



# Administrative Report

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N.2., File # 25-1467

Meeting Date: 12/2/2025

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**To:** MAYOR AND CITY COUNCIL

**From:** GREG KAPOVICH, WATERFRONT & ECONOMIC DEVELOPMENT  
DIRECTOR

## **TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING THE ANNUAL REPORT FROM THE REDONDO BEACH TRAVEL & TOURISM BOARD FOR THE PERIOD SEPTEMBER 2024 TO AUGUST 2025

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2512-094, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, APPROVING THE REPORT OF THE REDONDO BEACH TRAVEL & TOURISM BOARD FOR THE PERIOD OF SEPTEMBER 2024 TO AUGUST 2025 IN CONNECTION WITH THE REDONDO BEACH TOURISM MARKETING DISTRICT

## **EXECUTIVE SUMMARY**

On July 18, 2023, the City Council renewed the Redondo Beach Tourism Management District (RBTMD) for a 10-year term. The RBTMD provides a dedicated revenue source to market Redondo Beach as a tourist, meeting, and event destination. Management of the RBTMD is the responsibility of Redondo Beach Travel & Tourism (RBTT), a non-profit entity. The RBTT manages RBTMD funds and implements the District's programs.

On October 17, 2023, the City Council renewed the Agreement with RBTT for a 10-year term for continued management of the RBTMD. In accordance with the RBTMD and the renewed contracts with the City, the RBTT is required to deliver an annual report. The report describes RBTT's recent activities, goals, and achievements.

## **BACKGROUND**

In California, Tourism Management Districts are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a special benefit assessment district to raise funds within a specific geographic area for activities, such as the promotion of tourism that benefit the proposed district. The formation of the RBTMD allowed lodging and tourism-related businesses within the City to organize their efforts to increase tourism.

Lodging businesses within the RBTMD assess themselves, and those revenues fund the services and marketing efforts that support the businesses within the District. General benefits of a TMD include:

- Customization of programmatic activities to fit the needs of each destination
- Provision of a wide range of services such as: marketing of the destination tourism promotion activities and sales lead generation
- Design, creation, and governance by those who will pay the assessment
- Generation of a stable funding source for tourism promotion

The City Council approved a contract with Civitas Advisors, Inc. (Civitas) to assist the City with the initial formation of the RBTMD. A steering committee comprised of local hoteliers and City representatives crafted a Management District Plan (MDP) which established the framework for the RBTMD. It included the district boundaries, the budget, and the means of governance for the District. More specifically, the Plan outlined the method of assessment for the businesses within the District. The initial contract term of the RBTMD was 5 years and was set to expire in 2023. On July 18, 2023, the City Council renewed the RBTMD for an additional 10 years and later, on October 17, 2023, renewed the management agreement with RBTT for a corresponding period. Management of the RBTMD is the responsibility of RBTT and, in accordance with the recent renewal of the RBTMD, the RBTT is required to deliver a report each year of the RBTMD's 10-year term.

At the time of formation in 2018, the RBTMD estimated its annual revenues at \$785,000, which was derived from a 1% assessment on gross room revenue for each assessed lodging business. The 1% assessment represents the minimum assessment for the District. The City collects the assessment on a monthly basis from each licensed lodging business within the RBTMD boundaries that are comprised of 20 rooms or more. The TMD assessments are remitted to the City at the same time as the transient occupancy tax (TOT) payments. The City then transmits the funds to the RBTT for use.

When the City Council renewed the RBTMD for a 10-year term, they also approved the 2023-2033 Management District Plan, which establishes the assessment rate at 1% of gross room rental revenue. Under the plan, the rate may be increased up to a maximum of 3% during the term; however, any adjustment in a single year is limited to 1%. The 1% assessment rate has not been increased or decreased since the formation of the RBTMD, nor are they proposing any changes to the rate at this time.

If the RBTT proposes to adjust the assessment rate in the future, the RBTT Board must vote internally on the adjustment. Any proposed assessment increases or decreases approved by the RBTT Board at the end of their fiscal year (which runs September to August) must be included in the annual report to City Council for approval. Following RBTT's submission, the City Council would hold a public hearing and consider a resolution to formally approve the rate adjustment before it becomes effective.

**September 2024 to August 2025 Report:** Pursuant to the Management District Plan, the City Council must review and consider for approval the Annual Report for the RBTMD that outlines accomplishments for the period September 2024 to August 2025 and the proposed budget and operational plan for the coming year (September 2025 to August 2026).

