

Visit Huntington Beach
Board of Directors Meeting Minutes
Tuesday, March 26, 2019
Kimpton Shorebreak HB Resort/ Epic 1 Room
500 Pacific Coast Highway
Huntington Beach, CA 92648
3:30p.m to 5:00 p.m.

Public Notice Information: In accordance with the Ralph M. Brown Act, VHB agendas are available for public review outside the City of Huntington Beach Council Chambers at 2000 Main Street at least 72 hours prior to each meeting. The agendas are also posted on the VHB website at surfcityusa.com. Questions on agenda items may be directed to Kelly Miller, VHB President & CEO, at (714) 969-3492 or kelly@surfcityusa.com.

VHB Mission: To position Surf City USA® as the preferred California beach destination in order to maximize **overnight** visitor spending, **destination development** and **quality of life** for all residents.

MINUTES

1. Call to Order and Antitrust Reminder (*see reverse*) by Chair Justin Simpson. **3:37pm**

2. Roll Call:

Present: Adams (Bolsa Chica Conservancy), Ali (Zack's Surf Shop), Barnes (Duke's Huntington Beach), Bernardo (World Surf League), DeSoto (UCI), Fischer (Waterfront Beach Resort, A Hilton Hotel), Killey (Republic Services), McCormack (Timeless Treasures Boutique LLC), Patel (Quality Inn & Suites Huntington Beach), Rice (Hyatt Regency Resort & Spa), Szilagyi (Best-VIP Chauffeured Worldwide), Thompson (First Bank), Torrence (VHB Ambassador Emeritus), Townend (The ActivEmpire), Truxaw (Mama's Restaurant on 39),

Absent: Carpenter (Huntington Beach Chamber of Commerce), Leinacker (Paséa Hotel and Spa), Mantini (Retired-The Boeing Company), Rogers (Rogers Marketing Services/ 5th & PCH), Simpson (Kimpton Shorebreak Hotel), Solanki (Ocean Surf Inn & Suites), Unvert (John Wayne Airport),

Additional Attendees:

Erin Francis-Cummings (Destination Analysts)

Kelly Fritzal (City of HB)

Kelly Miller (VHB), Susan Thomas (VHB), Nicole Llido (VHB), Steffany Sensenbach (VHB)

3. Announcement of Late Communications (Kelly Miller) **None**

4. Public Comments — Chairperson (limited to 3 minutes/person):

The VHB welcomes public comments on all items on this agenda or of community interest. We respectfully request that this public forum be utilized in a positive and constructive manner. Please focus your comments on the issue or concern that you would like to bring to the attention of the Board.

None

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5. U.S. Open of Surfing Attendee Profile and Economic Impact Research (Erin Francis-Cummings, President & CEO of Destination Analysts)
- Destination Analysts is a full-service market research company that specializes in the Travel & Tourism Industry.
 - o They work with 170 destinations
 - Erin Francis-Cummings presented the following for the U.S. Open of Surfing
 - 1) Attendee profile
 - 2) What visitors of the event do when they are in Huntington Beach and how that changes/ does not change their perceptions of Huntington Beach
 - 3) Economic impact analysis
 - a. How much the visitors of the event spend and what that means to the City of Huntington Beach
 - Surveyors were collecting data during 2 different times of the event
 - o July 28th – 30th
 - o August 2nd – 5th
 - They collected 745 completed surveys
 - o 158 were local residents
 - o 587 reside outside of Huntington Beach
 - This study was last done in 2010. Since 2010:
 - o The event has shown steady economic growth
 - o There has been increased spending on activities in Huntington Beach
 - o There is increased hotel inventory
 - o Additional vacation rental options are available
 - Besides the positive economic impact this event has on Huntington Beach, it has additional impacts:
 - o There are strong satisfaction ratings of the event and the hotels
 - o Attendees would highly recommend the event to others
 - o Over 2/3 of the visitors said they would return to Huntington Beach

6. Consent Agenda (Nicole Thompson): Action Item

- a. Approval of previous Meeting Minutes
- b. Latest TOT/TBID
- c. Latest CBRE (PKF)/ STR Reports
- d. Current financial statements (if available)

TOT receipts for the month of January 2019 were up 19.8%. Year to date TOT revenue for July 2018 through January 2019 totaled \$8,069,687, an increase of 19.6% over FY 17-18. **(Note: FY 17/18 only includes months October- June due to FY change. FY 18/19 includes new FY months July-June)** This resulted in a positive change in TOT collections of \$1,322,887 more revenue collected by the City over FY 17-18.

TBID receipts for January 2019 were up 19.7%, and YTD revenue is up 19.6% over the previous FY. Total TBID receipts now total \$2,421,010, or an increase of \$396,665 over the previous FY.

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CBRE/PKF report for January 2019 reflects that for the *four reporting major properties* in January, Average Daily Rate was \$262.02, up 9.0% from January 2018. Monthly occupancy was up 10.4% to 63.97%, and RevPar was up 20.3%, to \$167.61 for the month.

- **For January through January 2019**, the numbers are the same as above since it is the first month of the year. (ADR was \$262.02, or up 9.0%, Occupancy was up 10.4% to 63.97%, and RevPar was up 20.3% to \$167.61.)

STR report for February 2019 is for the *11 reporting properties*. Occupancy was up 3.1% to 72.3%, ADR was up 4.7% to \$220.09, and RevPar was up to \$159.05, an increase of 7.9%.

- **For January through February 2019 versus the same period in 2018**, Occupancy is up 6.2% to 67.6%, ADR was up 7.6% to \$218.70, and RevPar was up to \$147.74, an increase of 14.3%
- **Hotel inventory supply for February** was up 0.1%, demand was up 3.2%, and revenue was up 8.00%.
- **Year to date for January through December 2019** shows that hotel room supply is up 0.1%, demand is up 6.3%, and revenue is also up 14.4%.

