



AGENDA

Mike Carroll
Chairman

Pete Carmichael
Committee Member

Oliver C. Chi
Committee Member

Ronnie Dalgado
Committee Member

Jeff Mitrovich
Committee Member

Sid Ramani
Committee Member

Tony Zand
Committee Member

CITY OF IRVINE HOTEL IMPROVEMENT DISTRICT OPERATING COMMITTEE SPECIAL MEETING

July 18, 2023

3:00 PM

Harvard Community Center
14701 Harvard Ave.
Irvine, CA 92606

PARTICIPATION AT HOTEL IMPROVEMENT DISTRICT OPERATING COMMITTEE MEETINGS

YOU MAY SUBMIT COMMENTS ON ANY AGENDA ITEM OR ON ANY ITEM NOT ON THE AGENDA, IN WRITING VIA MAIL TO "ATTN: HOTEL IMPROVEMENT DISTRICT OPERATING COMMITTEE," 1 CIVIC CENTER PLAZA, IRVINE, CA 92606 OR BY EMAIL TO ERLOZADA@CITYOFIRVINE.ORG. COMMENTS SUBMITTED AT LEAST TWO HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING WILL BE DISTRIBUTED TO COMMITTEE MEMBERS AT THE MEETING. YOU MAY ALSO PROVIDE LIVE COMMENTS VIA "ZOOM." FOR MORE INFORMATION, VISIT WWW.CITYOFIRVINE.ORG/HIDCOMMITTEE AND SELECT "HOTEL IMPROVEMENT DISTRICT OPERATING COMMITTEE MEETINGS."

REQUEST TO SPEAK IN PERSON: IF YOU WOULD LIKE TO ADDRESS THE COMMITTEE ON A SCHEDULED AGENDA ITEM OR NON-AGENDIZED ITEM, PLEASE REGISTER BY COMPLETING A REQUEST TO SPEAK FORM AVAILABLE WITH THE RECORDING SECRETARY. WE RESPECTFULLY ASK THAT YOU IDENTIFY ON THE FORM YOUR NAME AND THE ITEM(S) ON WHICH YOU WOULD LIKE TO SPEAK. THE REQUEST TO SPEAK FORM ON THE KIOSK ASSISTS THE CHAIRMAN IN ENSURING THAT ALL PERSONS WISHING TO ADDRESS THE COMMITTEE ARE RECOGNIZED. IT ALSO ENSURES THE ACCURATE IDENTIFICATION OF MEETING PARTICIPANTS IN THE COMMITTEE MINUTES. YOUR NAME WILL BE CALLED AT THE TIME THE MATTER IS HEARD BY THE COMMITTEE. CITY POLICY IS TO LIMIT PUBLIC TESTIMONY TO UP TO THREE MINUTES PER SPEAKER DEPENDING ON RELEVANT CIRCUMSTANCES, WHICH INCLUDES THE PRESENTATION OF ELECTRONIC OR AUDIO VISUAL INFORMATION. SPEAKERS MAY NOT YIELD THEIR TIME TO OTHER PERSONS.

PLEASE TAKE NOTICE THAT: THE ORDER OF SCHEDULED AGENDA ITEMS BELOW AND/OR THE TIME THEY ARE ACTUALLY HEARD, CONSIDERED AND DECIDED MAY BE MODIFIED BY THE CHAIRMAN OR THE COMMITTEE DURING THE COURSE OF THE MEETING, SO PLEASE STAY ALERT.

PLEASE NOTE: THE HOTEL IMPROVEMENT DISTRICT OPERATING COMMITTEE IS MAKING EVERY EFFORT TO FOLLOW THE SPIRIT AND INTENT OF THE BROWN ACT AND OTHER APPLICABLE LAWS REGULATING THE CONDUCT OF PUBLIC MEETINGS, IN ORDER TO MAXIMIZE TRANSPARENCY AND PUBLIC ACCESS. FOR QUESTIONS OR ASSISTANCE, PLEASE CONTACT THE CITY MANAGER'S OFFICE AT 949-724-6691, OR VIA EMAIL AT ERLOZADA@CITYOFIRVINE.ORG. IT WOULD BE APPRECIATED IF WRITTEN COMMUNICATIONS OF PUBLIC COMMENTS RELATED TO ITEMS ON THE AGENDA, OR ITEMS NOT ON THE AGENDA, ARE PROVIDED PRIOR TO THE COMMENCEMENT OF THE MEETING.

