



## Legislation Details (With Text)

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**File #:** 20-1072      **Version:** 1      **Name:** CM - Contract with CVB  
**Type:** Contract      **Status:** CCIS  
**File created:** 10/20/2020      **In control:** City Council  
**On agenda:** 11/17/2020      **Final action:** 11/17/2020

**Title:** Recommendation to authorize City Manager, or designee, to execute the Nineteenth Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to extend the agreement by a period of one-year and to provide funding in the amount of \$4,608,676 for Fiscal Year 2021. (Citywide)

**Sponsors:** City Manager

**Indexes:**

**Code sections:**

**Attachments:** 1. 111720-C-13sr.pdf

Date	Ver.	Action By	Action	Result
11/17/2020	1	City Council	approve recommendation	Pass

Recommendation to authorize City Manager, or designee, to execute the Nineteenth Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau, Inc., to extend the agreement by a period of one-year and to provide funding in the amount of \$4,608,676 for Fiscal Year 2021. (Citywide)

On October 1, 2002, the City Council approved Agreement No. 28164 (Agreement) with the Long Beach Area Convention and Visitors Bureau, Inc. (CVB) to develop a program to promote the City of Long Beach (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 contract with CVB is funded through two sources: the Special Advertising and Promotions Fund Group and the Tidelands Operating Fund Group. The Agreement is amended annually to extend the term and to reflect the level of funding appropriated by the City Council. As in prior years, the proposed amendment includes funding for various promotional activities that support the City's economic development objectives.

On September 8, 2020, the City Council adopted the Fiscal Year 2021 (FY 21) Budget, which includes funding for the agreement with the CVB in the amount of \$4,608,676, a decrease of \$450,000 from FY 20. This decrease reflects the significant loss of revenue in the Special Advertising and Promotions (SAP) Fund Group due to the COVID-19 pandemic. The reduction in the annual contract amount was partially offset by a one-time increase in funding in the amount of \$300,000 for FY 20, to support an investment in the promotion of travel and tourism in Long Beach, and to help generate increased revenue for the City. The one-time transfer of funds has allowed the CVB to market Long Beach attractions, hotels, restaurants and other businesses as they begin to safely reopen.

The COVID-19 pandemic has had a significant impact on the tourism industry in 2020 due to the resulting travel restrictions, as well as a downturn in demand among travelers. Specifically, the hotel occupancy rate in Long Beach declined by 45 percent, from 78.3 percent to 43.1 percent, and the average room rates decreased 13.3 percent, from \$180.93 to \$156.85 from January to June 2020 compared to the same period the previous year. During this time, revenue per available room has declined by 52.3 percent, with lower occupancies being the largest factor.

Given these challenges, the CVB adapted its sales and marketing efforts to continue promoting Long Beach as a convention and tourist destination in 2020. Major 2020 accomplishments include:

- Maintaining the booking pace for future years through July, compared to bookings in prior years;
- Rescheduling over 35 percent of group cancellations to future year bookings;
- Conducting a Staycation Summer Advertising Campaign from June 29 through September 4, 2020. The campaign succeeded in registering 38,897,668 Total Impressions, which is more than 8 million above the projected amount;
- Filming virtual "Taste of Long Beach" videos for over 100 Member Restaurants, to be posted on social media outlets and restaurant websites;
- Filming virtual "Video Tours" of 26 hotels and the Long Beach Convention and Entertainment Center, to be used by sales teams during virtual sales calls with prospective future clients;
- Launching the monthly CaptureLB Photo Contest, creating user-generated content for the CVB website and social channels; and,
- Converting the Convention and Entertainment Center into a digital campus, with audience interaction technologies and on-demand capabilities and engagement strategies through live chat, social media integration, and remote interactivity.

The CVB's proposed amendment with the City for FY 21 will be key to ensuring a strong local recovery from the pandemic. The contract will allow for continuous promotion of the City as a tourist destination, with a focus on outdoor experiences available in Long Beach, and other activities approved under the current Safer at Home Order.

As a result of its efforts, the CVB 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 October 7, 2020 and

by Budget Analysis Officer Julissa Jose-Murray on October 23, 2020.

City Council action is requested on November 17, 2020, to proceed with the Nineteenth Amendment to Agreement No. 28164 with the CVB.

The total amount of the one-year agreement is \$4,608,676 and is budgeted in the Special Advertising and Promotions Fund Group and the Tidelands Operating Fund Group in the City Manager Department. 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  
CITY MANAGER