise in, not just tourism, but regional promotion for a comprehensive needs assessment for the promotion of Humboldt County with an emphasis on tourism.
6. Request the HCVB to report back to your board with a clear understanding on how the public and stakeholders can participate in the development of the marketing and promotional efforts for Humboldt County.
7. We respectfully request your board direct the HCVB to provide the public with a clear plan on how they will be inclusive of all people regardless of ethnicity, race, age, ability, language, gender identity, religious beliefs, sexual orientation, economic situation, or political affiliation with an emphasis on equity and social justice.

BACKGROUND & ANALYSIS

HCGA was founded in January 2017 and currently represents 265 cannabis businesses across the county who have significant interests in how Humboldt County is marketed through a import destination marketing lens and a cannabis export product marketing lens. Since 2017 HCGA, on behalf of its membership, has engaged (or attempted outreach to) various stakeholders of the tourism and promotional industry including, but not limited to, the Humboldt County Visitors Bureau (formerly known as the Eureka-Humboldt Convention and Visitors Bureau, for the sake of this letter will be called the HCVB going forward), The Southern Humboldt Business & Visitors Bureau (SHBVB), the Southern Humboldt, Fortuna, Eureka, Arcata, McKinleyville and Willow Creek chambers of commerce, trade groups such as Humboldt Made and private businesses that are key drivers in the sector. In addition, HCGA has provided public comment multiple times to your Board and the City of Eureka regarding marketing efforts for the County and the City alike.

Over the past six years we have learned a great deal about the politics and history surrounding the general promotion of Humboldt County. As we understand it promotion of the county has historically been singularly focused on attracting tourists to Humboldt with the intent of putting ‘heads in beds’ which in turn creates a tax base that provides back to the county and cities through the TOT tax, a portion of which is then redistributed into the ‘marketing’ efforts.

These promotional efforts have deployed advertising-based marketing tools using the redwoods as the primary ‘bait’ to attract visitors. While Humboldt County proudly is home to some of the world’s greatest redwood trees and parks, it is not exclusively the only redwood-based experience a tourist can find, nor are redwoods the only single appealing asset in our county. In fact, our redwoods are arguably the *most remote* redwood-based experience that can be found for urban centers within driving distance.



HUMBOLDT COUNTY GROWERS ALLIANCE

Regardless, redwoods have been the primary focus of promoting and marketing Humboldt County since the inception of the HCVB in 1978- a year when the minimum wage was \$2.65, the internet had not been invented and the number one song that year was Night Fever by The Bee Gees (no judgment implied, it's a great song).

Since 2012 a small, elite group of multinational hotel chain/corporations have controlled the direction of the general promotion of Humboldt County through centralized leadership and shared funding between the HCVB and the Humboldt Lodging Alliance (as of 2020 11 of the 17 members of the HLA's board of directors are multinational chain hotels). This relationship was severed with the passing of their shared Executive Director, Tony Smithers, in 2019. Since then both organizations have rehired separate Executive Directors. On May 6, 2020 the HLA Board Of Director met and moved forward an agenda item to explore reconnecting the two organizations:

*6) Chuck requested that the exec comm. select a committee to explore a possible merger with the Bureau, The idea would be for HLA to work with the county to create a new organization **that is facilitated by HLA** with a funding stream from the TBilD and county funds to form a stronger and more effective effort county wide for tourism marketing. A committee of Chris, Mark, and John was formed. Chuck will get with Julie Benbow from the bureau to create and outline of this new organization and present it to the committee. Formation of the committee was approved (Lowell/Marc)*

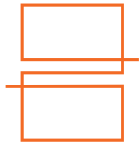
In reviewing the agendas and minutes preceding the May 6th meeting multiple agenda items to the HLA executive committee and HLA BOD report negotiations have continued. The latest update to the HLA executive committee on January 13, 2021 it appears that effort may have stalled out, but both organizations appear to be still warm with the concept of moving forward.

1) Update on HLA/Bureau Alliance

Marc provides a brief report on the Bureau. Marc says that the Bureau is still in the preliminary stages of organizing itself and confirms that the Bureau will want to reconnect with HLA in the future, if possible.

