

AN ORDINANCE **2016-09-29-0722**

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 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 approximate 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 (10th) day of passage if by less than eight (8) votes.

PASSED AND APPROVED this 29th day of SEPTEMBER 2016.

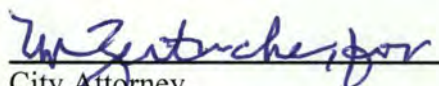

M A Y O R
Ivy R. Taylor

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



City Attorney

Agenda Item:	4						
Date:	09/29/2016						
Time:	10:39:54 AM						
Vote Type:	Motion to Approve						
Description:	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 for the performance of duties associated with the former Convention & Visitors Bureau. [Carlos J. Contreras III, Assistant City Manager; Michael J. Sawaya, Director, Convention & Sports Facilities]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				
Alan Warrick	District 2		x				x
Rebecca Viagran	District 3		x			x	
Rey Saldaña	District 4			x			
Shirley Gonzales	District 5	x					
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8			x			
Joe Krier	District 9	x					
Michael Gallagher	District 10		x				

DESTINATION AND MARKETING SERVICES AGREEMENT BETWEEN THE CITY OF SAN ANTONIO, TEXAS AND VISIT SAN ANTONIO

The City Council (the *Council*) of the City of San Antonio, Texas (the *City*), a home-rule municipality operating under the City's Home Rule Charter, has approved the City's engagement of Visit San Antonio (*VSA*, and together with the *City*, the *Parties*), a Texas non-profit corporation organized under Chapter 22, Texas Business Organizations Code, as amended (*Chapter 22*), to provide certain Services (defined below) as set forth in this Destination and Marketing Services Agreement (the *Agreement*), entered into by the Parties pursuant to Section 351.101(c), Texas Tax Code, as amended (the *Tax Code*).

RECITALS

WHEREAS, the City and VSA recognize the visitor industry as a key economic generator for the City, with an estimated \$13.4 billion annual economic impact providing more than 122,500 local jobs; and

WHEREAS, in an effort to replicate and continue the success achieved by the City's Convention & Visitors Bureau (*CVB*), the City desires to engage VSA whose initial role the City expects and acknowledges will mirror or exceed that of the CVB to perform the *Services* (as defined below) in consideration of the compensation provided in this Agreement; and

WHEREAS, VSA's provision of the *Services* is expected to contribute to the achievement of the goals of both Parties; and

WHEREAS, the City and VSA hereby find and determine that entering into this Agreement is in the best interests of the residents of the City and surrounding areas, the industries served by VSA, and the City's tourism market; **NOW THEREFORE**:

In consideration of the mutual promises and covenants contained herein, the City and VSA agree as follows:

I. TERM

1.1 Term. The term of this Agreement shall commence on October 1, 2016, and will remain in full force and effect through September 30, 2021 (the *Term*), with an extension option of up to 5 years from the end of the Term, unless such Agreement is terminated, pursuant Article VII herein.

1.2 Appropriations. The City agrees, as a part of its budget process and in connection with the City's collection of Hotel Occupancy Tax (HOT) under the Tax Code, to appropriate an amount to VSA as described in Article III below.

II. SCOPE OF SERVICES

2.1 Services for Compensation. VSA agrees to provide the services described in

Section 2.2 below (the *Services*) in exchange for the compensation described in Article III of this Agreement. The City acknowledges that VSA, as permitted by the Tax Code, may contract with various entities and organizations unaffiliated with the City, and that under those agreements and funds derived from those agreements, VSA may perform other services and activities in accordance with VSA's Certificate of Formation and Bylaws. The Parties understand that funds provided by the City through this Agreement must be expended in accordance with the Tax Code (particularly the provisions governing the expenditure of revenue derived from HOT).

2.2 Scope of Services. VSA shall work to: (1) attract leisure visitors to the City; (2) attract and secure meetings, events and conventions to the City, including but not limited to, the City-owned Henry B. Gonzalez Convention Center (*HBGCC*) or other City-owned facilities or venues as coordinated through the City; and 3) serve as a liaison to local businesses (including hoteliers, sports foundations, and other similar entities) and City departments to attract leisure visitors, meetings, events and conventions to the City. VSA, subject to being supplied the appropriate funding pursuant to this Agreement, shall:

(A) carry out the actions defined in the applicable annual *Business Plan* (defined below) related to attracting leisure visitors, meetings, events and conventions to the City and as outlined in VSA's Articles and Bylaws and expanding the City's approach to recruiting, retaining and expanding large, national meetings, conventions and events as identified by that applicable annual Business Plan increasing the visibility of the City on a nation-wide level through media and public relations efforts, and, where appropriate, coordinating and working with public and private partners and organizations involved in local efforts to attract and retain large, national conventions and events;

(B) utilize research reports on economic trends, growth sectors, and regional competitive strengths and weaknesses, as is customary in the destination and marketing organization industry, as specified in the applicable annual Business Plan, in order to assist the City in making strategic decisions in its efforts to attract leisure visitors, meetings, events and conventions to the City and in accordance with VSA's Bylaws;

(C) provide marketing and imaging campaigns for the City's tourism and convention industry, as specified in the annual applicable Business Plan and in accordance with the covenants regarding intellectual property as described in Article XII;

(D) inform and partner with the City regarding high-profile or significant recruitment/attraction efforts; and

(E) provide, in appropriate detail in accordance with the Tax Code, reports listing the VSA's expenditures made with HOT, and VSA's progress in performing the Services in conformance with implementation of the annual Business Plan, pursuant to Section 2.3(C);

2.3 Hosting Obligations. The term "Hosting Obligation", as commonly referred to by the City and CVB in previous dealings, is a contractual obligation the CVB negotiated with an event holder for choosing the City as the host city for its convention, meeting, or special event. Generally, Hosting Obligations are offered to organizations based upon (1) the competitive environment, (2) the forthcoming convention's synergies with primary economic drivers of the

San Antonio Region, or (3) the likelihood of the event producing a significant visitor-related economic impact which benefits the City's economy. The Parties agree, pursuant to the provisions articulated throughout this Agreement, to coordinate prospective Hosting Obligations with potential event holders for promoting, marketing, and assisting in developing the City as a premier leisure visitor and convention and meeting location, all as purposes set forth in VSA's Articles.

While the City will maintain within its control the account and funds associated with Hosting Obligations, VSA shall retain the responsibility of implementing the approval process in place to ensure Hosting Obligations are given to event hosts only when warranted and approved prior to the proposed event. VSA will continue to monitor and evaluate the Hosting Obligations' progress through review of rental records, food and beverage revenues reported by the HBGCC's authorized catering vendor, actual hotel nights rented, and other key documentation to ensure the event hosts met the thresholds to receive the City's Hosting Obligations.

2.4 Business Plan.

(A) Development. Within sixty (60) days of the execution of this Agreement, and thereafter before November 30 of each year, VSA shall prepare a draft Business Plan outlining how it proposes to deliver the Services within the fiscal year that is the subject of that draft Business Plan. In Year 1 of the Agreement, the draft Business Plan shall include the initial efforts of VSA for the beginning of Fiscal Year 2017 (which is the period ending September 30, 2017). The draft Business Plan shall describe the methodology and steps then expected to be followed by VSA to deliver the Services within the specified fiscal year, and shall include a budget that indicates in appropriate detail how the funding provided by the City for that fiscal year will be expended. VSA shall work to finalize the draft Business Plan, and shall submit the draft Business Plan to its Board of Directors (the *Board*) for approval. After approval by the Board, the approved Business Plan shall become incorporated into this Agreement as Exhibit A. The Parties understand that circumstances during any period of time may differ from those contemplated when the Business Plan was approved; therefore, amendments to the Business Plan may be made by VSA within any fiscal year. However, any material changes to the approved Business Plan affecting the expenditure of HOT must be approved in writing by VSA's Board prior to the implementation of such material changes.

(B) Business Plan Performance Targets. As part of the development of each annual Business Plan, VSA shall establish "Performance Targets" against which VSA's execution of the Business Plan, to include its revenue enhancement efforts and goals, is evaluated (the *Revenue Enhancement Plan*). The Revenue Enhancement Plan will be updated as part of the annual Business Plan and will identify targets for potential funding sources of additional non-HOT revenues to include private funding sources and how such funding is proposed to be utilized. If changing market conditions, funding availability issues, unforeseen expenses, or other circumstances beyond VSA's reasonable control arise, the then current Performance Targets may be revised, with the prior written approval of the Board.

