



FactSheet

California State Auditor Report

What

Audit of funding and contracts involving Visit Anaheim and the Anaheim Chamber of Commerce by the California State Auditor

Timeline

- **July 31, 2023:** Anaheim releases city-commissioned [investigation](#) of issues that came to light in 2022
- **Aug. 4, 2023:** former Anaheim City Council member and state Assemblymember Avelino Valencia [requests](#) a state audit of funding of Visit Anaheim and the Anaheim Chamber of Commerce
- **Aug. 12, 2023:** Assembly Audit Committee Chair David Alvarez [asks state auditor to prioritize review](#)
- **Fall-winter 2023:** audit interviews with city staff, others
- **Jan. 30, 2024:** audit released

Anaheim Tourism Improvement District

What

Anaheim Tourism Improvement District, known as ATID, formed in 2010 to fund tourism promotion and related transportation improvements

Funding

Ninety-four hotels and motels in The Anaheim Resort and Platinum Triangle assess themselves 2 percent of lodging bills; assessment is collected on behalf of ATID by the city along with Anaheim's 15 percent hotel-stay tax

Timeline

- **September 2010:** Anaheim City Council approval of district ordinance, management plan, maps and related items; see staff report [here](#)
- **October 2010:** ordinance takes effect
- **November 2010:** hotel assessments begin



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Anaheim Tourism Improvement District

Why

- Prior to 2010, Anaheim spent \$6 million yearly to fund the Anaheim/Orange County Visitor and Convention Bureau (renamed Visit Anaheim in 2015)
- ATID replaced city funding of Visit Anaheim with hotelier funding via self-assessment, freeing city spending for community services
- 2010 [agreement](#) designates Visit Anaheim as ATID operations manager
- ATID assessments are considered public money for a specific, restricted use
- Assessments are collected by Anaheim
- Assessments are *not* available to the city

ATID revenue

- \$30.6 million projected for the 12 months through June 2024
- \$28 million for the 12 months through June 2023
- \$22.1 million for the 12 months through June 2022

Spending breakdown

- 75 percent of ATID assessment goes to Visit Anaheim to book conventions, hotel rooms and market visits to Anaheim
- 25 percent goes to a transportation fund for projects in The Anaheim Resort or Platinum Triangle
- No more than 1 percent goes to city of Anaheim to offset cost of collecting

Visit Anaheim ATID funding*

- \$22.8 million projected for the 12 months through June 2024
- \$20.6 million for the 12 months through June 2023
- \$16.4 million for the 12 months through June 2022

**ATID funding only; Visit Anaheim also receives other funding from assessed hotels in Garden Grove and dues*



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Anaheim Tourism Improvement District

ATID transportation funding

- \$7.8 million projected for the 12 months through June 2024
- \$7.4 million for the 12 months through June 2023
- \$5.7 million for the 12 months through June 2022

Transportation spending

Examples including completed, ongoing, planned spending

- \$5.6 million for installation of electronic message signs and other sign improvements
- \$2.5 million for safety bollard pilot program to protect pedestrians from vehicles
- \$400,000 for [Anaheim Resort Mobility Plan](#)

Oversight: Visit Anaheim

Board of directors: Visit Anaheim, a not-for-profit 501(c)(6), is governed by a 22-member board made up of hoteliers and including Anaheim City Manager Jim Vanderpool and Tom Morton, Anaheim's executive director of convention, sports and entertainment

Annual report: Visit Anaheim compiles an [annual report](#) submitted to the Anaheim City Council, with the most recent on June 27, 2023

Oversight: Transportation

Board of directors: ATID transportation spending is overseen by a three-person transportation committee that meets monthly and made up of Chairman Fred Brown of the Desert Palms Hotel and Suites, Kevin Gidden of the Disneyland Resort and Anaheim Assistant City Manager Greg Garcia

Annual report: Transportation committee compiles an [annual report](#) submitted to the Anaheim City Council, with the most recent on June 27, 2023



FactSheet

Visit Anaheim Economic Recovery Funding

What

March 26, 2020, City Council vote to provide \$6.5 million out of \$15 million in pandemic aid to Visit Anaheim with the rest going to aid to residents as part of the Anaheim Economic Recovery Plan, see staff report [here](#)

Why

The Council voted to fund Visit Anaheim to keep staff in place to rebook conventions and to market Anaheim to visitors upon reopening after a 60 percent Visit Anaheim staff furlough in March 2020

Funding report

Visit Anaheim provided an Oct. 5, 2020, [report](#) on its economic recovery services that included rebooking or booking of 195 Anaheim Convention Center events

Chamber funding

A city-commissioned investigation released July 31, 2023, raised questions about Visit Anaheim providing:

- ATID funding to the Anaheim Chamber of Commerce under a subcontract, later ended on Sept. 28, 2023
- \$1.5 million of city economic recovery funding to the Anaheim Chamber of Commerce; Visit Anaheim contends the \$1.5 million in funding came from its operating cash and not city recovery funding

City demands

- In an Aug. 24, 2023, [letter](#) from the city attorney, Anaheim demanded a halt to ATID transfers to the Anaheim Chamber of Commerce and the return of the \$1.5 million in recovery funding
- Chamber ATID transfers stopped on Sept. 28, 2023, see letter [here](#)
- Visit Anaheim has not returned \$1.5 million in city pandemic aid with the city continuing to evaluate and consider options



FactSheet

Anaheim Chamber of Commerce Contracts

What

City contracts with the Anaheim Chamber of Commerce from 2012 to 2020

Contracts

2020: shop, dine, buy local

\$500,000, one-year [contract](#) awarded by Anaheim City Council on Aug. 11, 2020, to promote local shopping, dining and business services during the pandemic

2019: economic development, business promotion

\$425,000, one-year [contract](#) awarded by Anaheim City Council on June 4, 2019, for economic development and business promotion services

2015: economic development, business promotion

\$225,000, one-year [contract](#) awarded by the Anaheim City Council on Jan. 27, 2015, for economic development, business promotion

2012: enterprise zones

\$1.8 million Anaheim enterprise zone administration [contract](#) effective February 2012 for five years, expanded in 2013 to \$2.9 million for five years; about \$550,000 spent

California ended the enterprise program at the end of 2013, with Anaheim conducting an audit of the chamber's contract in December 2013

Oversight

2012 enterprise zones contract:

- 2013 [city audit](#)
- 2013 [annual report](#)

2019, 2020 contracts:

- City Economic Development Department manager assigned to oversee contracts
- Chamber produced several volumes of documentation of work under contracts, available for public review



Today

Anaheim stopped major involvement with the chamber in 2022 with no current agreements in place after the most recent agreement expired in 2021