



HUNTINGTON BEACH BRAND & SYSTEMS

AUDIT & REPORT

Draft V4. | Presented for: Travis Hopkins, City Manager, Huntington Beach, CA

An Introduction to Wolffhaus.

Wolffhaus is not a traditional agency, and this report was not built through a conventional compliance-only lens. Our work comes from operating daily at the intersection of brand strategy, creative direction, media, business development, public perception, product development, and systems building for major brands, public-facing organizations, celebrities and public figures.

Our approach is not conventional, and the economics of a place like Huntington Beach are not conventional. In a tourism city and identity-driven world, value is not created only through contracts and line items. It is also created through perception, visibility, cultural relevance, desirability, and third-party amplification. Those factors influence tourism demand, visitor spending, sponsorship pricing, media value, business attraction, and overall brand strength. When they are ignored simply because they are harder to quantify, cities can miss major economic opportunities hiding in plain sight.

While traditional audits often focus on what is formally documented, financially reported, or procedurally required, our work is built around identifying the gaps between what an organization has, what it communicates, what it controls, and what it fails to capture. We are brought into complex environments to diagnose overlooked problems, connect disconnected issues, and find opportunities that others miss.

We look for structural weaknesses, hidden inefficiencies, underused assets, outdated systems, fragmented ownership, missed revenue, and reputational blind spots — then work backward to identify what should and can be corrected, built, modernized, or brought under stronger control.

Wolffhaus is a hybrid agency with capabilities that extend beyond any single traditional discipline. We do not operate like a narrow agency confined to one category. We work across creative direction, branding, communications, media, manufacturing, experiential, strategy, and operational problem-solving. That cross-functional experience allows us to evaluate situations more holistically and identify patterns that may be invisible when viewed through a single departmental or technical lens.

This report reflects that perspective. It is not simply a review of isolated line items or contracts. It is a broader examination of how value is created, protected, lost, and left uncaptured across the City's brand, assets, partnerships, systems, and public-facing infrastructure.

Huntington Beach Is Operating Without Systems to Protect or Capture the Value of One of the Most Recognizable Coastal Brands in the World

Huntington Beach is not suffering from a revenue problem. It is suffering from a systems problem.

Over the past several weeks, this detailed audit was conducted examining the City's:

- Licensing agreements
- Branding and IP controls
- Outsourced marketing structures
- Revenue-sharing models
- Contract oversight
- Reporting and audit enforcement processes
- City owned assets & IP tied to brand value

This report reveals a consistent pattern:

The City has repeatedly undervalued its most powerful assets —its brand, its intellectual property, its physical locations, and its leverage.

Across multiple departments and agreements, the City:

- Accepts below-market royalty rates
- Locks into long-term concession structures with weak performance triggers
- Relies on self-reported revenue without mandatory deep auditing cycles
- Failed to modernize expired intellectual property protections
- **Outsources high-margin revenue channels**

This report identifies:

- Immediate revenue recovery opportunities
- Mid-term contract restructuring pathways
- Long-term institutional infrastructure improvements

If properly implemented, these corrections could conservatively recover and generate:

\$2M–\$5M+ annually across corrected systems

The gap between asset value and revenue capture is substantial. This report exists to highlight that gap.

Huntington Beach possesses an asset most cities will never have: a globally recognized coastal brand. Rooted in decades of surf heritage, beach culture, recreation, and the classic Southern California lifestyle, this identity has shaped perceptions in media, tourism, and popular culture for generations. *The California Dream*.

This identity carries real economic power.

Many residents may not fully recognize the **true economic value of this identity**. A strong city brand is a form of intellectual property: it influences how people view the destination, drives visitor decisions, supports local commerce, generates tax revenue, creates employment, and contributes to overall community prosperity—all without requiring new taxes or major infrastructure projects.

Cities with strong global identities routinely convert that recognition into tourism revenue, media exposure, cultural influence, and long-term economic development. When managed strategically, a city's brand functions much like intellectual property — an asset capable of generating sustained public value.

Yet despite possessing one of the most recognizable coastal identities in the world, Huntington Beach currently operates **without a coordinated system designed to manage, protect, or monetize that asset**.

Instead, the economic value associated with the Huntington Beach identity is dispersed across fragmented initiatives, outside organizations, private operators, and media platforms that capture portions of the value without a unified strategy that benefits the city itself.

Since Covid, Huntington Beach has received growing national and regional media attention centered on political debates and divisions, rather than the surf culture, suburban beach lifestyle, and community traditions/values that have long defined its worldwide appeal as Surf City USA.

While no city can dictate every story written about it, when external narratives become the dominant lens through which a place is viewed, the deeper qualities that residents and visitors cherish can become less visible.

Over time, this kind of shift in public perception can carry real implications for the community's image, tourism, local pride, and overall sense of unity.

Reputation affects tourism behavior, media partnerships, event attraction, investment decisions, and civic pride. When a city's narrative drifts away from the qualities that created its global appeal, the resulting damage is not merely reputational — it becomes economic.

The purpose of this audit is to examine the structural systems behind Huntington Beach's brand, its IP and assets, and identify where value is currently being lost.

The findings that follow document a series of gaps in how the city manages media, events, cultural programming, communications infrastructure, and brand stewardship.

Taken together, these gaps represent a fundamental issue: **Huntington Beach possesses extraordinary brand power, but it does not currently operate with the systems required to protect that power or convert it into sustained economic value for the community.**

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1. CORE CONCERNS

Huntington Beach is currently operating under increasing fiscal pressure while simultaneously managing several public-facing assets that generate economic activity tied directly to the city's global identity.

This audit evaluates whether the City is effectively capturing the value generated by those assets and whether existing systems are structured to protect the City's long-term economic interests.

The review was driven by five core concerns:

Loss of Intellectual Property (IP) Control and use as a revenue generator.

Huntington Beach possesses one of the most recognizable coastal identities in the world, yet the City lacks systems designed to manage and monetize that identity as a strategic asset.

Budget Deficit Pressure

The City faces increasing pressure to identify sustainable revenue sources and reduce structural inefficiencies.

Vendor Dependency Risk

The Huntington Beach brand relies heavily on outside vendors, consultants, or organizations, creating long-term dependency, reduced internal control and inflated expenses.

Revenue Leakage

Multiple revenue-generating activities tied to tourism, events, media, and licensing operate without systems or oversight that ensure the City captures a proportional financial return.

Fragmented Ownership

Responsibility for brand-adjacent economic activity is dispersed across departments, partnerships, and outside operators without centralized coordination.

2. IMMEDIATE CORRECTIVE OPPORTUNITIES

Huntington Beach already possesses the core asset many cities spend decades trying to build: a globally recognized identity with proven tourism, cultural, and commercial value. The issue is not whether value exists. The issue is whether the City has the systems required to capture, protect, and grow that value.

This audit identified several opportunities where stronger oversight, modernized agreements, clearer ownership, and better internal coordination could begin producing measurable returns. These opportunities do not depend on creating a new identity. They depend on managing existing assets with greater structure, accountability, and intent.

The most immediate opportunities appear in merchandising and licensing, film and media activity, event and sponsorship monetization, and the reduction of inefficiencies tied to fragmented communications and outdated operating structures. Together, these areas represent the clearest starting points for revenue recovery, cost savings, and long-term institutional improvement.

FINANCIAL SNAPSHOT

Preliminary analysis indicates that several areas tied to the Huntington Beach brand are severely underperforming due to outdated agreements, fragmented ownership, limited internal systems, and weak revenue capture. Based on currently available records, benchmark comparisons, and observed structural gaps, the following ranges reflect conservative estimates of annual lost value, cost savings opportunity, and longer-term recoverable impact if corrected through modernized systems and agreements.

Category	Estimated Annual Opportunity	Estimated 5-Year Opportunity
Merchandising & Licensing	\$500,000–\$1,000,000+	\$3,000,000–\$5,000,000+
Film & Media Production	\$100,000–\$300,000+ direct revenue potential	\$10,000,000+ in related economic activity
Events & Sponsorships	\$500,000+	\$3,000,000+
Media & Communications	\$250,000–\$500,000	Multi-year operational savings capacity gains, earned media

Total 5-Year Direct + Indirect Impact Projection:

\$18,000,000+ in combined direct revenue opportunity, cost savings, and related economic

activity through improved asset management, stronger revenue capture, and system modernization.

These figures are estimates based on the information currently available and are intended to illustrate the scale of the opportunity, not a guaranteed financial outcome. More precise values would require deeper financial review, contract analysis, vendor reporting validation, and implementation-stage analysis.

