

## **NEWPORT BEACH TOURISM BUSINESS IMPROVEMENT DISTRICT**

ANNUAL REPORT FOR FISCAL YEAR 2014

*JULY 1<sup>ST</sup> 2013 THROUGH JUNE 30<sup>TH</sup> 2014*

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### **ORIGINATION:**

Implemented beginning May 1<sup>st</sup>, 2009 through an approved ordinance by the City Council, the Newport Beach Tourism Improvement District (NBTBID) will be in effect for five years before the TBID is up for the renewal process before the City Council. The NBTBID is a benefit assessment district proposed to help fund marketing and sales promotion efforts for Newport Beach lodging businesses. Visit Newport Beach, Inc. serves as the administrator for the NBTBID.

This is the annual report of the NBTBID for the FY2013-2014 fiscal year and is to be filed with the City Clerk, according to the California Streets and Highways Code Sections 36650.

### **PURPOSE:**

The NBTBID is responsible for representing and managing conference, meeting, and group sales efforts in partnership with the seven TBID lodging businesses. These services are designed to benefit the seven hotels that will be assessed within the City of Newport Beach as well as generating additional revenue to grow the Newport Beach hotel and tourism industry. The current participating lodging businesses are as follows:

- Newport Beach Marriott Resort and Spa
- Fairmont Newport Beach
- Radisson Newport Beach
- Newport Beach Marriott Bayview
- Hyatt Regency Newport Beach
- The Balboa Bay Club and Resort
- Newport Beach Dunes Waterfront Resort and Marina.

### **COST BASIS AND EXPECTED REVENUE FOR FY2013-2014:**

Annual assessment rates are 2% of gross short term (*less than 30 days*) room rental revenue on the participating lodging businesses within the City limits of Newport Beach. Lodging business stays of longer than 30 consecutive days shall not be assessed. Based on the benefit received, stays by airline personnel and government employees on government business shall not be assessed. Stays at time shares shall not be assessed.

2014 is the renewal year for the NBTBID.

The expected revenue for FY2013-2014 is **\$1.721M**. Revenue forecasts are revisited in January of each fiscal year by the NBTBID Board of Directors to determine if adjustments need to be made.

**ACTIVITIES FOR FY2013-2014:**

The strategic initiatives detailed in the **VISIT NEWPORT BEACH INC. FY2013-2014 Marketing Plan** include maintaining momentum for the “Live the Dream” campaign – a national promotion across all market segments to generate interest in Newport Beach as a meeting destination, continuing with enhancing exposure to targeted clientele through participation in appointment-based shows, and advancing relationships with portfolio accounts such as HelmsBriscoe and ConferenceDirect.

A summarized breakdown of the strategic initiative marketing and advertising budget for FY2013-2014 approved by the NBTBID Board of Directors is as follows:

**ADVERTISING**

Meeting Advertising	\$89,000
Production	8,000
Special Promotions	81,500
<u>Fees (to NB&amp;Co)</u>	<u>12,000</u>
	<b>\$190,500</b>

**CONFERENCE SALES**

Site Inspections	\$18,000
Client Events	57,500
Database/Lead Development	30,948
Trade Show Expense	145,765
Sponsorships	96,600
Research	3,504
<u>Customized Destination</u>	<u>25,000</u>
	<b>\$377,317</b>

**ASSESSMENT AND BOUNDARIES:**

No changes in assessment or boundaries are currently proposed, but the NBTBID Board of Directors has been discussing revisions to the Management District Plan to propose to the City Council during the TBID’s renewal process in 2014.

**ESTIMATE OF NON-ALLOCATED FUNDS CARRIED OVER FROM FY2012-2013:**

\$27,210.15

**AMOUNT OF ANY CONTRIBUTIONS OTHER THAN ASSESSMENTS LEVIED IN FY2012-2013:**

\$0.00