



## REDONDO BEACH TOURISM MARKETING DISTRICT FY23/24 Annual Report

Submitted to the City of Redondo pursuant to Streets and Highways Code section 36650, for the period from September 1, 2022 through August 31, 2023

October 3, 2023

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September 1, 2022 - August 31, 2023

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## Accomplishments - FY 2023

Redondo Beach Tourism successfully and adeptly maneuvered through the FY 2021 with the ongoing and ever-changing strategic demands based on the Covid19 pandemic, and associated realities for tourism.

- September 2020-November 2020: Fully integrated a comprehensive marketing strategy
- December 2020 to February 2021: Slowed and re-evaluated all approaches to travel-based marketing due to the surge of Covid19 cases and travel restrictions placed on LA County
- March 2021 to June 2021: Restarted with a reduced and highly targeted marketing spends geared to local travelers following the increase in vaccination rates and ever-growing demand in the drive market
- July 2021-August 2021: Continued to evaluate the impact of travel demand caused by the Delta-Variant case surge and its impact on changing summer travel plans

Launched seasonal and tactical campaigns tied to every travel trend; winter holiday travel, summer kick-off travel, and “stay two nights get your third night free” incentive.

Concepted and released a new creative ad campaign highlighting Redondo Beach’s unique attributes for drive-close audiences through a new STAYCATION campaign creative direction.

Supported Beach life through a significant paid sponsorship program that garnered over 750,000 digital impressions through email, social postings and web page views tied to RBT offerings.

Using aRes platform to drive direct bookings including a special “stay two nights get your third night free” promotion.

Maintained, evolved and directed new tourism leads to the website:  
[www.RedondoBeachTourism.com](http://www.RedondoBeachTourism.com), 221,000 Sessions.

Invested \$66,000 in three Expedia ad campaigns that returned directly attributed bookings valued at over \$1,900,000.

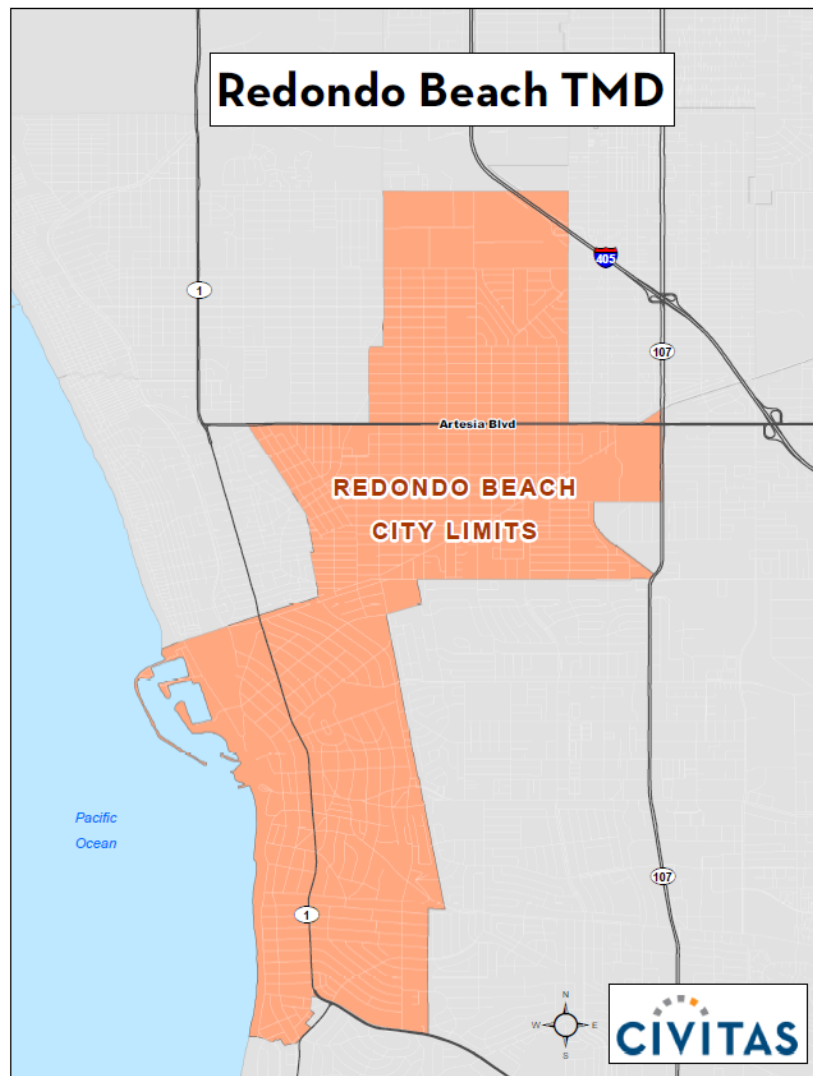
Made use of social influencers with four familiarization tours that supported outreach into new market segments for actively engaged travelers across three key demographics: regional family travel, empty nester escapes, and millennial active travel.