Within the last 6 years the cannabis industry has been very vocal of the desire to be included in the general promotion of Humboldt County, however has been met with open hostility and an offensive 'separate but equal' approach by the HCVB- even when directed to be inclusive by your board throughout the years. Your board first mandate came in the Spring 2018. Following this meeting there were multiple attempts to build relationships- though tours and committee participation by HCGA and the SHBVB- the effort failed to materialize a relationship or promotional inclusivity by the HCVB.

The second time your board gave direction to the HCVB was at your May 28, 2019 meeting where you 'extend ties with its existing marketing and tourism services provider for two years' according to the Time Standard. At this meeting HCGA expressed, for the second time, the HCVB's lack of effort to include the cannabis industry in any meaningful



HUMBOLDT COUNTY GROWERS ALLIANCE

way. Subsequently following that meeting newly appointed Executive Director, Julie Benbow, expressed in an article in the Time Standard on May 31, 2019 the following:

Benbow said of the more important things the bureau will be doing in the coming months is "listening." "We are going to be going through a period of reaching out to stakeholders and partners and asking them what works for them and what we could do better," she said. She said that would include reaching out to the cannabis industry. "One of the things we are really reviewing very closely is our relationships throughout the county and some have been very tenuous to say the least," Benbow said. "I am very interested to reach out to, for example, cannabis, to find out what they need."

As time has gone by the very needed- *and mandated*- relationship building between the industry and the HCVB has been non-existent from our perspective, and not without effort on the part of HCGA. To date, HCGA- the largest and only trade association representing cannabis businesses in all regions of Humboldt County- had not received any such outreach from Mrs. Benbow. On November 9th, 2020 HCGA's Executive Director, Natalynne DeLapp, sent an unprompted email to Mrs. Benbow offering to connect and reintroduce the two organizations and "see how the Humboldt Tourism Bureau and the cannabis industry can work together."

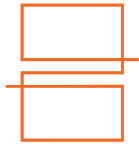
Mrs. Benbow never replied to the email.

To add layers of confusion to an already complicated space, on the cannabis side of things, on Tuesday, October 22, 2019 the Board of Supervisors Agenda Consent Item, a "Professional Services Agreement with Southern Humboldt Business and Visitors Bureau for **Marketing, Branding, and Promoting the Humboldt County Cannabis Industry**" (the agenda included a 2-page "Scope of Services" by the SHBVB). The Professional Services Agreement was approved without discussion, or consideration of the larger scope of work being developed under the Project Trellis Marketing Strategy, or how it interacts with efforts by the HCVB.

Which brings us to your agenda item today. We welcome the opportunity to thoroughly comment on the HCVB Executive Overview of the 2021-2024 Marketing Strategy, for clarity sake, section by section.

1 | HCVB Pre-COVID-19

HCGA is sensitive and empathetic to the unprecedented struggles of the various industry sectors due to the pandemic- specifically the arts & entertainment, retail sales, and food service industries. Looking forward, post pandemic, we strongly believe that the tourism sector is key to the economic recovery for these amazing industries and we agree that the HCVB is woefully underfunded to successfully execute their mission and be a driving force in the economic recovery of COVID-19. We encourage the county to activate their lobbying efforts in Sacramento and support Senator McGuire's SB 285,



HUMBOLDT COUNTY GROWERS ALLIANCE

which would provide 45 million dollars in a one-time appropriation to get the tourism industry back to work post pandemic, if it hasn't already engaged such efforts.

In addition, HCGA is also strongly supportive in the direction the HCVB is taking to scrap the archaic “heads in beds’ approach to marketing Humboldt that has been deployed for decades, largely ignoring major sectors of the community. We are cautiously optimistic of the proposed shift to ‘promoting communities to building communities’- however, we strongly believe this can only be achieved through community input, strong stakeholder engagement, collaboration and transparency.

Without even one of these key elements we are confident said efforts by the HCVB will fail.

Synopsis:

- **HCGA is supportive of the tourism industry being a key driver to economic recovery post-pandemic.**
- **HCGA agrees the HCVB is woefully underfunded.**
- **HCGA agrees scraping the ‘heads in beds’ the direction the HCVB has taken in the past and to become more inclusive in their marketing efforts.**
- **HCGA believes that the only way for HCVB to be successful in the future is to have community input, strong stakeholder engagement, collaboration and transparency.**

2 | The Changing Face of Tourism

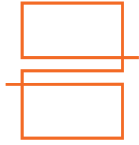
HCGA is supportive of the “Humboldt County Visitors Bureau (HCVB) transitioning from the traditional “PR firm” model of the past, to a modern, digitally-savvy Destination Marketing & Management Organization (DMMO).” However, we are unclear how they plan to accomplish this transition with the proposed strategy- regardless if additional funding requests are granted. We have the following questions on the following statement within the proposal:

“The HCVB proposes to be a facilitator and expeditor for all ‘regions’ throughout Humboldt.”

