

R-17

July 14, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to provide a one-time increase in funding in the amount of \$300,000, for a revised amount of \$5,358,676 for Fiscal year 2020; and,

Increase appropriations in the Special Advertising and Promotions Fund Group in the City Manager Department by \$300,000, offset by funds available. (Citywide)

DISCUSSION

City Council authorization is requested to execute Amendment No. 18 to Agreement No. 28164 (Agreement) with the Long Beach Area Convention and Visitor's Bureau, Inc. (CVB), to provide a one-time increase in funding in the amount of \$300,000 for Fiscal Year 2020 (FY 20), to support an investment in the promotion of travel and tourism in Long Beach, and to help generate increased revenue for the City. Since the City Council approval of the FY 20 Agreement, the COVID-19 pandemic has had a significant impact on the tourism industry, due to the resulting travel restrictions as well as a downturn in demand among travelers. The one-time transfer of funds will allow the CVB to market Long Beach attractions, hotels, restaurants and other businesses as they reopen. CVB marketing materials will highlight outdoor experiences available in Long Beach, and other activities approved under the current Safer at Home Order.

On October 1, 2002, the City Council approved an agreement with the CVB to develop a program to promote the City as a convention and tourist destination. Since that time, the CVB has administered a marketing program to establish the City as a site for conventions and tourism by promoting its attractions, resources, climate, and facilities. The agreement is amended annually to extend the term and to reflect the level of funding appropriated by the City Council.

On October 8, 2019, the City Council authorized the City Manager to execute Amendment No. 17 to the Agreement with the CVB, to extend the agreement by a period of one-year and to provide funding in the amount of \$5,058,676 for FY 20. The extension of the agreement through FY 20 was key to ensuring a continuous promotion of the City as a convention and tourist destination.

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This matter was reviewed by Deputy City Attorney Monica J. Kilaita on June 25, 2020 and by Budget Analysis Officer Julissa José-Murray on June 26, 2020.

TIMING CONSIDERATIONS

City Council action is requested on July 14, 2020, to proceed with Amendment No. 18 to Agreement No. 28164 with the CVB.

EQUITY LENS

The City has incorporated the Equity Toolkit into this recommendation, as requested by the City Council on April 21, 2020. The promotion of Long Beach as a tourist destination is a key driver of economic growth for the City, particularly the hospitality industry, which supports sustainable, service-based jobs for Long Beach residents. Additionally, tax revenues generated by hotels, restaurants, and other local businesses help fund general city services for residents citywide.

FISCAL IMPACT

The total amount of the one-year agreement is \$5,358,676. Of this amount, \$5,058,676 was budgeted in the Special Advertising and Promotion (SAP) Fund Group and the Tidelands Operating Fund Group in the City Manager Department as part of the FY 20 Adopted Budget, approved by the City Council on September 3, 2019. A one-time appropriation increase for the balance of \$300,000 is requested in the SAP Fund Group in the City Manager Department, offset by funds available. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



THOMAS B. MODICA
CITY MANAGER