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

1. ***OVERVIEW OF MADDEN DESTINATION MARKETING AGENCY***
2. ***FISCAL YEAR 2022-23 SMITH TRAVEL RESEARCH (STR REPORTS), EXPEDIA RESULTS AND SALES ACTIVITES***

PUBLIC COMMENTS - NON-AGENDIZED ITEMS

Any member of the public may address the Hotel Improvement District Operating Committee on items within the Committee's subject matter jurisdiction but which are not listed on this agenda. If 20 or fewer requests to provide public comments are submitted, each speaker shall be limited to three minutes. If between 21 and 30 speakers submit public comments, each speaker shall be limited to two minutes. If more than 30 speakers submit public comments, each speaker shall be limited to 90 seconds. The time limit per speaker shall be established based on the number of requests to speak submitted to the Recording Secretary before the first speaker is called. Requests to speak submitted after the first speaker is called shall receive 90 seconds. These time limits may be shortened or extended, or a cumulative limit on the time for all public speakers may be imposed, at the discretion of the Chairman or by a majority vote of the Committee.

ANNOUNCEMENTS/COMMITTEE REPORTS

Announcements and Committee Reports are for the purpose of presenting brief comments or reports, are subject to California Government Code Section 54954.2 of the Brown Act and are limited to 21 minutes per meeting, 3 minutes per member of the Hotel Improvement District Operating Committee. In addition, the Chairman shall receive any necessary additional time to deliver announcements of community events and opportunities.

COMMITTEE BUSINESS

Public comments on Council Business items will be heard at the time the matters are considered. If 10 or fewer requests to speak are submitted, each speaker shall be limited to three (3) minutes per item. If between 11 and 15 speakers submit requests to speak, each speaker shall be limited to two (2) minutes per item. If 16 or more requests to speak are submitted, each speaker shall be limited to 90 seconds per item. The time limit per speaker shall be established based on the number of requests to speak submitted to the Recording Secretary before the first speaker is called. Requests to speak submitted after the first speaker is called shall receive 90 seconds. These time limits may be shortened or extended, or a cumulative limit on the time for all public speakers may be imposed, at the discretion of the Chairman or by a majority vote of the Hotel Improvement District Operating Committee.

3. ELECTION OF VICE CHAIRMAN FOR THE HOTEL IMPROVEMENT DISTRICT OPERATING COMMITTEE

ACTION:

Elect a Vice Chairman for the Hotel Improvement District Operating Committee for the ensuing year.

4. APPROVAL OF THE FISCAL YEAR 2023-2024 HOTEL IMPROVEMENT DISTRICT OPERATING COMMITTEE MEETING SCHEDULE

ACTION:

Approve Hotel Improvement District Operating Committee meeting schedule to be the third Tuesday of each month at 3:00 p.m. – 5:00 p.m.

5. FISCAL YEAR 2023-24 BUDGET FOR THE HOTEL IMPROVEMENT DISTRICT PROGRAM

ACTION:

Review and provide feedback on the HID’s proposed, Fiscal Year 2023-24 budget and marketing plans.

ADJOURNMENT

ADJOURNMENT

At 4:30 p.m., the Hotel Improvement District Operating Committee will determine which of the remaining agenda items can be considered and acted upon prior to 5 p.m. and will continue all other items on which additional time is required until a future Committee meeting. All meetings are scheduled to terminate at 5 p.m.

STAFF REPORTS

As a general rule, staff reports or other written documentation have been prepared or organized with respect to each item of business listed on the agenda. Copies of these materials are on file with the Recording Secretary and are available for public inspection and copying once the agenda is publicly posted, (at least 7 days prior to a regular Hotel Improvement District Operating Committee meeting). Staff reports can also be downloaded from the City's website at cityofirvine.org at least 7 days prior to the scheduled Committee meeting.

If you have any questions regarding any item of business on the agenda for this meeting, or any of the staff reports or other documentation relating to any agenda item, please contact Hotel Improvement District Operating Committee staff at (949) 724-6691.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the Committee regarding any item on this agenda after the posting of the agenda will be available for public review in the City Manager's Office, 1 Civic Center Plaza, Irvine, California, during normal business hours. In addition, such writings or documents will be made available for public review on the City's website and at the respective public meeting.

