

AGENDA



Recommendation for Council Action

Austin City Council		Item ID	60290	Agenda Number	25.
Meeting Date:	8/18/2016			Department:	Austin Convention Center
Subject					
Authorize the negotiation and execution of a five-year agreement with one five-year extension option with the Austin Convention and Visitors Bureau for convention and tourism promotion services in an estimated amount not to exceed \$16,472,944 for Fiscal Year 2016-2017.					
Amount and Source of Funding					
Funding in the amount of \$16,472,944 is available in the Fiscal Year 2016-2017 Proposed Operating Budget for the Tourism and Promotion Fund. Funding for each Fiscal Year is contingent upon the availability of Council-approved funds in the Operating Budget of the Tourism and Promotion Fund.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:	August 15, 1996 (Resolution 960815-J attached as backup) – Council approved the creation of the Austin Convention and Visitors Bureau (ACVB) for the purpose of planning and administering a tourism and convention program. November 18, 1999 (Ordinance 991118-61) – Amending section 5-3-6 of the City Code relating to allocation of revenue derived from Hotel Occupancy Tax. August 23, 2001 (Resolution and Item 010823-53 attached as backup) – Council approved negotiation and execution of a five-year contract with five one-year extension options with ACVB. July 17, 2003 (Item 20030717-008 attached as backup) – Council authorized Amendments to the ACVB Bylaws. September 11, 2006 (Resolution and Item 20060911-011 attached as backup) – Council approved negotiation and execution of a five-year agreement with ACVB. September 8, 2008 (Resolution and Item 20080908-014 attached as backup) – Council adopted an Amendment to the ACVB agreement. June 23, 2011 (Resolution and Item 20110623-017 attached as backup) – Council authorizes execution of a five-year contract with ACVB.				
For More Information:	Mark Tester, Director, Austin Convention Center Department, 512-404-4040, or Van Jobe, Division Manager, Austin Convention Center Department, 512-404-4047.				
Council Committee, Boards and Commission Action:					
MBE / WBE:					
Related Items:					
Additional Backup Information					

This agenda item authorizes the City, through the Austin Convention Center Department (ACCD), to enter into an agreement with the Austin Convention and Visitors Bureau (ACVB) to market and sell Austin as a premier business and leisure destination, enriching Austin's hospitality and travel industry.

Funding for this ACVB service is provided per City Code Section 11-2-7, relating to the allocation of Hotel Occupancy Tax revenue under City Code Section 11-2-7. In 2016-17, the estimated revenue that will be available for ACVB's work under this Agreement will be \$16,472,944.

If approved, this agreement will begin October 1, 2016, through September 30, 2021. Following this initial five-year term, the City, at its sole discretion, may elect to extend this agreement for an additional five-year term. To exercise its option to extend the contract for a five year period, the City shall notify ACVB in writing of its intent. The agreement will set forth the work to be performed by ACVB for the administration and implementation of convention and tourism promotional programs and projects.

Funding for each Fiscal Year of the Agreement is contingent upon Council's annual adoption of the City's budget. Upon Council's adoption of the budget, ACCD will present to Council for consideration and approval, ACVB's marketing plan and proposed budget, which in turn sets the contract payment for the Fiscal Year.

ACVB was created as a non-profit Corporation by Austin City Council on August 15, 1996, granting ACVB the authority to plan and develop convention and tourism promotional activities and projects on behalf of the City. As of March 2016, over the course of the current agreement period ACVB has generated over 1.1 million room nights for Austin Convention Center events.