



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

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October 6, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the Thirteenth Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to extend for a one-year period and to provide funding in the amount of \$4,278,676 for Fiscal Year 2016. (Citywide)

DISCUSSION

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 15, 2015, the City Council adopted the Fiscal Year 2016 (FY 16) Budget, which includes funding for the agreement with the CVB in the amount of \$4,278,676, a \$350,000 increase from FY 2015. The increase includes \$300,000 for the CVB to enhance tourism promotion and \$50,000 in non-recurring funding for marketing outreach. Monies used for the contract are restricted funds from two sources: the Special Advertising and Promotion Fund and the Rainbow Harbor Area Fund. As in prior years, the proposed amendment includes funding for various promotional activities that support the City's economic development objectives.

This year, both the hotel occupancy rate and the average room rate reflect an increase over the same period last year (77.49 percent vs. 77.20 percent and \$155.64 vs. \$141.35/room). Long Beach and other areas are continuing to see growth in the hotel industry, realizing an increase since the industry was significantly impacted from the nationwide economic situation. The CVB's proposed amendment with the City for FY 16 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 for many years 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.

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October 6, 2015

Page 2 of 2

This matter was reviewed by Principal Deputy City Attorney Gary Anderson and Budget Operations Administrator Grace Yoon on September 28, 2015.

TIMING CONSIDERATIONS

City Council action is requested on October 6, 2015, to proceed with the Thirteenth Amendment to Agreement No. 28164 with the CVB.

FISCAL IMPACT

The total amount of the one-year agreement is \$4,278,676 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 recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
CITY MANAGER

PHW:TG