



Approval of the Huntington Beach Tourism Business Improvement District (HBTBID) FY 2024-25 Annual Report

October 1, 2024

Background

- The HBTBID was formed in 2014 pursuant to the CA Property and Business Improvement District Law of 1994.
- Its purpose is to increase overnight room sales through targeted marketing, public relations, group sales, and tourism enhancement programs.
- Funding comes from assessments collected from lodging businesses in Huntington Beach.
- The district runs through June 30, 2028.
- An Annual Report is required for City Council approval each year.



HBTBID

- The HBTBID consists of all lodging businesses within the City.
 - 21 hotels/motels
 - Approximately 200 Short-Term Rentals (STRs)
- The assessment rate is 6% of gross room rental revenue for stays under 30 days.
- Total assessments for FY 2024-25 are expected to be around \$10.7 million.
- The City collects assessments monthly from hotels/motels and quarterly from STRs.



Visit Huntington Beach (VHB)

- Visit Huntington Beach (VHB) is a non-profit 501(c)6 organization that manages the HBTBID.
- VHB is responsible for implementing the programs outlined in the Management District Plan (MDP).
- The City and VHB have an agreement to manage the district's funds and activities.



FY 24-25 Annual Report

The Annual Report is required by the Streets and Highways Code and must include:

- Any changes to district boundaries or classifications.
- Planned improvements and activities for the upcoming year.
- Cost estimates for the proposed improvements.
- The method of collecting assessments.
- Any surplus or deficit from the previous year.
- Contributions from other sources.



FY 24-25 Work Program (Strategic Plan)

Driving Global Brand Awareness	Enhancing Destination Experience
<p>Programs that increase the visibility of Huntington Beach and the Surf City USA® brand as the quintessential California beachside experience by strategically targeting key media, travel trade, meeting planners, and leisure and business travel markets around the globe to increase, overnight visitation, visitor spend, and events/group meetings.</p> <ul style="list-style-type: none"> • Launch soft season campaign highlighting HB lifestyle pillars of outdoors, wellness, family, active sports, dining, and shopping as micro-campaigns designed to encourage visitation and overnight stays. Leverage Visit CA's "CA Road Trips" "Kidaforia" and "Ultimate Playground" themes. • Promote 2024 ISA World Para Surfing Championships (NOV 2024) • Issue an RFP for a creative agency of record. • Participate in two of VHB's largest trade shows (IMEX 2024 & IPW 2025). • Launch Show Your HB Love 2025 campaign. • Leverage the World Cup and LA28 to expand global destination brand awareness and secure offsite activations. 	<p>Programs that help ensure that the places to eat, shop, play, and stay in Huntington Beach are enjoyed by residents and visitors alike, and that those experiences are fun, unique, accessible, memorable, and inspire repeat visitation.</p> <ul style="list-style-type: none"> • Develop outreach and education to enhance customer service for all visitors including international and accessible communities. • Develop and launch accessible travel market training and hotel booking engine tools to enhance full-funnel experience for travelers with disabilities. • Improve the ability to increase the frequency of booking meetings and special events in Huntington Beach with continued collaboration with City staff, et al. • Help implement pertinent destination improvements recommended by RHI • Work on VHB's Tourism Enhancement Projects and collaborate with the City on their aligned enhancement projects with resident and visitor benefits.
Championing the Value of Tourism	Prioritizing Organizational Effectiveness and Culture
<p>Programs that educate residents, visitors, local businesses, government officials, and community stakeholders on the vital role of the travel & tourism industry and provide a greater understanding of its impacts and benefits.</p> <ul style="list-style-type: none"> • Value of Tourism Campaign Continue amplifying VHB's share of community voice, including the many ways that Tourism Builds Community and the key role tourism plays in improving the quality of life for residents, the tax revenues generated for the community, and the jobs the visitor industry provides and supports. "Value of Tourism" landing page created to use as a communication hub with information (and soon infographics, video, and other resources) that supports and helps drive the message of the value of tourism. • Develop annual Tourism 101 forum to help residents and businesses gain a greater understanding of the local tourism industry. 	<p>Programs that ensure Visit Huntington Beach's spirit of service is operating at optimal efficiency and, as Huntington Beach's destination management organization, is consistently delivering on its Mission, Vision, and Brand Promise to visitors and residents.</p> <ul style="list-style-type: none"> • Transition to new budget software • Transition to US Bank • Develop Customer (Partner) Sentiment Survey • FiredUp! Culture Survey • Office capital improvements and maintenance • Computer lease refresh

HBTBID Budget Allocations

Budget Category	FY 23-24	MDP*	FY 24-25
Sales & Marketing	83%	65%	63%
Tourism Enhancement Programs		10%	10%
Administration	15%	19%	18%
Contingency/Reserve	2%	5%	8%
City Admin Fee	1%	1%	1%
<i>Estimated TBID Assessments</i>	\$7,570,979		\$10,693,446

**The Annual budget shall conform to adopted budget category allocations per the amended Management District Plan (June 2024). Additional funding from non-assessment sources will be allocated towards Sales & Marketing per VHB Board direction.*

FY 2024-25 VHB Budget

INCOME	
Estimated TBID Assessments	\$ 10,693,446
Retail, Web Ad, Walking Tour Sales, Interest	\$ 140,250
Estimated Carryover from Previous Fiscal Year	\$ 456,000
TOTAL INCOME	\$ 11,289,696
EXPENSES	
Sales and Marketing	\$ 7,578,171
Tourism Enhancement Programs	\$ 1,062,647
Administration	\$ 1,959,838
Contingency/Reserve	\$ 843,000
City Collection Costs	\$ 101,149
TOTAL EXPENSES	\$ 11,544,805

Expenses

Planned expenses for FY 2024-25 include:

- **Sales & Marketing:** Focus on campaigns like #BeHere and #MoreHB, influencer collaborations, and promotion of HB as a meeting and event destination.
- **Tourism Enhancement Programs:** Projects like improving walkability and accessibility, adding temporary beach restrooms, and surf museum upgrades for the 2028 Olympics.
- **Administration:** Includes advocacy efforts, legal, insurance, and office expenses.
- **Contingency Reserve:** Provides financial stability for unexpected expenses.
- **City Collection Costs:** Covers the City's cost for collecting assessments (1%).



Recommendation

Approve the HBTBID Annual Report for FY 2024-25



Questions?

