BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING
NOVEMBER 18, 2025

N.1 DISCUSSION AND POSSIBLE ACTION ON THE CITY'S TRANSIENT OCCUPANCY TAX AND THE PROCESS TO CONSIDER INCREASING THE TAX RATE

PROCEDURES:

1) Receive and file information regarding the City's current TOT rate and those of surrounding and comparable cites, possible TOT increment exemptions and carve-outs, and the potential impact an increase would have on hotels; and
2) Provide direction to staff on next steps and the research of additional information and/or the preparation of ballot measure materials needed for voter consideration of a TOT rate increase.

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

Additional Material

- Email Communication-Redondo Beach Tourism
- Email Communication-Sonesta Redondo Beach & Marina

Stephanie Meyer

From: Rebecca Elder <relder@noblehousehotels.com>
Sent: Monday, November 17, 2025 5:29 PM
To: Stephanie Meyer; Eleanor Manzano; Mike Witzansky
Subject: TOT increase

CAUTION: Email is from an external source; ***Stop, Look, and Think*** *before opening attachments or links.*

Hi Stephanie,

I'm hoping you can include this letter in the packet for the TOT discussion. I would like for Council to consider a 1% TOT increase and a allowing a 1% RBT assessment increase.

While Redondo is currently under market for TOT compared to the beach cities, Santa Monica and Beverly Hills, research indicates that a 2% increase combined with the assessment would put Redondo taxes at a total of 15%. If Redondo Beach Tourism were to add an assessment, Redondo Beach's tax rate would be higher than the surrounding areas which would put us at a disadvantage for consumers shopping based on total price (room plus tax).

As you know, Redondo Beach Tourism functions as a marketing arm for the hotels, which in turn drives TOT for the city. RBT is able to use our assessment funds to position Redondo Beach within Los Angeles, proximity to Sofi & Intuit Stadiums and ultimately World Cup, Super Bowls and Olympics. Most hotel budgets are focused on branded terms with limited funds for special events and destination awareness.

If Council were to allow a 1% TOT increase and a 1% assessment for RBT, it would double the existing budget and allow us to drive even more occupancy and revenue.

I'd be happy to discuss this further, and I plan on attending the meeting should anyone have any questions.

Thanks
Becca Elder
Chair, Redondo Beach Tourism

Rebecca Elder
Corporate Director, Revenue Strategy

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Stephanie Meyer

From:	Iacono, Kasi <kasi.iacono@sonesta.com>
Sent:	Monday, November 17, 2025 4:42 PM
To:	Mike Witzansky; Eleanor Manzano; Eugene Solomon
Cc:	Stephanie Meyer
Subject:	Redondo Beach TOT
Follow Up Flag:	Follow up
Flag Status:	Flagged

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Good afternoon,

I learned the Redondo Beach City may be increasing the TOT for hotel accommodations by 2% and wanted to share my thoughts/concerns.

The current rate is 12% Occupancy Tax (TOT), 1% RBTMD Assessment and .195% CA Assessment Fee for a total of **13.195%.** This current rate is still competitive to Palm Springs and San Diego (both at 12.70% total) and compared to other areas of Los Angeles (LA is 16.2% Total; Santa Monica is 15.2%, Manhattan Beach and Hermosa Beach is 14.2%, Torrance is 11.2%) and Huntington Beach (16.2%).

The thought of increasing TOT from 12% to 14% + 1% RBTMD + .195% CA Assessment Fee = **15.195%.** The Redondo Beach Travel & Tourism has previously discussed increasing the TMD from 1% to 2% but postponed it due to the current market conditions and ensuring we close business and not lose share to other destinations in SoCal or within LA. LA is still recovering from the Brand Tarnish (per Los Angeles Tourism & Convention Board) that started last year and the LA Wildfires in January earlier this year and the ICE Protests in June has prolonged the efforts of the City to ensure it's safe and a great destination to do business or for leisure in Los Angeles and the surrounding areas.

If we were to add another 1% to the TMD later, that would make our total tax be 16.195% which would be higher than the surrounding beach cities in South Bay and Santa Monica and be at a disadvantage and potential loss of business which means less TOT to the city of Redondo Beach.

Increasing the TOT by 1% (Total of 14.195%) versus 2% would be comparable to the nearby Beach Cities and if we do increase the TMD another 1% so total tax is 15.195%, we would still have an advantage or at least be in line with the other nearby areas. Redondo Beach Travel & Tourism currently has the lowest TMD compared to other cities like Marina Del Rey (3%); LA (2%); Huntington Beach (6%) and San Diego (2%). RBTT having the additional 1% TMD will allow it to market the hotels and destinations to increase awareness, interest and guests staying in Redondo Beach and help increase the TOT for the city.

We want to ensure the hotels in Redondo Beach remain competitive which includes the overall TOT to close business or shift share from other destinations.

Thank you for your time.

Best regards,

SONESTA
HOTELS, RESORTS & CRUISES

KASI IACONO

DIRECTOR OF SALES & MARKETING

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