



# **Approve the Huntington Beach Tourism Business Improvement District (HBTBID) Fiscal Year (FY) 2023-24 Annual Report**

November 7, 2023

# Background

- HB Tourism Business Improvement District (HBTBID) formed in 2014 pursuant to the CA Property and Business Improvement District Law of 1994
- HBTBID purpose is to increase overnight room sales with funding dedicated to marketing and public relations, group sales, and visitor services enhancements
- Funding derived from assessments collected from lodging businesses operating within City boundaries
- HBTBID was renewed in 2019 and runs through June 30, 2028
- HBTBID's Owners' Association must prepare an Annual Report for Council approval



# HBTBID

- Comprised of approx. 21 hotels/motels and 225 Short Term Rentals (STRs)
- Current assessment rate is 4% of gross short-term room rental revenue
- Boundary includes all lodging businesses, existing and in the future, available for public occupancy within the City
- Total assessments approximately \$7 million for FY 23-24
- City collects assessments monthly from hotels/motels and quarterly from STRs



# Visit Huntington Beach (VHB)

- Visit Huntington Beach (VHB), a non-profit 501(c)6 organization, serves as the HBTBID Owners' Association
- Consists of 14 full-time staff members and 22 board members dedicated to promoting tourism to HB to increase overnight lodging stays
- Responsible for implementing the programs identified in the Management District Plan (MDP) and for submitting an annual report to the City Council for approval
- Agreement between City and VHB to manage the HBTBID's funds and activities



# FY 23-24 Annual Report

Per Streets and Highways Code §36650, Annual Report must contain:

- Any proposed changes to boundaries/benefit zones/classifications;
- Improvements/maintenance/activities for that FY;
- Cost estimate of providing the improvements/maintenance/activities for that FY;
- Method and basis of levying the assessment;
- Estimated amount of any surplus/deficit from a previous FY; and,
- Estimated contributions to be made from other sources.





# FY 22-23 Highlights

- *Marketing Campaigns*
  - *#BeHere 3.0*
  - *2022 WSL Vans US Open of Surfing*
  - *2022 ISA World Surfing Games*
- Launched redesigned website
- Produced HB Tourism Summit
- Hosted 16 journalists and 7 influencers
- Conducted 733 total travel agents
- Success of HB Collection Beachwides



# FY 23-24 Work Program

- Driving Global Brand Awareness - Increase visibility of HB/Surf City USA® brand by targeting key media, travel trade, meeting planners, and leisure/business travel markets to increase overnight visitation, visitor spending, and events/group meetings.
- Enhancing Destination Stewardship - Ensure that HB places to eat, shop, play, and stay are enjoyed and experiences are fun, unique, accessible, memorable, and inspire repeat visitation.
- Championing the Value of Tourism - Educate on the vital role of the travel & tourism industry and provide greater understanding of its impacts and benefits.
- Prioritizing Organizational Effectiveness and Culture - Ensure VHB's spirit of service is operating at optimal efficiency and consistently delivering on its Mission, Vision, and Brand Promise.



# FY 2023-24 Budget

INCOME	
Estimated TBID Assessments	\$7,090,560
Retail, Web Ad, Walking Tour Sales	\$21,220
Total Revenues	\$7,111,780
Estimated Carry-over from Previous FY	\$459,200
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$7,570,980</b>
EXPENDITURES	
Tourism Enhancement Programs (83%)	\$6,301,912
Administration (15%)	\$1,154,067
Contingency/Reserve (2%)	\$115,000
<b>TOTAL EXPENDITURES</b>	<b>\$7,570,979</b>

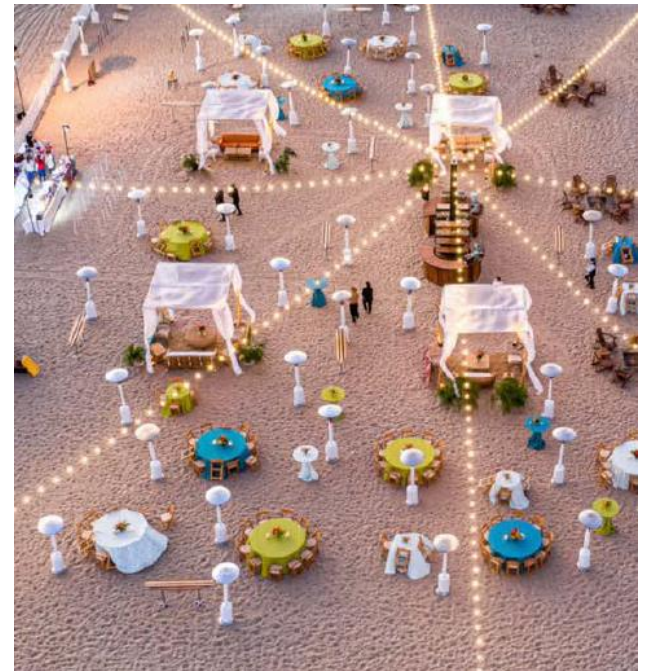


# Expenditures

**Administration expenditures (15%)** - Operational staffing costs, office costs, and other (insurance, legal, and accounting fees).

**Tourism Enhancement Programs (83%)** - Variety of services/programs and associated staff time through two sub-programs:

- Sales & Marketing - Promotes assessed lodging businesses as tourist, meeting, and event destinations with a central theme of HB destination brand as a desirable place for overnight visits. Goals include increasing overnight visitation and room night sales.
- Visitor Services Enhancements (VSE) - Focus is on the entire destination brand footprint to ensure a consistent brand experience throughout HB.



# Recommendation

Approve the HBTBID Annual Report for FY 2023-24



# Questions?

