

Mayor and Council Communication

DATE: 08/09/22

M&C FILE NUMBER: M&C 22-0566

LOG NAME: 17VFW ECONOMIC DEVELOPMENT PROMOTIONAL FUNDING

SUBJECT

(ALL) Authorize Execution of a Seventh Addendum to City Secretary Contract Number 44949, a Professional Services Agreement with the Fort Worth Convention and Visitors Bureau, in the Amount of \$90,000.00 to Grow National Recognition for Economic Development Progress and Business Opportunities by Utilizing a Nation-Wide Public Relations Firm, Adopt Appropriation Ordinances and Amend the Fiscal Year 2022 Adopted Budget

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a seventh addendum to City Secretary Contract Number 44949, a professional services agreement with the Fort Worth Convention and Visitors Bureau, in the amount of \$90,000.00 to grow national recognition for economic development progress and business opportunities by utilizing a nation-wide public relations firm;
2. Adopt the attached appropriation ordinance reallocating appropriations in the Non-Departmental Department of the General Fund by decreasing the General Operating & Maintenance category in the amount of \$90,000.00 and increasing the Economic Development Department Transfers and Other category by the same amount;
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Culture and Tourism Fund in the amount of \$90,000.00, transferred from available funds within the General Fund, for the purpose of funding enhanced public relations efforts on behalf of the City; and
4. Amend the Fiscal Year 2022 Adopted Budget.

DISCUSSION:

The City of Fort Worth (City) and the Fort Worth Convention and Visitors Bureau d/b/a Visit Fort Worth (VFW) are parties to City Secretary Contract Number 44949 (as previously amended and addended), a professional services agreement, under which VFW markets and promotes Fort Worth as a business and leisure destination (Agreement). The Agreement requires VFW to prepare and submit a yearly marketing plan to the City that includes the marketing and promotional activities and services to be performed by VFW for the upcoming fiscal year to promote the entire City and all of its facilities and amenities. Funding for the general marketing is derived from a certain percentage allocation of hotel occupancy tax collections, subject to an annual "true up".

In 2021, the City began an aggressive campaign to raise its profile, which was outlined as a key objective in the Economic Development Strategic Plan (Plan) prepared by TIP Strategies. In order to enhance those efforts, City desires for VFW to increase the funding under the Agreement to utilize a nation-wide public relations firm to grown national recognition for economic development progress and business opportunities through increased exposure.

Costs for these services were not accounted for in the City most recently-approved budget and will be incurred during the period between April 1, 2022, and December 31, 2022. Therefore, funding for the additional services is in addition to, and falls outside of, the funding model under the current Agreement and do not affect the general funding percentage allocation or the associated true up process. VFW will expand its contractor for national public relations support to include stories that support Fort Worth's economic development agenda. The City agrees to reimburse VFW in an amount up to \$90,000. The City will receive a report outlining the activities and results for the period of April - August 2022. These payments will be a reimbursement for actual costs incurred by VFW for the increased expansion to the Agreement with their national public relations firm.

The actions in this M&C will amend the Fiscal Year 2022 Adopted Budget as approved in connection with Ordinance 25073-09-2021, Section 1. General Fund, as listed on page 3, and Section 2. Special Revenue Funds, as listed on page 5.

Fund / Department Budget Category	FY2022 Adopted Budget	Authority	Budget Adjustment	Revised FY2022 Budget
Culture and Tourism:				
Revenues				
Hotel Occupancy Taxes	\$20,526,113.00			\$20,526,113.00
Charges for Services	\$4,833,487.00			\$4,833,487.00
Use of Money and Property	\$9,161,429.00			\$9,161,429.00
Other Revenue	\$1,859,903.00			\$1,859,903.00

License and Permits	\$5,500.00			\$5,500.00
Transfer from General Fund	\$3,691,893.00	This M&C	\$90,000.00	\$3,781,893.00
Total Revenues	\$40,078,325.00		\$90,000.00	\$40,168,325.00
Expenditures				
Culture and Tourism	\$37,090,240.00	This M&C	\$90,000.00	\$37,180,240.00
Transfer to General Fund	\$901,477.00			\$901,477.00
Transfer to Culture and Tourism Capital Projects Fund	\$856,000.00			\$856,000.00
Transfer to Vehicle and Equipment Replacement Fund	\$25,000.00			\$25,000.00
Transfer to IT Refresh Capital	\$31,500.00			\$31,500.00
Transfer to Culture and Tourism Debt Fund	\$343,372.00			\$343,372.00
Transfer to Venue Debt Fund	\$455,030.00			\$455,030.00
Contribution to Fund Balance	\$375,706.00			\$375,706.00
Total Revenues	\$40,078,325.00		\$90,000.00	\$40,168,325.00

Fund / Department Budget Category	FY2022 Adopted Budget	Authority	Budget Adjustment	Revised FY2022 Budget
General Fund:				
Expenditures				
Non-Departmental	\$2,932,200.00	This M&C	(\$90,000.00)	\$1,996,069.00
		M&C 21-0964	(\$167,000.00)	
		M&C 22-0194	(\$40,000.00)	
		M&C 22-0364	(\$639,131.00)	
Separation Pay	\$8,285,537.00			\$8,285,537.00
Contractual Services	\$724,500.00			\$724,500.00
Tuition Reimbursement	\$172,478.00			\$172,478.00
Training Initiative	\$250,000.00			\$250,000.00
Transfer to the General Capital Fund (Paygo)	\$750,000.00			\$750,000.00
Transfer to Municipal Golf (Operating Subsidy)	\$395,000.00			\$395,000.00
Economic Development	\$35,759,114.00	M&C 22-0364	\$89,131.00	\$35,848,245.00
Interfund Transfer Out/Subsidy to Culture and Tourism (380 Agreement)	\$3,691,893.00	This M&C	\$90,000.00	\$3,691,893.00
		This M&C	(\$90,000.00)	
Transfer to Economic Incentives Fund	\$2,000,000.00			\$2,000,000.00
Total Expenditures	\$54,960,722.00		(\$847,000.00)	\$54,113,722.00

Funding is budgeted in the Other Contractual Services account of the Nondept Other Contractual Department's General Fund for the purpose of transferring to the Culture and Tourism Fund.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the General Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the General Operating & Maintenance category of Culture & Tourism Fund. Prior to an expenditure being incurred, the Public Events Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Reginald Zeno 8517

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Robert Sturns 2663

