



# CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (562) 570-6711 • FAX (562) 570-6583

GERALD R. MILLER  
CITY MANAGER

October 19, 2004

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**SUBJECT:** Second Amendment to Agreement No. 28164 With the Long Beach Area Convention and Visitors Bureau, Inc. (Citywide)

## DISCUSSION

On October 1, 2002, the City Council approved a five-year agreement with the Long Beach Area Convention and Visitors Bureau, Inc. (LBACVB) to develop a program to promote the city as a convention and tourist destination (Council letter attached). The LBACVB administers a program to establish the city as a site for conventions and tourism, which advertises and publicizes the city, its natural advantages, resources, attractions, climate, and facilities. This five-year agreement, which runs through September 30, 2007, is amended annually to reflect the level of funding appropriated by the City Council. The agreement with the LBACVB is supported by the Special Advertising and Promotions Fund, which derives its revenue from the Transient Occupancy Tax.

The City is seeking authorization to enter into the Second Amendment to Agreement No. 28164 with the LBACVB. The total amount of the proposed amendment for Fiscal Year 2005 (FY 05) is \$3,930,366, which represents an increase in the amount of \$201,366, or 5.4 percent, over the FY 04 agreement amount. This increase reflects the Consumer Price Index increase for the Southern California region over the past two years, and the first proposed increase for the LBACVB since the FY 01 agreement. As in prior years, the agreement includes \$115,000 for the design and construction of the 2005 Rose Parade Float, and \$35,000 to support Grand Prix activities. The proposed amendment will also extend the current five-year term by an additional seven years, through September 30, 2014.

The proposed Second Amendment will include language requiring the LBACVB Board members to file the California Fair Political Practices Commission's Form 700 Statement of Economic Interest with the City. Additionally, LBACVB activities and budget will be included in the City's performance management efforts and in the program-based budget development. Key outcome measures for contract performance will be established as part of this process.

At the October 19, 2004 City Council meeting, the LBACVB will provide an in-depth presentation outlining some highlights from FY 04, including the Long Beach Aquatic Festival, which brought international attention to Long Beach, and what to look forward to in FY 05. In FY 04, the LBACVB posted an estimated 5.5 percent increase in room night bookings, adding to the over 24 percent increase achieved the previous fiscal year. Building on this success, the City expects another strong year from the Long Beach convention and tourism industry.

The proposed increase in funding is to capitalize on the incredible marketing and promotional success resulting from the Long Beach Aquatic Festival and the other investments in Long Beach, such as the Pike at Rainbow Harbor and Carnival Cruise Lines, that help make this a desirable destination for conventions and tourists. The City, through the agreement with the LBACVB, needs to continue to invest in this important segment of our economy.

This matter was reviewed by Senior Deputy City Attorney Donna Gwin and Budget Management Officer David Wodynski on October 13, 2004.

#### TIMING CONSIDERATIONS

The proposed amendment makes the funding appropriated for Fiscal Year 2005 available to the LBACVB. Accordingly, action is recommended at the October 19, 2004 City Council meeting.

#### FISCAL IMPACT

The total amount of the agreement for FY 05 is \$3,930,366. A total of \$3,729,000 is budgeted in the Special Advertising and Promotions Fund (SR 133) in the City Manager's Office (CM). Although the proposed augmentation of \$201,366 is not budgeted, the City Manager's Office will attempt to absorb this additional expense within existing City appropriations.

#### IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute the Second Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., in the amount of \$3,930,366 for a period of one year and extend the term of the current agreement for an additional seven years.

Respectfully submitted,



GERALD R. MILLER  
CITY MANAGER