



NEWPORT BEACH

City Council Staff Report

June 23, 2026
Agenda Item No.19

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Visit Newport Beach, Inc. Fiscal Year 2027 and 2028 Destination
Business Plan Budget, Leisure Marketing (TOT) Fiscal Year 2027-
28 Budget and Performance Standards Report

ABSTRACT:

Visit Newport Beach, Inc. (VNB) provides tourism promotion, destination marketing, branding, and related services to the City of Newport Beach (City) pursuant to an agreement for tourism promotion, branding, and marketing services that became effective January 1, 2025.

The agreement requires VNB to submit a Biennial Performance Standards Report, Biennial Marketing Plan, and Biennial Budget to the City for review and action. VNB has submitted its Fiscal Year (FY) 2027 and FY 2028 Destination Business Plan, which serves as the required Biennial Marketing Plan; its FY 2027 and FY 2028 Biennial Performance Standards Report; and its Leisure Marketing Transient Occupancy Tax (TOT) Budget for City Council review and approval.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Review and approve and/or modify the FY 2027 and 2028 Visit Newport Beach Destination Business Plan and Performance Standards Report; and
- c) Review and approve the Visit Newport Beach, Inc. Leisure Marketing (TOT) FY 2027 and 2028 Budget.

DISCUSSION:

VNB is a California nonprofit corporation recognized as a tax-exempt business organization under Section 501(c)(6) of the Internal Revenue Code. VNB serves as the destination marketing organization for the City and is responsible for promoting the

Newport Beach brand, increasing tourism, supporting the visitor economy, and increasing commercial TOT revenue.

The City and VNB entered into the current agreement for tourism promotion, branding, and marketing services effective January 1, 2025. The agreement remains in effect through December 31, 2029, unless terminated earlier in accordance with its terms.

As part of the agreement, VNB was required to consolidate Visit Newport Beach, Inc. and Newport Beach & Company into a single organization and establish a seven-member Board of Directors as the sole voting board governing VNB. The City Manager and City Administrative Services Director serve as two of the seven voting members.

The VNB Board of Directors approved the FY 2027 and FY 2028 Destination Business Plan and Budget (Attachments A and B) on May 28, 2026. VNB has submitted its Destination Business Plan, Budget, and Performance Standards Report for the City Council's review and approval.

The Destination Business Plan identifies VNB's proposed marketing, advertising, digital media, communications, community partnership, event, research, and international marketing activities for the two-year period. The plan emphasizes attracting high-value overnight visitors, increasing visitor spending, strengthening Newport Beach's position as a luxury coastal destination, supporting local businesses, and measuring the economic impact of VNB's marketing activities.

The proposed budget includes total operating revenue of \$7,403,500 for FY 2027 and \$7,427,500 for FY 2028. Proposed FY 2027 expenditures total \$7,803,500, with the \$400,000 difference funded through available carryover cash identified by VNB as nonreserve funds. Proposed FY 2028 expenditures total \$7,427,500 and are balanced with projected operating revenue.

City Council approval of the proposed documents does not amend the agreement or alter the percentage of eligible TOT revenue transferred to VNB. Actual payments to VNB will continue to be calculated based on eligible commercial TOT collected by the City in accordance with the agreement.

FISCAL IMPACT:

Under the agreement, VNB receives 23% of the City's annual commercial TOT revenue. For FY 2027 and 2028, VNB estimates this amount to be approximately \$7.3 per year, based on projected TOT receipts from commercial hotel operators.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA

Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

- Attachment A – Visit Newport Beach, Inc. FY 2027 and 2028 Destination Business Plan
- Attachment B – Visit Newport Beach, Inc. Leisure Marketing (TOT) FY 2027 and 2028
Budget
- Attachment C – Visit Newport Beach, Inc. Performance Standards Report