Activities, goals and achievements for the period include:

- Strategic outreach through integrated digital platforms, targeted familiarization (FAM) trips, web engagement, and selected sponsorship opportunities that reached over 418,000

users and 462,000 sessions on RedondoBeachTourism.com

- New photo & video shoots to produce a variety of creative assets (intellectual property) to be used by RBTT, its hotels, and the City to support larger placemaking and brand awareness
- Nine new tactical and targeted ad campaigns were launched around extreme weather-based travel for local flight markets as well as continuation as the Center of LA efforts for local theme park visitors, high profile sporting and entertainment events, and downtown group meetings and events

The sales and marketing program is designed to increase overnight visitation and room night sales by promoting assessed businesses as tourist, meeting, and event destinations. Activities and goals for the period of September 2025 to August 2026 are expected to include:

- Internet marketing efforts to increase awareness and optimize presence to drive overnight visitation and room sales to assessed businesses
- Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses
- Attendance of trade shows to promote assessed businesses
- Sales blitzes for assessed businesses
- Familiarization tours of assessed businesses
- Preparation and production of collateral promotional materials such as brochures, flyers, and maps featuring assessed businesses
- Attendance of professional industry conferences and affiliation events to promote assessed businesses
- Lead generation activities designed to attract tourists and group events to assessed businesses
- Promotion of special events designed to drive overnight visitation and room sales to assessed businesses
- Development and implementation of a public relations and communications strategy, inclusive of social media outlets and press release distribution designed to increase overnight visitation at assessed businesses
- Development and maintenance of a website designed to promote assessed businesses
- Development of a marketing plan to ensure RBTMD funds are strategically spent to market assessed lodging businesses
- Development of Return on Investment (ROI) analysis on effectiveness of district funds to improve effectiveness and increase overnight visitation at assessed businesses

### **September 2024 - August 2025 Budget**

The total budget for the September 2024 to August 2025 period included \$508,522 in collections, \$509,736 in carry over from the previous year, and \$151,369 in delayed remittance of 2023-2024 RBTMD assessment funds. The total budget for the period was \$1,169,627.

### **September 2024 - August 2025 Projections**

The anticipated budget for the period of September 2025 to August 2026 is \$725,000 in collections, \$509,738 in estimated carry over from the previous year, and \$179,147 in estimated delayed remittance of 2024-2025 RBTMD assessment funds. The projected total budget for the period is

\$1,413,885. The categorical breakdown is included in the table below. All categorical budget allocations are within the authorized 15% adjustment of the total budget from the prior year.

Category	%	Collections	Carryover	Delayed Remittance	Total
Sales & Marketing	87%	\$630,750	\$231,505	\$155,859	\$1,018,114
Administration & Operations	10%	\$72,500	\$185,164	\$17,914	\$275,578
Contingency / Reserve	3%	\$21,750	\$93,069	\$5,374	\$120,193
<b>Totals</b>	<b>100%</b>	<b>\$725,000</b>	<b>\$509,738</b>	<b>\$179,147</b>	<b>\$1,413,885</b>

RBTT will return to the City Council next year to report on the actual earnings from the period September 2025 to August 2026. At this time, staff recommends approving RBTT's report for the period September 2024 to August 2025 in connection with RBTMD activities.

### **COORDINATION**

The Waterfront and Economic Development Department represents the City as a non-voting advisory member of the RBTMD and assists with the coordination of the City Council's review and consideration of the RBTT Annual Report. The City Attorney's Office has approved the Resolution as to form. The Financial Services Department manages the processing of the assessments and disbursements to the RBTT.

### **FISCAL IMPACT**

Fees for the RBTMD are collected by the City from assessed hotels on a monthly basis. The fees are then transmitted to the RBTT for use. RBTMD assessment collections do not have a fiscal impact on the City's budget, as the City's General Fund does not contribute to the RBTT. However, it is expected that RBTMD marketing efforts increase visitation to the City, resulting in an increase in overall TOT and sales tax collections. RBTMD assessments are restricted for exclusive use by the RBTMD and must be reported to the City Council annually.

### **APPROVED BY:**

*Mike Witzansky, City Manager*

### **ATTACHMENTS**

- Reso - No. CC-2512-094, Approving the Report of the RBTT for September 2024 to August 2025
- Report - Redondo Beach Tourism Marketing District Report for September 1, 2024 through August 31, 2025, Received November 1, 2025
- Report - Redondo Beach Travel & Tourism Financials for September 1, 2024 through August 31, 2025
- Presentation - Redondo Beach Travel & Tourism Presentation for December 2, 2025
- Reso - No. CC-2307-046, Intent to Renew the Redondo Beach Marketing District, May 16, 2023
- Redondo Beach Tourism Marketing District 2023-2033 Management District Plan, April 20, 2023

