



Legislation Text

File #: 10-1090, **Version:** 1

Recommendation to authorize City Manager to execute the Eighth Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to provide funding in the amount of \$3,428,676 for Fiscal Year 2011. (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 an Eighth Amendment to Agreement No. 28164 with the CVB for Fiscal Year 2011 for a total amount of \$3,428,676. This amount reflects a reduction of \$386,690. 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 increased slightly over the same period last year (73.42 percent vs. 73.05 percent and \$120.48 vs. \$118.91/room). Although there has been a small 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 Fiscal Year 2011 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 Principal Deputy City Attorney Charles Parkin on September 20, 2010, and Budget Analyst Shari Metcalfe on September 20, 2010.

City Council action is requested on October 5, 2010, to proceed with the Eighth Amendment to Agreement No. 28164 with the CVB.

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. Approval of this agreement will have a positive local job impact.

Approve recommendation.

PATRICK H. WEST
CITY MANAGER