3. CORE DIAGNOSIS

The central issue identified in this audit is not a lack of opportunity.

Huntington Beach possesses valuable economic assets. What it lacks are the systems required to manage them effectively.

The current structure produces five recurring conditions:

Fragmented Ownership

Economic drivers connected to the Huntington Beach brand operate across multiple departments and external partnerships without a unified management framework.

Under-Captured Revenue

Tourism activity, media exposure, events, sponsorships, and licensing opportunities generate economic value that is not consistently converted into direct revenue for the City.

Limited Internal Control Over Public-Facing Brand Representation

External organizations and media outlets frequently shape the public perception surrounding Huntington Beach. The City does not currently appear to operate with the level of media infrastructure, production consistency, or distribution reach needed to regularly showcase the full breadth of community activity, assets, and positive developments taking place across Huntington Beach.

No Integrated Systems

Huntington Beach currently lacks an integrated framework that connects tourism, media, film production, events, licensing, and cultural programming into a coordinated economic system.

Overburdened & Short Handed Staff

Huntington Beach currently operates with a severely limited number of staff in the creative department. In many organizations, the strategic value of creative leadership, media

infrastructure, and relationship-driven brand development is often underestimated, particularly when those functions are not viewed as direct contributors to revenue generation.

This report also makes clear that many City staff are operating under real strain. Too much is being carried by too few people, often without the systems, staffing structure, internal coordination, or specialized support required to manage a city with assets of this scale and public visibility. In several areas, the City does not simply appear overextended. It appears structurally underbuilt. Certain roles commonly found in modern cities — including centralized creative leadership, media support, content development, and coordinated brand and communications personnel — appear limited, fragmented, or absent altogether. As a result, existing staff are left carrying responsibilities that extend well beyond what current structures are designed to support.

Any recommendations in this report are intended not to add to that burden, but to reduce it. By improving revenue capture, modernizing workflows, and building durable internal systems, the City can create new capacity rather than continuing to overextend the teams already in place. Over time, the funding generated through these corrections could help support expanded staffing, internship and workforce pipelines, stronger creative and media infrastructure, and the tools needed to make City operations more effective and sustainable.

4. CORE RECOMMENDATIONS

The City does not need to create new identity assets. It already possesses them.

What is required is the implementation of systems that allow Huntington Beach to **own, manage, and benefit from the economic value these assets produce.**

The recommended framework focuses on five priorities:

1. **Build Internal Ownership**

Establish internal systems responsible for managing the Huntington Beach brand ecosystem rather than relying on fragmented external control.

2. **Standardize Systems**

Create coordinated operational structures connecting tourism, media, events, film production, sponsorships, and licensing.

3. **Capture Intellectual Property**

Treat the Huntington Beach identity as a strategic municipal asset with defined licensing, merchandising, and partnership frameworks.

4. **Train and Transfer Institutional Knowledge**

Develop internal city capabilities related to brand IP that reduce reliance on outside consultants and vendors.

5. **Eliminate Long-Term Dependency**

Design systems that allow Huntington Beach to operate more independently rather than relying on external organizations to manage core economic drivers.

If implemented, these structural changes would allow Huntington Beach to transition from a city that just hosts economic activity tied to its identity to a city that **actively manages and captures the value that identity produces. As these programs grow, they can generate enough revenue to expand internal capacity and reduce pressure on the teams currently carrying these responsibilities.**

5. AUDIT METHODOLOGY

The findings in this report were developed through a multi-step review process designed to evaluate both the operational structure and financial implications of programs tied to the Huntington Beach brand ecosystem. Methods used during this audit include:

Public Records Review

Examination of publicly available agreements, reports, contracts, and program documentation related to tourism, events, media, and other city-affiliated activities.

Department Interviews

Discussions with relevant city personnel and stakeholders involved in programs connected to tourism, communications, cultural programming, and economic activity tied to Huntington Beach's public identity.

Revenue Analysis

Review of available financial information to identify potential gaps between economic activity occurring within the Huntington Beach ecosystem and the direct revenue captured by the City.

Benchmark City Comparison

Reference to structural models used by comparable municipalities to manage tourism, media, film production, events, and brand-related economic assets.

Comparative Fee Structures

Evaluation of how Huntington Beach's fees, agreements, and revenue structures compare to similar cities and programs.

Workflow Observation

Assessment of operational workflows and departmental coordination to identify fragmentation, redundancy, or system gaps.

Limitations of Available Public Data

This report relies in part on publicly available records, reported figures, interviews, and benchmark comparisons. Because complete financial, contractual, and operational data was not available in all areas at the time of review, certain findings and projections are best understood as conservative estimates based on the information currently accessible, and may require further validation through deeper internal review.

THE HUNTINGTON BEACH BRAND ECOSYSTEM

The Huntington Beach brand ecosystem functions best when film, tourism, events, licensing, merchandising, media, sponsorship, cultural programming, and city-owned venues are treated as connected parts of one larger system rather than separate activities operating in silos. Each area feeds the others. Film and media drive attention. Tourism converts attention into visits, spending, and broader recognition. Events create moments that generate attendance, press, sponsorship value, and merchandising opportunities. Licensing and merchandising capture revenue from the City's identity and extend its presence into everyday life. Cultural programming strengthens authenticity, community pride, and local participation. City-owned venues and public assets serve as the stages where these experiences are activated. When aligned under a unified strategy, these categories build momentum for one another, increasing public value, strengthening the City's identity, and creating more sustainable long-term economic return.

Includes:

- Film
- Tourism
- Events
- Licensing
- Merchandising
- Media
- Sponsorship
- Cultural programming
- City owned venues & Assets

6. CORE ISSUE: BRAND & BRAND VOICE

1. Discovery Huntington Beach possesses one of the strongest municipal identities in California. The pier, surf culture, major events, coastline, and “Surf City” association generate significant national and international recognition.

Third-party voices — including national media, influencers, event promoters, and independent organizations — play an outsized role in shaping public perception of the brand. However, brand management remains fragmented across tourism promotion, city communications, department-level outreach, event marketing, and media production. There is no centralized authority responsible for integrating these efforts into a unified, strategic system or effectively managing third-party portrayals.

Upon interviews with department heads, current creative and public information staff is severely overburdened, limiting capacity for proactive, high-quality content production and brand stewardship. Additionally, media storage does not currently meet modern archive standards and lacks a digital asset management (DAM) system, hindering ease of access for press, internal teams, partners, and content repurposing.

The City also lacks a robust network of strong, positive third-party voices in the influencer and creator economy. There are few sustained, authentic relationships with lifestyle, surf, family-travel, or coastal influencers who could consistently amplify the welcoming, fun Surf City culture to wider audiences.

What exists:

- Miles of beaches, 350+ acres of parks, hundreds of events annually
- Major events drawing hundreds of thousands of visitors
- A thriving business community and restaurant scene
- Cultural institutions and historic landmarks
- Daily moments of community pride, achievement, and beauty

What doesn't exist:

- A unified creative and communication vision across departments
- A professional media archive and asset management system
- Modern video production that competes with what residents see elsewhere
- A content strategy that proactively tells the city's story
- Systems to capture, organize, and distribute high-quality media
- Coordination between tourism, parks, business services, and city communications
- A YouTube channel or social media presence with large meaningful impact

2. Current Structure Tourism marketing is primarily executed through an external nonprofit entity focused on hotel performance, while City communications operate separately with limited scope, infrastructure, and distribution reach. Across departments, content is produced independently without a shared brand framework, unified messaging architecture, or centralized asset system. The result is a fragmented public-facing identity where major parts of the Huntington Beach story are being told in silos rather than through a coordinated citywide strategy.

In recent years, there appears to be limited collaboration and few high-impact joint initiatives between the current DMO (Destination Marketing Organization - Visit Huntington Beach) and the City that meaningfully advance broader brand objectives beyond core hotel and tourism metrics. This structural separation reduces the City's ability to align campaigns, amplify key moments, and fully leverage the Surf City identity across tourism, culture, community, and civic pride. Without greater unification, Huntington Beach risks continuing to operate with disconnected voices, duplicated effort, and underleveraged brand assets. For that reason, the City must take a more active role in building alignment across stakeholders and owning the systems that shape its authentic voice, so the welcoming, fun, family-friendly coastal culture of Huntington Beach is consistently represented, reinforced, and protected.

3. Financial Data (Indirect Impact) While brand infrastructure does not generate direct revenue line-items, it materially impacts tourism spend, event participation, business attraction, sponsorship pricing power, merchandising performance, and film location desirability.