Financials will be presented at the next meeting. Our accountant has been resolving some issues with some outstanding checks and miscoding of some invoices from FY 17-18 in order to present the most accurate financials.

Motion to approve the consent agenda made by Adams. Seconded by Rice. All approve. None oppose.

7. Chairman's Report (Justin Simpson): **None**. Justin Simpson not present at meeting.
8. President & CEO Updates (Kelly Miller)
 - a. Communitywide Wayfinding
 - i. Moving forward with no problems
 - b. New Office Space
 - i. VHB staff will be meeting with the architect and contractor to form a progress timeline
 - c. HB/VHB LA 2028 Strategy & Opportunities: Engine Shop contract approval vote
 - i. Contract approval: EngineShop work, HB/VHB LA 2028 Strategy & Opportunities
 1. Terrence Burns is the Executive VP of Global Sports for EngineShop
 2. He has worked for years with the IOC and Olympic Games organizing committees including LA 2028.
 3. We would like them to come to Huntington Beach to assess HB's strategic potential for hosting surfing, skateboarding, and BMX in 2028.
 4. They would come in July-September. They would be here during the US Open of Surfing.
 5. It would cost \$50,000 plus expenses. We have budgeted \$25,000 for this current fiscal year. The remaining \$25,000 would be paid next fiscal year

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6. Motion to approve this contract with EngineShop made by McCormack.
Seconded by Townend. All approve. None oppose.
- d. ISA World Junior Surf Championships & Surf Summit: Discussion and possible approval vote
 - i. Huntington Beach has the opportunity to host the 2019 VISSLA ISA World Junior Surfing Championship again
 - ii. A reminder of VHB's 2028 strategy
 1. We would like Huntington Beach to be considered for 2028 Olympics location for Surfing, Skateboarding, and BMX
 - iii. Roughly the same dates as last year: Oct 26th – Nov 2nd
 - iv. Last year this event had amazing success in terms of participation
 1. 360 kids from 43 countries
 - v. Paris just announced that they were going to propose 4 sports to include in their Programs: Sport Climbing, Skateboarding, Break Dancing, and Surfing
 - vi. VHB Executive Committee voted on and approved to allow VHB staff to negotiate up to but not exceed the amount that we gave to ISA last year
 1. We would be looking at less than \$100,000
 - vii. Motion to have VHB staff negotiate and sign a contract with ISA for 2019 made by McCormack. Seconded by Barnes. All approve. None oppose.
- e. U.S. Travel Association IPW California Beach Festival Private Event, June 3, 2019 at HB Pier
 - i. We over 400 RSVP's from the travel trade industry from 13 countries
 - ii. The VHB team is working daily on the event
 - iii. It will showcase Huntington Beach to travel professionals worldwide
- f. Destination Next 2.0
 - i. As we start putting our next budget together, we are looking to start our long-term sustainable destination master plan with the assistance of DestinationNext
9. Brief Department Monthly Updates (Staff)
 - a. Sales: Kelly Miller gave brief updates for Sales
 - b. Marketing and PR: Susan Thomas gave brief updates for Marketing and PR
 - c. Film & Travel Trade: There were no updates for Film & Travel Trade
 - d. Visitor Services and Information Technology: Nicole Llido gave brief updates for Visitor Services and IT
10. City of Huntington Beach Update (Kellee Fritzal)
 - a. In January, the City held a strategic workshop
 - i. The City will be looking at cannabis and short-term rentals in the next 6 months.
 1. Kelly Fritzal will keep VHB and the Board informed on the dates
 - b. A contract is being developed for a consultant to create a path of travel from 5th Street to the Hyatt
 - i. It may be lighting, art, or paving
 - ii. A meeting will take place regarding this
11. Huntington Beach Chamber of Commerce Update (Jeny Carpenter) **None**, Jeny Carpenter not present at the meeting.

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12. Open Discussion/Announcements **None**
13. Adjournment **4:56pm**

Key Dates to Remember:

- Next FULL BOARD MEETING: **Thursday, June 13th, 2:30 pm – 5:00 pm, Location TBD**

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ANTITRUST COMPLIANCE POLICY

It is the policy of Visit Huntington Beach (VHB) to comply fully with the antitrust laws of the United States and the State of California. In order to assure full compliance, the following policies and procedures are to be followed by all employees and stakeholders of VHB and by representatives of any stakeholders of VHB.

At any meeting of the directors of VHB or any committees of VHB, or at any meeting where any employee of VHB is present or where VHB is in any way involved, there shall be no discussion of the following:

- A. Prices or rates for hotel or motel rooms, food and beverage, transportation, sightseeing, or other services or facilities of stakeholders, including but not limited to prices or rates to be charged to convention groups, tour groups or tour operators, including off-season prices or discounts;*
- B. Changes or proposed changes in the prices or rates of hotel or motel rooms, food and beverage, transportation, sightseeing, or other services offered to customers of the hotel and motel industry;*
- C. Formulas, procedures, or means for the establishment and determination of prices, rates, discounts, terms, and conditions or rental;*
- D. Plans of individual stakeholders covering increases or reductions in distribution or marketing of particular products or services.*
- E. Restrictions on legal advertising or promotional activities.*
- F. Matters relating to actual or potential suppliers or customers that might have the effect of excluding them from any market or of influencing others not to deal with them.*

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In accordance with the Americans with Disabilities Act the following services are available to members of our community who require special assistance to participate in EDC meetings. If you require special assistance, 48-hour prior notification will enable VHB to make reasonable arrangements. To make arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas, please contact Steffany Sensenbach at (714) 969-3492.