SUBMITTAL OF INFORMATION BY MEMBERS OF THE PUBLIC FOR DISSEMINATION OR PRESENTATION AT PUBLIC MEETINGS

Written Materials/Handouts

Any member of the public who desires to submit documentation in hard copy form may do so prior to the meeting or at the time he/she addresses the Committee. Please provide 15 copies of the information to be submitted and file with the Recording Secretary at the time of arrival to the meeting. This information will be disseminated to the Committee at the time testimony is given.

CITY SERVICES TO FACILITATE ACCESS TO PUBLIC MEETINGS

It is the intention of the City of Irvine to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the City of Irvine will attempt to accommodate you in every reasonable manner. Please contact the City Manager's Office at (949) 724-6246.

COMMUNICATION AND ELECTRONIC DEVICES

To minimize distractions, please be sure all personal communication and electronic devices are turned off or on silent mode.

MEETING SCHEDULE

Regular meetings of the Hotel Improvement District Operating Committee are held bi-monthly on the third Tuesday of each month at 3:00 p.m. Agendas are available at the following locations:

- City Clerk's Office
- Police Department
- Front Entrance of City Hall
- University Park Center (Culver/Michelson)
- Walnut Village Center (Culver/Walnut)
- Northwood Town Center (Irvine Blvd./Yale)
- City's web page at cityofirvine.org

I hereby certify that the agenda for the City of Irvine Hotel Improvement District Operating Committee was posted in the posting book located in the Public Safety Lobby of City Hall, 1 Civic Center Plaza, Irvine, California on July 13, 2023 by 6:00 p.m. as well as on the City's web page.

Ericka Lozada

[Ericka Lozada \(Jul 13, 2023 15:02 PDT\)](#)

Ericka Lozada
Recording Secretary



REQUEST FOR HOTEL IMPROVEMENT DISTRICT OPERATING COMMITTEE ACTION

MEETING DATE: JULY 18, 2023

TITLE: FISCAL YEAR 2023-24 BUDGET FOR THE HOTEL IMPROVEMENT DISTRICT PROGRAM


[Misty Bond \(Jul 13, 2023 14:22 PDT\)](#)

HID Program Director

RECOMMENDED ACTION

Review and provide feedback on the Hotel Improvement District's (HID) proposed, Fiscal Year 2023-24 budget and marketing plans.

EXECUTIVE SUMMARY

The total HID program sales and marketing budget for Fiscal Year 2023-24 is \$2.5M, up from \$1.19M in Fiscal Year 2022-23. The increase in available funding provides for a number of key strategies including the engagement of a new creative agency, reimagining the Destination Irvine brand, amplifying our presence at tradeshow, and other initiatives that will help drive more room nights into Irvine's hotels.

COMMISSION/BOARD/COMMITTEE RECOMMENDATION

Not applicable.

ANALYSIS

As a result of reduced overhead and administrative costs under City management, the projected revenue allocated to the sales and marketing budget for Fiscal Year 2023-24 is \$2.5 million, up from \$1.19 million in Fiscal Year 2022-23. Expenditures of \$2.4M are planned across a variety of programs and platforms to maximize return on investment and build the Irvine brand with key initiatives highlighted as follows:

- The largest percentage of funds allocated to the HID's sales & marketing budget goes to advertising at 26%. The budget reflects continuing the Expedia campaigns which drive a high rate of activity with modest expenditure. Expedia's return on ad spend (ROAS) for the Always-On campaign and OC Co-Op for Fiscal Year 2022-23 were \$58:\$1 and \$52:\$1 respectively.

- Another significant expenditure for the Fiscal Year 2023-24 budget, at approximately 15%, is the hotel business development account. Included in this account are the improved Fiscal Year 2023-24 group booking incentive program and other new initiatives such as a business transient (BT) booking incentive and a pilot program through Uber.
- Conferences, Events and Tradeshows account for 13.4% of expenditures. This account includes funds to promote Irvine at tradeshows and other promotional initiatives.
- Rebranding and public relations accounts for approximately 11% of the budget and includes the HID's newly engaged agency costs to develop a new destination marketing brand, new logo, and website.

The remainder of the budget is allocated to the customer database, other vital systems and industry memberships. Of the \$2.5M budget, \$100,000 will be added to cash reserves.

ALTERNATIVES CONSIDERED

The Committee could provide direction to discontinue or modify expenditures.

FINANCIAL IMPACT

The \$2.5M Fiscal Year 2023-24 budget is funded through a portion of Irvine hotel revenue directed to the HID. Expenditures align with revenues and include \$100,000 held as cash reserves.

