



Legislation Text

File #: 19-1006, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute the Seventeenth Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to extend the agreement by a period one-year and to provide funding in the amount of \$5,058,676 for Fiscal Year 2020. (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. The agreement is amended annually to extend the term and to reflect the level of funding appropriated by the City Council.

On September 3, 2019, the City Council adopted the Fiscal Year 2020 (FY 20) Budget, which includes funding for the agreement with the CVB in the amount of \$5,058,676, an increase of \$100,000 from FY 19. The increase will enhance the CVB's ability to promote tourism and conventions in Long Beach. Monies used for the contract are restricted funds from two sources: the Special Advertising and Promotion Fund Group and the Tidelands Operating Fund Group. As in prior years, the proposed amendment includes funding for various promotional activities that support the City's economic development objectives.

In 2019, the hotel occupancy rate in Long Beach declined by 1.7 percent from 78.5 percent to 76.8 percent, and the average room rates increased 6 percent from \$173.55 to \$183.98 from January to June compared to the same period last year. The year-to-date results are encouraging for Long Beach when compared to the rest of the Los Angeles market. The market has remained relatively flat in average daily room rates, and occupancy is down 1 percent from January to June compared to the same period last year.

The CVB's proposed amendment with the City for FY 20 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 six of the most influential and recognized meeting industry awards for many years. The CVB has been honored in the past 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 21 consecutive gold service awards.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on September 19, 2019

and by Budget Analysis Officer Julissa José-Murray on September 17, 2019.

City Council action is requested on October 8, 2019, to proceed with the Seventeenth Amendment to Agreement No. 28164 with the CVB.

The total amount of the one-year agreement is \$5,058,676 and is budgeted in the Special Advertising and Promotion Fund Group and the Tidelands Operating Fund Group in the City Manager Department. The Special Advertising and Promotion Fund Group derives the revenue to support this contract from the Transient Occupancy Tax. 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.

Approve recommendation.

THOMAS B. MODICA
ACTING CITY MANAGER