Modern destination marketing studies consistently show that perception and digital visibility heavily influence visitor spending patterns, length of stay, and willingness to purchase branded products. The power of third-party voices amplifies both positive and negative messaging, directly affecting economic outcomes.

4. Benchmark Comparison Comparable cities with strong tourism economies maintain centralized brand governance, in-house creative direction or integrated oversight, unified digital strategies, proactive media outreach, and coordinated tourism + city messaging. These systems allow them to better harness third-party voices while protecting core brand value and aligning public perception with economic goals.

Huntington Beach currently operates without this level of integration, leaving its brand identity vulnerable to external forces.

5. Structural Risk The lack of centralized brand oversight creates several critical vulnerabilities:

- Loss of control over brand identity during periods of negative attention, particularly as national media sometimes frames Huntington Beach in ways that overshadow its actual culture
- Negative or controversy-focused third-party coverage can amplify narrow or incomplete portrayals of the City, reducing visibility for the broader coastal identity, family appeal, and community strengths that support tourism, events, and civic pride.
- Limited positive amplification from influencers and creators due to few established, mutually beneficial relationships
- Missed amplification of positive community developments
- Reduced tourism yield per visitor

- Weak sponsorship leverage
- Inefficient cross-department communication
- Underperformance in digital engagement
- Severe overburdening of creative staff, constraining proactive storytelling and response capabilities
- Inadequate modern media archiving and access, slowing content reuse, press support, and overall efficiency
- **Businesses and investors deterred by persistent negative brand narrative**, perceiving higher risk or reputational concerns when deciding where to open, expand, or host events — despite the City's world-class location and infrastructure
- **Potential long-term economic chilling effect**, as negative or polarized media coverage discourages corporate partnerships, film productions, retail development, and tourism-related investment that would otherwise flow to a strong, positive brand like Huntington Beach.

For a city with Huntington Beach's level of public visibility, fragmented communications and brand systems create avoidable risk. In a fast-moving media environment, perception can shift quickly, and without coordinated infrastructure the City is less equipped to reinforce the identity that supports tourism, investment, partnerships, and long-term economic value.

6. Revenue Gap Brand fragmentation, weak control over brand identity, and heavy reliance on third-party voices contribute to measurable economic losses. Without a more professional and coordinated media, content, and storytelling strategy, the City is unlikely to convert the full strength of its identity into its highest potential economic return across tourism, sponsorships, film activity, merchandising, and related categories.

This results in lower per-visitor spending, under-monetized opportunities in merchandising and licensing, reduced film and event sponsorship pricing power, and missed ancillary revenue from cultural assets and branded experiences and fewer new businesses opening in the city.

Conservative annual lost opportunity due to ineffective brand and media execution: \$1.1 million – \$2.25 million in direct, quantifiable revenue (merchandising, film, parade sponsorships, Art Center commissions, etc.) — **with the true economic and community impact far larger and largely immeasurable**, as it compounds through reduced tourism yield, deterred business investment, diminished national perception, and lost cultural relevance that erodes the Surf City brand's long-term value every year we fail to act.

Brand infrastructure and content quality directly influence revenue conversion rates across multiple categories. When third parties dominate the voice and the City lacks professional, engaging media capabilities, it captures significantly less value than the underlying asset justifies.

7. Corrective Path

Immediate:

- Establish centralized brand oversight authority with clear responsibility for brand identity strategy and third-party engagement
- Conduct full communication infrastructure audit
- Define unified messaging architecture that protects core Surf City identity

Mid-Term:

- Implement modern media archive and digital asset management (DAM) system for secure, searchable storage and easy access
- Create collaborative cross-department creative content calendar & execution
- Align tourism and city messaging through structured coordination, including proactive media response protocols
- Launch staff training program focused on effective, engaging content creation, digital storytelling, video production, and brand-aligned messaging
- Develop internship structure to support overburdened creative teams, provide fresh capacity, and build talent pipeline
- Initiate targeted influencer and creator outreach program to build authentic, positive third-party relationships and opportunities for collaboration

Long-Term:

- Develop in-house creative direction capacity with professional media planning and execution
- Build proactive press engagement framework and third-party amplification strategy
- Establish performance metrics tied to economic impact, brand sentiment, content engagement rates, and revenue capture
- Leverage current brand assets (e.g., merchandising, licensing, film, events) to generate additional revenue streams, directly bolstering staffing and resources in communications and creative departments

Additional Context: DMO Reliance & Scope

Over the past decade, Visit Huntington Beach (VHB) has gradually positioned itself as the default point of contact for much of the City's broader destination brand, marketing narrative, visitor experience strategy, and creative initiatives — responsibilities that extend well beyond its core mandate of lodging-focused promotion. VHB's mission statements, annual reports, and public materials consistently claim ownership over "inspirational destination marketing," "brand management," and "economic vitality" and even public relations and crisis communication. Based on our research and interviews, the City appears to have relied heavily on VHB for event amplification, media coordination, content creation, and broader brand-related functions, areas outside the scope of the city's arrangement and whose board composition appears to remain heavily weighted toward hotel industry interests.

This drift has created an unintended over-reliance. People and partners now automatically turn to VHB when they want to do anything creative or marketing-related with the City. While this may have seemed convenient, or even standard based on how some DMO's operate, VHB's performance in visitor marketing and broader destination promotion has been largely standard rather than standout, with recent campaigns for hotels and events often feeling outdated and out of touch with current industry trends. More importantly, the City has no proactive relationships with key promoters, event producers, film commissioners, and other partners of its own, because those connections have quietly shifted to VHB over the past several years — an organization not technically responsible or structured to manage them for the city.

The result is fragmented strategy, weaker accountability, and missed opportunities across the board. The Surf City brand deserves clearer governance, stronger city-led direction, and balanced stakeholder input rather than defaulting to a model that has expanded beyond its original scope.

Suggested Solutions

If the City chooses to continue outsourcing some of these functions, several structural improvements could restore alignment and accountability:

- Stronger, clearly defined ownership roles and lines of responsibility in the management agreement.
- A more collaborative board structure with meaningful council oversight and regular reporting requirements.
- Inclusion of internal city stakeholders on the board to ensure broader community and departmental representation.
- Adoption of an operational model closer to Visit Newport Beach's, where the DMO is responsible for the larger marketing of the entire city — not just lodging — through a formal city contract with integrated public-private governance, shared priorities, direct accountability to the full city organization, and built-in collaboration across stakeholders. This structure could also ease burdens and responsibility on internal city staff but comes with its own set of risks as well.

Structure of the Visit Newport Beach Model and Potential Benefits

Visit Newport Beach operates as a city-contracted DMO within the broader Newport Beach & Company framework, funded primarily through TOT but governed under a formal agreement with the City of Newport Beach. This structure gives the DMO clear responsibility for overall city-wide destination marketing, brand management, visitor experience development, event promotion, and economic vitality initiatives — not just hotel performance. Governance includes a TBID board, an executive committee, and direct city oversight through ordinances and shared priorities, ensuring collaboration with the full range of stakeholders (residents, businesses, cultural organizations, and city departments) rather than a narrow lodging focus.

For Huntington Beach, adopting a similar model would allow the DMO to focus on comprehensive brand marketing and city-wide destination promotion with strong built-in accountability and stakeholder collaboration. This structure would clearly define roles, maintain proactive city relationships with promoters and partners, and align marketing efforts more closely with the entire community's needs — delivering better results for the Surf City brand while keeping governance transparent and balanced.

Additional Context: Recent Press and Media Patterns

In recent years, Huntington Beach has received a growing volume of national and regional media attention centered on political conflict and controversy rather than the broader coastal lifestyle, surf heritage, community traditions, and quality of life that have long shaped its public identity. While no city can control every headline, sustained imbalance in external coverage can distort public perception over time and reduce visibility for the attributes that have historically driven tourism, civic pride, and broader brand appeal.

In a media environment where controversy often receives disproportionate attention, cities with strong public identities must work more intentionally to ensure their broader strengths remain visible. For Huntington Beach, that means a more proactive and coordinated approach to communications, third-party engagement, and brand storytelling so that public perception is not shaped disproportionately by isolated controversies.

As part of this audit, a representative sample of more than 100 relevant news articles and reports from Google News, major California outlets, and local sources was reviewed to better understand the dominant themes shaping public perception of Huntington Beach. No independent third-party media monitoring study specific to Huntington Beach was identified during this review. Based on this sample, the majority of higher-visibility coverage appeared to be political or controversy-oriented, while positive or lifestyle-driven coverage was present but materially less prominent in overall volume and reach.