(C) Reporting. VSA will maintain reasonable levels of communication with the City's Convention & Sports Facilities Department, Finance Department, and any other designated departments of the City throughout the Term of this Agreement to ensure

coordination between the City and VSA as to VSA's efforts to implement the Business Plan. VSA shall provide, as required by the Tax Code and this Agreement, various reports to the City that describe in appropriate detail (in all cases, taking into account the need to maintain a high level of confidentiality with respect to proprietary and competitive matters to the extent permissible under applicable law) its progress in implementing the Business Plan and meeting Performance Targets, as specified in this Agreement, as well as providing the City with periodic reports in accordance with the requirements as set forth in the Tax Code and on any activity that VSA believes to be of interest to the City. VSA agrees to report to the City as follows:

- (i) quarterly and annual written status reports and general accountings, and
- (ii) on reasonable request of the City, periodic update presentations that address the Services provided pursuant to this Agreement.

2.5 Booking Policy. Under the terms of this Agreement, VSA is the primary entity responsible for the booking of space within the HBGCC. VSA's ability to book space within the HBGCC is subject to the City's rights as owner and operator of the HBGCC to determine whether such bookings are in the best interests of the City. The City shall have the right to place priority bookings within the HBGCC on an exception basis, based upon such determination by the City as to the benefit provided by such booking and coordinated with VSA.

(A) Subject to the City's rights as described above, VSA shall have inventory rights to space within the HBGCC for meetings, conventions and events booked twelve (12) months in advance. Additionally, VSA may book meetings, conventions, and events with less than twelve (12) months lead time upon the prior written approval of the City.

(B) Regardless of the processes outlined above, the City and VSA agree to collaborate in booking the HBGCC with the purpose of maximizing bookings of the HBGCC and increasing tourism to the City in accordance with VSA's purposes as set forth in the Articles.

2.6 Sales Responsibilities. VSA is responsible for the marketing and direct solicitation of group business for the HBGCC, including but not limited to representation at key industry events and trade shows, management of customer engagement opportunities, group familiarization trips, and customer sales calls. VSA is responsible for managing group site inspection and pre-planning meetings for groups that require the use of the HBGCC.

2.7 Group Sales Leads. VSA is responsible for the preparation of group sales' leads for distribution to hotels and industry partners.

2.8 Managing Group Room Blocks. VSA is responsible for working in conjunction with hotel partners to secure group room blocks necessary to host group events at the HBGCC. VSA shall determine each group's requirements and generate a lead to forward to local hotels, as well as prepare packages and presentations to the group's planner.

2.9 Booking Window. Subject to Section 2.5 above, VSA is responsible for managing the meeting room inventory at the HBGCC for groups requesting space up until 12 months in advance of an event. For any meetings and events occurring within 12 months of the current date, the HBGCC will be responsible for approving that space. If a group opportunity arises within 12 months of the start date of an event, and appropriate meeting space is available, VSA may confirm the space after receiving approval from the HBGCC.

2.10 Reserving Meeting Space and Price Concessions.

(A) Contracting Space. VSA is responsible for reserving meeting space necessary to host group functions. The HBGCC booking department is responsible for providing the cost estimate for meeting space and preparation of contracts presented to the customer.

(B) Pricing Discounts. Any pricing discounts regarding the meeting space and exhibit hall rentals must be approved in advance by VSA leadership before any offer is extended to group planners. If requests for pricing discounts occur after the City's annual budget is approved, VSA leadership is responsible for asking HBGCC leadership to assist in offsetting any rental costs that are not included in the annual Hosting Obligations budget. Only the HBGCC leadership shall negotiate with building vendors to provide customer discounts for services performed.

(C) Change in Pricing. Any proposed room or space rental rate changes shall be presented to the Board for feedback prior to presentation of the budget to the City Council for approval.

(D) Partner Subsidies or Rebates. If hotel partners are agreeable to subsidizing meeting room rental, VSA is responsible for subsidy negotiation with hotel partners and additionally ensuring the process for applying subsidies or rebates is clearly defined with clients and hotels. In no instance will the HBGCC be responsible for negotiating or collecting subsidies or rebates from hotels.

(E) Space Booking Restriction. VSA is the only entity permitted to approve requests from hotels to utilize meeting or exhibit space within the HBGCC including requests within the 12 month booking window.

2.11 Room Block Agreement. VSA acknowledges the City's existing Room Block Agreement with the Grand Hyatt Hotel adjacent to the HBGCC. The City retains all rights and obligations under the Room Block Agreement including the rights to amend, re-negotiate or terminate such agreement; however, any changes shall be coordinated with VSA to ensure minimal impact to group and convention business and performance standards. VSA agrees to abide by the terms of the Room Block Agreement and, additionally, to enforce the provisions of the Room Block Agreement on behalf of the City, subject to VSA's pre-determined booking arrangements under the Room Block Agreement.

2.12 Utilization of City-Owned Facilities. The City acknowledges that, to ensure VSA's success in performing the obligations set forth herein, the City will permit VSA access to

utilize City-owned facilities, in accordance with the Booking Policy described in Section 2.5 hereof, subject to the City's priority of booking, at no cost to VSA (including parking spaces as described in Section 2.14 below), subject to date availability, for the purpose of effectuating the objectives of VSA and the City as set forth in this Agreement and the Articles. In connection with events solicited, organized, or otherwise planned in which VSA is involved, the City permits VSA access and use of catering services as utilized by the City, including any waiver or reduction of the City's traditional commission.

2.13 River Barges. VSA retains the right to secure river barges under City agreement with Rio San Antonio Cruises, or its successors or assigns, at no additional charge to VSA. Utilization is based on a five (5) year average.

2.14 Parking Spaces. The City shall provide five (5) parking passes for VSA use in City-owned garages and at the City's airport provided such passes are used in the course of VSA's business recruitment or attraction efforts.

2.15 Board of Directors. VSA will at all times maintain a Board as specified in VSA's Articles and adopted Bylaws. The Board's primary responsibilities include fiduciary oversight, provision of strategic direction, and serving in an advisory role for the City's Convention & Sports Facilities Department.

2.16 Feedback. VSA is responsible for providing an automated client feedback survey to all groups meeting at the HGBCC or groups that otherwise use VSA's destination services' department. Surveys or other feedback material shall be sent to the customer within 10 business days following the completion of the meeting. VSA will subsequently share this survey with appropriate City staff within a reasonable time.

III. COMPENSATION TO VSA

3.1 Compensation.

(A) Transition Period. For the period of October 1, 2016 through March 31, 2017, the City will provide VSA with ongoing City services and support consistent to those provided to its internal City departments. Such services and support shall include, but not be limited to, human resources support, finance department support, access to and utilization of the City's accounting system known as SAP, legal services, access to, use of, and payment for consultants, information technology services (e.g., access to staff, utilization of applicable servers, telecommunication systems, email systems, etc.) and other ancillary support services as hereafter determined by the City and VSA to be necessary to effectuate the transition of the functions of the City's CVB to VSA (the *Transition*). In the event the City and VSA require additional time to complete the Transition, the Parties may, by mutual agreement, extend the Transition period by up to six (6) months.

(B) Transition of Services. Effective April 1, 2017, all functions of the CVB shall transition to VSA and the City shall commence to provide compensation to VSA in return for the provision of the Services described in Article II.

(i) The adopted budget for the support of VSA for Fiscal Year 2017 shall be \$23,330,624.00, which is inclusive of the base budget and indirect costs to support the VSA.

(ii) By March 28, 2017, the City shall pay the VSA an advance (the Advance) of SIX MILLION DOLLARS AND NO CENTS (\$6,000,000) to support VSA's operations for the period beginning April 1, 2017 through June 30, 2017. Following the Advance, subsequent payments will be made to VSA in equal installments on July 1, 2017, August 1, 2017 and September 1, 2017 for the remaining amount of Fiscal Year 2017's adopted budget to provide necessary funding after the deduction of: (1) actual expenses paid by the City for the period of October 1, 2016 through March 31, 2017 in support of VSA's operations; and (2) the Advance. Total financial support to the VSA for Fiscal year 2017 shall not exceed \$23,330,624.00.

(iii) All funds for "Hosting Obligations", as previously described herein, shall be maintained in an account held by the City. VSA shall include, through quarterly reporting, any current and future requirement for Hosting Obligations. Additionally, during the preparation of the City's annual budget process, VSA will provide the current and future requirements of Hosting Obligations whereby the City shall subsequently provide adequate and reasonable funding to ensure the Hosting Obligations account maintains sufficient reserves.

(iv) The City and VSA will work jointly to determine if any mid-year adjustment related to indirect costs and budgeted assessments is necessary during Fiscal Year 2017 based on: 1) VSA's required services; and 2) the City's ability to provide such adjustment.

