

Mayor and Council Communication

DATE: 09/27/22

M&C FILE NUMBER: M&C 22-0792

LOG NAME: 25ARPA-VFW-TDG2

SUBJECT

(ALL) Authorize an Amendment to City Secretary Contract Number 56966 an Agreement with the Fort Worth Convention and Visitors Bureau, dba Visit Fort Worth, Increasing the Amount by \$750,000.00 for a Total Amount Not to Exceed \$6,750,000.00

RECOMMENDATION:

It is recommended that the City Council authorize an amendment to City Secretary Contract Number 56966, an Agreement with the Fort Worth Convention and Visitors Bureau, dba Visit Fort Worth, to increase the amount of the contract by \$750,000.00 for a total amount not to exceed \$6,750,000.00.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to amend City Secretary Contract (CSC) Number 56966 to enhance the capacity of the Fort Worth Convention and Visitors Bureau, dba Visit Fort Worth (VFW), to promote Fort Worth as a tourism and special event destination between 2022 and 2026 as a result of the allocation of additional American Rescue Plan Act (ARPA) funds, M&C13ARPA AMERICAN RESCUE PLAN ACT PROJECT ALLOCATIONS, September 27, 2022.

VFW's main purpose is to promote the tourism and convention and hotel industries within the City of Fort Worth (City). VFW carries out these purposes through a professional services agreement with the City (CSC# 44949, as amended). Funding for general marketing of the entire City and all of its facilities is derived from a percentage allocation of hotel occupancy tax (HOT) collections by the City on an annual basis. With the shutdown of the travel and tourism industry because of the COVID-19 pandemic, funding for VFW was significantly reduced in Fiscal Years (FY) 2020 and 2021. HOT collections continued to recover in FY 2022, however, VFW has an additional shortfall. As VFW is the City's lead entity concerning sales and marketing for tourism and special events, it is critical that VFW be provided the financial resources to lead this segment of the Fort Worth economy back to pre-pandemic levels of performance.

The City and VFW are currently parties to an ARPA-funded Tourism Development Grant (CSC No. 56966) (Agreement) in an amount up to \$6,000,000.00 to develop and execute a sales and marketing plan to spur the recovery of the City's hospitality and tourism industry, along with carrying out programs to effectively market the City and support VFW's three-point plan for rebuilding the City's visitor economic - (1) Supporting recovery of conventions, (2) leveraging momentum with sports tourism, and (3) promoting leisure tourism. Approval of this M&C will authorize execution of an amendment to the Agreement for an additional amount not to exceed \$750,000.00 of which the \$500,000.00 allocated for FY2023 in the American Rescue Plan Act project in the Grants Operating Federal Fund budget will be paid in the first-quarter of FY 2023 upon full execution of the amendment to the existing agreement, and the remaining \$250,000.00 will be paid in the first-quarter of FY2024, providing no less than three calendar years between the final payment and the required deadline for all funds to be spent by the end of 2026. All funding to VFW will include the necessary reporting and documentation requirements for the City to be in compliance with all reporting requirements in the ARPA legislation.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation American Rescue Plan Act funds are available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. Prior to an expenditure being incurred, the Public Events Department has the responsibility to validate the availability of funds. This is an advance funded grant.

Submitted for City Manager's Office by: William Johnson 8506

Originating Business Unit Head: Michael Crum 2501

Additional Information Contact: Michael Crum 2501

Expedited