- **Political coverage:** Approximately 75–85% of all press mentions are political or controversy-focused.
- **Negative or critical tone:** Approximately 60–70% of stories carry a negative or critical tone. Even neutral local stories are often overshadowed by controversy. Positive or neutral coverage makes up only 20–30% and rarely goes national.

Positive coverage relating to Huntington Beach's businesses, beach culture, community events, and everyday quality of life exists, but appears materially less prominent than controversy-driven coverage in overall visibility and distribution.

How This Affects the City Brand

This heavy political tilt has shifted national and regional perception of Huntington Beach away from “Surf City USA” — the fun, welcoming, family-friendly coastal icon — and toward a polarized political flashpoint. When controversy becomes the dominant frame through which a city is seen, it can overshadow the qualities that historically attracted visitors, businesses, families, event partners, and broader cultural interest. The constant focus on controversy creates a feedback loop: it drives more political coverage while crowding out stories about life here in HB and community strengths that actually reflect the vast majority of residents’ experience. The result is diminished tourism appeal, weaker third-party advocacy, and missed opportunities to showcase the full value of the Huntington Beach identity.

What We Need Moving Forward

The City would benefit from a more intentional and coordinated communications strategy that increases the visibility of authentic, positive, and community-centered stories. The goal is not to manufacture perception, but to better represent the full reality of Huntington Beach by amplifying the people, places, traditions, and everyday experiences that continue to define its long-term appeal. Stronger coordination, better media infrastructure, and more proactive third-party engagement would help restore balance and improve the City’s ability to shape how its identity is understood.

7. CORE ISSUE: MERCHANDISING & REVENUE LOSS

1. Discovery

Huntington Beach possesses one of the most powerful and valuable municipal brands in the world through its pier, surf culture, major events, coastline, and decades of national and international recognition. The global surfing apparel and accessories market is currently valued at **\$10.37 billion** and is projected to exceed \$15 billion by 2033. Individual major surf brands generate hundreds of millions in annual revenue. Quiksilver, Hurley, Billabong, Volcom, Roxy, Ripcurl, RVCA, and Reef are the major players in the market and Huntington Beach should rightfully have a seat at that table.

Huntington Beach captures virtually none of the economic value its name and reputation should generate through retail sales, licensing and partnerships.

We have the visibility, authenticity, heritage, and audience to claim a meaningful share, yet the category remains almost entirely untapped. By way of scale only, even a very small share of a multi-billion-dollar surf and coastal lifestyle market would translate into substantial retail volume. For example, 0.25% of that broader market would equate to approximately \$27.5 million in gross annual retail sales. That figure is not presented as a short-term municipal revenue

forecast, but as an illustration of how large the surrounding market is relative to the City's current level of participation.

2. Current Structure

Merchandising and licensing are currently locked into a single outdated third-party agreement tied to the Surf City Store on the Pier, featuring a severely undervalued 5% royalty rate on branded merchandise, well below common industry standards, extremely low pier lease rent of \$950 per month for a high-traffic prime location, no minimum royalty guarantees, and limited audit and verification protections.

The referenced servicemark ("Surf City, Huntington Beach") is dead/cancelled (USPTO Reg. No. 74/350/258, lapsed 2005), weakening enforceability. The website for direct consumer orders is hard to find, has a very limited selection, little to no active marketing or promotion, and product designs that have remained largely stagnant for years. Seasonal collections are not regularly introduced, and the overall program appears commercially underdeveloped and largely invisible relative to the millions of visitors who come to Huntington Beach each year.

Beyond the pier store, our research indicates widespread sales of Huntington Beach-branded apparel and products across the city, from liquor stores and small shops to major retail outlets, some openly selling HB-branded apparel with no licensing agreement and zero revenue return to the City. All of this unauthorized activity likely accounts for millions of dollars in annual sales that are completely lost to the city.

3. Financial Data (Indirect Impact)

The current program generates very limited direct revenue for the City relative to the strength of the Huntington Beach brand. Financial evidence from 2024–2025 Surf City Store reports shows total reported sales of \$1,515,215.94, with the City receiving only \$75,760.81 in royalties under the current 5% structure. Average monthly sales were approximately \$63,134, while the average monthly return to the City was approximately \$3,157.

This gap is significant because the value behind Huntington Beach-branded merchandise was built over decades through the identity, reputation, and cultural contributions of the community itself. Yet under the current structure, much of that value does not appear to be returning to the City in a meaningful way.

From July through December 2025, more than \$400,000 in reported sales appears to have generated only approximately \$18,000 in revenue to the City.

4. Benchmark Comparison

Other major coastal cities manage their brands far more aggressively. The iconic "I ❤️ NY" is reported to generate **\$30 million annually** in revenue. Comparable coastal destinations with active, professionally managed licensing programs (including Santa Monica, San Diego, Los Angeles, and Miami Beach) generate **\$1 million to over \$5 million per year** in direct licensing and merchandise revenue through modern e-commerce platforms, regularly updated product lines, aggressive digital marketing, and reasonable royalty structures.

These cities capture a meaningful share through official branded merchandise. Huntington Beach, with stronger global surf and coastal recognition than most peers, receives virtually nothing in comparison.

5. Structural Risk

The current third-party deal — combined with rampant unlicensed sales — is a raw, one-sided arrangement that is actively costing taxpayers hundreds of thousands (likely millions) of dollars every single year:

- A 5% royalty rate that hands the vast majority of profits to outside operators while the City gets almost nothing
- Revenue that belongs to the generations of Huntington Beach residents who built this brand is instead being pocketed by third parties
- Complete absence of any marketing or promotion — consumers who want official Huntington Beach merchandise literally cannot find it
- The absence of an official website, online store, or meaningful direct-to-consumer pathway is a major structural gap for a destination brand of this caliber.
- Weak audit rights, weak oversight, limited minimum protections, and reliance on outside reporting create avoidable exposure and potential for underreporting where the City should be demanding greater transparency and accountability.
- Severely undermarket pier space lease - A prime high traffic retail location appears to be operating under terms that do not reflect the value of the site or the traffic associated with it.
- Product execution appears stagnant, with limited evidence of the kind of ongoing design development, seasonal refreshes, and quality control expected in the \$10+ billion surf market
- Widespread unlicensed sales at **50+ locations** across the city, including major retailers here in the city, generating large amounts in unauthorized (and in some cases un-taxed) revenue with zero return to residents
- Missed retail partnerships, sponsorships, and brand extensions that other major destination cities are actively cashing in on

That combination of weak economics, weak oversight, weak enforcement, and weak modern retail infrastructure does not reflect the standard that should apply to an asset of this magnitude.

6. Revenue Gap

With **\$580 million** (per VHB) in annual direct visitor spending, shopping and souvenirs typically account for **12-18%** — representing a massive revenue opportunity. A professionally managed merchandising program should capture a meaningful share through official branded products.

Instead, due to the outdated third-party agreement, complete lack of marketing, absence of any substantial online sales platform, stagnant product designs, rock-bottom terms, **and the**

explosion of unlicensed sales across multiple locations, the City is failing to capture even a fraction of this opportunity.

Conservative annual lost opportunity due to ineffective merchandising and licensing: \$500,000 – \$1 million (with potential for **\$750,000 – \$2 million** net annually under internalized operations on \$1M+ sales, plus millions more once unlicensed sales are brought under control and the program is built and structured.

When outsiders control licensing under terrible terms and the City allows widespread unauthorized sales, it captures a tiny fraction of the value its brand actually justifies — value built by local generations and now being handed away for almost nothing.

7. Corrective Path

Existing unlicensed sales should not be treated as a reason to avoid correction. They should be treated as proof that real demand exists and that the City has waited too long to bring this category under proper control. Rather than leading with immediate enforcement, the City should offer a short structured transition period for businesses that currently sell unlicensed HB merchandise and want to begin selling authentic merchandise through legitimate channels, including wholesale pricing, collaboration opportunities, and access to stronger official product collections. This approach allows the City to reestablish control, capture appropriate value, and bring willing retailers into a better system moving forward.

