

Visit Huntington Beach
Board of Directors Meeting Minutes
Tuesday, March 27th, 2018
Fountain Room, Hyatt Regency Huntington Beach Resort and Spa
21500 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. **3:38pm**

2. Roll Call:

Present: Simpson (Kimpton Shorebreak Hotel), Adams (Bolsa Chica Conservancy), Barnes (Duke's Huntington Beach), Bernardo (World Surf League), DeSoto (Experian), Mantini (Retired-The Boeing Company), McCormack (Timeless Treasures Boutique LLC), Patel (Quality Inn & Suites Huntington Beach), Rice (Hyatt Regency Resort & Spa), Rogers (Rogers Marketing Services/ 5th & PCH), Szilagyi (Best-VIP Chauffeured Worldwide), Thompson (First Bank).

Absent: Fischer (Waterfront Beach Resort, A Hilton Hotel), Leinacker (Paséa Hotel and Spa), O'Callaghan (Huntington Beach Chamber of Commerce), Snow (Rainbow Environmental Services), Solanki (Ocean Surf Inn & Suites), Truxaw (Mama's Restaurant on 39), Van Doren (Vans), Whitney (Prjkt Hospitality & Concessions Group).

Additional Attendees:

David Dominguez (City of HB), Kellee Fritzal (City of HB), Marie Knight (City of HB), Robert Ramirez (City of HB), Lyn Semeta (City of HB)

Kelly Miller (VHB), John Ehlenfeldt (VHB), Steffany Sensenbach (VHB)

3. Announcement of Late Communications (Justin Simpson) **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***

5. 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)

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- **TOT receipts for the month of January 2018** were up 11.7%. Year to date TOT revenue for October 2017 through January 2018 totals \$3.11 million, an increase of 11.7% over FY 16-17.
- **TBID receipts for December 2017** were up the same percentage, 11.8% (note, the report shows TOT up 11.7% and TBID up 11.8%. I think it's a rounding deal with the City. No biggie), and YTD revenue is up 11.7% over the previous FY. Total TBID receipts now total \$936,037 for the first three four months of the FY.
- **TOT/TBID receipts for Hotels over 151 Rooms** for the same month were up 3.3%, and up for the FY 4.7%. **Receipts for Hotels under 150 rooms** were up 68.2% for January and up 56.7% for the FY.
- **TOT/TBID receipts Sunset Beach for January 2018** were up 12.6%, and 4.1% for the FY.
- **CBRE/PKF report for January 2018** reflects that for the *four reporting major properties* in January, **Average Daily Rate** was up 3.3% to \$240.48, **Occupancy** was up 7.7% to 57.95%, and **RevPar** was up 11.2% to \$139.35. These monthly totals are the same as the YTD as this is the first month of the calendar year.
- **Smith Travel Report (STR) for February 2018** for the *11 reporting properties in February*, **Occupancy** was down 3.3% to 70.1%, **ADR** was down 1.7% to \$210.19, and **RevPar** was down 4.9% to 147.42. YTD numbers for the first two months of the FY are: **Occupancy** down 3.2% to 63.6%, **ADR** down 1.2% to \$203.14 and **RevPar** down 4.4% to \$129.25.
 - Looking at the same report, **Hotel Inventory supply for February** was up 16.4%, **Demand** was up 12.6%, and **Revenue** was up 10.7%. YTD for Jan-Feb are: **Supply** up 16.4%, **Demand** was up 12.6% and **Revenue** was up 11.2%.
- Current financials: Due to a small technical glitch in Financial Edge (VHB's accounting program), financials will be presented next month.

Motion to approve the Consent Agenda made by Rice. Seconded by Bernardo. All approve. None oppose.

6. Chairman's Report (Justin Simpson)

- Update on TOT
 - The hotels met with the City of HB last Thursday
 - The City wanted feedback on forecasting TOT and Occupancy for the months of July 2018 through June of 2019. Looking at a 10% increase in TOT for next FY

