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Title: Approve the Agreement between the City of Fresno, SMG and the Fresno/Clovis Convention and Visitors Bureau (FCCVB) to continue funding the Sales Manager Position (Citywide)

Sponsors: Office of Mayor & City Manager

Indexes:

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Attachments: 1. FCCVB Sales Manager Agreement_2.8.17 Council Agenda .pdf, 2. December Convention Sales Manager Report.pdf

Date	Ver.	Action By	Action	Result
2/8/2018	1	City Council	adopted as amended	Pass

REPORT TO THE CITY COUNCIL

February 8, 2018

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Office of the Mayor & City Manager

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Office of the Mayor & City Manager

SUBJECT

Approve the Agreement between the City of Fresno, SMG and the Fresno/Clovis Convention and Visitors Bureau (FCCVB) to continue funding the Sales Manager Position (Citywide)

RECOMMENDATION

Staff recommends that City Council approve the Agreement between the City, SMG and the FCCVB ("Parties") to continue funding the Sales Manager position and authorize the City Manager or designee to execute the Agreement on behalf of the City of Fresno.

EXECUTIVE SUMMARY

As a part of the FY2015 budget deliberations, the City Council and Mayor approved the appropriation of \$100,000 for the funding of the "Sales Manager" position within the FCCVB. The original contract was entered into on July 1, 2014, and was extended for two years on December 10, 2015. This item renews this agreement for a period of five years, with two (2) possible one-year extensions, at an

annual cost of \$100,000.

BACKGROUND

On June 9, 2014, the City held a public hearing regarding the City's budget for the Fresno Convention & Entertainment Center (FCEC) and directed that funding be set aside in SMG's budget for a "Sales Manager" position which would work as an employee of FCCVB and would focus on increasing bookings and generate hotel room rentals from city-wide conventions and events utilizing FCEC facilities. Accordingly, the Parties entered into an agreement dated July 1, 2014, to fund the Sales Manager position. In December of 2015, the position and work to begin generating additional convention business was implemented. The agreement, as amended, expired on June 30, 2017.

The City and SMG would like to continue to fund and budget the Sales Manager position, with the continued intent that the Sales Manager shall remain an employee of the FCCVB. For the calendar year 2017, the position generated 12,611 new room nights with an economic impact estimated at \$2.4 million. There are currently another 21,399 projected room nights in active leads with an estimated economic impact of \$4.6 million (see attached report). The period of the proposed contract would be five years, with the option of two (2) one-year terms, provided that funding is appropriated by the City Council.

It is recommended that Council approve the agreement to continue to fund this position in order to increase the number of conventions which, in turn, generates additional Transient Occupancy Tax, as well as all the secondary economic impacts associated with these kind of events.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the approval of the agreement does not qualify as a "project" for the purpose of CEQA.

LOCAL PREFERENCE

Local preference does not apply to this action because this is an amendment to an existing Agreement.

FISCAL IMPACT

The funding for this contract is being provided by funds currently appropriated with the FY 2018 General Fund budget. All future allocations will be presented to Council for approval as a part of the given fiscal year budget.

Attachments:

Agreement

Convention Sales Manager 2017 Production Report