



Renewal of the Huntington Beach Downtown Business Improvement District for FY 2025/2026

September 2, 2025

Background

- HB Downtown Business Improvement District (District) established in 2004 in response to request from downtown merchants
- Purpose to fund activities/improvements, above the City's baseline, to benefit and support businesses within the defined boundary
- Per CA Parking & Business Improvement Area Law of 1989, District's Advisory Board must prepare an Annual Report & Budget for Council approval
- Council must also approve the levy of the assessment for the upcoming fiscal year



The District

- Comprised of approx. 255 businesses
- Assessments range from \$80 - \$1,404
- Businesses are assessed based on size, location, and business type
- Boundary has two benefit zones
- \$115,000 projected to be collected
- City collects assessments annually with business license renewal
- Council appoints an Advisory Board to recommend funding needs



Downtown HB

- In 2008, City Council appointed Downtown HB as the District's Advisory Board
- Private, 501(c)(6) business-based non-profit corporation formed by businesses within the District
- Distinction between "BID"
 - District (City Program)
 - Downtown HB (Non-Profit Organization)
- Agreement between City and Downtown HB to manage the District's funds and activities

RESOLUTION NO. 2008-04

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF HUNTINGTON BEACH DESIGNATING
THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
AS THE DOWNTOWN BID ADVISORY BOARD

WHEREAS, on September 7, 2004 City Council created the Downtown Business Improvement District ("Downtown BID") pursuant to California Streets & Highways Code Section 36500, et seq.; and

Businesses located in the geographical boundaries of the Downtown BID formed a 501(c)6 non-profit corporation known as the Huntington Beach Downtown Business Improvement District to better promote the downtown area of Huntington Beach; and

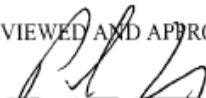
This non-profit corporation represents the collective interest of businesses in the geographic BID area to promote BID activities,

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve as follows:

Upon the adoption of Ordinance No. 3797, the Huntington Beach Downtown BID, shall be the Downtown BID Advisory Board for the 2007-2008 BID budget year.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 4th day of February, 20 08.


Mayor

REVIEWED AND APPROVED:

City Administrator

INITIATED AND APPROVED:

Director of Economic Development

FY 25-26 Activities

- **Ambassador Security Program** improves visitor experience and safety.
- **Enhanced Maintenance** ensures cleanliness, especially during peak seasons.
- **Holiday Beautification** transforms the district with festive decorations, creating a magical atmosphere.
- **Marketing** efforts promote the area through various channels, strengthening brand identity.
- **Community Events** like the HB4TH of July Block Party, Surf City Spooktacular, and Magic on Main Street foster engagement and attract visitors.
- A Customer Relationship Management (**CRM**) system improves relations and operational efficiency.
- **Financial Services** provided by a third-party CPA ensure transparent and streamlined fiscal management.



HUNTINGTON BEACH DOWNTOWN
BUSINESS IMPROVEMENT DISTRICT

ANNUAL
REPORT
2025-
2026

Downtown HB Total Budget

INCOME	
Surf City Nights	\$300,000
Surf City Artisan Fair	\$258,375
City of HB – Maintenance	\$220,000
BID Member Assessments	\$115,000
Ambassador Program (VHB)	\$40,000
Chili at the Beach	\$25,000
Surf City Days	\$10,000
Parking	\$4,070
TOTAL INCOME	\$972,445

Assessment Breakdown

Allocation of Business Assessments	
Ambassador Program (30%)	\$35,000
Enhanced Maintenance (18%)	\$21,000
Holiday Beautification (22%)	\$25,800
Marketing (9%)	\$10,000
Community Events (16%)	\$18,000
CRM (3%)	\$3,000
Financial Services (2%)	\$2,200
TOTAL EXPENSES	\$115,000

Annual Renewal

- State law requires an annual protest hearing to receive and consider any protests against the assessment for FY 25-26 (scheduled for October 7, 2025)
- Only protests by affected business owners can be considered
- If protests received total 50% or more of the assessment value, no further proceedings to continue the District can be considered for one year
- If lack of majority protest exists, Council can renew assessment for the upcoming year



Recommendation

- Approve the Annual Report and Proposed Budget for FY 25-26; and,
- Adopt Resolution No. 2025-51 “Declaring the City’s Intention to Levy an Annual Assessment for FY 25-26 within the HB Downtown Business Improvement District”, which sets a public hearing for October 7, 2025 to consider continuation of the District;

Questions?