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7. President & CEO Updates (Miller)
- a. Int'l Surfing Association (ISA) World Juniors Surfing Championships (Action Item)
 - VHB was approached by the ISA to see if VHB would be interested on putting in a bid for the World Junior Surfing Championships in HB October 26-Nov 4, 2018
 - They project for 2018 to have 50-55 countries represented, 400-600 athletes featuring the world's best 18 and under surfers
 - Partnering with ISA to host one of their six world championships is part of our long-term Summer Olympic Games strategy, as ISA is the official international sport federation for surfing. They will be very engaged with the IOC on where the 2018 Olympic Games' trials and actual Summer Olympic Games competition will be held.
 - The Executive Committee voted unanimously last week to:
 1. Commit \$100,000 in initial bid fees to the ISA for Junior World Surfing Championship 2018;
 2. Direct staff to work diligently with potential co-partners and stakeholders to leverage VHB's investment to gain the greatest return on investment possible.
 - The PR HB would receive is estimated to be about \$3,000,000 specific to the destination and nearly \$10,000,000 for the entire event.
 - *Motion made by McCormack. Seconded by Rogers. All approve. None oppose.*
 - b. Airshow Update
 - VHB will continue to work with the City and potential event producers for this year's event.
 - c. Community Wayfinding Project and Central Park
 - VHB is pleased to say the contract has been signed
 - Installations will start July 9, 2018
 - Central Park Committee is also interested in installing wayfinding signs. Kelly made presentation to this group and updated them on the VHB project, encouraging them to possibly use the same design and programming plan that was designed by MERJE and approved by the City.
 - d. Shaping Up Surf City USA
 - Kelly met with AES and some staff at the City regarding temporary graphic signage along the 800-foot fenced area (Beach and PCH)
 - AES will replace fence
 - Screen will then go over the new fence
 - Plants will be installed along the fence area.
 - We are also working with the City on restroom cleanup and maintenance schedules
 - e. HBISM
 - Brett Barnes gave brief update on the International Surfing Museum
 - Their goal would be to share more exhibits with the Surfing Heritage and Cultural Center (SHACC) in San Clemente. The current exhibit at ISM is a perfect example.
 - VHB will be planning a field trip for staff and board member to tour SHACC on April 23rd from 11am- 4pm

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- f. Placemaking Strategic Plan
 - Councilmember Lyn Sementa to bring an H-item to the City Council in April regarding the City having a Public Art Master Plan
 - g. Recap of the Annual Tourism Summit at the Kimpton Shorebreak Hotel
 - VHB received good feedback
 - VHB will consider having this on an annual or semi-annual basis
 - h. OC Sports Commission
 - Anaheim is going forward with forming an OC Sports Commission.
 - VHB will likely be part of this effort, depending on what are the defined benefits and return on investment for VHB's investment
 - i. Water Damage at VHB Offices
 - VHB offices were flooded by a contractor working on a remodel of a condo a floor above us
 - We have been working on packing everything up and preparing for the repairs to be done
 - VHB staff is currently working remotely
8. Brief Department Monthly Updates (Staff)
- a. Sales – John Ehlenfeldt gave a brief department update
 - b. Marketing and PR – Kelly Miller gave a brief department update
 - c. Film & Travel Trade – Kelly Miller gave a brief department update
 - d. Visitor Services and Information Technology - Nicole Llido gave a brief department update
9. Advocacy Committee Update (Janis Mantini)
- There was not an Advocacy Committee Meeting this month
 - Kelly mentioned some will be travelling to Sacramento because California is going to be voting to make surfing the official sport of the state of California
 - Brett Barnes mentioned that they will also dedicate September 20th to be California Surfing Day
10. City of Huntington Beach Update (Kellee Fritzal)
- Kellee introduced
 - Marie Knight, the new Community Services Director for the City of Huntington Beach
 - Dave Dominguez, the Community Services Manager for the City of Huntington Beach, who also oversees special events
 - Kellee mentioned there will not be tent shelters on the landfill
 - They will be looking at different options
 - Kellee also mentioned that the City works hard to keep action sports companies in our city
 - Met with Boardriders, Inc., which is the umbrella company to merged companies Quiksilver and Billabong.

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11. Huntington Beach Chamber of Commerce Update (James O'Callaghan)
 - James O'Callaghan not present at meeting. No update.

12. Open Discussion/Announcements
 - Dave Dominguez mentioned that the new playground on the beach would have the ribbon-cutting on April 7th
 - Brett Barnes reminded everyone that Pastor Sumo's funeral will be on April 12th and the paddle-out in his honor will be on April 14th

13. Adjournment. **4:18pm**

Key Dates to Remember:

- Next FULL BOARD MEETING: **Tuesday, May 1st, 3:30 pm – 5:00 pm**, The Waterfront Beach Resort, a Hilton Hotel, *Room TBD*

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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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