Optimized regional paid search and social efforts resulting in 13.8 million total RBT impressions served across Google, Facebook related platforms, BING search, and Youtube.com.

## Boundaries

There are no proposed changes to the Redondo Beach Tourism Marketing District (RBTMD) boundaries. Additionally, there is one change to assessed businesses, the Starlight/Pacific Coast Inn is no longer an assessed lodging business. The RBTMD will continue to include all lodging businesses, with twenty (20) rooms or more, existing and in the future, available for public occupancy within the boundaries of the City of Redondo Beach, as shown below.

The boundary currently includes fourteen (14) lodging businesses, listed in Appendix 1.



## Improvements and Activities

The improvements and activities to be provided for FY23/24 are consistent with the Management District Plan. There are no proposed changes.

### Sales and Marketing

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Redondo Beach as a desirable place for overnight visits. The RBTMD may contract with third parties to administer and implement the programs. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet 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 Redondo Beach assessed lodging businesses; and
- Development of Return on Investment (ROI) analysis on effectiveness of district funds to improve effectiveness and increase overnight visitation at assessed businesses.

### Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, advocacy, and other general administrative costs such as insurance, legal, and accounting fees.

### Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other

program, administration or renewal costs at the discretion of the RBTT Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the RBTT Board. Contingency/reserve funds may be spent on RBTMD programs or administrative and renewal costs in such proportions as determined by the RBTT Board. The reserve fund may be used for the costs of renewing the RBTMD.

## Budget

### FY 22/23 Actual

The cost of providing improvements and activities for FY22/23 is consistent with the Management District Plan. The total budget for FY22/23 was \$597,706 in collections, \$332,845 in carry over from the previous year, and \$191,810 in delayed remittance of FY21/22 RBTMD assessment funds. The total budget for 2022-2023 was \$1,122,361. The categorical breakdown is below. All budget category allocations are within the authorized fifteen percent (15%) adjustment of the total budget from the prior year.

Category	%	Collections	Carryover	Delayed Remittance	Total
Sales & Marketing	87%	\$520,004	\$169,339	\$166,875	\$856,218
Administration & Operations	10%	\$59,771	\$117,602	\$19,181	\$196,554
Contingency / Reserve	3%	\$17,931	\$45,904	\$5,754	\$69,589
Totals	100%	\$597,706	\$332,845	\$191,810	\$1,122,361

### FY 23/24 Projections

The cost of providing improvements and activities for FY23/24 is consistent with the Management District Plan. The anticipated total budget for FY23/24 is \$700,000 in anticipated collections, \$487,036 in estimated carry over from the previous year, and \$128,030 in estimated delayed remittance of FY22/23 RBTMD assessment funds. The projected total budget for 2023-2024 is \$1,315,066. The categorical breakdown is below. All budget category allocations are within the authorized fifteen percent (15%) adjustment of the total budget from the prior year.

Category	%	Collections	Carryover	Delayed Remittance	Total
Sales & Marketing	87%	\$609,000	\$278,307	\$111,387	\$998,694
Administration & Operations	10%	\$70,000	\$139,140	\$12,803	\$221,943
Contingency / Reserve	3%	\$21,000	\$69,589	\$3,840	\$94,429
Totals	100%	\$700,000	\$487,036	\$128,030	\$1,315,066

## Assessment

There is no change in the method and basis of levying the assessment.

### Assessment

The annual assessment rate is one percent (1%) of gross short term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any Federal or State officer when on official business; stays by any officer, employee or consultant/contractor of the City when on official business; and stays by any officer or employee of a foreign government who is exempt by reason of express provisions of Federal law or international treaty; and that portion of gross short-term room rental revenue allocable to food and beverage products of every kind provided by the lodging business for consumption by transients and invitees of transients.

