



NEWPORT BEACH

City Council Staff Report

March 12, 2024
Agenda Item No. 8

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Resolution No. 2024-17: Creating the Destination Marketing Services
Ad Hoc Committee

ABSTRACT:

If adopted, Resolution No. 2024-17 would establish the Destination Marketing Services Ad Hoc Committee, comprised of three councilmembers, to review and negotiate the terms and conditions, including but not limited to, the details of the scope of work, for the City of Newport Beach’s destination marketing services agreement. Upon the conclusion of the negotiations, the Destination Marketing Services Ad Hoc Committee would report its findings to the entire City Council and make recommendations regarding the City’s destination marketing services.

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) Adopt Resolution No. 2024-17, *A Resolution of the City Council of the City of Newport Beach, California, Creating the Destination Marketing Services Ad Hoc Committee*; and
- c) Confirm the appointments of Mayor Will O’Neill, Councilmember Brad Avery, and Councilmember Erik Weigand to serve on the Destination Marketing Services Ad Hoc Committee.

DISCUSSION:

On February 27, 2024, at the request of Mayor Will O’Neill, the City Council considered forming an ad hoc committee to negotiate the terms of the Visit Newport Beach contract for destination marketing services, pursuant to City Council Policy A-1. The City Council voted unanimously 7-0, via a straw poll, in favor of staff returning with an item for its consideration.

If adopted, Resolution No. 2024-17 would establish the Destination Marketing Services Ad Hoc Committee (Ad Hoc Committee). The Ad Hoc Committee would review the existing Agreement between the City of Newport Beach and Visit Newport Beach, Inc. (VNB) for Tourism Promotion, Branding, and Marketing Services (Agreement).

The original agreement, entered into on May 12, 2004, had provisions in which VNB would receive a portion of the City's transient occupancy tax (TOT) to fund marketing efforts and the promotion of tourism within the city. Over the years, this original agreement was replaced, amended and expanded to include public benefit funding, revised reporting requirements, and an extended term. Under the current provisions of the agreement, VNB receives 18% of TOT and the term expires on December 31, 2024.

Upon review of the agreement, the Ad Hoc committee will negotiate the terms and conditions, inclusive of the scope of work, of the City's destination marketing services moving forward. The Ad Hoc Committee shall report back to the City Council with its recommendations and expire upon making these recommendations, or December 31, 2024, whichever occurs earlier.

Additionally, for the Council's consideration, are the appointments of Mayor Will O'Neill, Councilmember Brad Avery, and Councilmember Erik Weigand to the Destination Marketing Services Ad Hoc Committee.

FISCAL IMPACT:

There is no fiscal impact related to this item.

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).

ATTACHMENT:

Attachment A – Resolution No. 2024-17