We are unclear what constitutes a region? Furthermore, we are unclear if the HCVB envisions all industries to be represented by the various undefined regions? Specifically, we are unclear if cannabis is included in this representation?

The HCVB goes on to outline their key deliverables:

In order to support our stakeholders, generate economic activity for county residents through tourism, and inspire our visitors, Humboldt County Visitors Bureau will:



HUMBOLDT COUNTY GROWERS ALLIANCE

- *Consistently promote and market the entire county and its assets.*
- *Create, develop, and manage brand awareness for the county outside of the area.*
- *Connect people and organizations to opportunities.*
- *Provide information to in-county partners, and tourism resources to the industry.*

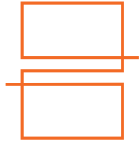
Created for “non marketers”, this research-based roadmap guides the needed investments to help transition the HCVB to a modern DMMO and complete marketing efforts through 2024. Although it offers new focus areas for improvement and explains operational changes necessary for HCVB to succeed, it doesn’t go deep “in the weeds” regarding quarterly marketing campaigns that will be managed by the Bureau’s growing team over time.

HCGA is unclear in the difference between an asset, a stakeholder, an in-county partner and a marketing partner? All are different, undefined terms used throughout the marketing proposal of HCVB. Only within section 7 of the proposal are ‘marketing partners’ identified, yet their roles, inclusion in process and how input is gathered is undefined except for the single connective fiber of having a relationship with the HCVB Executive Director.

While this marketing strategy was developed, according to the HCVB for ‘non-marketers’, which is understandable seeing as the vast majority of the public are not experts in this area, what the public is entitled to know is how to participate in efforts where their tax dollars are being spent and the community identity is being defined. We are disappointed that there is not a more detailed understanding of how the public would be invited to help shape the marketing efforts of the HCVB and how organizations, industries or stakeholders not listed within section 7 would be able to participate.

Synopsis:

- **HCGA is supportive of the ‘(HCVB) transitioning from the traditional “PR firm” model of the past, to a modern, digitally-savvy Destination Marketing & Management Organization (DMMO)’.**
- **HCGA is unclear how the HCVB plans to accomplish this transition with the proposed strategy.**
- **HCGA is unclear what the HCVB constitutes as a region?**
- **HCGA is unclear in the difference between an asset, a stakeholder, an in-county partner and a marketing partner?**
- **What is the cannabis industry considered to be?**
- **HCGA has grave concerns about how the public is able to engage with the HCVB to help shape the marketing efforts, furthermore, how excluded stakeholder groups are able to engage as well.**



3 | HCVB Membership & Funding

HCGA joined as a member of the HCVB in 2018 and found the membership lacked substance, access to information or any real deliverables. HCGA is supportive of the HCVB having dissolved its membership structure, however, once again are very concerned that this proposal lacks any ability for oversight or participation from the public or stakeholders who are not listed in section 7.

In lieu of the HCVB losing its Eureka contract, apparently separating its direction from the HLA and dissolving its membership, understandably the organization is woefully underfunded.

However, that being said HCGA would **strongly oppose** any re-combining of the HCVB with the HLA whereas such a union would most likely result in, once again, an elite few multinational hotels controlling the promotion of Humboldt County. We can't emphasize enough that we believe this would be a worst case scenario that promotes only the interests of a few, at the cost of the whole.

The HCVB goes on to state:

The Bureau believes that now is the time to establish collaborative partnerships to prudently invest funds in a focused strategy to market ALL county assets and realize the best possible marketing and economic results for all the county stakeholders.

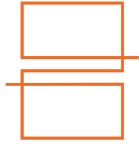
Once again, HCGA would like clarification if the HCVB considers the cannabis industry an 'asset' or a stakeholder? And if so, where and how the industry could participate in shaping the future marketing efforts.