REPORT PREPARED BY Misty Bond, HID Program Director

ATTACHMENTS

1. HID Draft budget

	HID DRAFT FISCAL YEAR 2023-2024 BUDGET	Estimates	Budget	Percent of Budget
Rebranding & PR			271,500.00	10.86%
	Advertising Agency	271,500.00		
Website			31,000.00	1.24%
	Destinationirvine.com live until November with Zambezi	3,000.00		
	Website, SEO & SEM (through Ad agency)	28,000.00		
CRM			8,000.00	0.32%
	iDSS/Tempest	8,000.00		
Advertising			645,168.00	25.81%
	Expedia (Always-On: Dedicated to Irvine Hotels only.)	300,000.00		
	Expedia (OC Co-Op)	140,000.00		
	Expedia (International Campaigns)	60,000.00		
	Remaining Advertising split between destination awareness campaigns, sports and corporate	145,168.00		
Research			75,693.00	3.03%
	Dean Runyan	5,000.00		
	STR Reports	10,693.00		
	BT/New Local Businesses Reports	10,000.00		
	DataFY	50,000.00		
Organizational Development and Planning			74,000.00	2.96%
	Strategic Planning Firm	50,000.00		
	Organizational Development	24,000.00		
Conferences, Events, Tradeshows			335,000.00	13.40%
	Trade Show Booth & Signage: Design and production	50,000.00		
	Shipping, Set-up, Tear-down	30,000.00		
	Sports Tradeshows & Privately Hosted Events	60,000.00		
	Corporate & BT Tradeshows & Privately Hosted Events	60,000.00		
	Trade & Media Missions	35,000.00		
	Hotelier Participation	60,000.00		
	International Initiatives	20,000.00		
	Continuing Education, Industry, Advocacy Events	20,000.00		
Professional Memberships			9,358.00	0.37%
	Small Market Meetings: complimentary with sponsorship & registration at 2023 conference	500.00		
	Destination Marketing Association West	1,030.00		
	CalSAE	589.00		
	CalTravel	999.00		
	ASAE	475.00		
	Destinations International	3,190.00		
	US Travel Association (ESTO)	2,575.00		
	GBTA (Membership included in 2023 Event Registration = \$395)	0.00		
Outside Services			126,054.00	5.04%
	Color Blind	50,554.00		
	Influencers & Supplemental Video Projects	30,000.00		
	Digital Visitor Guide Design	10,000.00		
	Printable & Digital Map	0.00		
	Crowdriff: User generated content gathering platform	18,000.00		
	Threshold360: 360 degree images of hotels including guestrooms, meeting and public spaces.	10,000.00		
	SkyNav: 360 degree virtual, sky-to-ground tour of Irvine (licensing fee)	7,500.00		
Industry Outreach			107,000.00	4.28%
	FAM Trips for Meeting Planners, Media & Sports Directors	60,000.00		
	Local Client Engagement	23,500.00		
	Hotelier Engagement & Events (local)	23,500.00		
Partner Programs			132,670.15	5.31%
	HuddleUp	3,375.00		
	Cvent	33,978.15		
	OC Sports Commission	45,000.00		
	Conference Direct	3,500.00		
	Destinations International Meetings Calculator	2,817.00		
	HelmsBriscoe	10,000.00		
	Additional partners or upgrades with HB, HPN, CD, and Cvent	34,000.00		

ATTACHMENT

Miscellaneous			42,048.85	1.68%
	New/Unplanned initiatives & trips	37,048.85		
	Award entries	5,000.00		
Printing & Collateral			51,422.00	2.06%
	VIP gift/collateral allowance per hotel	25,703.00		
	HID Office & Meeting Supplies	5,719.00		
	DMO Branded Collateral & Giveaways for Tradeshows & Clients	20,000.00		
Hotel Business Development			364,686.00	14.59%
	Group Booking Incentive Program	180,000.00		
	Rewards Program for 3rd Party, Corporate Planners	20,000.00		
	Business Transient Booking Incentive	20,000.00		
	Uber & UberEats for Business allowance per hotel	144,686.00		
Additional Staff			126,400.00	5.06%
	Corporate Sales Manager also focusing on local & BT business. (includes benefits)	126,400.00		
HID Reserves		100,000.00	100,000.00	4.00%
	TOTAL SALES & MARKETING BUDGET: \$2.5M (up from \$1,188,929.35 in FY23)	2,500,000.00	2,500,000.00	
			2,500,000.00	