

STAFF REPORT



COMMUNITY DEVELOPMENT

DATE: September 9, 2025

TO: Justin Hess, City Manager

FROM: Patrick Prescott, Community Development Director

VIA: Simone McFarland, Assistant Community Development Director

BY: Mary Hamzoian, Economic Development Manager

SUBJECT: Adoption of a Resolution of Intention to Renew the Burbank Tourism Business Improvement District and Set a Public Meeting and Hearing

RECOMMENDATION

Adopt A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK DECLARING ITS INTENTION TO RENEW THE BURBANK TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) AND FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND A PUBLIC HEARING FOR THE TBID RENEWAL AND THE LEVY OF ASSESSMENTS ON LODGING BUSINESSES.

BACKGROUND

In 2011, City Council (Council) established Burbank's TBID to market and promote Burbank and its hotels as a desirable national and international destination. The TBID has successfully operated for more than 14 years and is currently requesting to renew the district for a new 10-year term. TBIDs are a self-imposed, special benefit assessment district, made up of lodging establishments. This approach has been successful in California and Burbank. Hoteliers support TBIDs because of the economic value that it provides to their businesses.

Burbank's TBID is comprised of hotels that have more than 25 rooms. The goal of the TBID is to attract overnight visitors and increase hotel room occupancy rates, average daily rates, and local sales tax revenues. The funding to promote the hotels is collected through a one percent (1%) assessment that is charged to the overnight visitor. In Burbank, the 1% assessment rate generates approximately \$1.4 million annually. The assessment rate has not been increased since 2011.

Burbank's TBID is governed by a Board of Directors known as the Burbank Hospitality Association (BHA), a non-profit corporation. The BHA, also known as Visit Burbank, is an example of a successful public/private partnership with the City. The Economic Development Team, supported through funding received from the TBID, manages the programs and projects of the TBID by developing strategies and initiatives to enhance tourism attraction and visitor spending in Burbank.

During each renewed term of the TBID, the City and the BHA enter into an Agreement for Services to Administer the TBID. The Agreement outlines the responsibilities of both parties including staffing services. The current Agreement is effective through June 30, 2026. An amended Agreement will be brought back to Council for consideration pending the renewal of the TBID.

With the ongoing success of the TBID for more than 14 years, the hotel owners are in support of renewing the TBID for another 10- year term.

The TBID is currently in its second 10-year term renewal¹ and, is requesting to increase the assessment rate from 1% to 1.75%. The new proposed assessment of 1.75% will generate approximately \$2,275,000 annually. Unlike the City's Transient Occupancy Tax (TOT) which goes directly to the General Fund, the assessment revenue collected through the TBID remains with the TBID. This provides a stable funding mechanism that supports the growth of this industry, including attracting more overnight visitors, conferences, and events to Burbank, resulting in increased hotel room occupancy, sales tax, Transient Parking Tax (TPT), and TOT revenue to the City's General Fund.

TBID's Accomplishments

The TBID has several notable accomplishments since its inception in 2011. A few select accomplishments include:

1. Establishing a brand identity and marketing strategy for Burbank as a destination, launching visitburbank.com, digital advertising, hotel booking engine, and social media campaigns with an audience reach of over 50 million annually;
2. Investing more than \$600,000 annually on digital and social media marketing to promote Burbank to a drive-time market of 300 miles and airport feeder markets;
3. Creating the Universal Studios Hotel Program, where 12 Burbank hotels are included on the Universal Studios Hotel website, generating approximately \$1.4 million in hotel room revenue annually;
4. Developing the Superhero Statue Program in partnership with DC Comics, boosting Burbank's brand as Media Capital of the World. To date, the TBID has unveiled three Superhero statues: Batman, Wonder Woman, and Green Lantern, and one more statue is in the works for the current fiscal year;

¹ The TBID was established by Council in 2011 and then renewed in 2016 for a ten-year term that expires June 20, 2026.

5. Attraction and retention of major conferences including MUSEXPO Creative Summit, CTN Animation Expo, Afro Animation Summit, California Society of Association Executives, Arts, Media, Entertainment Institute, generating more than \$300,000 in hotel room revenue annually;
6. Launch of Visit Burbank's Bicycle Program, providing 50 Visit Burbank branded bicycles to eight participating hotels as an added amenity for their hotel guests;
7. Launch of the online Visit Burbank's Gift Shop; and
8. Attraction of the globally recognized traveling art exhibit, Elephant Parade Burbank 2024.

DISCUSSION

2026-2036 TBID Renewal

As of the writing of this report, staff has received signed petitions (Attachment 2) from 14 hotels, representing 91.33% of the total district assessments in favor of renewal. Lodging business owners decided to pursue renewal of the TBID to continue a revenue source devoted to marketing Burbank as a tourist, meetings, and events destination. This overwhelming support provides Council the opportunity to initiate the district renewal process, thereafter, leading up to the renewal of a new ten-year term on July 1, 2026. As stated above, if renewed, the TBID would generate approximately \$2,275,000 on an annual basis for promotion of travel and tourism specific to Burbank (amount based on 1.75% of TOT generated during Fiscal Year 2026-27). This is approximately \$875,000 more than is currently collected and will allow for increased marketing and destination development projects that enhance the visitor experience.