(C) FY 2018. Beginning on October 1, 2017, the City shall target 35 percent (35%) of the net HOT revenue collected, defined as HOT revenue minus the provision of payment satisfying the City's lease payment (debt service) obligations of the City of San Antonio, Texas Public Facilities Corporation as well as any amount set aside for the defeasance of debt as compensation to VSA for the performance of Services. Each year during the City's annual budget process, the targeted percentage, subject to adjustment as outlined below, will result in an annual appropriation to be paid to VSA. The targeted annual percentage may be adjusted by the City during the City's annual budget process based upon the annual update to the HOT pro forma in order to make a determination on whether or not adjustments are necessary to increase, maintain, or reduce operating expenses due to factors including changing economic conditions, requirements of VSA, requirements of the City and funding levels of the contingency funds and lease payment as set forth in the hereafter referenced HOT financial policy. The City will actively manage operating expenses to be funded with HOT in keeping with the HOT Funds Financial Policy approved by City Council on September 20, 2012 through Resolution No. 2012-09-20-0038R.

The annual HOT appropriation as approved by the City Council in accordance with the

provisions and requirements of the Tax Code, shall be paid to the VSA in equal monthly installments (1/12 of the appropriated budget) beginning October 1 of each Fiscal Year, beginning October 1, 2017. The monthly payments will be made in advance on the first day of each month.

(D) Upon the conclusion of each fiscal year and completion of the City's independent annual audit, the annual amount appropriated in support of the VSA for the fiscal year immediately closed will be compared to the targeted percentage of 35% of the actual net HOT revenues recorded for that fiscal year. Any surplus or deficit may be considered for an additional adjustment to VSA at the City's discretion as part of a mid-year adjustment to the current fiscal year appropriation. VSA must also provide an amended Business Plan detailing how the surplus or reduction of funds will be utilized or budgeted expenses adjusted.

(E) VSA shall be the sole provider of the Services delineated in Article II hereof. Based upon the City's recognition of the valuable contributions the CVB previously provided to the City, and the Services VSA will subsequently provide under this Agreement, the City hereby agrees to contract exclusively with VSA and shall not engage in practices reasonably determined to be in competition with VSA as the sole provider of the Services hereunder including, but not limited to, the management and supervision of travel and tourism promotion and programs and activities funded with revenue from HOT authorized under the Tax Code pursuant to this Agreement. The City further agrees that during the Term and any extension of this Agreement, the City will not engage, either directly or indirectly, in any manner in funding, contracting, or otherwise entering into any agreement undertaken internally or through external parties for tourism promotion efforts with any entity other than VSA. The City retains the right to expend money for promotion efforts on its own behalf, including its facilities, and to fund entities whose purposes may include providing promotion services so long as visitor and convention services are not such entity's primary purpose and such entity is not created or otherwise effectuated to perform the services for which VSA was created.

3.2 Forecasting. VSA shall inform and provide input on the establishment of the five year forecast and the adopted budget appropriation for HOT Revenues.

3.3 Use of Funds. The funding provided by the City under this Agreement shall be used solely in connection with VSA providing the Services described in Article II, pursuant to the budget prepared as part of the approved Business Plan. VSA shall segregate all funds provided under this Agreement into a separate account and shall not commingle any funds supplied by the City with the VSA's general funds or other funds received by any other entity.

3.4 Collateral Requirements. VSA's depository must provide and maintain collateral for all uninsured collected balances in VSA's accounts in accordance with the requirements of Chapter 2257, Texas Government Code, as amended. Collateral maintained in the custody of a third-party institution. Collateral for all time and demand deposits of VSA shall be collateralized with a margin of one hundred and two percent (102%). All collateral terms shall be memorialized in VSA's investment policy to be subsequently adopted by the Board as further described in Section 3.5 below.

3.5 Investment Policy. All public funds on deposit from time to time in VSA's account(s) with its depository shall be invested and reinvested by its depository in any investment authorized pursuant to Chapter 2256, Texas Government Code §2256.001 as amended (Chapter 2256). VSA shall comply with Chapter 2256 in the purchase, sale, and investment of public funds under its control. VSA and the City agree that the Board will subsequently develop and adopt an investment policy, based upon the City's Investment Policy, and shall invest public funds as permitted by Chapter 2256, in compliance with the investment policy approved by the Board, and according to the standard of care prescribed by the Investment Act.

3.6 Additional Services. Should any additional services outside the scope of this Agreement be requested and authorized by the City Manager or her designee, and accepted by VSA, VSA shall receive additional consideration in the form of separate compensation for those services over and above the compensation discussed in this Article III, at an amount agreed to by the City Manager or her designee and VSA.

3.7 Invoices. VSA shall submit City invoices to:

City of San Antonio
Convention & Sports Facilities Department
P.O. Box 839966
San Antonio, Texas 78283-3966

IV. AUDIT

4.1 VSA's Audit. In accordance with its standard practices, VSA shall obtain an audit conducted by an independent auditing firm annually during the Term of this Agreement. The audit shall include an examination of the separate account maintained to receive and disburse funds provided by the City to VSA pursuant to this Agreement. A copy of the Audit Report and Management Letter prepared as a result of the audit shall be provided to the City no later than January 15 of the close of the fiscal year.

4.2 City's Audit. The City or its authorized representative shall at all reasonable times, on ten business days' prior written notice, have the right to examine, inspect, and audit all books, papers, and bank records of VSA directly related to the funds provided to VSA under this Agreement, to determine the accuracy of reports made under this Agreement. The cost and expenses incurred by the City incident thereto shall be the sole responsibility of and borne by the City. Those records shall be maintained by VSA for a period of four (4) years after the termination of the initial Term of this Agreement and any applicable extension period, and shall be made available for inspection and/or audit by the City or its agents at VSA's place of business. Nothing in this Agreement shall be deemed to give the City authority to direct, question, review, audit, or otherwise influence the expenditure of any funds that are not directly paid to VSA by the City.

4.3 Dispute Findings. Either VSA or the City may dispute the findings of audits performed under this Agreement, by giving written notice to the other party within thirty (30)

days of receiving the results of an audit. The Party electing to dispute audit results shall, within thirty (30) days following receipt of the auditor's report, submit such additional information as it believes is required to correct the auditor's report.

4.4 Scope. Knowledge of VSA's financial condition is essential to the City due to its reliance on VSA in undertaking the functions of the City's CVB. Therefore, it is necessary for the City to have access to review VSA's audits, reports or other financial information. Upon ten (10) days notice, VSA shall make such information available for City's review, unless an exception applies under current applicable law for withholding such information.

V. DOCUMENTS

5.1 Documents. The parties recognize that, to be successful, VSA depends on its ability to keep confidential the identity of its prospects and other proprietary information, and that VSA would not achieve the same level of results from providing the Services, or any other services to its other clients and constituents, without maintaining that confidentiality. Accordingly, the Parties acknowledge that certain writings, documents or information produced by or submitted to VSA in the course of its execution of the Services will be the sole property of VSA, are proprietary, and may be privileged under State law. Without waiving any available claim or privilege, VSA will in good faith share information derived from those writings or documents with the City and, if any writings, documents, or information are deemed non-proprietary or non-privileged, provide copies of those writings or documents to the City. VSA understands and acknowledges that the City has the right to use those non-proprietary writings, documents, and information as the City desires, without restriction. If any "open records" or equivalent request is made of the City relating to this Agreement or the Services, the City shall promptly advise VSA, and the parties shall work cooperatively and in good faith to preserve VSA's trade secrets, proprietary documents, and confidential information, as VSA's subjection to Texas transparency laws is limited in scope. VSA reserves the right to redact its documentation to protect proprietary information. In all events, the City shall not provide any information or documents that VSA considers proprietary to any third party without VSA's prior written consent, unless the City is legally obligated to do so and so advises VSA in writing, of which VSA shall have the opportunity to present its objection and legal authority for withholding requested information. In addition, any third-party requests to VSA for records relating to this Agreement under Chapter 552, Texas Government Code, as amended (Chapter 552) shall be coordinated with the City. The City shall provide VSA, in accordance with Chapter 552, the opportunity to submit third-party briefs to the Texas Attorney General to receive an Open Records Decision.

5.2 Documents to the City. Upon expiration or termination of this Agreement, VSA shall transfer to the City true and correct copies of any non-proprietary writings, documents, or information in the possession of VSA and produced pursuant to the terms and conditions of this Agreement.

VI. RECORDS RETENTION

6.1 Records. VSA shall take commercially reasonable care in their maintenance of complete and accurate documents, papers, and records, and other evidence pertaining to the

Services and funding provided for in this Agreement, and shall make such documents available to the City, at all reasonable times and as often as the City may deem necessary during the Agreement period for purposes of the audit described in Article IV.

6.2 Retention. VSA shall retain any and all documents produced as a result of services or funding provided hereunder for a period of four (4) years from the date of termination of the Agreement or for such period as specified in VSA's compliance policy. If, at the end of the retention period, there is litigation or other questions arising from, involving or concerning this documentation or the services provided hereunder, VSA shall retain the records until the resolution of such litigation or other such questions.

VII. SUSPENSION/TERMINATION

7.1 Suspension. The City may summarily suspend this Agreement with pay (continuing to fund the salaries and basic operations of VSA), if VSA breaches its obligations hereunder and fails to cure such breach within sixty (60) days after receiving written notice of suspension. The City shall promptly apprise VSA of the basis for suspension. Any such suspension shall remain in effect until the City determines that appropriate measures have been taken to ensure VSA's future compliance. Grounds for such suspension include, but are not limited to the following:

- (A). Failure to abide by any terms or conditions of this Agreement;
- (B). Failure to keep and maintain adequate proof of insurance as required by this Agreement; and
- (C). The violation of City, State, or federal laws by VSA as a result of the commission and conviction of a crime of moral turpitude.

7.2 Termination Defined. For purposes of this Agreement, "termination" shall mean termination by expiration of the Agreement or earlier termination pursuant to any of the provisions hereof.

7.3 Termination for Cause. Upon written notice, which notice shall be provided in accordance with Article VIII, the City may terminate this Agreement as of the date provided in the notice, in whole or in part, upon the occurrence of one (1) or more of the following events:

- (A). the sale, transfer, pledge, conveyance or assignment of this Agreement without prior approval, as provided in Article XI;
- (B). ceasing operations for a period of time exceeding twenty (20) days;
- (C). the expenditure of HOT on gratuities in the form of hosting and amenities offered or given by VSA outside reasonable industry business practices not previously approved by the Board in accordance with VSA's Code of Ethics, or any agent or representative of VSA, to any officer or employee of the City, Bexar County, State or business prospect with a view toward securing a

contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performance of such contract; and

- d). failure to cure cause of suspension

7.4 Defaults With Opportunity for Cure. Should VSA default in the performance of this Agreement in a manner stated in this section, the same shall be considered an Event of Default. The City shall deliver written notice of the default, specifying in detail the matter(s) in default. VSA shall have sixty (60) calendar days after receipt of the written notice, in accordance with Article VIII Hereof, to cure the Event of Default. If VSA fails to cure the default within such sixty-day cure period, the City shall have the right, without further notice or adoption of a City ordinance, to terminate this Agreement in whole or in part as the City deems appropriate. The following actions are defaults that may be cured by VSA:

- (A). performing unsatisfactorily, as evidenced by failure to make adequate progress to meet VSA's pre-determined benchmarks for success, as outlined in the approved Business Plan;
- (B). failing to perform or failing to comply with any material term or covenant herein required as determined by the City;
- (C). bankruptcy or selling substantially all of VSA's assets; and
- (D). gratuitous expenditures made in hopes of securing favorable contracts.

7.5 Termination by Law. If any State or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties herein, or, if any law is interpreted to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.

7.6 Ceasing City Activity. Upon the effective date of expiration or termination of this Agreement, VSA shall cease all work being performed by VSA or any of its subcontractors on behalf of the City.

7.7 Provisional Period. Regardless of the method by which this Agreement is terminated, VSA agrees to provide a provisional period of termination for a period not to exceed two (2) months upon the City's request. During such provisional period, VSA will receive adequate percentage payments of HOT, to be distributed in accordance with Article III hereof, to continue to provide services as provided for, and for which it will be compensated, under this Agreement.

VIII. NOTICE

8.1 Written Notice. Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its

deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

CITY:

VSA:

8.2 Time. Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party within a reasonable time period of such change.

IX. INSURANCE

9.1 Certificate of Insurance. Prior to the commencement of any work under this Agreement, VSA shall furnish an original completed certificate(s) of insurance to the City's Convention & Sports Facilities Department and the City Clerk's Office, and which shall be clearly labeled "VSA Professional Services" in the Description of Operations block of the Certificate. The original certificate(s) shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage, limits, and termination provisions shown thereon, containing all required information referenced or indicated thereon. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed directly from the agent to VSA and the City. The City shall have no duty to pay or perform under this Agreement until such certificate shall have been delivered to the City's Convention & Sports Facilities Department and the Clerk's Office, and no officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

9.2 Right to Review. The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and to modify insurance coverages and their limits when deemed necessary and prudent by the City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement, but in no instance will the City allow modification whereupon the City may incur increased risk.

9.3 Financial Integrity. VSA's financial integrity is of interest to the City; therefore, subject to VSA's right to maintain reasonable deductibles in such amounts as are approved by this Agreement, VSA shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at VSA's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and rated A- or better by A.M. Best Company and/or otherwise acceptable to the City, in the following types and amounts:

TYPE	AMOUNTS
1. Workers' Compensation	Statutory
2. Employers' Liability	\$500,000/\$500,000/\$500,000

3. Commercial General Liability Insurance to include coverage for the following: <ul style="list-style-type: none"> a. Premises operations b. Independent Contractors c. Products/completed operations d. Personal Injury e. Contractual Liability 	For Bodily Injury and Property Damage of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Business Automobile Liability <ul style="list-style-type: none"> a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles 	
Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence	

9.4 Copies. The City shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by the City, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). So long as this Agreement is in effect, VSA shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to the City at the address provided in Section 9.6 herein within 10 days of the requested change. VSA shall pay any costs incurred resulting from said changes.

9.5 Required Provisions. VSA agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain the following required provisions:

- (A) name the City and its officers, employees, volunteers, and elected representatives as additional insureds as respects to operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;
- (B) provide for an endorsement that the "other insurance" clause shall not apply to the City where the City is an additional insured shown on the policy; and
- (C) workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City.

9.6 Cancellation/Non-Renewal. When there is a cancellation, non-renewal or material change in coverage which is not made pursuant to a request by the City, VSA shall notify the City of such and shall give such notices not less than thirty (30) days prior to the change, if VSA knows of said change in advance, or ten (10) days after the change, if VSA did not have actual knowledge of the change in advance. Such notice must be accompanied by a replacement certificate of insurance. All notices shall be given to the City at the following

address:

City of San Antonio
Convention & Sports Facilities
P.O. Box 839966
San Antonio, Texas 78283-3966

City of San Antonio
City Clerk's Office
P.O. Box 839966
San Antonio, Texas 78283-3966

9.7 Failure to Maintain. In addition to any other remedies the City may have upon VSA's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order VSA to stop work hereunder, and/or withhold any payment(s) which become due to VSA hereunder until VSA demonstrates compliance with the requirements hereof.

9.8 Responsibility of VSA. Nothing herein contained shall be construed as limiting in any way the extent to which VSA may be held responsible for payments of damages to persons or property resulting from VSA's or its subcontractors' performance of the work covered under this Agreement.

9.9 Primary Insurance. It is agreed that VSA's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City for liability arising out of operations under this Agreement.

X. INDEMNIFICATION

10.1 VSA covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, and representatives of the CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY arising out of or resulting from VSA activities under this AGREEMENT, including any acts or omissions of VSA, any agent, officer, director, representative, employee, VSA or subcontractor of VSA, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this AGREEMENT. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of the City, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT VSA AND THE CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

10.2 The provisions of the foregoing indemnity are solely for the benefit of the Parties and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. VSA shall advise the City in writing within three business days of any claim or demand against the City or VSA known to VSA related to or arising out of VSA's activities

under this Agreement and shall see to the investigation and defense of such claim or demand at VSA's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving VSA of any of its obligations under this paragraph.

XI. PROCUREMENT/SBEDA/SUBCONTRACTING

11.1 Procurement. In the expenditure of funds provided under this Agreement, VSA shall follow State requirements applicable to the City under the Texas Local Government Code, as amended unless an exception under such statute applies. In addition, VSA shall implement City policy and procedures in expending such funds to include veteran outreach and local preference policies of the City.

11.2 SBEDA. The City, through City Ordinance No. 2016-05-19-0367, as amended, adopted and implemented a Small Business Economic Development Advocacy (*SBEDA*) Program (collectively, the *SBEDA Ordinance*). The City and VSA agree that, in accordance with the SBEDA Program, any contract(s) or agreement(s) above \$50,000 and funded under this Agreement shall, unless an exception pursuant to Section 2 of the SBEDA Ordinance applies, be subject to the SBEDA Affirmative Procurement Initiative(s) (*API*) and goal(s) as determined by the applicable SBEDA Goal Setting Committee (*GSC*). VSA shall follow the appropriate procedures for issuing formal solicitations as described in the City's SBEDA Program which includes submitting such solicitations to the GSC for a determination regarding the applicability of an *API(s)* and required date for return of a Subcontractor/Supplier Utilization Plan. In the event there is no formal solicitation process, VSA shall submit the proposal to the GSC for determination regarding the applicability of an *API(s)* and required date for return of a Subcontractor/Supplier Utilization Plan before negotiating the terms and conditions of a binding agreement with the selected Respondent or Respondent's proposal.

