



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

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PATRICK H. WEST
CITY MANAGER

October 4, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the Ninth Amendment to Agreement Number 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to provide funding in the amount of \$3,428,676 for Fiscal Year 2012. (Citywide)

DISCUSSION

On October 1, 2002, the City Council approved an agreement with the Long Beach Area Convention and Visitors Bureau, Inc. (CVB), to develop a program to promote the city as a convention and tourist destination. Since that time, the CVB has been administering a marketing program to establish the city as a site for conventions and tourism by promoting its attractions, resources, climate, and facilities. On October 19, 2004, as part of the Second Amendment the City Council extended the initial five-year term by an additional seven years, through September 30, 2014. The agreement is amended annually to reflect the level of funding appropriated by the City Council.

On September 6, 2011, the City Council adopted the Fiscal Year 2012 (FY 12) Budget, which includes funding for the agreement with the CVB in the amount of \$3,428,676. This amount is flat for FY 12 and reflects a 10 percent reduction made to the contract with the CVB in FY 11. Monies used for the contract are restricted funds from two sources, the Special Advertising and Promotion Fund and the Rainbow Harbor Area Fund. As in prior years, the proposed amendment includes funding for various promotional activities that support the City's economic development objectives such as the Grand Prix.

This year, both the hotel occupancy rate and the average room rate have increased over the same period last year (70.69 percent vs. 65.19 percent and \$131.40 vs. \$125.10/room). Although there has been an increase, Long Beach and other areas continue to be impacted from the nationwide economic situation. Therefore, the CVB's proposed amendment with the City for FY 12 will be key to ensuring a continuous promotion of the city as a convention and tourist destination. As a result of the CVB's efforts, it has received for many years five of the most influential and recognized meeting industry awards. The CVB has been honored by *Successful Meetings Magazine*, *Meetings & Conventions Magazine*, *Corporate & Incentive Travel Magazine*, *Insurance & Financial Management Meetings Magazine*, and *Association Conventions & Facilities Magazine*. In 2007, the CVB was permanently inducted into *Meetings & Conventions Magazine's* "Elite Hall of Fame," an honor reserved for visitor bureaus that have achieved 12 consecutive gold service awards.

This letter was reviewed by Deputy City Attorney Linda Trang on September 19, 2011 and Director of Financial Management John Gross on September 20, 2011.

TIMING CONSIDERATIONS

City Council action is requested on October 4, 2011, to proceed with the Ninth Amendment to Agreement No. 28164 with the CVB.

FISCAL IMPACT

The total amount of the one-year agreement is \$3,428,676 and is budgeted in the Special Advertising and Promotion Fund (SR 133) and the Rainbow Harbor Area Fund (TF 411) in the City Manager Department (CM). The Special Advertising and Promotion Fund derives its revenue to support this contract from the Transient Occupancy Tax. There is no local job impact associated with this request.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


PATRICK H. WEST
CITY MANAGER

PHW:TG