Synopsis:

- **HCGA is supportive of the HCVB dissolving its membership structure.**
- **HCGA is concerned with the lack of public or stakeholder process for involvement.**
- **HCGA would strongly oppose any re-combining of the HCVB with the HLA.**
- **HCGA would like clarification if the HCVB considers the cannabis industry an 'asset' or a stakeholder?**

4 | Travel Trends

HCGA is extremely encouraged the HCVB has identified the new travel trends such as wellness, "bileasure," second-city, and female centric travel and agrees that Humboldt County is well positioned to be a top destination for people who enjoy these growing trends. In addition, HCGA believes that the cannabis industry is well suited to be a key stakeholder to help attract said tourist. HCGA is once again encouraged that HCVB states that they "will actively work with all stakeholders to ensure their marketing needs and content resonates with tourists by catering to growing trends that highlight



HUMBOLDT COUNTY GROWERS ALLIANCE

Humboldt's strengths", however remains concerned that this proposal is silent on the process to do so.

Synopsis:

- **HCGA agrees with the traveler trends identified in section 4 and concurs Humboldt County is well positioned to be a premier destination for those targeted trends.**
- **HCGA believes the cannabis industry is well positioned to cater to the travel trends identified.**
- **HCGA remains concerned on how the HCVB intends to include stakeholders in their process.**

5 | HCVB's Strategic Overview – Past and Present

HCVB identifies within this section a loose process they are 'actively working on' to develop a marketing strategy, which is confusing because the document itself is titled as that. Lacking throughout this document is a clear Organizational Development Strategic Plan, and instead the document vacillates between an organizational development strategic planning and an attempt to develop a marketing strategic plan. While the two are interdependent they can't be confused as one and the same, meaning the product the HCVB produces can only be accomplished after the back of the house organizational development is conducted. Throughout this document HCGA has identified numerous times a lack of understanding how the public and 'stakeholders' participate in the promotion of their County and believe this is due to HCVB lack of a clear Organizational Development Strategic Plan. Should one be developed, we believe said public participation could become identified. Should the HCVB forgo that critical planning work, it will ultimately continue to alienate the community for which it is promoting.

This will be a fatal flaw if not fixed.

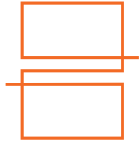
We recommend the HCVB contract with an independent consulting firm that specializes in regional marketing nonprofits to assist the next iteration of their planning process, should your board adequately fund them and continue their contract.

Synopsis:

- **HCGA recommends HCVB hire a consultant to help guide them through an organizational development strategic plan which will then inform the marketing strategic plan.**

6 | HCVB's Target Markets – 2020 to 2023

We are very encouraged and excited by the HCVB's new primary target markets and are confident that if executed correctly marketing efforts have the possibility to change Humboldt County for the better, forever. However, while we are supportive in concept of the newly identified targets, we strongly believe the new approach deserves an independent needs assessment to further understand the implications of such a strong



HUMBOLDT COUNTY GROWERS ALLIANCE

departure from over four decades of the same approach. We recommend the Economic Development Department contract the development of a needs assessment that tackles a complete SWOT of the local tourism industry and include- *at the very least*- the following:

1- What are these new targets?

What does the “Wellness” (spiritual, outdoor adventure, health), “Bleisure”, and “Intention Travel” space look like? What are the types of experiences and accommodations are the target markets looking for? What are some examples of other destinations that market to these target audiences? What can we learn from the experience of their efforts? What resources are available to current businesses to help them angel their independent marketing efforts in those directions to have cohesive messaging?

2- What do we currently have, what could we have?

What experiences and accommodations are currently offered in the county that will satisfy the new primary target audiences (Millennial Parents, Unmarried Millennials (26-35) and Unmarried Gen-Xers (36-49) and Women Travelers? What additional experiences and accommodations could be encouraged/allowed to be developed for targeting such audiences?

3- Eco-Tourism:

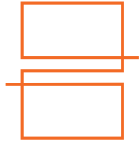
Per the HCVB’s pivot into new target markets a consistent theme and a driving reason for going in a new direction was the natural beauty of our County. Ecotourism has the opportunity to bring great prosperity to the county, but at what cost to the environment? How can the county ensure that the ‘right’ type of ecotourism is being developed? What is currently allowed? What is prohibited? The public should understand what responsible ecotourism looks like and what irresponsible eco-tourism looks like. This is very important in shaping the future of Humboldt County and should be carefully considered and assessed.

4- Ag-Tourism:

The Humboldt County Cannabis industry is strong in retail tourism, and looking to expand its manufacturing tourism sector, and had recently had two farms approved for onsite tours (Willow Creek and Whitethorn) and continues its development into agricultural tourism. That being said cannabis is far from the only AG sector in Humboldt County and we would be eager to understand what other incredible AG related experiences could be or are offered in Humboldt that have been underrepresented in promotional efforts of the past. How can the marketing efforts better suit the agricultural sector in general?

5- Accommodations:

Humboldt County’s marketing efforts historically have heavily emphasized ‘heads in beds’, specifically in hotel and motel accommodations. Airbnb and VRBO have evolved to be a major influence in the accommodation space, although were forced out of the HLA efforts in December 2019. What accommodations currently support the target audience preference? With a trend in experience-based travel, would the public and the



HUMBOLDT COUNTY GROWERS ALLIANCE

county be interested in encouragement of the trendy, low impact 'glamping sector'? We see a great opportunity to develop rural tourism through an eco-friendly accommodation's lens. We are unclear if the county allows for such businesses and would ask the assessment review the Planning and land use considerations for such activities.

Event Spaces:

HCGA has hosted four business-to-business events in the last four years, bringing more than one thousand people together to network within the cannabis industry in a single event. One of the major hurdles in doing so is a lack of a proper event space. While having cannabis onsite poses its own set of issues unique to the industry, we have found that the large event venues are inhospitable and cold during the offseason when cannabis farmers are available for said events, and the spaces that are warm, don't hold enough people to satisfy the needs of the event. Is there an opportunity we have not identified that has the potential to fulfill the needs of the cannabis industry and help drive significant 'Bleisure' style events?

Transportation:

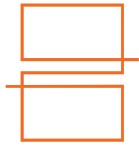
Another massively missing piece of the puzzle is transportation. We do not have ANY charter busses, or even smaller tourism busses. We have limited rental car opportunities. Getting in and out of County is challenging and if folks air travel, there are very limited ways to make them mobile and move around our very spread out, isolated, rural county. Uber and Lyfts are unreliable in this region. We don't have ample taxis, our bus system is bare bones. These have been long time hurdles for industries looking at Humboldt to host conferences, trade shows, etc.

Should the county move forward with a needs assessment HCGA respectfully requests the County not contract with HCVB to produce it. Their ongoing negotiations with the HLA has the potential to be a glaring conflict of interest. We are concerned a single sector of the accommodation industry has the potential to influence the outcome of the assessment, especially when it has proven to be a hostel to small business as evident by the ousting of micro-accommodations from their organization.

We instead recommend the county contract with HSU or 3rd party consultant with expertise in regional marketing.

Synopsis:

- **HCGA is very encouraged and excited by the HCVB's new primary target markets.**
- **HCGA also believes a needs assessment should be conducted to understand the implications and opportunities of the new direction.**
- **HCGA believes the County should contract with HSU or 3rd party consultant to develop the needs assessment.**



7 | HCVB's Marketing Strategy

HCGA agrees, in part, with the HCVB following statement:

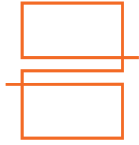
Despite the remote location and modest infrastructure, Humboldt County is well-positioned to appeal to the next generation tourist. Our relatively young target markets seek unspoiled nature, health-minded communities, local organic produce and refreshments, and some of the creature comforts of home. Humboldt's forests and unspoiled beaches are a mecca for wellness-minded travelers, and family- friendly adventurers.

However, we are once again disappointed, but not surprised, that cannabis fails to be even mentioned in what the HCVB highlights as Humboldt County's asset that will appeal to the next generation of tourists. It is unfortunate that despite well reported consumer marketing trends for the cannabis industry and clear cannabis consumer buying trends (which nearly completely overlap with the new market targets identified by the HCVB and can be found with a simple google search) that the HCVB has chosen once again to be silent on the industry's considerable opportunities to help promote Humboldt County. Furthermore, it is particularly insulting that cannabis is not included within this statement considering the overwhelming support within the community for legalization and the extraordinary efforts by the county to bring this industry into a regulated space and support it through the efforts of Project Trellis.

