



Legislation Text

File #: 08-1023, **Version:** 1

Recommendation to authorize City Manager to execute the Sixth Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to provide funding in the amount of \$3,930,366 for Fiscal Year 2009. (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 Sixth Amendment to Agreement No. 28164 with the CVB for Fiscal Year 2009 for a total amount of \$3,930,366. This amount represents the same funding level as the prior four fiscal years. As in prior years, the amendment includes \$115,000 for the design and construction of the Rose Parade float, and \$35,000 for Grand Prix promotional activities, both of which support the City's economic development objectives.

During previous years, the CVB has contributed to a 36 percent growth in hotel room sales. This year, the hotel occupancy rate has declined and the average room rate has increased over the same period last year (74.6 percent vs. 79.3 percent and \$145 vs. \$143/room). The decrease in hotel occupancy rate can be attributed to nationwide economic factors. Therefore, the CVB's proposed amendment with the City for Fiscal Year 2009 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 been recognized with a number of industry awards, including Successful Meetings Magazine's 2008 Pinnacle Award (fifth time), Association Conventions & Facilities Magazine's 2008 Distinctive Achievement Award, Meetings & Conventions Magazine's 2008 Gold Service Award (thirteenth time), Corporate & Incentive Travel Magazine's 2007 Award of Excellence (second time), and Meetings & Conventions Magazine's 2007 Elite Hall of Fame Award (twelfth time), all of which are prestigious honors recognizing extraordinary customer service. In addition, the CVB's newly launched Web site has won two prestigious awards from the Web Marketing Association.

This letter was reviewed by Deputy City Attorney Linda Trang on September 18, 2008, and Budget Management Officer Victoria Bell on September 22, 2008.

The proposed amendment makes the funding appropriated for Fiscal Year 2009 available to the CVB. Accordingly, action is recommended at the October 7, 2008, City Council meeting.

The total amount of the one-year agreement is \$3,930,366 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 from the

Transient Occupancy Tax.

Approve recommendation.

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER