

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL SIGNED  
ORDINANCE APPROVED BY CITY COUNCIL**

**AN ORDINANCE**

**AUTHORIZING THE EXECUTION OF A DESTINATION  
AND MARKETING SERVICES AGREEMENT IN AN  
APPROXIMATE AMOUNT OF \$23,330,624.00 IN FISCAL  
YEAR 2017 AND OTHER RELATED AGREEMENTS WITH  
VISIT SAN ANTONIO (“VSA”) FOR THE PERFORMANCE  
OF DUTIES ASSOCIATED WITH THE CITY’S FORMER  
CONVENTION & VISITORS BUREAU.**

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**WHEREAS**, competition between destinations to attract leisure visitors, meetings, conventions and events is growing at regional, national and international levels; and

**WHEREAS**, the City’s current Convention and Visitors Bureau (the “CVB”) is structured in a manner that limits rapid response to changing market conditions, while comparable Texas cities continue to capture an upward-trending share in the leisure visitor and convention market; and

**WHEREAS**, in May 2015, Mayor Ivy R. Taylor created a Convention & Visitors Bureau Structure Task Force (the “Task Force”) charged with determining the ideal structure to provide a competitive advantage for San Antonio in the tourism and convention industries; and

**WHEREAS**, the Task Force determined that the City should pursue avenues to effectuate a public-private partnership in its efforts to further prospective business and tourism development initiatives within the City; and

**WHEREAS**, the Task Force presented its findings and recommendation to the Mayor and City Council at a December 9, 2015 “B” Session, where the Task Force recommended that the CVB transition from a department within the City’s municipal government to an independent non-profit corporation known as Visit San Antonio (“VSA”), which would be organized pursuant to Chapter 22 of the Texas Business Organization Code, and thereafter apply for a tax exempt designation under Section 501(c)(6) of the Internal Revenue Code, as amended; and

**WHEREAS**, the proposed new entity facilitated by the transition is anticipated to increase the speed to market, achieve flexibility in operations and decision-making, swiftly respond to business prospects, and presents opportunities to diversify the organization’s revenue sources; and

**WHEREAS**, the City Council approved a Resolution to Proceed with the transition on February 18, 2016, subject to an amendment requiring prior City Council review of the Corporation's creation documentation before filing with the Texas Secretary of State, which review occurred during the Council's Economic and Community Development Committee meeting on May 3, 2016; and

**WHEREAS**, VSA has since filed a Certificate of Formation (the "Articles") with the Texas Secretary of State, applied for and received an Employer Identification Number (EIN), and applied for a Section 501(c)(6) federal tax-exempt designation with the Internal Revenue Service; and

**WHEREAS**, the City recognizes the visitor industry as a key economic generator for San Antonio, with a \$13.4 billion annual economic impact providing for more than 122,500 local jobs; and

**WHEREAS**, the significance of the CVB's efforts, working jointly with its partners, has been directly connected to the success of the City's visitor industry; and

**WHEREAS**, in an effort to replicate and continue the success achieved by the CVB, the City desires to engage VSA to perform the services formerly performed by the CVB; and

**WHEREAS**, VSA's provision of the services is expected to contribute to the achievement of the goals stated above; and

**WHEREAS**, the City Council finds and determines that the adoption of this Agreement is in the best interests of the residents of the City, the industries served by VSA, and the City's tourism market; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The terms and conditions of a Destination and Marketing Service Agreement (the "Agreement") are approved and payment in an amount of \$23,330,624.00 for fiscal year 2017 is authorized and should be encumbered upon submission of an invoice by VSA in accordance with the terms of the Agreement. Any future payments are contingent upon City Council approval in future fiscal budgets.

**SECTION 2.** The City Manager or her designee is authorized to execute the Destination and Marketing Service Agreement with VSA in accordance with this ordinance. A copy of the Agreement shall be attached to this ordinance following execution by the Parties. Upon the concurrence of the City Attorney's Office, the City Manager or her designee may negotiate and execute ancillary documents and agreements necessary to effectuate the purpose of this ordinance which is to establish VSA as an independent entity providing services to the City previously performed by the City's Convention & Visitors Bureau. Such documents and agreements may include, but are not limited to, VSA's annual business plan, transition plan, initial personnel complement and lease agreements for City facilities.

**SECTION 3.** The City Council authorizes the disposition of City assets in accordance with the terms and conditions of agreements approved hereunder.

**SECTION 4.** Funding in the amount of \$23,330,624.00 for this Ordinance is available in Fund 29006000, Cost Center 4301010001, General Ledger 5202025, as part of the Fiscal Year 2017 Budget.

**SECTION 5.** The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer (CFO), City of San Antonio. The Deputy CFO may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 6.** This Ordinance shall become effective immediately on its passage by at least eight (8) votes and after the tenth (10<sup>th</sup>) day of passage if by less than eight (8) votes.

PASSED AND APPROVED this \_\_\_<sup>th</sup> day of SEPTEMBER 2016.

**M A Y O R**  
**Ivy R. Taylor**

**ATTEST:**

**APPROVED AS TO FORM:**

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Leticia M. Vacek, City Clerk

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City Attorney