HCVB goes on to outline their proposed keys to success which they believe to be accomplished through the following efforts:

1. Funding Levels
2. Branding and Messaging Statements
3. Digital Strategy and Content Strategy
4. Website
5. Social Media
6. Print Collateral
7. Marketing Partners*
 - *The Cannabis industry?*
8. Events

Once again, the HCVB utterly fails to address, what we view, to be the most important mission critical part of any successful marketing strategy- *and that is the ability for the public and stakeholders alike to provide input and direction in the development of what is ultimately their own identity that is being pitched to the world.* This is an effort that will fail if there is not considerable buy-in from the community it represents. The only way to



HUMBOLDT COUNTY GROWERS ALLIANCE

achieve buy-in is through community driven research, opportunities for feedback, transparency and clearly defined processes.

Instead the HCVB attempts within the Branding and Messaging Statement section to address community buy-in, consensus and the “real challenge when it comes to branding a destination as a unique value proposition, that incorporates hundreds of independent ‘brands’ including regions, towns, events, industries, and businesses.” Disappointingly, instead of providing the public with an understanding on how they could participate in solving this complex challenge, the HCVB pivots and explains that the work product itself, *not the community driven process to create it*, is the answer to solving the difficulty of incorporating so many different aspects of a community and place into marketing efforts.

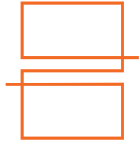
This further validates HCGA’s long standing fundamental issue with the HCVB, on their basic lack of community organizing skills and approach to inclusivity in their strategy. Instead, in this latest attempt, HCVB identifies key ‘relationships’ that their Executive Director has made in order to satisfy the need for inclusion while remaining silent on how the rest of the community’s input, specifically those who are not expressly listed, would be collected.

Furthermore, we are unclear how these relationships will interact with the overarching marketing strategy aside from being “mutually beneficial” according to the report. We are also unclear how each of these relationships were chosen to represent the various interests and/or assets of the county. Specifically, we would like to better understand if the cannabis industry is or isn’t represented within the list of ‘marketing partners.’ We see that other trade-based associations, such as Humboldt Made, have developed relationships with the HCVB, so we can only assume that product makers are welcome.

In addition, we would like to better understand the relationship between the CalTravel Cannabis Marketing Committee and HCVB as outlined by the HCVB:

CalTravel Cannabis Marketing Committee: Exciting opportunities are emerging for Humboldt’s cannabis industry, and tourism will be a big part of it as Humboldt’s infrastructure grows to include professionally operated tours and educational events. With the Bureau’s help, Humboldt County will take its place as the heart of cannabis culture as CalTravel and other tourist-centric organizations continue building “The Cannabis Trail”. Our rolodex of press contacts and new outlets will become increasingly important as traditional media embraces the emerging industry.

It is our understanding that Laura Lassater of the SHBVB sits, or has sat, on the committee in the past. Does the HCVB consider the SHBVB a ‘marketing partner’ or is the committee itself the partner? According to the CalTravel website the mission of the committee is to:



HUMBOLDT COUNTY GROWERS ALLIANCE

Mission

Our mission is to destigmatize and advance cannabis and hemp-related tourism in California. Through proactive education and advocacy, we serve to demystify the hemp and cannabis tourism segment, and enable California's travel industry stakeholders to confidently embrace and integrate cannabis and hemp-related products and services into their model, to safely serve and accommodate visitor interest.

Is the CalTravel cannabis committee going to be pushing out Humboldt county cannabis related content? If so, is this content going to be developed by the HCVB or SHBVB? We seek clarification to these questions seeing as the HCVB has been unsuccessful in articulating within this report a clear understanding on how countywide content, representing all the various stakeholders, is chosen, aside from a 'regional calendar'.

We recommend whichever organization is contracted through the county's Project Trellis cannabis marketing efforts to be considered the partner/stakeholder for the HCVB. We respectfully request a MOU be developed in conjunction with the Economic Development Director, and participation in or on various boards or committees represent the cannabis industry in Humboldt County, such as CalTravel, be assigned to the organization that is awarded the marketing contract.

8 | HCVB's Implementation – Operations and Team Overhaul

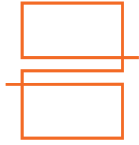
Once again, we are confused with HCVB's attempt to explain how they intend to implement the promotional activities of the county from an "operations and team overhaul" approach. We are curious if this is what they consider their version Organizational Development?

