



Legislation Text

File #: 09-0992, **Version:** 1

Recommendation to authorize City Manager to execute the Seventh Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to provide funding in the amount of \$3,815,366 for Fiscal Year 2010. (Citywide)

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.

It is requested that the City Council authorize a Seventh Amendment to Agreement No. 28164 with the CVB for Fiscal Year 2010 for a total amount of \$3,815,366. This amount reflects a reduction of \$115,000 for the City's Rose Parade float. 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.

During previous years, the CVB contributed to a 36 percent growth in hotel room sales in Long Beach. This year, both the hotel occupancy rate and the average room rate have declined over the same period last year (73.6 percent vs. 78.7 percent and \$120 vs. \$140/room). The decrease in the rates can be attributed to nationwide economic factors. Therefore, the CVB's proposed amendment with the City for Fiscal Year 2010 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 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 3, 2009, and Budget and Performance Management Bureau Manager David Wodynski on September 9, 2009.

The proposed amendment makes the funding appropriated for Fiscal Year 2010 available to the CVB. Accordingly, action is recommended at the September 22, 2009, City Council meeting.

The total amount of the one-year agreement is \$3,815,366 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.

Approve recommendation.

PATRICK H. WEST
CITY MANAGER