Management District Plan

The Management District Plan (MDP) (Attachment 3) is the governing document which provides the framework for the TBID's operations and ensures that the funds are used exclusively based on the services noted in the MDP. Key components of the MDP are the following:

- Boundaries – All lodging businesses existing or new with 25 or more rooms located within the boundaries of the City of Burbank;
- Budget – Approximately \$2,275,000 annually;
- Assessment – The initial annual assessment rate is 1.75% of gross short-term room rental revenue; and
- Term – 10-year life beginning July 1, 2026 through June 30, 2036.

Services

The TBID focuses on two major areas to increase overnight stays in Burbank: Sales and Marketing and Destination Development. Sales and Marketing will continue to promote Burbank as a tourist, meetings, and events destination through a domestic, national and international marketing campaign. Destination Development will continue to enhance the

visitor experience through art exhibits, superhero statues, monument signage, and gateway enhancements.

Annual Budget

The MDP proposes a budget of approximately \$2,275,000 annually. The following is a breakdown of services provided, and the percentage of funds allocated for each service.

SERVICES PROVIDED	PERCENTAGE	TOTAL
Sales and Marketing	55%	\$1,251,250
Administration and Operations	20%	\$455,000
Destination Development	20%	\$455,000
Contingency/Reserve	5%	\$113,750
TOTAL TBID ANNUAL BUDGET	100%	\$2,275,000

Assessment Rate

The TBID's current assessment rate is 1% and generates approximately \$1.4 million annually. With the proposed renewal, the annual assessment rate will increase to 1.75%² generating approximately \$2,275,000 million. During the new 10-year term, the BHA will also have ability to vote to increase the assessment rate annually to a maximum rate of three percent (3%), or decrease the assessment rate, up to a minimum of one half of one percent (0.5%). This type of flexibility is typical in MDP's and has been a prevalent part of the TBID's existing MDP since 2011.

Term

The renewed TBID will have a 10-year term, beginning July 1, 2026, and ending June 30, 2036. The 1.75% assessment will be implemented beginning July 1, 2026.

Collection of Funds

The City will continue to be responsible for collecting the assessment on a monthly basis (including any delinquencies, interest, and overdue charges) from each assessed business. The City shall forward the assessments to the BHA, which will have the responsibility of managing the funds and ensuring the services stated in the MDP are accomplished.

Next Steps in the TBID Renewal Process

The adoption of the Resolution of Intention to Renew the TBID is the first step in the renewal process for the TBID. Should the Council elect to adopt the Resolution of Intention to Renew, the next steps will follow:

² Assessments will not be collected on stays of more than 30 consecutive days, stays by any Federal or State officer or employee while on official business; and stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty.

- A written notice will be sent to all hotel owners notifying them of the approval of the Resolution of Intention and providing them with the opportunity to protest the TBID's renewal (Attachment 4).
- A public hearing will be set for October 14, 2025 to provide public comment regarding the TBID's renewal.
- A final public hearing will be set to receive public comment and consider the formation of the TBID on November 18, 2025.

ENVIRONMENTAL REVIEW

This report has no potential for resulting in a direct or reasonably foreseeable indirect physical change to the environment and falls outside the definition of a "project" under the California Environmental Quality Act (CEQA) and is therefore not subject to CEQA review pursuant to § 15378 of Title 14 of the California Code of Regulations (CEQA Guidelines).

FISCAL IMPACT

There is no direct fiscal impact to the City's General Fund by adopting the Resolution of Intention to renew the TBID. The TBID contributes approximately \$234,600 annually towards Economic Development staff salaries. With the renewal, the proposed amount will be approximately \$386,750 annually. The TBID has worked as a mechanism to increase TOT, Transient Parking Tax, and sales tax revenue for the City since 2011, which continues to help support businesses, programs, and services in the City.

CONCLUSION

The TBID has a successful track record of enhancing Burbank's presence as a business and leisure tourist destination. Since 2011, the TBID has maintained the same 1% assessment rate, utilizing approximately \$1.4 million annually to promote Burbank as a top tourist destination through marketing and destination development. With the renewal of a new 10-year term, the assessment rate increase will support marketing and destination development initiatives like monument signage and wayfinding to enhance the visitor experience in Burbank. By approving the Resolution of Intention to Renew the TBID, Council is reinforcing its commitment to enhance and grow the tourism sector in Burbank. The City, hotels, the Hollywood Burbank Airport, Warner Bros. Studio Tour Hollywood, and Universal Studios Hollywood will continue to work together to grow Burbank's tourism identity into the future. By promoting the City's hotels and amenities, such as Hollywood Burbank Airport and the DeBell Golf Course and popular tourist attractions such as the Warner Bros. Studio Tour Hollywood, the TBID is strengthening Burbank's tourism sector, which contributes significantly to the overall economic vitality of the City.

ATTACHMENTS

Attachment 1 – Resolution of Intention

Attachment 2 – Signed Petitions

Attachment 3 – Management District Plan 2026-2036

Attachment 4 – Notice of Public Meeting and Public Hearing