



SUBJECT: Approve negotiation and execution of a five (5) year contract with five (5) one-year contract extension options with Austin Convention and Visitors Bureau ("ACVB"), 201 E. 2nd Street, Austin, Texas, for tourism and convention promotion services in an estimated amount not to exceed \$5,260,159 for 2001-2002.

AMOUNT AND SOURCE OF FUNDING: \$5,260,159. Funding is included in the Proposed 2001-2002 Operating Budget of the Tourism and Promotion Fund. There is no unanticipated fiscal impact. A fiscal note is not required. Funding for the additional four years of the contract period is contingent upon available funding in future budgets.

REQUESTING DEPT.: Finance & Administrative Services for Austin Convention Center Department

DIRECTOR'S SIGNATURE:

FOR MORE INFORMATION CONTACT: Sue Brubaker, Purchasing Officer, 499-2050; Bob Hodge, Director ACCD, 404-4040.

PRIOR COUNCIL ACTION: 10/96, Approval of ACVB contract.

BOARD AND COMMISSION ACTION: 7/17/01, Proposed contract approved by ACVB Board

----- REQUIRED AUTHORIZATION -----

LAW: SALLY HENLY

ACCD: ROBERT HODGE

FINANCE: LARRY ANDERSON

SMBR: LINO RIVERA

BACKGROUND/DESCRIPTION:

On October 2, 1996, City Council approved a four year and eleven month contract between the City and ACVB for the marketing of Austin as a tourist and convention destination. Approval of this resolution authorizes the negotiation and execution of a new five-year contract to market and sell Austin as a premier business and leisure destination, enriching Austin's hospitality industry and the community's overall quality of life. The contract includes five one-year extension options, under the same terms and conditions, such options to be exercised by the City at its sole discretion. Funding for the contract will come primarily from the hotel occupancy tax. The parties intend that hotel occupancy tax collections equal to 1.45 cents of the 7 cents collected by the City for each dollar of hotel revenue (this excludes hotel tax collections for venue projects) be made available for ACVB's work under the contract.

City Council has the right to approve ACVB's annual budget and marketing plan which shall provide, at a minimum, the following services, activities and functions:

- (A) Market, solicit and advertise for conventions, tourism and other gatherings to maximize use of the Austin Convention Center, commercial lodging facilities and tourism facilities consistent with the adopted marketing plan.
- (B) Provide registration, housing and information services for convention groups. Act as a liaison for the City in its relationships with the music and film industries.



- (C) Develop public awareness of the desirability, benefits and importance of the travel, music and film industries to the Austin area economy.
- (D) Market and distribute materials promoting Austin as a preferred destination city consistent with the marketing plan.
- (E) Demonstrate the advantages the Austin area has to offer visitors from other parts of the state, the nation and the world.
- (F) Perform all responsibilities of Heritage Tourism.
- (G) Market and promote tourism and conventions among minority markets in accordance with performance criteria set forth in each year's marketing plan.
- (H) Perform additional duties agreed upon by both parties which are consistent with ACVB's mission statement.

This contract is administered by the Austin Convention Center Department. ACVB is a not for profit corporation that is funded by the City of Austin to provide these services. The MBE/WBE Ordinance, as amended is not applicable to this contract since it is a non-profit corporation.