

## **FREQUENTLY ASKED QUESTIONS ABOUT VISIT HUNTINGTON BEACH**

### **Who is Visit Huntington Beach (VHB)?**

VHB, formed in 1989, is the official destination marketing organization (commonly referred to as a DMO) for Huntington Beach, Surf City USA. VHB is a leading economic development company, which reinvests visitor generated taxes and assessments to create more local jobs, more visitor expenditures in local businesses, increased tax revenues for local government, and additional overnight visitor stays in our local hotels.

### **What is VHB's Mission?**

To market and sell Huntington Beach's Surf City USA brand experience as the preferred quintessential California beach destination leading to increased visitor spending and enhanced quality of life for residents.

### **What is VHB's legal organizational designation?**

VHB is a private, non-profit 501(c)6 company. It is not a department of the City of Huntington Beach.

### **Is VHB an accredited destination marketing organization?**

VHB is honored to be fully accredited by Destination Marketing Association International (DMAI), the nation's leading trade association for DMOs. Only 220 DMOs of approximately 1200 North American visitor marketing organizations have received this highest badge of excellence.

### **How did VHB get accredited?**

DMAI's globally recognized and rigorous accreditation process team thoroughly reviewed VHB's policies and procedures, financial reporting systems, return on investment accountability, long range strategic direction, sales and marketing plans, and other key components.

### **What are VHB's Core Values?**

- Professional & Quality Oriented
- Visitor, Partner & Community-Driven
- Visionary & Strategic
- Creative & Innovative
- Transparent & Accountable
- Sustainable & Efficient

### **How many full time employees does VHB currently employ?**

VHB currently has 12 full time employees (FTEs).

### **Is VHB's current staffing levels high or low when compared with other DMOs and industry standards?**

The average number of full time employees for DMOs in VHB's annual budget category (\$2 million-\$4.99 million) is 15 FTEs (DMO Organizational & Financial Profile, DMAI, 2015). VHB employees 12 FTE, or 25% fewer employees than DMOs in the same budget category.

### **Have any of VHB staff achieved higher professional certification?**

There are less than 400 Certified Destination Marketing Executives (CDME) in the world. Three of VHB's 12 full time team members are CDMEs. DMAI's highly respected 2-3 year educational program offered through Purdue University, is the accounting world's equivalent of earning a C.P.A., but for DMO professionals.

### **How is VHB funded?**

VHB's annual budget does not come from taxes paid by local residents, including local property taxes paid by home and business owners. Funding is derived primarily from two dedicated funding sources, both paid by overnight hotel guests choosing to stay in one of Huntington Beach's 22 hotels (2200 total available rooms):

#### **1. Transient Occupancy Tax (TOT):**

Huntington Beach's overnight hotel guests pay a 10% TOT per room per night. The City of Huntington Beach retains 90% of all TOT revenues, while VHB retains 10%.

#### **How much TOT revenue is generated each year?**

For Fiscal Year 2015-16, total TOT revenue collections are estimated to be approximately \$10 million. Approximately \$9 million (90%) of these visitor paid taxes go into the City's general fund.

#### **What can TOT revenues retained by the City of Huntington Beach be used for?**

TOT revenue retained by the City can be used for a variety of purposes such as street, sidewalk and parking deck improvements, police and fire protection, beach maintenance, park improvements, etc.

*(Note: The average percent of TOT tax retained by City governments around the country is about 50%. The City of HB retains 90%).*

#### **How much TOT revenue is dedicated to VHB?**

The TOT dedicated to VHB (one-tenth of the total 10% TOT) is used for sales, marketing, visitor services, and related administrative support to ensure estimated TOT revenue estimates are achieved.

For Fiscal Year 2015-16, VHB will retain about \$1 million of TOT revenue. Since the inception of the City's TOT in 1992, overnight hotel guests to our community have contributed over \$120 million in TOT revenue.

- #### **2. Tourism Business Improvement District (TBID):** Huntington Beach's overnight hotel guests pay an additional 3% assessment fee for each occupied room per night during their stay. The TBID assessment is not a tax, but an assessment, which the 22 local hoteliers place upon themselves (occupied rooms), and is paid by overnight visitors. TBID assessment revenues provide a more dependable, long term, sustainable revenue source to market Surf City USA globally without any tax burden on local residents.

#### **How much TBID assessment revenue is dedicated to VHB?**

For Fiscal Year 2015-16, the TBID assessment will generate approximately \$3 million.

### **How much is VHB's annual revenue from these two sources (TOT & TBID)?**

Approximately \$4 million dollars in FY 2015-16, all paid by HB's overnight hotel visitors. In fact, a healthy and robust local visitor industry, led by an effective DMO, contributes many millions of dollars annually into the City's general fund. This, in turn, decreases local taxes paid by residents, creating and sustain a winning formula of positive outcomes for the entire community. In short, tourism builds community.

