



Legislation Text

File #: 17-0131, **Version:** 1

Consider and take action on a resolution authorizing a contract with Bay Area Houston Convention and Visitors Bureau to assist in advertising, marketing and promotion of tourism and conventions for League City (Mayor Hallisey and Council Member Dugie)

Council postponed for 30 days 6-2-0 on January 24, 2017.

Staff requests that this item be postponed for up to 90 days.

Bay Area Houston Convention and Visitors Bureau (BAHCVB) is a non-profit destination marketing organization providing marketing and promotion of tourism and conventions for the following Bay Area Houston communities: Kemah, Nassau Bay and Seabrook. The City has partnered with them since before 2003, when the organization changed its name, until our last agreement expired in June of 2016.

The last agreement with BAHCVB was for the period of July 1, 2013 to June 30, 2016 at a cost of 15% of the City's annual Hotel Occupancy Tax revenues (approximately \$65,000).

City Council and the HOT board recognized the mutual benefits from partnering with BAHCVB; however, concerns regarding the city's return on investment such as the following were identified:

- Hotels in other cities were providing bigger HOT revenue contributions which potentially indicated League City was not being marketed properly; thereby, the city needed to take a more proactive approach in tourism marketing efforts.
- League City was not seeing notable results in being marketed through a regional concept and other entities appear to be receiving the bulk of the promotion due to the entertainment and attraction opportunities they present to tourists.
- Lack of performance measures within the contract.

In June 2016, HOT Board's recommendation was to renew the BAHCVB contract along with the following motion: 'The HOT Board supports the vision of League City creating its own CVB with a targeted strategic plan. We also support the regional approach with a reformatted and redirectioned BAHCVB with the consideration that any financial support includes a contract that sets out goals with measurable results.'

Staff presented an internal assessment of BAHCVB's efforts, a proposal for the City's approach to tourism, and the HOT Board's recommendation to City Council during a work session on June 27, 2016. Council valued the regional approach and the partnership with BAHCVB which provides League City further opportunities to enhance its reach and work with neighboring cities. City Council's direction was to continue a three-year contract with BAHCVB, renewable each year, while the City worked to establish a tourism arm (CVB) under the city with the caveat that staff work with the BAHCVB to identify performance measures, a reporting mechanism to demonstrate value in the partnership, and a clause allowing the city to terminate the agreement for any or no cause with 30 days written notice after the first full year.

After consideration, a renewal contract with BAHCVB for the period of October 1, 2016 to September 30, 2019 at a cost of 15% of the city's annual Hotel Occupancy Tax revenues failed in a 4-4-0 vote on October 11, 2016.

Since then, BAHCVB has undergone some organizational changes and restructuring such as:

- BAHCVB Visitor Center in Seabrook has been closed; the Visitors Center in Kemah will remain open.
- Elimination of the Executive Director position. BAHCVB will now contract the marketing services out; Requests for Proposal for destination marketing and advertising services is currently in process. The board hopes that partnering with an outside agency who has experience in destination marketing will bring more visitors to the area and help Bay Area Houston stand out from other Gulf Coast communities.
- BAHCVB permanent staffing will remain at two individuals. One full-time and one part-time who will work out of the Visitor Center in Kemah.

A contract to participate in the BAHCVB is being reconsidered after discussions with one of the city's hoteliers.

The contract put forth by the BAHCVB, if approved, would authorize League City to enter into an agreement with the following terms:

- A three-year contract length
- Termination of the Agreement may occur if the accountability and marketing measurements are not met or exceeded
- Coordination efforts with League City's tourism representative
- Payment of 15% of HOT revenues collected for League City hotels
- Creation of a marketing task force to serve as a liaison between the board and selected agency
- Accountability and marketing measures.
 - Development of an overall marketing/business plan
 - Website maintenance
 - Number and summary of promotions completed
 - Work closely with Houston First organization
 - Maintain Visitors Center
 - Summary of promotions to increase reach
 - List of social media outlets and report analytics
 - Relevant and timely updated reports on current happenings and marketing reports
 - Maintain and advertise an area activities/events calendar
 - Ability to reserve the right to request additional reporting and/or special reporting as personnel and technology may allow in the future

If the contract is approved, the BAHCVB board will meet to discuss the best approach and strategy for including League City into the new organization's structure and to finalize the start date of the contract. Additionally, the city's HOT revenues contribution will go towards BAHCVB's general fund which will allow the marketing agency selected to procure more media and enhance the marketing campaign.

Staff notified the HOT Board on January 11, 2017 that City Council would be reconsidering the contract during the January 24, 2017 meeting. The HOT Board's recommendation remained the same and asked that City Council consider capping payment to the BAHCVB at 15%, not to exceed \$65,000 annually, along with the clause to terminate the contract for any or no cause with 30 days written notice after one full year that was previously agreed upon by staff and the BAHCVB.

Additionally, staff has requested the BAHCVB amend the termination clause of the contract as recommended by the HOT Board and requested by City Council. This request has not been agreed to by the board as a special meeting must be called to grant approval to alter language within the contract.

Staff's recommendation is to postpone this at the request of BAHCVB. The BAHCVB has requested the postponement since they are in the process of selecting a marketing firm and will make the final decision on February 21, 2017. After the contract has been executed, the marketing firm will have 30 to 90 days to develop and begin implementation of a marketing plan. Once the new plan is in place, the BAHCVB is proposing the come back to City Council for consideration with the new plan in place to help address City Council's questions and concerns.

This contract, along with other tourism-related activities, will be funded by the Hotel Occupancy Tax.

Attachments

1. Data Sheet
2. Proposed Resolution
3. Proposed Contract Agreement
4. Destination Marketing and Advertising Campaign Request for Proposals

FUNDING

{X} Funds are available from Account #24101800-54010, Hotel and Occupancy Tax: Visitor's Center

{ } Requires Budget Amendment to transfer from Account # _____ to Account # _____