Immediate

- Establish clear centralized authority for merchandising and licensing strategy
- Conduct a full audit of the existing third-party structure, including royalty terms, lease economics, sales history, audit rights.
- Finalize current trademark and IP protection work and define stronger product and licensing standards
- Identify the full scope of unauthorized, unlicensed, or weakly controlled retail activity tied to Huntington Beach branding

Mid-Term

- Renegotiate, restructure, or replace the current underperforming arrangement where legally and operationally appropriate
- Launch an official City-controlled or City-governed e-commerce platform and direct-to-consumer sales system
- Develop stronger product lines aligned with current surf, coastal, and lifestyle demand
- Implement active marketing, authentication, and retail partnership strategies
- Establish a practical enforcement pathway for unauthorized or uncompensated commercial use of City brand assets

Long-Term

- Build internal licensing, merchandising, and creative capability sufficient to manage the category professionally
- Implement royalty and partnership structures with meaningful accountability, audit rights, and performance standards
- Create measurable performance benchmarks tied to direct revenue, sales growth, distribution reach, and brand protection
- Reinvest a portion of new merchandising revenue into the communications, creative, and operational infrastructure required to sustain and protect the broader Huntington Beach brand

Key U.S. Tourism Expenditure Data (Shopping/Souvenirs):

- Overseas Tourists (2024): 18% of total spending, amounting to about \$325 per trip.
- North American Tourists (2024): 12.8% of total spending, about \$152 per trip.
- General Travelers: 25% of travelers list purchasing souvenirs as a financial priority.
- Spending Amount: Vacationers often spend between \$50 and \$200+ on merchandise and gifts per trip.

Context on Spending Habits:

- Top Categories: Shopping is consistently ranked behind accommodation (30-35%) and food/beverage (20-21%).
- Buyer Behavior: Roughly 65% of Americans bring back souvenirs, with 44% gifting to family and 39% for themselves.

Progress Already Underway: Strengthening Trademark and IP Protections

At the forefront of Huntington Beach's globally recognized coastal identity are its logos and core visual marks—the instantly recognizable symbols that represent the city in merchandise, events, partnerships, and media worldwide. For years, our main city logo has remained unprotected or inadequately registered, leaving it vulnerable to unauthorized use, dilution, and lost licensing opportunities. This long standing gap has allowed value to slip away quietly, even as the city's brand continues to carry significant cultural and economic weight.

During the audit, we conducted a deep review of all of the city's trademarks and intellectual property. We found that the city's original iconic HB logo mark was not properly registered or protected.

Staff explained that past attempts years ago were abandoned after being told registration might not be possible due to widespread use by others. The matter was left unresolved.

We took a fresh approach: identified the specific lapses (expired filings, incomplete applications, missed opportunities), the original curation process, and worked directly with the city's legal and

IP team. We gathered documentation, addressed the issues, and successfully restarted the protection process.

Steps are now actively in progress to secure stronger registrations for these core brand elements—helping prevent unauthorized use, reduce dilution, and enable better enforcement and monetization.

This is a clear example of what focused effort can accomplish: uncovering long-standing gaps and closing them through internal collaboration—no major obstacles, just persistence.

This early progress shows that many audit findings are fixable with similar diligence. Securing foundational IP like logos is a critical first step toward reclaiming control over the city's brand value and stopping leakage in licensing and merchandising.

Building on this momentum will help shift from a reactive to a proactive approach, delivering lasting benefits for the community.

Additional opportunities:

Beyond just apparel: The City is overlooking an easy, low-overhead revenue channel inside facilities it already owns and operates. The Art Center, libraries, and other public-facing spaces should function not just as civic amenities, but as retail touchpoints for Huntington Beach's brand and creative identity. A kiosk-based merchandising system would allow visitors to purchase City-branded goods, art prints, photography, and other curated products onsite and have them shipped directly to their homes. That approach dramatically reduces risk, storage, staffing, and operational friction while expanding what the City can monetize.

Huntington Beach has no shortage of talented local artists and world-class surf and lifestyle photographers whose work could be featured through this system. Under a revenue-share model, the City would participate in each sale while artists retain the balance, creating a program that supports both municipal revenue and the local creative economy. With minimal setup and management costs, these kiosks could become a meaningful tourism revenue tool while reinforcing the culture and visual identity that make Huntington Beach valuable in the first place.

8. MISSED OPPORTUNITIES & REVENUE: FILM COMMISSION

1. Discovery

Huntington Beach stands out as one of Southern California's most versatile and underutilized filming destinations. Its iconic pier, expansive beaches, modern Civic Center, Equestrian Center, and Sports Complex, Pacific City, and variety of community housing styles give production companies a rare mix of coastal beauty and diverse inland locations that few competitors can match.

Beyond direct revenue, successful film and television production delivers powerful cultural relevance, high-value earned media, authentic third-party voice amplification, and increased off-season tourism that can extend visitor stays and spending throughout the year.

2. Current Structure

Film permitting is currently managed through a basic, decentralized process with modest fees and limited dedicated support that producers are used to. The program lacks proactive marketing, a streamlined one-stop shop experience, and a professional location library. While basic beach and pier permitting exists, the City currently does not actively promote its full range of unique assets or position itself as a competitive filming destination near Los Angeles.

3. Financial Data (Indirect Impact)

Direct permit and location fees represent the most tangible and reliable form of revenue from film activity. Currently, these direct returns remain modest.

At the same time, the broader economic impact of film production is enormous and can reach hundreds of millions of dollars for cities that actively pursue it. Industry data shows the average location shoot day generates **\$50,000-\$670,000** in local spending and supports hundreds of jobs, while major productions can exceed **\$1.3 million per day** in direct local economic activity. These dollars flow into hotels, restaurants, transportation, retail, and local suppliers — especially valuable during off-season months — while also creating lasting cultural relevance, earned media exposure, and positive third-party amplification that drives future tourism and visitation.

4. Benchmark Comparison

Several peer cities have built professional film commissions that generate both meaningful direct revenue and massive economic impact. San Francisco's Film SF collected **\$127,000** in direct permit fees (This does not include staffing, or location use or any other fees) in FY 2024-25 while driving **\$17.5 million** in estimated direct production spending.

Fort Worth's Film Commission has generated over **\$800 million** in cumulative economic impact since 2016 through focused outreach. Nashville's broader arts, culture, and creativity economy has been reported by Metro planning materials at approximately \$13 billion annually, and a single major production — '9-1-1: Nashville' — is expected to generate more than \$50 million in local economic impact. Comparable coastal destinations like Long Beach, Los Angeles, and Miami Beach maintain dedicated offices with competitive fees, active marketing, and

streamlined processes that attract productions and deliver both direct fees and hundreds of millions in broader economic benefits.

5. Structural Gaps

The current structure presents several opportunities for improvement that would help the City fully realize its potential:

- Absence of a dedicated Film Commission or centralized one-stop permitting office
- Limited relationships, marketing and outreach to productions and location scouts
- Under-promotion of the City's diverse non-beach assets (Civic Center, Equestrian Center, Pacific City, Sports Complex, etc)
- Multi-department coordination that can slow response times (including the current requirement that applicants obtain a separate business license before even submitting a film permit application — a step that is not typical in peer cities and production process)
- No proactive strategy to highlight speed, efficiency, and location diversity that could undercut larger jurisdictions

These gaps mean Huntington Beach is not yet fully capitalizing on productions that could deliver direct revenue, economic value and valuable earned media exposure.

6. Revenue Gap

Huntington Beach has the locations and proximity to Los Angeles to compete effectively — particularly by offering faster permitting turnaround and greater location diversity than many parts of LA. Professional programs in comparable destinations routinely generate **\$125,000 to several million** in annual direct revenue, while driving tens to hundreds of millions in broader economic impact (e.g., Fort Worth's ~\$800M cumulative since 2016, San Francisco's \$17.5M direct spending in one year).

Currently, due to the absence of a dedicated Film Commission, limited marketing, outdated processes, and lack of streamlined permitting, the City is not capturing its full potential in either direct revenue or indirect benefits, or economic impact.

Conservative annual lost opportunity due to under-developed film permitting: \$100,000 – \$1 million + in direct revenue (plus multi-million-dollar economic impact, earned media value, and off-season tourism lift once the program scales).