(A) Per the agreement, VSA will be required to annually submit a "SBEDA Action Plan", that will identify the anticipated VSA projects to be reviewed (or identifying permitted exceptions relied upon) under the SBEDA Ordinance.

(B) As specified in the SBEDA Ordinance, transactions subject these requirements involve the City as a party. Therefore, the SBEDA Ordinance does not apply in transactions involving VSA and private parties.

11.3 Written Agreement. Any work or services subcontracted by VSA hereunder with an annual value in excess of \$50,000.00 shall be by written contract and, unless specific waiver is granted in writing by the City, shall be subject by its terms to each and every provision of this Agreement. Compliance by subcontractors with this Agreement shall be the responsibility of VSA. The City shall in no event be obligated to any third party, including any subcontractor of VSA, for performance of services or payment of fees.

XII. INTELLECTUAL PROPERTY RIGHTS

12.1 Intellectual Property Rights. City is the owner of certain intellectual property, including images, trademarks, slogans, recordings, etc. previously used by CVB. So long as

VSA utilizes such intellectual property to perform the Services described in this Agreement, VSA shall receive a royalty-free, worldwide license to use such intellectual property during the Term of this Agreement. To the extent VSA prospectively utilizes previously registered intellectual property of the City, the City shall waive any infringement claims. VSA acknowledges that it is not the intent of this provision to divest the City of any ownership rights in its intellectual property nor to provide any ownership interest in VSA to the City's intellectual property.

12.2 The City acknowledges that VSA is the owner of the following items developed post execution of this Agreement: (1) all trademarks, trade dress, corporate names, and logos, together with the goodwill associated with any of the foregoing owned or developed (the *Marks*) ; (2) all ideas, inventions, works of authorship, know-how, processes, formulas, data, computer programs, improvements, discoveries, developments, designs, techniques, customer lists, devices, records, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, proposed products, business plans, or reproductions of any aforementioned items (the *Developments*); (3) all trade secrets and other confidential or proprietary information owned or developed by VSA for use its exclusive use (the *TradeSecrets*); (4) all registrations or applications for registration related to the foregoing (the *Registrations*, and collectively with the Marks, Developments, and Trade Secrets, the *IntellectualProperty*); and (5) Intellectual Property created or arising from the delivery of Services under this Agreement, throughout the world.

XIII. INDEPENDENT CONTRACTOR

VSA and the City covenant and agree that: 1) VSA is an independent contractor and not an officer, agent, servant or employee of the City; 2) VSA shall have control of and right to control, in its sole discretion, the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and VSA; 3) the doctrine of respondeat superior shall not apply as between the City and VSA, its officers, agents, employees, contractors, subcontractors and VSA; and 4) nothing herein shall be construed as creating the relationship of employer-employee, principal-agent, partners or joint venturers between the City and VSA. The parties hereto understand and agree that the City shall not be liable for any claims which may be asserted by any third party occurring in connection with the Services to be performed by VSA under this Agreement and that the City's authority to bind VSA is limited to the provisions of this Agreement.

XIV. CONFLICT OF INTEREST

14.1 Ethics Code. VSA acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Part B, Section 10 of the City's Ethics Code, from having a financial interest in any contract with the City or any City agency such as city-owned utilities. VSA's Code of Ethics has similar provisions. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity,

or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

XV. LEGAL/LITIGATION EXPENSES

15.1 Litigation Against the City. Under no circumstances will the funds received under this Agreement or any other City funds, be used, either directly or indirectly, to pay the costs associated with attorney fees incurred in any adversarial proceeding against the City or any other governmental or public entity constituting a part of the City.

15.2 Termination. During the term of this Agreement, if VSA files and/or pursues an adversarial proceeding against the City, the City, at its option, may terminate this Agreement and all access to the funding provided for hereunder if it is found that VSA has violated this Article.

XVI. AMENDMENTS

Except where the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof, shall be effected by amendment, in writing, executed by both the City and VSA, and subject to approval by the Council and the Board, as evidenced by passage of a resolution, or ordinance, as applicable, to that effect.

XVII. SEVERABILITY

If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, State or local laws, including but not limited to the City Charter, the City's Code, City ordinances or VSA's Articles, Bylaws or Code of Ethics, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as shall be permissible, legal, valid and enforceable.

XVIII. LICENSES/CERTIFICATIONS

VSA warrants and certifies that, to its knowledge, VSA and any other person designated to provide services hereunder has the requisite training, license and/or certification to provide said services, and meets all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XIX. COMPLIANCE WITH LAWS

VSA shall provide and perform all services required under this Agreement in compliance with all applicable federal, State and local laws, rules and regulations.

XX. NON-WAIVER OF PERFORMANCE

Unless otherwise specifically provided for in this Agreement, a waiver by either Party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

XXI. LAW APPLICABLE

21.1 THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.

21.2 Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in the City of San Antonio, Bexar County, Texas.

XXII. LEGAL AUTHORITY

22.1 The signor of this Agreement on behalf of VSA represents, warrants, assures and guarantees that she has full legal authority, pursuant to Chapter 22, the Texas Non-Profit Corporation Act, the Tax Code, and a resolution adopted by VSA prospectively, to execute this Agreement on behalf of VSA and to bind VSA to all of the terms, conditions, provisions and obligations herein contained.

22.2 The signor of this Agreement on behalf of the City represents, warrants, assures and guarantees that she/he has full legal authority, pursuant to Article XI, Section 5 of the Texas Constitution, the City's Home Rule Charter, the Tax Code, and an ordinance adopted by the City Council on September 29, 2016 to execute this Agreement on behalf of the City and to bind the City to all of the terms, conditions, provisions and obligations herein contained.

XXIII. PARTIES BOUND

This Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, and successors and assigns, except as otherwise expressly provided for herein.

XXIV. CAPTIONS

The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

XXV. INCORPORATION OF EXHIBITS

Each of the Exhibits listed below is an essential part of the Agreement, which governs the rights and duties of the parties, and shall be interpreted in the order of priority as appears below:

- EXHIBIT A: Business Plan
- EXHIBIT B: Transition Plan
- EXHIBIT C: VSA Code of Ethics
- EXHIBIT D: Intellectual Property

XXVI. ENTIRE AGREEMENT

This Agreement, together with its authorizing ordinance and its exhibits constitute the final and entire agreement between the parties hereto and contain all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto, unless same be in writing, dated subsequent to the date hereto, and duly executed by the parties.

The Parties recognize that certain agreements, licenses and policies referenced herein and necessary to effectuate this Agreement, including but not limited to, VSA's Investment Policy, insurance policies, lease agreement pertaining to VSA's office space, and contracts and agreements delineating shared intellectual property between the Parties are currently in the process of formulation and will be finalized after the execution of this Agreement. Such agreements shall be executed prior to March 31, 2017, or if a six-month extension is granted under this Agreement, September 30, 2017.

SIGNATURES APPEAR ON NEXT PAGE

EXHIBIT A

VISIT SAN ANTONIO FY2017 BUSINESS PLAN

Mission Statement

Promote and market San Antonio as a premier leisure visitor and convention/meeting destination for the purpose of positively affecting the City's economy and enhancing citizens' quality of life.

Overall Performance Measures

Performance Measure	FY 2017 Goal
Convention Room Nights Booked	912,000
Media/Editorial Value for San Antonio (\$ in millions)	\$33.60
Online Engagement (in millions)	7.20
Service Delivery Ranking (scale of 1-4)	3.9

NOTE: These are approved metrics through the 2017 City budget process.

Overall Organizational Strategies for 2017

- Maximize opportunities associated to the Henry B. Gonzalez Convention Center transformation.
- Enhance and broaden San Antonio's awareness through Mix It Up advertising and marketing strategies.
- Maximize short-term business opportunities through sales strategies and Tourism Sales.
- Execute the CVB's structural transition to a public/private 501c6 organization positioning the organization for future success and growth.
- Develop a Revenue Enhancement Plan for the purpose of growing and diversifying revenue sources for VSA.

Marketing

MISSION

The Marketing Division promotes San Antonio as a premier visitor and convention destination by positioning the brand through multiple and innovative media channels, reaching national and international audiences.

GOALS & STRATEGIES

GOAL 1: Enhance Brand Awareness.

Strategy A: Continue to Promote San Antonio's Diverse Offerings.

- Potential visitors' perceptions affect their selection of San Antonio over other destinations, and Visit San Antonio (VSA) market research confirmed consumers' positive perception of the city once exposed to its multiple assets. It also revealed San Antonio's distinctive competitive position as a relaxing and safe place with history and charm, and confirmed San Antonio as a good value in consumers' minds. Areas that increase the likelihood to visit include appealing attractions, festivals, lively nightlife, shopping and a romantic atmosphere.
- The Mix-it-Up strategic framework and the Unforgettable campaign, which resulted from the research, create demand for San Antonio as a unique, experiential city you can visit again and again. To strengthen San Antonio's competitive positioning and help drive travel, Marketing will continue to promote San Antonio's authenticity, culture and opportunities for adventure.
- Content will span the pillars of family fun (theme parks, attractions, museums, landmarks, natural parks, events, etc.); arts/culture/history (museums, galleries, World Heritage site, landmarks, events, etc.); culinary (chefs, events, Tex-Next, craft beer, wineries, etc.); and active lifestyle (outdoor activities, natural parks, kayaking, cycling, etc.).

Strategy B: Measure brand awareness.

- In 2017, Marketing will conduct an Awareness & Image Study to measure changes in consumers' perceptions of the San Antonio brand since the 2015 A & I Study.
- This type of research provides quantitative data that gives insight into the success of marketing and communications in positively capturing the attention of consumers.
- The 2015 San Antonio A & I Study reported significant growth in familiarity and appeal of San Antonio since the previous study (2011): unaided awareness 5 percent from 4 percent, familiarity 63 percent from 53 percent and appeal 57 percent from 40 percent.

Strategy C: Immerse consumers in the destination through Video.

- Video is the next mega-trend because it naturally pulls consumers into the content. In 2015, the number of people viewing digital video in the United States was more than 200 million. Mobile video has already increased 11 times in the last 3 ½ years, and the number of people watching video on mobile phones is expected to grow to 137 million by 2019. Nearly 50 percent of travelers look at online travel video when deciding to take a trip.

- VSA Marketing actions that integrate video into social media campaigns, digital ads and website content have generated strong results, including views as high as 1.5 million on Facebook and click-through rates above industry benchmarks.
- In 2017, the team will continue to produce and showcase video footage that highlights San Antonio's uniqueness and authenticity. The team will also consider innovative media and technology that lends itself to telling the San Antonio story through video (e.g., Facebook Live, Periscope, SnapChat).

Strategy D: Engage Consumers through Native Content.

- With consumers exposed to a plethora of messages, effective marketing communications is increasingly a challenge. A proven way to convey a compelling destination story that consumers respond to is through native content advertising. This more "authentic" marketing approach seamlessly weaves the brand message into consumer communication.
- In addition, working with travel influencers to create destination content ensures not only a third-party perspective but also a built-in distribution channel through their followers. Consumers are just as likely to trust native content written by travel influencers as information from their friends, and 32 percent would share native content with friends and family.
- Native content marketing in 2016, working with MatadorNetwork travel influencers, resulted in more than 20,000 social shares of articles and video and more than 196,000 engagements with images posted on Instagram. New content articles shared San Antonio experiences from "Fun Activities Your Children Will Love" to "Where to Find Craft Beer," and images portrayed architecture, food and landmarks across the city.
- For 2017, Marketing will expand efforts to provide relevant, valuable native content that engages consumers with behind-the-scene views of San Antonio.

Strategy E: Span Multiple Media Channels.

- With the accessibility of technology, consumers today decide their own paths to decision-making, rather than follow a traditional marketing journey from inspiration to action. Because multiple factors influence decision-making, the Marketing team will plan across media channels for maximum reach and impact, while giving weight to those channels that have demonstrated high engagement.
- The media mix will include TV, radio, print, digital, e-mail, out-of-home, collateral and social media. Mobile marketing will be a major focus with 62.6 percent of consumers researching travel options via mobile.
- In 2015, \$50 billion was spent on mobile advertising, and the advertising industry predicts \$114 billion in 2018, accounting for 50.2 percent of all online advertising. Mobile traffic to VisitSanAntonio.com increased from 53 percent in 2015 to 60 percent in 2016, and with the launch of a responsive VisitSanAntonio.com early in FY 2017, San Antonio's mobile experience will connect more significantly with consumers.
- Working with Proof Advertising, the Marketing team will select media partners and develop an integrated media plan that maximizes the budget and reaches target audiences in innovative ways throughout the year. Messaging will create interest and trigger action with San Antonio across content pillars.
- In addition, Marketing will consider timing media flights to adapt the increasing trend of shorter time periods from booking to arrival.

- Key periods for media are February-March and June-July. The plan will also include dialing up leisure efforts to compensate for group travel need time in summer.

Strategy F: Support Air Service.

- Air lift is increasingly important to extend San Antonio's market share outside of the regional drive markets. In 2016, the Marketing team initiated targeted efforts in Philadelphia and Fort Lauderdale to promote new direct flights to San Antonio.
- In 2017, Marketing efforts will continue to support air service priorities through digital advertising, web site, e-mail and social media.
- In addition, the Marketing team will collaborate with Tourism and Communications on event and out-of-home efforts to build air traffic to San Antonio from target markets.

Strategy G: Create Excitement for Tricentennial Celebration.

- As 2018 is the year of San Antonio's 300th anniversary, plans are in progress for special events in early May of 2018 as well as over the year. Messaging to Texas and out-of-state markets will begin in fall 2017 in order to create awareness and excitement and stimulate travel to San Antonio to be part of the celebration.

GOAL 2: Reach Multiple Audiences.

Strategy A: Cultivate the Millennial Traveler.

- Millennials (adults 18-38) represent an audience of growing importance in the travel space. They are avid travelers, with 60 percent of Millennials planning travel from a bucket list, and are always connected. They consider themselves to be explorers, not tourists, and are interested in adventure travel, theme parks, nightlife and urban destinations. Millennials represented in the VSA's 2015 Awareness & Image research (25-34 years) are familiar with San Antonio (66 percent) and have a positive image of San Antonio attributes. The research confirmed that their travel planning resources, however, differ from Generation X (35-50 years) and Baby Boomers (51-65 years), as they are more likely to use YouTube and other social media channels than these other generations.
- In 2016, Marketing efforts reached Millennials through new social media (e.g., Snapchat, Tumblr, Periscope) and targeted digital advertising. The 2017 plan will include more opportunities to expand engagement with this audience through content, innovative creative such as San Antonio emojis, and new channels.

Strategy B: Own the Texas Family Destination Audience.

- Multiple indicators show San Antonio to be an appealing family destination. A significant percentage of travelers to San Antonio visit as a family (45 percent), and research confirms a high rating of San Antonio as a great place for the family.
- The Family Traveler audience, especially in Texas, remains a primary target market for San Antonio. In 2017, messaging to this audience will continue to reinforce how alive the destination is with opportunities for family interaction and fun.

Strategy C: Entice the Non-Family Audience.

- Non-family travelers comprise the largest party type for San Antonio, and they are primarily from outside of Texas, tend to be older and report higher household incomes.
- Messaging to this audience will broaden the awareness and appeal of San Antonio's cultural, culinary and active lifestyle assets, as well as reinforce the unique atmosphere and experience.

Strategy D: Tap into Geographic Potential

- Since 75 percent of overnight leisure travel is from Texas, Marketing efforts will protect this core market and work to increase appeal and visits from key Texas drive markets. At the same time, marketing will also focus on increasing awareness and market share outside of Texas. Factors guiding geographic targeting include website traffic; requests, views and downloads of Visitor's Guides; Facebook Likes; ARes hotel bookings; direct flights, and weekly airline seats.

GOAL 3: Extend Marketing Reach and Budget

Strategy A: Implement Co-Op Opportunities.

- Strategic efforts with partners provide a means to reach targeted audiences with greater impact. Co-op efforts can also provide a means to efficiently reach niche audiences.
- In 2016, cooperative efforts with SeaWorld, Six Flags Fiesta Texas and Hill Country partners Fredericksburg, Boerne and San Marcos resulted in a consumer event that increased engagement from consumers in Dallas; a multi-channel outreach in Houston, Corpus Christi and the Rio Grande Valley; radio and billboard advertising in Monterrey, Mexico; and increased marketing in Mexico and Canada of San Antonio and the Hill Country region.
- The 2017 plan will include opportunities that enhance the marketing plan and bring value to partners.

GOAL 4: Grow Awareness in International Markets

Strategy A: Stimulate Travel from Mexico during Strategic Long Weekends.

- In Mexico, there are eight designated long weekends throughout the year for which the Mexican consumer plans in advance, unlike spontaneous weekend getaways: Jan. 6-8, Feb. 4-6, March 18-20, April 13-16, May 5-7, May 13-15, September 15-17 and November 18-20. Marketing will leverage these prime travel times to reinforce that San Antonio is a desirable and convenient destination for the Mexican traveler, with easy accessibility by car or plane and with many entertainment, dining and shopping options.
- A mix of marketing mediums, running 1-2 months in advance of each strategic weekend, will also message key events (major concerts, festivals, exhibits, etc.) happening during that time period. Top-flight entertainment is a travel driver for the Mexican audience.
- Due to the devaluation of the Mexican peso, travel to the United States from Mexico is more expensive, so this strategy is especially important to encourage travel from the drive markets.

- Additionally, Marketing will promote travel during the school holiday weekends occurring the last Friday of every month, from September-May. Travel over these weekends is more likely to be driven by special offers.

Strategy B: Re-Align Mexico Target Audience.

- With economic challenges in Mexico and increasing competition and luxury destination options for the Mexico upper class (A/B), Marketing will focus on the Upper middle class (C+) segment as the primary target of potential travelers to San Antonio.
- This segment represents consumers with income, educational level and lifestyle higher than the middle class, yet who are value-driven.
- Geographic target markets are Mexico City, which presents the greatest growth opportunity; Guadalajara; Monterrey, considered as a drive market; and the addition of Queretaro, a new direct flight market to San Antonio.

Strategy C: Measure Mexico Brand Awareness.

- In 2017, Marketing will repeat the Mexico Awareness & Image study to measure change in consumer perception since the 2015 study.
- Although the 2015 study confirmed that San Antonio ranks high in terms of unaided awareness (24 percent), aided awareness (92 percent), appeal (50 percent) and likelihood to visit (77 percent), there were opportunities to increase awareness beyond San Antonio's traditionally known assets such as shopping, which is the main reason for visiting San Antonio.
- Working with Proof advertising, Marketing launched a new series of print and digital ads — Delicioso, Vivido, Curioso — that strengthened messaging about different attributes of San Antonio, including attractions and culinary, in addition to shopping. Actions will continue to diversify messaging and adapt based on the 2017 research results.

Strategy D: Expand International Presence through World Heritage Site Designation.

- The UNESCO World Heritage Site status of the San Antonio Missions has opened up the potential for increased awareness globally not only of the missions, but also of all of San Antonio as an international destination. An increase in international visitors to VisitSanAntonio.com aligned with timing and countries targeted for 2016 Marketing promoting the World Heritage Site. For example, website traffic from Germany in March increased to 8.9 percent (even higher than traffic from Mexico for that month), due to World Heritage advertising.
- World Heritage Site marketing actions generated more than 24 million impressions and 400,000 clicks and an increase of 245 percent in views of Missions content on VisitSanAntonio.com.
- In 2017, Marketing will implement actions that continue to create awareness of San Antonio's World Heritage Site, as well as look for opportunities to tell a broader story about the destination to drive travel interest.
- Marketing will be targeted to cultural travelers in Canada, the United Kingdom, Germany, Japan, China and Spain based on input from UNESCO, Texas Tourism, US Department of Commerce, Tourism Economics and VSA website results.

Strategy E: Promote San Antonio & the Texas Hill Country.

- The San Antonio & the Texas Hill Country initiative promotes the region internationally as a reason for an extended stay. This co-op program for San Antonio, Fredericksburg and San Marcos has a specific marketing plan as well as PR Communications and Tourism efforts.
- Paid media will continue to align with VSA target markets in Mexico and Canada, and also include a target market in Germany (a strong visitor origin market for the Hill Country partners).

Strategy F: Increase Marketing in Canada.

- As the second-leading source of international travel to Texas after Mexico, Canada presents opportunities for marketing to encourage travel to San Antonio. Geographic targeting will continue to focus on Toronto and Calgary, which aligns with VisitSanAntonio.com website traffic and is supported by Texas Tourism information regarding multiple daily flights to Texas from Toronto and Calgary.
- Priority timing of marketing actions will be fall and early winter to affect Winter Texan and summer vacation travel.

Strategy G: Collaborate with Tourism and PR International Efforts.

- The Marketing Team will collaborate with Tourism and Communications on international initiatives such as consumer events, OTA campaigns, FAMs, media missions, etc., for successful completion of strategic, integrated programs.

GOAL 5: Generate Convention Room Nights

Strategy A: Promote San Antonio's Meeting Package.

- The Henry B. Gonzalez Convention Center, adjacent to flagship hotels, the Alamodome, Hemisfair Park, the River Walk and other San Antonio assets, offers a unique opportunity to distinguish San Antonio in the meetings market. With the opening of the transformed center, Marketing launched Meet Learn Play as the messaging platform to position San Antonio as a premier meetings destination.
- Through a varied media mix, the Marketing team will broaden exposure of Meet Learn Play to provide a glimpse of what meeting professionals and attendees can expect in San Antonio.

Strategy B: Drive Short-Term Business.

- The Marketing team will work with Sales to secure short-term bookings, especially for the need time of Summer 2017.
- Since short-term bookings are typically smaller meetings (less than 1,000 rooms per night), the team will target corporate meetings and vertical market associations, including education, medical/bioscience (excluding pharma) and tech/cyber security.
- A mix of primarily digital media, coordinated with Sales efforts, will educate decision-makers about San Antonio's meeting package and assist them in taking action.

Strategy C: Develop Long-Term Bookings.

- With the opening of the transformed Henry B. Gonzalez Convention Center, San Antonio has an amazing facility with innovative design, flexible space and advanced technology that not only allows the city to host larger meetings, but also offers the ability to stack multiple mid-sized meetings at one time.
- To ensure use of this facility to its capacity in coming years, the Sales and Marketing teams are looking ahead to 2019 and 2020 to secure groups that make decisions three or more years in advance.
- Marketing efforts will focus on communication to association meeting planners with a mix of digital, e-mail, video, print and social media.

Strategy D: Build Relationships through Education.

- Marketing will continue to support the Transforming Leaders series in Dallas, Austin and Chicago by securing quality speakers, providing Continuing Education and promoting the events.
- These events provide an opportunity to engage with key customers in a meaningful context and open the door for further communication about San Antonio's meeting package.

Strategy E: Build Attendance for IAEE 2017.

- In November 2017, San Antonio will host a major industry event—the International Association of Exhibitions and Events Expo! IAEE is the trade association for individuals who manage trade shows, trade show owners and affiliated industries.
- The event will bring to San Antonio an estimated 2,500 meeting and hospitality professionals. Since 92 percent of IAEE members utilize convention centers, this meeting is a tremendous opportunity to showcase the transformed convention center and highlight the destination overall.
- The Marketing team will work with IAEE and Sales and Services to develop and execute a marketing and communications plan to excite members to attend the 2017 conference and to ensure they have a positive and welcoming experience here.

Strategy F: Drive Business through Synchronicities.

- The Synchronicities partnership increases citywide bookings by positioning Anaheim, San Antonio and Baltimore as a multiyear, unique and innovative meeting solution.
- After two successful years of this partnership, the Synchronicities Marketing team, with representatives from each partner city, will create a new Sales toolkit that incorporates success stories and client testimonials through video, print, website and social media.
- Synchronicities agreements with IAEE, Association Forum and PCMA provide additional marketing opportunities, which the team will execute throughout the year.

Strategy G: Stimulate Future Business from Local Connections.

- The Connect SA initiative leverages the influence of locals to open doors for future group meetings in San Antonio, focusing on Bioscience/Healthcare, Education and Technology/Cybersecurity.
- The Marketing team will continue to support the efforts of the VSA's Community Business Development Director to create awareness and community buy-in of this initiative through website, testimonial videos, etc.

GOAL 6: Increase Tourism and Positive Visitor Experiences

Strategy A: Inspire Front-Line Staff through CTA Program.

- A positive visitor experience is critical for a destination to be competitive. The Certified Tourism Ambassadors Program, a national certification program, helps to increase tourism by inspiring front-line employees, volunteers and anyone who serves the visitor to turn every encounter into a positive experience.
- The San Antonio-chapter CTAs enjoy professional development, exclusive networking events, priority exposure to new attractions and opportunities to volunteer at major events. In return, they gain knowledge about San Antonio in order to communicate consistent, helpful and accurate information to visitors.
- Membership in the program is an ongoing commitment requiring participation throughout the year and annual renewal. The Marketing & Communications team continues to outreach to increase the number of CTAs, or ambassadors, for our city. In addition, the team encourages participant retention through regular communication, including the San Antonio CTA Facebook group, e-newsletter, and exclusive quarterly networking events.

GOAL 7: Support Experience Dedicated Destination Program

Strategy A: Gain insight by gathering crucial information.