Long term contract renters shall receive a partial exemption from the RBTMD assessment as detailed below. A “long term contract renter” means a person that has entered into a contract with a lodging business to rent a block of nine (9) or more rooms for a continuous period of at least twelve (12) months. “LTC room night rental” means the rent charged for a room for one night in accordance with the provisions of a long-term contract. Lodging businesses shall receive a base partial exemption from the RBTMD assessment for LTC room night rentals pursuant to the following four (4) categories:

- Lodging businesses that rent 500 or less LTC room night rentals in a single month shall receive an eighty percent (80%) exemption from the amount of the RBTMD assessment owed therefor;
- Lodging businesses that rent 501 to 1,500 LTC room night rentals in a single month shall receive a seventy percent (70%) exemption from the amount of the RBTMD assessment owed therefor for each LTC room night greater than 500 and less than 1,501;
- Lodging businesses that rent 1,501 to 2,000 LTC room night rentals in a single month shall receive a fifty-five percent (55%) exemption from the amount of the RBTMD assessment owed therefor for each LTC room night greater than 1,500 and less than 2,001; and
- Lodging businesses that rent 2,000 or more LTC room night rentals in a single month shall receive a fifteen percent (15%) percent exemption from the amount of RBTMD assessment owed therefor for each LTC room night over 2,000.

The term “gross room rental revenue” as used herein means: the consideration charged, whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor, or otherwise, including all receipts, cash, credits, property, and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business, comprised of twenty (20) rooms or more. However, the assessed lodging business, comprised of twenty (20) rooms or more, may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The RBTMD assessment shall be disclosed as the “RBTMD Assessment.” As an alternative, the disclosure may include the amount of the RBTMD assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed

as the “Tourism Assessment.” The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business, comprised of twenty (20) rooms or more, even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

Bonds shall not be issued.

## Delinquencies

### Original Delinquency

Any lodging business that shall fail to remit any assessment imposed within the time required shall pay a penalty in the amount of ten percent (10%) of the assessment in addition to the amount of the assessment.

### Continued Delinquency

Any lodging business that shall fail to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty in the amount of ten percent (10%) of the assessment in addition to the amount of the assessment and the ten percent (10%) percent penalty first imposed.

### Fraud

If the City shall determine that the nonpayment of any remittance due is due to fraud, a penalty in the amount of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties set forth in subparagraphs 1 and 2 of this Section.

### Interest

In addition to the penalties imposed, any lodging business that shall fail to remit any assessment imposed shall pay interest at the rate of one-half of one percent (0.5%), or fraction thereof, on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

### Penalties Merged with Assessment

Every penalty imposed, and such interest as accrues shall become a part of the assessment required to be paid.

## Surplus and Other Funding

### Surplus

#### FY22/23 Surplus

The amount of surplus to be carried over from the previous year is \$487,036 of which \$278,307 is attributed to sales and marketing programs, \$139,140 is attributed to administration and operations, and \$69,589 is attributed to contingency / reserve.

#### Delayed FY22/23 RBTMD Assessment Funds

RBTMD assessment collections for July 2023 were remitted in October 2023. August 2023 assessment collections have not been remitted to Redondo Beach Travel and Tourism as of October 3, 2023 but are estimated to be remitted in the amount of \$67K. The total estimated amount of delayed RBTMD assessment remittance, \$128K has now been incorporated into the budget for FY23/24.

### Other Funding

No contributions were made from sources other than the RBTMD assessment.

## Appendix 1 - Assessed Businesses

Business Name	Business Address
Best Western Redondo Beach Inn	1850 S. Pacific Coast Hwy
Best Western/Galleria Inn	2740 Artesia Blvd
Sonesta Redondo Beach & Marina	300 N Harbor Dr
Hilton Garden Inn	2410 Marine Ave
Homewood Suites by Hilton	2430 Marine Avenue
Moonlite Inn	625 S Pacific Coast Hwy
Portofino Hotel Yacht Club	260 Portofino Way
Ramada Limited	435 S. Pacific Coast Hwy
Redondo Beach Hotel (Sunrise)	400 N Harbor Dr
Redondo Inn & Suites	711 S. Pacific Coast Hwy
Redondo Pier Inn	206 S. Pacific Coast Hwy
Residence Inn by Marriott	2420 Marine Ave
Seaside Motel	1935 Artesia Blvd
Shade Hotel	655 North Harbor Drive