7. Corrective Path

Immediate:

- Establish a centralized Film Commission with clear responsibility for permitting, marketing, and revenue strategy
- Conduct a full review of current fees, processes, and past production inquiries
- Develop streamlined one-stop permitting guidelines

Mid-Term:

- Launch a dedicated Film Commission with fast-track permitting designed to undercut Los Angeles on speed and ease (target 48-72 hour turnaround)
- Create a professional location library **and comprehensive production resource book** for producers, including local workforce talent, hotels, parking, and other production resources
- Update fees to competitive levels with improved tracking
- Initiate active outreach to location managers and production companies (leveraging current staff to grow the program with minimal additional stress until revenue supports dedicated staffing)

Long-Term:

- Build professional in-house location management and creative partnership capabilities
- Establish a high-performance permitting framework focused on both direct revenue and earned media outcomes
- Set measurable goals tied to permit revenue, production days, and off-season tourism impact
- Direct new film revenue into communications, creative departments, and public asset maintenance

Source Data

- City of Huntington Beach Film, Video and Still Photography Permit Fees (2024)
- Film SF Annual Impact Report FY 2024-25 (\$127,000 permit fees, \$17.5M direct spending)
- California Production Coalition: average location shoot adds \$670,000/day and 1,500 jobs
- Fort Worth Film Commission economic impact reports (2016–2025 data showing nearly \$800 million cumulative impact, recent annual ~\$1B)
- Tennessee Entertainment Commission 2025 Economic Impact Report (\$8.2 billion in entertainment production clusters for 2024, including film/TV)
- FilmLA & peer city reports (2024–2025)
- Film Santa Monica, Long Beach, Miami Beach, Fort Worth, and Nashville Film Commission data (public documents, 2025–2026)
- UNWTO and industry analyses on direct film revenue vs. earned media, tourism, and economic multipliers
- Internal City tracking of production activity (2023–2025)

9. MISMANAGED & UNDERUTILIZED ASSET: ART CENTER

1. Discovery

Huntington Beach owns and operates a dedicated Art Center in a high-visibility location, supported by decades of community investment, public support, and taxpayer funding. On paper, it offers classes, camps, events, exhibitions, and artist programs that should contribute to the City's creative life and welcoming coastal identity.

In practice, however, the Center appears to remain relatively unknown not only regionally and nationally, but within Huntington Beach itself. Public awareness, foot traffic, participation, and overall utilization appear limited. Much of the programming feels more insular than open and inviting, and does not clearly reinforce Huntington Beach's identity as a fun, welcoming, family-friendly coastal destination.

The issue is not that the Art Center lacks value opportunity. The issue is that much of that value is not fully reaching the community. There appears to be limited general awareness among residents about what is happening there, who it serves, and why it matters. Its programs, exhibitions, and activities do not appear to generate the level of participation, excitement, cultural relevance, or civic benefit that comparable city-run arts facilities often provide.

As a result, an asset that should be helping elevate local artists, expand community engagement, and strengthen Huntington Beach's creative identity is operating below its potential. The opportunity is not simply financial, but civic and cultural: to make the Art Center more visible, more welcoming, more connected to residents, and more valuable to the artists and audiences it should be serving.

Many exhibitions also appear to receive little meaningful press attention or lasting public documentation. In many cases, once a show closes, there is little to no accessible visual archive, photo gallery, or digital record that allows residents, visitors, collectors, or supporters to see what was exhibited. That limits the public reach of the work, reduces long-tail exposure for participating artists, and reflects a broader weakness in the City's PR, content capture, and cultural documentation efforts. A city-run gallery should not only host exhibitions well in the moment, but also preserve and extend their value through visibility, promotion, and accessible online archives for those who could not attend in person or wish to revisit the work after the exhibition has ended. In addition, many exhibitions appear to lack supporting print, merchandise, or take-home purchase opportunities tied to the show itself. That creates a missed opportunity both for participating artists, who lose additional exposure and sales potential, and for the City, which loses a practical and low-friction revenue capture channel connected directly to its own cultural programming.

2. Current Structure

The Art Center seems to operate with little to no integrated revenue strategy beyond the offered community art classes. Programming focuses almost exclusively on small shows and regional artists. There is no gallery sales commission program, no on-site or online retail/merchandise operation, no market-rate facility rentals, and no formal sponsorship or branded partnership framework. Oversight is split between City departments and external nonprofit/Foundation support, with limited coordination or performance accountability tied to financial return or community impact and engagement.

3. Financial Data (Indirect Impact)

The City fully subsidizes operations.

FY 25-26 Revised Expenditures

- Admin (Personnel + Operating): **\$437,399**
- Classes (Personnel + Operating): **\$97,856**
- **Total City Cost: \$535,255**

Revenues (Full-Year Projection Based on YTD)

- Class/Camp fees: ~\$83,451–\$107,708 (explicitly covers only instructor/program costs)
- Memberships: ~\$2,725
- Artist Council fees: ~\$6,407
- Rentals & Special Events: ~\$5,240
- **Total Revenue: ~\$97,823–\$114,178**

Net Annual Subsidy to the Art Center: \$421,000 – \$437,000 in taxpayer dollars.

The revenue generated by activities at this City-owned facility rightfully belongs, at least in part, to the residents who built and maintain the brand and infrastructure — yet virtually none returns to the General Fund.

4. Benchmark Comparison

Comparable coastal-city cultural facilities treat their centers as revenue-generating assets that actively elevate both the institution and local artists. Laguna Art Museum generated **\$3.27 million** in total revenue in 2024 through gallery/exhibition sales and commissions. Long Beach Museum of Art Foundation reported **\$2.17 million** in revenue in 2024. These and other peer institutions routinely feature nationally and internationally renowned artists alongside local talent, capturing 20–50% commissions while dramatically increasing the market value of regional artists through association and exposure.

Huntington Beach does not participate in or compete with major regional events such as Newport Beach’s art festivals or Laguna Beach’s Festival of the Arts, missing out on shared tourism and cross-promotion that other cities actively leverage.

5. Structural Gaps

The current model creates clear vulnerabilities:

- Heavy General Fund subsidy with no requirement for break-even or revenue-sharing
- Programming that feels exclusionary and insular, focusing almost exclusively on small shows and regional artists, rendering the Center incapable of curating exhibitions with nationally or internationally renowned artists
- Complete absence of gallery sales commissions, on-site city branded retail, or branded art merchandise
- Minimal facility rental income and no corporate/private event strategy
- No collaboration with hotels or other local partners to build community experiences around major festivals, and no participation in or alongside Newport or Laguna events
- Missed opportunities to elevate local artists’ value by placing their work beside major names — an approach proven to deliver immeasurable uplift in artist prestige, sales, and tourism draw

These gaps mean the City is subsidizing cultural programming while capturing almost none of the economic upside created by its own brand and location and the majority of the community never participates in the value it generates.

6. Revenue Gap

With hundreds of thousands of annual visitors and a globally recognized coastal identity, the Art Center should at minimum break even and ideally generate net revenue. Comparable facilities routinely produce **\$200,000 – \$600,000+** in direct annual revenue (and in stronger cases millions) through commissions, rentals, events, and retail.

Instead, Huntington Beach is subsidizing the operation to the tune of **\$421,000 – \$437,000** (this number not including maintenance or utilities cost) per year with virtually no return. This represents a clear structural failure to monetize a public asset tied to the City's brand and to compete for the tourism and cultural value flowing to neighboring cities' festivals.

Conservative annual lost opportunity / subsidy reduction potential: \$400,000 – \$750,000 (through commissions, rentals, retail/merch, major-artist exhibitions, festival collaboration, and broader community outreach — turning the current subsidy into breakeven or positive contribution within 2–3 years).

7. Corrective Path

The Art Center is a meaningful civic asset. The challenge is making sure its value is more visible, more accessible, and more fully delivered to the artists, residents and visitors it should be serving. That begins with increasing public awareness, improving the accessibility and visibility of programming, and more intentionally positioning the Center as a community-serving and regionally / nationally recognized cultural hub rather than a facility known only to a narrow audience. The goal should be to create a stronger bridge between the Art Center, local artists, residents, and tourists.

With the right structure and attention, the Art Center can at least break even on its operating costs as well as become a more visible source of community pride, a stronger platform for Huntington Beach artists, and a more valuable cultural asset for the residents.

Immediate:

- Establish centralized oversight with clear revenue targets, performance metrics, and community-engagement goals
- Conduct a full audit of operations, agreements, revenue opportunities, and current public awareness/perception
- Define brand standards for any future partnerships, programs or shows.

Mid-Term:

- Implement a professional gallery/exhibition commission program and actively curate shows featuring nationally/internationally renowned artists alongside local talent
- implement a consistent system for professionally photographing, cataloging, and archiving every exhibition, ensuring that each show remains accessible online as a lasting public resource and an ongoing source of visibility for participating artists.
- Launch on-site and online retail/merchandise tied to the Huntington Beach brand
- Introduce and promote market-rate facility rentals and corporate/private event packages
- Develop sponsorship and Artist Council revenue-sharing framework
- Audit & Performance overhaul of how the HBAC oversight currently functions
- Begin collaboration with hotels and participation alongside Newport and Laguna festivals to build joint community experiences
- Mentorship programs and classes between renowned artists and local artists.