### **What does VHB do with TOT revenue and TBID assessment dollars?**

Collectively, TOT revenue and TBID assessments fund vitally important VHB program of work areas, which greatly benefit our community and overall visitor experience:

- Overall brand marketing for Huntington Beach, Surf City USA.
- Traditional advertising in key visitor markets.
- Digital and social media programs including ownership and management of [www.surfcityusa.com](http://www.surfcityusa.com), with over 500,000 unique website annual visitors, 1.6 million user sessions, 53,000 Facebook fans, 6,000 Twitter followers and 15,500 Instagram followers.
- Public relations, which generated over \$12.5 million in earned media value in FY 2014-15. VHB hosted 70 journalists from 8 countries in FY 2014-15.
- Destination sales (conventions, meetings, groups), which last year was responsible for generating nearly \$18.6 million in economic impact for HB by sourcing 210 leads, of which 16,879 hotel room nights were booked into local hotels.
- High demand publications such as HB's Official Visitor Guide, Official Map and Historical Walking Tour brochure.
- International and domestic travel trade programs targeting leisure travelers via trade shows, sales missions and local familiarization visits (FAMs).
- HB Film Commission that works closely with the City's Economic Development office to help generate about 100 filming permits/year.
- Surf City USA's Downtown Ambassador program.
- Surf City USA Shuttle (a complimentary seasonal bus service) available for both visitors and residents.
- Visitor Information Kiosk at the Pier which is open seven days a week.
- Welcome Center at the Huntington Beach International Surfing Museum, which is open six day a week.
- Free monthly partners' meetings designed to provide HB's businesses with actionable steps to increase visitor generated expenditures for local businesses.

### **How many total annual visitors experience Huntington Beach?**

The definition of a "visitor" to any destination can vary. The sometimes quoted annual number of between 11-15 million HB visitors is loosely based on the number of estimated cars parking at HB's beach parking lots. This number includes local residents. For example, a local HB resident who has a beach pass and parks at the beach 20 times a year to catch some morning waves is included in this informal tally as 20 visitors.

VHB commissions a more robust visitor research study every several years, designed to provide a deeper and more scientifically significant analysis of HB visitors. In these studies, HB visitors are defined as "anyone who lives outside of Orange County and visited Huntington Beach for the day or stayed their overnight."

Non-Orange County resident visitors to Huntington Beach:

- 2011: 2.93 million
- 2012: 3.48 million
- 2013: 3.57 million
- 2014: 3.74 million

**Which visitors are being targeted by VHB’s integrated sales and marketing plan?**

Non-Orange County residents who desire overnight hotel accommodations in Huntington Beach (including Sunset Beach and all other non-resort hotel property locations) are the targeted focus audience of VHB’s very detailed and measurable sales and marketing efforts.

**Who are these visitors?**

The most current visitor profile in 2014 revealed:

- Median age is 31 years
- Household income is \$72,700
- Average number of nights staying in Orange County is 4.3
- Average size of visitor group is 2.4 people
- About three out of four visitors (76%) are day visitors
- Nearly 24% have overnight accommodations in HB, with 9% reporting overnight hotel stays, 14% reporting private home accommodations and a very small percentage in campgrounds
- Almost three-fourths of visitors (72%) drive to HB, while about 27% travel arrive by air
- On average, the HB visitors spent \$270 per person in Orange County

**Where are these 3.74 visitors from?**

- Southern California 41.6%
- Western U.S. 18.3%
- Int’l & U.S. Territories 14.4%
- Southern U.S. 7.4%
- Northern California 7.0%
- Midwest U.S. 5.7%
- Northeast U.S. 5.6%

**What is the economic impact on the local Huntington Beach economy by non-Orange County resident visitor spending?**

The last economic impact of non-Orange County residents visiting HB was completed in 2014 for the years 2012 and 2013. For 2013, the impact of these visitors was substantial:

- Visitor spending: \$352.8 million, averaging nearly \$1 million a day
- 4,500 jobs supported by visitor spending
- Over \$10 million in total projected taxes from visitor spending for the City of Huntington Beach

**When will visitor impact and profile data be available for 2015?**

VHB is conducting a 2016 study this spring/summer, which will provide updated key visitor profiles, and economic impact analyses on the local economy made by Huntington Beach's 2015 visitors. The study will also provide data on the overall impact of VHB's sales, marketing and visitor-servicing efforts on annual visitor volumes, total visitor spending, tax revenues generated and jobs created for our local economy.

For more information, including VHB's current Destination Marketing Plan and Annual Report (Fiscal Year 2015-16), the most recent Visitor Profile (2014), and other key research analysis, go to the following link:

<http://www.surfcityusa.com/partner/research/>