Regardless within this section they identify two areas that need attention.

The first is:

(a) working with county regions, helping choose the priority events to be included in HCVB campaigns"

Once again, we respectfully request that the public be made aware of what constitutes a 'region' in the eyes of HCVB. This is extremely important to the cannabis industry as we continue to work on developing cannabis appellations which will eventually be undisputed, codified by law geographical regions representing a very specific sector of the industry. This alone should have given pause to the leadership at the HCVB when developing their strategy and promoted them to reach out to HCGA, the only trade association exclusively representing the entire Humboldt County cannabis industry and who had championed the efforts behind appellation development for multiple years at a well-documented local and state level to understand how the cannabis industry can and will be defining sub-regions within Humboldt County.



HUMBOLDT COUNTY GROWERS ALLIANCE

The second is:

(b) actively submitting materials to be included using collaboration software like Monday.com (or related) CMO's exist in every tourism center throughout the world, because the workload can't be successfully accomplished by outsourced agencies alone. Put bluntly, agencies are great at developing strategies, brand assets, and campaigns, but they can't be expected to act as gateways to entire regions as CMO's do...nor can outside agencies adequately oversee their own campaigns and promotions.

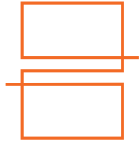
Once again we are unclear if this is the process for which the HCVB will collect content and input from the various 'undefined' regions within Humboldt? While we agree that single for-profit marketing agencies cannot successfully serve as the roll of a non-profit which is bound by a set of bylaws and must provide to the public benefit, we are unclear if the HCVB is proposing that a CMO would serve as the by-pass between the community/region and the content creating marketing firm? If so, within HCVB proposal would a CMO be the Executive Director? And instead of a marketing firm it appears the HCVB would instead hire inhouse staff responsible for creating content? We seek clarification on this work in progress process.

Respectively, we are very unclear about this section and what it is intending to communicate to the public.

HCGA's Position and formal requests:

1- Request the BOS direct staff to add to any future contract with HCVB a required MOU between the organization that receives the Project Trellis Cannabis Marketing award and that the Economic Development Director moderates the development of a MOU for all cannabis related content. Should the BOS not be agreeable to an MOU, then HCGA **strongly opposes** the funding requests of the HCVB and respectively requests the BOS open an RFP process as outline in your boards 5/28/2019 staff report:

"Request for Proposals (RFP) for the marketing of Humboldt County resources and assets. The county maintains a fiduciary responsibility to the taxpayer by creating and inviting open competition for county-paid services. A competitive RFP process drives innovation and allows for other parties to participate in the process for the expenditure of county funds. Your Board could choose to not extend the existing contract with the HCCVB and direct staff, instead, to immediately prepare and issue an RFP for the marketing of Humboldt County resources and assets. Your Board could also direct staff to extend the agreement with the HCCVB and direct staff to begin the RFP process at the end of that contract extension."



HUMBOLDT COUNTY GROWERS ALLIANCE

2- Should the BOS agree to the MOU, then HCGA would be supportive of the additional funding requests of the HCVB. That being said we don't believe that the Level 2 financial and staffing requests proposed by the HCVB go far enough to provide the level of support the organization will need to effectively promote Humboldt County. What the county puts into this effort is what the county will receive in return. In addition, we believe that the HCVB needs to be adequately funded so that they are not seeking to merge their organization with other single stakeholder organizations such as the HLA.

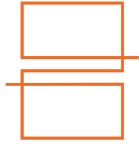
3- We respectfully request the BOS prohibit any reengagement of the HCVB and the HLA that would combine leadership like they did in the past, or fuse the organizations in any way, other than a MOU for the specific over 5 bed accommodations interests of the HLA. This will ensure county's promotional activities are not controlled by a single industry or stakeholder. Instead we strongly believe the HCVB should remain a true non-profit designed to serve at the pleasure of the whole community and evolve into a more honest and inclusive model that reflects the diversity of this community and various stakeholders that make Humboldt so special. Again, we will remain strongly opposed to any single industry or stakeholder controlling the funding and leadership of the promotion of Humboldt County.