Long-Term:

- Build integrated creative and merchandising capacity (leveraging existing staff and internships)
- Establish performance metrics tied to direct revenue, subsidy reduction, artist elevation, tourism impact, and community utilization/awareness
- Direct all new Art Center revenue back into cultural programming and General Fund support so residents finally benefit from the asset they fund

Sources

- City of Huntington Beach – General Fund Art Center Accounts (FY 24/25 Actuals & FY 25-26 Revised/YTD, provided March 2026)
- Laguna Art Museum – ProPublica Nonprofit Explorer (FY 2024 revenue \$3.27M)
- Long Beach Museum of Art Foundation – ProPublica / CauseIQ (FY 2024 revenue \$2.17M)
- Santa Monica FY 2025-27 Adopted Biennial Budget (Recreation & Arts Department context)
- Industry benchmarks: Licensing International (LIMA) and American Alliance of Museums reports on gallery commission rates (20–50%) and cultural facility earned revenue models
- Laguna Beach Pageant of the Masters and Newport Beach arts festival public attendance/economic reports (2024–2025)

10. UNDERVALUED: FOURTH OF JULY CELEBRATION

1. Discovery

Huntington Beach has built one of the largest Independence Day celebrations in the country, consistently drawing 300,000–500,000 attendees and earning a regional television partner and coverage during the parade event. We’ve done an excellent job attracting that scale of crowd and showcasing our patriotic, family-friendly Surf City identity.

What we haven’t done as well is capitalize on the opportunity this creates. The focus of this section is not to be a profit generator for the city, but to secure more funding that elevates the parade’s production quality and delivers a richer, more memorable experience for residents, families, and visitors, this in turn, will grow our earned media, and event prestige.

Right now the event lacks many of the high-impact elements that would make it truly special: elaborate floats, celebrity appearances, large helium balloons, live drone streaming of our fireworks show for those who can't attend and larger community activation zones and other events that could bridge the morning parade and evening fireworks into a full-day celebration. While we draw the crowds, we currently lack a strong third-party voice, sustained social media presence, and meaningful post-event media coverage — clear evidence that we are missing the kind of engaging, memorable moments that people naturally want to share and talk about long after the day ends.

National brands with patriotic, family-oriented values cannot replicate access to our unique audience size and demographic. With a professional sponsorship approach, we could partner with them to fund those missing pieces and turn the parade into something even more extraordinary for the entire community.

2. Current Structure

The parade is organized primarily through a contract event production with limited City oversight. Sponsorship packages exist (tiers from \$1,000 to \$6,000+ for banners, bleachers, announcing, etc.), but there is no evidence of a dedicated sponsorship sales team, no professional outreach to large national brands, and no strategy for premium corporate partnerships or branded integrations.

The City provides the prime route, public safety, infrastructure, and brand prestige, while the contractor manages production. There is no centralized city-led effort or sales team to maximize sponsorship revenue for better floats, helium balloons, staging, or other elements that enhance family appeal and overall quality.

3. Financial Data (Indirect Impact)

Direct City revenue from the parade remains minimal, with the event relying almost entirely on private fundraising rather than taxpayer dollars. Revenue streams include sponsorships, parade entry fees (e.g., \$1,200+ for business/group entries), VIP/bleacher tickets, general donations, and ancillary on-site sales—all managed through the professional contractor, PSQ Productions (hired under a multi-year Professional Services Contract approved by the City Council in 2024).

The contractor reports an annual production budget need of approximately **\$500,000+**, covering high-cost items like the fireworks display over the ocean (a major expense), parade logistics (barricades, sound systems, staging, insurance, permits), the Surf City 5K, marketing and earned media (including TV coverage on KABC), entertainment, safety, cleanup, and more. The City contributes in-kind support (police/fire/public works overtime, permits), but the bulk is privately raised.

While PSQ Productions provides professional management to handle the event's massive scale **the dollars—or lack thereof—highlight a clear shortfall in sales and sponsorship pursuit.**

Despite all of the high-value promotional opportunities and a dedicated sponsorship contact/channel, **insufficient or inconsistent sponsorship and donation revenue persists**—suggesting a lack of proactive, high-effort sales outreach (e.g., targeted corporate pitches, leveraging attendee demographics for premium activations, or expanding beyond basic tiers). This leaves the city forcing compromises on production quality—such as smaller-scale fireworks, fewer high-impact entries, reduced media, or limited "wow factor" elements—which diminishes long-term event prestige, community excitement, and growth potential.

The true return is indirect: earned media amplification, boosted family tourism, and reinforced brand value for Huntington Beach. However, with stronger, more aggressive sponsorship sales aligned to the event's unmatched assets, revenue could more reliably meet or exceed needs—unlocking higher production standards, greater sustainability under professional management, and even expanded programming without relying so heavily on donations or cutting corners.

4. Benchmark Comparison

Comparable large-scale parades and events treat sponsorship as a professional revenue engine to fund premium production and visibility.

- Rose Parade (Pasadena) generates \$1M–\$5M+ in direct sponsorships to support elaborate floats and broadcast quality.
- Regional events like the Surf City Marathon (Huntington Beach, ~18,000–22,000 participants) secure a title sponsor that brings in over **\$200,000** alone, funding a beautiful, high-quality event despite much smaller attendance.
- Brands like Carnival Cruiseline regularly commit \$100,000+ just to sponsor the fireworks portion of San Diego's Big Bay Boom 4th of July celebration.

These examples show that even smaller-scale events monetize sponsorships effectively through professional sales. Huntington Beach's parade — with 15–25x the crowd and televised exposure — severely under-prices and under-sells its opportunity.

5. Structural Gaps

The current model creates clear vulnerabilities:

- No dedicated sponsorship sales team or professional outreach to large national brands, resulting in low pricing and limited premium partnerships
- Sponsorship tiers capped at \$6,000 despite massive attendance and TV coverage — far below market rates for comparable visibility
- Insufficient revenue to fund high-quality production (e.g., elaborate floats, helium balloons, professional staging), lowering appeal and reducing overall impact
- Missed opportunities for premium branding, corporate integrations, or merchandise tie-ins that could amplify earned media and third-party voice

- No formal collaboration with hotels, tourism partners, or national brands to package experiences around the event
- Limited City oversight or strategy to maximize sponsorship revenue while keeping the parade free and community-focused

These gaps mean the parade under-delivers on production quality and brand amplification despite its massive scale.

Missed Merchandising Opportunity – Americas 250

Huntington Beach’s three-day Fourth of July celebration creates a massive short-term captive audience — especially with America’s 250th birthday in 2026 driving huge demand for patriotic souvenirs and commemorative items.

A third-party deal with a local surf shop currently gives them **70%** of official parade merchandise sales, leaving only **30%** for parade organizers. There is no valid reason to hand the majority of this one-weekend windfall to an outside entity when the crowd, the event, and the historic milestone belong to Huntington Beach residents and taxpayers.

A city-controlled merchandising program — on-site booths, pre-sale, limited-edition 250th anniversary t-shirts, hats, flags, beach towels, and collectibles — could realistically generate **\$250,000 or more** in revenue over the three-day weekend (conservative estimate based on high-attendance holiday event benchmarks and the expected semiquincentennial surge).

Missed Opportunity: America 250 Exhibition at the Huntington Beach Art Center

With America’s 250th birthday this year, Huntington Beach has a prime chance to host a highly curated “Americana” gallery exhibition at the Art Center — featuring patriotic themes, historical reinterpretations, Veteran artists and works from both established and emerging artists that celebrate our nation’s journey. This show timed to coincide with the Fourth of July weekend could draw significant regional and national tourism and media.

This would create a major cultural draw, generate earned media, boost third-party voice, and position the HBAC as a meaningful tourism destination in the city. It could also produce direct revenue through commissions on featured works, and limited-edition prints/merchandise — all while elevating the facility’s national recognition and giving local artists exposure alongside bigger names.

Instead, the opportunity remains untapped, leaving the HBAC disconnected from one of the ***most significant cultural moments of the century*** and missing both tourism and prestige gains that neighboring cities would aggressively pursue.

6. Revenue Gap

Our Independence day celebration attracts 300,000–500,000 attendees and significant TV coverage, yet sponsorship revenue remains low due to under-pricing and lack of professional sales. Comparable events (e.g., Surf City Marathon with ~22,000 participants securing >\$200K from a single title sponsor) demonstrate that a dedicated sales approach can generate substantial funding for quality.

