





HUNTINGTON BEACH

## HBTBID Public Hearing

January 22, 2019

### History of Huntington Beach TBID

- The Huntington Beach Hotel/Motel Business Improvement District was initially established in 2002 pursuant to the Parking and Business Improvement Area Law of 1989, requiring an annual levy/hearing
  - Assessments were 1% from 2002-2009; Increased to 2% in 2010-2014
- In 2014, the HBHMBID was converted to the Huntington Beach Tourism Business Improvement District (HBTBID) pursuant to the Property and Business Improvement District Law of 1994 ('94 Law)
  - Law allowed for a maximum 5 year term on the outset and up to 10 year term upon renewal
  - Assessment increased to 3%
- In December 2018, the City Council amended the HBTBID to 9 years and 5 months – effective February 1, 2019
  - Assessment increased to 4%, at the request of the majority of the hotels/motels

CIVITAS

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date:

1-22-19

Agenda Item No.:

29(19-001)

## HBTBID Assessment Modification

- Due to new (modified) HBTBID, the City is required to modify the existing HBTBID to terminate effective January 31, 2019
- The Management District Plan has been modified for 4 years and 3 months
- Notice of Intention was approved by the City Council on November 17, 2018



## TOT Grant Agreement

**Current Transient Occupancy Tax (TOT)** paid by overnight lodging guests, City retained 90%, VHB received 10% of all TOT

Grant Agreement with VHB would have expired on September 30, 2021

Current Agreement is recommended to be terminated effective January 31, 2019

The early termination means additional funding for General Fund \$500,000 current year and approximately \$1 million annually thereafter

In the proposed revised MOU included would be three (3) years of funding for certain events/programs



## Memorandum of Understanding

- Administration of the HBTBID is through Visit Huntington Beach
- The MOU sets forth operating requirements for administration and bidding
- In the proposed new MOU, Visit Huntington Beach will be provided funding for certain programs for three (3) years: such as the International Surf Museum, 2019 IPW Huntington Beach and 2020 Amgen Tour of California final



## Questions