4- For the last 5 years HCGA has been keenly interested in the study of intellectual property (IP) law as it relates to collective community assets. Specificity around the development of cannabis appellations and county of origin protections in California state law. We have learned a lot about the importance of this type of law, how it not only protects the use of name our county name for cannabis, but also serves as the connective tissue to community organization and stakeholder engagement, meaning the community is incentivized to work together to protect the collective assets vs. independent ownership found in private business development. We strongly recommend that the county own all the IP related to the promotion of the county of Humboldt and request that the Economic Development department house all available content promoting the collective of Humboldt County, so it can be cross shared among the various interests in a centralized repository.

5- HCGA strongly recommends that the county contract with HSU or other 3rd party consultants with expertise in, not just tourism, but regional promotion for a comprehensive needs assessment, similar to the assessment HCGA and subject experts developed for the cannabis industry. Due to the current COVID crisis we don't believe that the county should wait for a needs assessment to move forward with a marketing strategy. However, we do strongly believe that it needs to be done in conjunction with those efforts.

6- We implore your Board to direct the HCVB to report back with a clear understanding on how the public and stakeholders can participate in the development of the marketing and promotional efforts for Humboldt County. We request the HCVB answer the following for the public:

- What constitutes a region? Who are the ambassadors of said undefined regions?



HUMBOLDT COUNTY GROWERS ALLIANCE

- What do they consider an asset, a stakeholder, an in-county partner and a marketing partner? How does the HCVB interact with each?
- What is the cannabis industry considered to be within those terms?
- Who decides on what content is developed and disseminated to the world? How does the public participate in that process?
- Does the HCVB strategy include committees? Who sits on the committees?
- How would the public and stakeholders alike bring ideas to the table? What is that process?

From our perspective, the strategy presented in the agenda is VOID of any and all ability for public participation, and instead relies on a single staff member of the HCVB cherry picking 'undefined regional' content and then uploading that decision to a shared calendar. It is unclear who that calendar would be shared with.

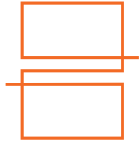
7- Lastly and **most importantly**, we respectfully request your board direct the HCVB to provide the public with a clear plan on how they will be inclusive- in all aspects of their work including but not limited to staffing, public input and content creation- of all people regardless of ethnicity, race, age, ability, language, gender identity, religious beliefs, sexual orientation, economic situation, or political affiliation with an emphasis on equity and social inclusivity.

While we appreciate the HCVB deciding to depart from their 'tradition' of 'not associating' with local tribes, because they do not contribute to the TOT, we are encouraged to hear that the HCVB is conducting outreach to explore future relationships with local Tribes. We would like to see the HCVB extend that opportunity to other traditionally disenfranchised sectors of our community and use their platform to help make Humboldt County a more inclusive place to live and experience.

In Conclusion:

In conclusion after extensive review of the HCVB 'strategy', we believe that they are continuing to fail at understanding the very basics of consensus driven processes and community organizing. It is exhausting after multiple years of requesting the development of an inclusive transparent community process, to help shape the promotional identity of Humboldt County, that once again we are right where we started- asking to be included and asking for a clearly defined ability for the public and stakeholders to participate. These requests are not based in the self-interest of the cannabis industry, but are fundamental physiological elements of being part of a community. The more participation, the more ownership is felt among the community, the more the community will champion the efforts and thus the more successful the efforts will be.

HCVB in the past decade has primarily been controlled by a single industry and an elite group of multinational hotel chains. It is not hard to understand why the HCVB has come under such heavy criticism and it is not hard to see why the HCVB finds itself underfunded, without allies and alone on an island.



HUMBOLDT COUNTY GROWERS ALLIANCE

Unfortunately, this proposal does not go far enough and is not clear enough to address those past criticisms.

We believe today's agenda item represents a rare BOS meeting where a single agenda item can drastically change the lives and course of the county for generations. We also believe this is an opportunity for your Board and your leadership to course correct the past, move the whole county forward, aid in critical post-covid recovery and direct the HCVB to become an excellent organization that serves at the pleasure of the community it represents, instead of the interests of a few.

HCGA remains committed to building a respectful, transparent and productive relationship with the HCVB and strongly believes that, if HCVB has the willingness to be inclusive and develop a process where the community is well represented and can become a beacon of excellence.

Respectively,

Natalynne DeLapp

Natalynne DeLapp
Executive Director
Humboldt County Growers Alliance