Huntington Beach struggles to cover enhanced production costs, limiting floats, helium, and other family-friendly elements.

Conservative annual lost sponsorship opportunity: \$200,000 – \$1,000,000 (through higher-tier pricing, national brand partnerships, and premium integrations — enough to dramatically improve parade quality, increase earned media value, and strengthen community pride without charging admission).

7. Corrective Path

Immediate:

- Establish more integrated City oversight for creative, event functions and sponsorship strategy with clear revenue and production-quality targets
- Conduct a full review of current sponsorship agreements, pricing, and production costs
- Define unified premium sponsorship guidelines tied to the Huntington Beach brand

Mid-Term:

- Launch a professional sponsorship sales effort (dedicated team or contractor) targeting national brands for higher-tier packages (leveraging televised exposure and crowd size)
- Introduce premium branding opportunities (e.g., title sponsorships, branded floats, helium integrations) to fund production upgrades
- Strengthen coordination with hotels and tourism partners for packaged family experiences
- Develop proactive media outreach to boost national coverage and third-party amplification

Long-Term:

- Expend Event & Celebrity Activations
- Build professional sponsorship capacity (leveraging existing staff and internships)
- Establish performance metrics tied to sponsorship revenue, production quality, earned media value, and tourism lift
- Direct all new sponsorship revenue back into parade production, public safety, and community programs so residents benefit from a higher-quality event

Sources

- City-provided parade sponsorship and cost estimates (internal documents, 2024–2025)
- Public attendance estimates and economic impact reports for Huntington Beach 4th of July Parade (local media and tourism authority data, 2023–2025)
- Surf City Marathon attendance and sponsorship reports (Running USA, local news, 2025–2026: ~18,000–22,000 participants; title sponsor >\$200K)
- Macy's Thanksgiving Day Parade sponsorship revenue benchmarks (Licensing International and event industry reports)

- Rose Parade and regional 4th of July event financial summaries (Pasadena Tournament of Roses, coastal city festival reports)
 - Laguna Beach, Newport Beach, Long Beach 4th of July event public budgets and sponsorship data (2024–2025)
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11. Overburdened & Reactive

In many areas, Huntington Beach operates in a reactive mode rather than a proactive one, in part, because our creative staff is severely overburdened. Creative teams across departments are stretched thin or don't exist, responding to immediate demands instead of actively identifying and pursuing high-value opportunities. Without dedicated creative leadership, brand infrastructure, and modern systems to coordinate efforts, the City lacks the capacity to bridge departments, meaningfully collaborate with key stakeholders across the city, or drive strategic initiatives that turn our Surf City identity into real economic and community value.

All the issues we've examined — merchandising, film permitting, the Art Center, the Fourth of July parade, and others — may seem separate, but they are deeply symbiotic. Together they form a powerful ecosystem: better brand management fuels stronger tourism, stronger events drive higher merchandising and sponsorship revenue, improved cultural assets elevate third-party voice and earned media, and proactive collaboration across these areas creates richer community experiences while generating sustainable returns. Growth doesn't happen through reactive fixes — it comes from intentional communication, coordination, and creative direction focused on harnessing these interconnected opportunities.

We've barely scratched the surface of identifying opportunities with just a few short weeks of research. The potential we've uncovered so far is only the beginning — there are likely dozens more levers waiting to be pulled. These opportunities aren't just about revenue; they can generate funding to help ease the burden on our overburdened staff, allowing them to shift from constant firefighting to strategic, proactive work that benefits the entire community.

Our brand is one of the City's most valuable and overlooked assets: globally recognized, built over generations by residents, and capable of delivering millions in revenue and enhanced quality of life if managed proactively.

Until we address staff overburdening, invest in creative leadership, and build the infrastructure and systems needed to operate strategically, we will continue missing significant revenue, tourism lift, and community value.

Our brand deserves proactive care — not just reactive maintenance.

12. MISSED OPPORTUNITIES - CIVIC PATHWAYS

During our research we noticed a lack of internship programs throughout many areas of the city. A developed program can ease burden on city staff and provide youth with meaningful opportunities to help shape their futures.

From Volunteering to Viable Futures — Building Local Talent That Stays

Huntington Beach is rich in talent, pride, and civic culture — but we are losing our youth to other cities. Not because they don't love this place, but because we haven't given them a clear, visible path to build a future here.

We already run some of the best youth programs in the country: the world-class Junior Lifeguard program builds discipline, leadership, and physical excellence; the Police Explorers program delivers real exposure to public safety and civic responsibility. These prove Huntington Beach knows how to create elite, structured opportunities for young people.

The problem is scope: these programs are exceptional but narrow — focused on specific careers and not available to every student. Broader volunteer opportunities across departments are valuable, but they are mostly adult-oriented, short-term, service-based, and not tied to skill-building, certifications, or employment pipelines. They answer “How can I help?” — not “What can I become here?”

The Gap

Huntington Beach currently lacks:

- A city-wide youth career pipeline
- Internships embedded in departments
- Clear pathways from high school → training → local employment or industry careers

As a result:

- Our most capable students leave for cities with better opportunities
- Trades, creative fields, and technical roles struggle to recruit locally
- Civic careers remain invisible to the next generation

The Solution: Civic Pathways Initiative

A structured, city-wide internship and apprenticeship system for high-school students — paid and non-paid — spanning every department and industry: libraries, parks, media, design, public works, skilled trades, administration, and more. This complements (does not replace) existing volunteer, Junior Lifeguard, and Police Explorers programs — it's the natural evolution.

Program Structure

- **Tier 1: Civic Exploration (Ages 15–16)** — Short rotations (6–8 weeks) for discovery and exposure

- **Tier 2: Civic Internships (Ages 16–18)** — Non-paid, semester/summer programs/roles with real deliverables and skill-building
- **Tier 3: Civic Apprenticeships (18+)** — Direct workforce tracks with unions, contractors, and priority city hiring

Department-Specific Pathways (Examples)

- **Library & Cultural Services** → Digital archiving, event programming, community storytelling
- **Parks, Recreation & Beaches** → Environmental stewardship, facilities operations
- **Media, Film & Communications** → Video production, social media, event documentation (major strategic advantage for in-house capacity)
- **Design & Creative Services** → Graphic design, branding support
- **Public Works & Skilled Trades** → Electrical/plumbing/HVAC shadowing, safety certifications, union pipelines
- **City Administration** → Policy research, budgeting, operations

Integration

- Partner with HB Union High School District for Career Technical Education alignment, work-study credit, and merit-based applications
- Each participant gets a mentor, clear goals, evaluations, work samples, certifications, and recommendation letters

Funding & Sustainability

Low-risk model:

- Workforce development grants
- Business/union partnerships
- Long-term savings from reduced outsourcing, faster recruitment, and local talent retention

Why This Matters

This initiative:

- Keeps talent local and builds generational ownership
- Strengthens the workforce across departments
- Creates debt-free career paths in high-demand fields
- Turns youth engagement into long-term civic and economic value

The city already knows how to run elite youth programs — They’ve proven it on our beaches and in public safety. Now it’s time to bring that same excellence to libraries, trades, media, design, and civic leadership. When young people can see a real future here, they’ll stop looking elsewhere.

Other cities recruit talent. Huntington Beach can grow it — and keep it.

MOVING FORWARD

What comes next is an opportunity to fix broken systems and rebuild the city's revenue engines.

The opportunities outlined in this report represent only the initial layer of what may be possible. After only a few weeks of research, this research has already identified several areas where improved coordination, modernized agreements, and stronger infrastructure could generate millions in additional value while improving the experience of residents, visitors, and businesses alike.

There are likely many more opportunities still waiting to be uncovered.

With the right systems in place — and with the collaboration of City leadership, staff, community stakeholders, and industry partners — Huntington Beach has the potential not only to protect its identity, but to turn that identity into a powerful engine for sustainable economic growth, cultural relevance, and community pride.

The goal moving forward is not simply to identify problems, but to help build the infrastructure, partnerships, and institutional knowledge that allow the city to operate independently, confidently, and strategically in managing the Surf City brand.

Report Basis and Limitations

This report reflects the good-faith analysis, observations, and opinions of Wolffhaus based on the information available at the time of review, including public records, materials provided, interviews, and direct observations. Any evaluative statements, findings, or conclusions are presented as professional opinions based on that information and are not intended as allegations of unlawful conduct. This report is intended to support operational, policy, and strategic review, and its conclusions may change if additional information becomes available.