

June 10, 2020

WHEREAS, on September 25, 1996, City Council authorized a contract with the Dallas Convention and Visitors Bureau (DCVB) for ten years with two five-year renewal options by Resolution No. 96-3120; and

WHEREAS, on May 12, 1999, City Council authorized Supplemental Agreement No. 1 to the contract to remove the cap on the amount of compensation and decrease the percentage the Dallas Convention and Visitors Bureau (DCVB) receives from 33.57% to 32.6 % and to require the DCVB to meet performance measures that place priority on the Convention Center by providing a minimum of 95% utilization of leasable space and dates by Resolution No. 99-1652; and

WHEREAS, on June 26, 2002, City Council authorized Supplemental Agreement No. 2 to the contract to provide supplemental funding for additional marketing and promotion of the Dallas Convention Center expansion, require DCVB to establish a reserve account for future revenue shortfalls, and require DCVB provide for future capital improvements at WRR Municipal Radio by Resolution No. 02-1986; and

WHEREAS, on December 11, 2002, City Council authorized Supplemental Agreement No. 3 to the contract to provide \$30,000.00 in funding for the promotion of the City of Dallas and the Dallas area as a location for the production of motion pictures and television films by Resolution No. 02-3527; and

WHEREAS, on January 8, 2003, City Council authorized Supplemental Agreement No. 4 to reduce supplemental funding for additional marketing services from the Dallas Convention and Visitors Bureau from \$950,000.00 to \$715,000.00 and to reduce DCVB's required reserve account from \$1,000,000.00 to \$800,000.00 to address future budget deficiencies, and to reduce the DCVB's requirement to pay for capital improvements at WRR Municipal Radio from \$1,050,000.00 to \$790,280.00, by Resolution No. 03-0213; and

WHEREAS, on October 22, 2003, City Council authorized Supplemental Agreement No. 5 to the contract to defer to DCVB's January 1, 2004, repayment in the amount of \$197,570.00 until January 1, 2007, allowing DCVB to offer economic incentives to the clients to facilitate future convention center bookings by Resolution No. 03-2860; and

WHEREAS, on April 28, 2004, City Council authorized Supplemental Agreement No. 6 to the contract to defer the DCVB's requirement to establish a reserve account of \$800,000.00 from September 30, 2006 to September 30, 2007, to enable DCVB to support or create special events to attract visitors downtown by Resolution No. 04-1442; and

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WHEREAS, on October 12, 2005, City Council authorized Supplemental Agreement No. 7 to the contract to provide \$200,000.00 supplemental funding for DCVB to promote the City of Dallas and the North Texas area as a location for production of motion pictures and television films by Resolution No. 05-2924; and

WHEREAS, on September 13, 2006, City Council authorized Supplemental Agreement No. 8 to the contract with the DCVB exercising the first of two five-year renewal options to extend the contract for convention facility promotion, advertising and tourism development services for the period of October 1, 2006, to September 30, 2011, by Resolution No. 06-2490; and

WHEREAS, on October 28, 2009, City Council authorized Supplemental Agreement No. 9 to the contract with the DCVB for the City to assume the function of marketing and promoting the City as a desirable location for the entertainment industry (i.e., film, digital image and other) and other actions by Resolution No. 09-2672; and

WHEREAS, on September 14, 2011, City Council authorized an Amended and Restated contract with the DCVB for convention facility promotion, advertising and tourism development services by Resolution No. 11-2452; and

WHEREAS, on September 9, 2015, City Council authorized a contract with the DCVB for convention facility promotion and advertising and tourism development by Resolution No. 15-1666; and

WHEREAS, on December 19, 2016, City Council authorized Supplemental Agreement No. 1 to remove Downtown Tourist Public Improvement funds as the source of funding for the annual \$500,000 capital improvement contribution and to update the DCVB contact information by Resolution No. 16-7122; and

WHEREAS, on January 4, 2019, the Office of the City Auditor released the *Audit of VisitDallas Report No. A19-006* which evaluated the effectiveness of services provided by the Dallas Convention and Visitors Bureau (dba VisitDallas) between FY 2016 and FY 2017; and

WHEREAS, the Audit provided 18 recommendations that require memorialized contract amendments; and

WHEREAS, on November 13, 2019, City Council authorized an Amended and Restated contract with the Dallas Convention and Visitors Bureau (dba VisitDallas) to memorialize contract amendments.

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Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager is hereby authorized to execute the first five-year renewal option to the services contract with The Dallas Convention & Visitors Bureau dba VisitDallas, for convention and public event facility promotion, advertising and tourism development services, for the period beginning October 1, 2020 through September 30, 2025 and revising the contract to incorporate an annually declining, pro-forma based Hotel Occupancy Tax allocation for the renewal term, with an optional three-year renewal, approved as to form by the City Attorney.

SECTION 2. That the renewed contract shall include a required five-year proforma that shall be used as the basis for the revision of Ordinance No. 29-880 Sec. 44.35 which governs the disposition of Hotel Occupancy Tax (HOT).

SECTION 3. That the renewed contract shall annually decrease the percentage of HOT allocated to the promotion of tourism and to market the city of Dallas and increase the allocation for other allowable uses under Texas Tax Code Chapter 351.

SECTION 4. That the renewed contract shall include a requirement that the contract be reviewed on or before September 30, 2022 to ensure deliverables have been met and to make contract revisions where necessary.

SECTION 5. That the renewed contract shall include the firm deliverable due dates, revised definition of tourism, the inclusion of arts and culture in the promotion and marketing activity, and enhanced reporting and performance goal requirements, including an increase from 2% to 3% retainage to be paid out based on DCVB successful contract compliance as outlined in the previously approved Amended and Restated Contract.

SECTION 6. That the renewed contract remove the provisions of Resolution No. 16-7122 to secure the DCVB's commitment to the City to provide \$500,000.00 in funding annually for Dallas Convention Center improvements.

SECTION 7. That the renewed contract shall include a requirement to expand their Minority and Women Owned Business Enterprise procurements.

SECTION 8. That the renewed contract shall include governance requirements for the Dallas Convention and Visitors Bureau and that those requirements will be aligned in the bylaws of the Dallas Convention and Visitors Bureau, and that those governance requirements may be amended through mutual consideration by both the City of Dallas and the Dallas Convention and Visitors Bureau.

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SECTION 9. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed 29.10% of the 7% Hotel Occupancy Tax collected by the City to the Dallas Convention and Visitors Bureau in FY 2021; 27.6% in FY 2022; 25.10% in FY 2023; 22.60% in FY 2024; and, 20.10% in FY 2025, at the discretion of the Director if DCVB complies with all terms of the contract, as supplemented from Convention Center Fund, Fund 0080, Department CCT, Unit 7838, Object 3320, Encumbrance/Contract No. CCT-2020-00013782, Vendor 519741.

SECTION 10. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.