



Legislation Text

File #: 05-3200, **Version:** 1

Recommendation to authorize City Manager to execute the Third Amendment to Agreement No. 28164 with the Long Beach Area Convention and Visitors Bureau to provide funding in the amount of \$3,930,366 for Fiscal Year 2006. (Citywide)

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. The LBACVB administers a marketing 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. 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, and also augmented the base agreement with a Consumer Price Index increase. This agreement is amended annually to reflect the level of funding appropriated by the City Council.

The City is seeking authorization to enter into the Third Amendment to Agreement No. 28164 with the LBACVB. The total amount of the proposed amendment for Fiscal Year 2006 (FY 06) is \$3,930,366, which represents the same funding level as in FY 05. As in prior years, the agreement includes \$15,000 for the design and construction of the 2006 Rose Parade Float, and \$35,000 to support Grand Prix promotional activities, both of which support the City's economic development objectives. In FY 05, the LBACVB was recognized with its second annual Pinnacle Award from

Successful Meetings Magazine and its tenth consecutive Gold Service Award from Meetings and Conventions Magazine. Over the previous two fiscal years (FY 03 and FY 04), the LBACVB posted room night sales gains of 24.7 percent (increase after the post-September 11th downturn) and 5.9 percent, respectively. The Bureau is on track to maintain its market share in FY 05 and is forecasting a 10 percent increase in room night production for FY 06. Building on this success, the City expects another strong year from the Long Beach convention and tourism industry. This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on September 12, 2005 and Budget Management Officer David Wodynski on September 9, 2005.

The proposed amendment makes the funding appropriated for Fiscal Year 2006 available to the LBACVB. Accordingly, action is recommended at the September 20, 2005 City Council meeting.

The total amount of the one-year agreement is \$3,930,366 and is budgeted in the Special Advertising and Promotions Fund (SR 133) in the City Manager Department (CM). The Special Advertising and Promotions Fund derives its revenue from the Transient Occupancy Tax.

Approve recommendation.

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[Respectfully Submitted,]