- In 2016, the VSA launched the Experience Dedicated Destination Program. This program applies the industry's only consumer-driven experience standards to measure the destination's total visitor experience across lodging, restaurants, facilities/venues, transportation, government/civic organization, attractions/activities.
- Utilizing ongoing visitor surveys and continuous feedback, the program requires community-wide support in order to gain insight regarding consumers' connections with San Antonio's products and services.
- The Marketing Team will continue to assist in the promotion and implementation of this program through branding tools, information and marketing support in order to achieve the monthly survey goal of 1,800 and provide the desired data pool.

PARTNERSHIP OPPORTUNITIES

- List events on VisitSanAntonio.com via "Submit Event" link on Partners.VisitSanAntonio.com.
- Review details of business listings on VisitSanAntonio.com and Meetings.VisitSanAntonio.com and notify the VSA of any changes needed.

- Sign up for the monthly consumer e-newsletter via the link on VisitSanAntonio.com.
- Become a CTA and support employees' participation in the program.
- Participate in the new Experience Dedicated Destination program and encourage visitors to complete the survey at MySanAntonioExperience.com.
- Advertise in Visit San Antonio: The Official Visitor's Guide — the primary fulfillment piece for San Antonio information requests; print, e-version and iPad versions. Contact Jason Schefferstein, Texas Monthly Custom Publishing, at jschefferstein@texasmonthly.com.
- A number of co-op opportunities will be available for partners, from single menu items to integrated efforts.
- Partners can consider how they can now, or in the future, provide unique experiences that will compel travelers to visit San Antonio and then communicate this through their channels, as well as to the VSA.
- Through understanding the San Antonio visitor profile and VSA leisure target audiences, partners can determine appropriate strategies for target audiences that are relevant to their business objectives.
- Partners can engage with VSA social media (follow, like, share, retweet, etc.), in order to expand destination social media ambassadors.
- Partners can incorporate links to VisitSanAntonio.com and the VSA's Unforgettable destination video on their own websites to extend the reach of destination information.

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Sales

MISSION

Group meetings and industry trade shows contribute significantly to the San Antonio economy. These events generate revenue for the hotels and Henry B. Gonzalez Convention Center and also are a major source of revenue for the City from the sales tax and hotel occupancy tax. Additionally, many industry-affiliated companies contribute substantially to our economy. The Group Sales Division for Visit San Antonio has a major role in helping to secure these larger meetings for San Antonio. Sales managers generate leads for meetings and assist meeting organizers by packaging the convention center, hotels and other venues into a comprehensive bid package. Additionally the Sales Division is responsible for helping San Antonio maintain a high level of visibility within the meetings industry and maintaining an ongoing communications strategy with key customers.

GOALS & STRATEGIES

GOAL 1: Increase base of group business utilizing the newly transformed Henry B. Gonzalez Convention Center.

Strategy A: Redefine meeting space parameters and booking windows at the Henry B. Gonzalez Convention Center to reflect new opportunities made available with the addition of larger meeting space and changes in our competitive environment.

- Develop separate strategies and sales deployment structure for key group booking windows: 0-24 months, 24-60 months and 60 months and out.
- Restructure our current "meeting room packages" to better capture our most profitable meetings.
- Work with Henry B. Gonzalez Convention Center leadership to redefine guidelines in which to better capture offseason and other need time groups.
- Look at existing multiyear agreements to make necessary modifications in order to maximize with new opportunities.
- Develop package strategies to allow for more efficient use of exhibit halls in order to capture more groups and avoid "downtime with setup and dismantle."

Strategy B: Focus on capturing group business for 2018, 2019 and 2020.

- Partner with hotel community to get their assistance in contracting major opportunities.
- Streamline processes and reduce barriers to facilitate faster speed to market with response time.
- Realign sales team to place more attention on filler groups from 1,000 to 2,000 rooms on peak.
- Target group segments that are traditionally stronger for San Antonio.
- Expand partnerships with high-performing third partners, specifically Smith Bucklin and IMN Solutions.

Strategy C: Strengthen core of long-term group business (five years or more) by utilizing data from recent group analysis project.

- Change deployment to focus more on groups with 2,000 or more rooms on peak.
- Revise Convention Center booking guidelines to capture our most profitable groups and better utilize our new meeting space.
- Target groups from our strongest segments: medical, educational, technology, manufacturing and engineering.
- Increase our presence and visibility in our major association market areas: Washington, D.C.; Austin, and Chicago.
- Explore partnerships with the most influential group third parties: Experient and Conference Direct.
- Realign our Top 200 Account strategy to target more profitable opportunities.

Strategy D: Increase our base of repeat group business and protect our existing accounts.

- Develop price incentives for our most valuable repeat group.
- Visit San Antonio leadership will be more involved with top customers. This will include managing an executive call program, and helping to set up hospitality events for the group leadership during their event.

Strategy E: Maintain high level exposure to major customers.

- Host International Association of Exhibitions and Events 2017.
- Host four major customer familiarization trips.
- Increased visibility in Washington and D.C. market area with key citywide accounts.
- Host Client Advisory Board.
- Add three industry events to trade show schedule.

GOAL 2: Generate new business opportunities from a coordinated outreach program.

Strategy A: Create an internal position dedicated to identifying new customers, and establishing a long-term communication strategy.

- Re-engage with existing inactive accounts and previous lost business opportunities.
- Utilize competitor intelligence to target their key accounts.
- Work closely with Connect San Antonio to engage local members of organizations.
- Incorporate account development training and goals for all sales managers.
- Attend major and secondary trade shows to gain exposure to new accounts.

GOAL 3: Create a greater competitive advantage by differentiating the San Antonio meeting experience from key competitors.

Strategy A: Enhance our group site inspection experience to be more inclusive with key industry leaders, partners and venues.

- Capitalize on our strong working relationships with major hotels, and the overall sense of teamwork between hotel partners.
- Refocus on educating the community to more effectively sell the entertainment and networking opportunities afforded by the River Walk.

Strategy B: Enhance Group Services Experience.

- Develop communication tools to better promote unique heritage and cultural offerings that distinguish San Antonio.
- Enhance our Destination Sales Services to become an engaged business partner. Customers will receive added value with programs to create attendance, and enhance the individual attendee's experience.
- Group Sales managers will stay engaged through the turnover of accounts to services, and provide greater assistance with helping manage group room blocks.

GOAL 4: Maintain top-of-mind awareness for San Antonio as a group meeting destination.

Strategy A: Host major customer engagement events in each of our major group markets.

- Maximize exposure opportunities afforded by hosting the International Association of Exhibitions and Events, and the ASAE Five Star Weekend in 2017.
- Continue to promote the convention center transformation with high-level customer familiarization trips.
- Create partnerships with key third party meeting companies to gain exposure to their agents through their events.
- Maintain a presence at all major industry trade events.

GOAL 5: Position San Antonio as a strategic partner with major meeting industry organizations.

Strategy A: Leverage alliances developed through our Synchronicities partnership to enhance our relationships with key industry partners. This includes:

- International Association of Exhibitions and Events
- Professional Convention Management Association
- * Association of Management Companies
- * Association Forum
- * Conference Direct

Strategy B: Continue to utilize high-level professional education sponsorships as a major component of our customer outreach events. This includes in:

- Chicago
- Dallas
- Austin

PARTNERSHIP OPPORTUNITIES

- Attend trade shows and participate with our booth. There is a charge assessed per show, based on the overall costs of the event. Please see the attached trade show schedule, and the types of business opportunities these shows represent. You can access this information on our website at: <http://partners.visitsanantonio.com/english/Resources/Co-Op-Opportunities.aspx>
- Participate in our market-based sales events. These events again are free-based and are open to all level of partners. They are also located at: <http://partners.visitsanantonio.com/english/Resources/Co-Op-Opportunities.aspx>
- Participate in group familiarization trips. You can do this by either providing sleeping room accommodations or hosting an event for the group.
- Ask for assistance with setting up appointments with customers with our Washington, D.C.-; Texas-, and Chicago-based teams.

- The VSA database manager may also provide you with quarterly updates and reports. These include calendar updates, progress reports and compression charts to help understand demand.

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Communications

MISSION

The Communications team works to position San Antonio as a destination, for leisure and convention visitors, by driving positive and substantial coverage through various comprehensive media channels. These channels include print, broadcast, online and social media. Targets include both national and international audiences.

GOALS & STRATEGIES

GOAL 1: Drive Visitation through Continued Media Coverage.

Strategy A: Broaden Scope of Media Outreach.

- Introduce more proactive approaches to spreading the message about San Antonio to a broader landscape, including media missions to Canada, Mexico, the West Coast, Kansas City and New York City. Include secondary markets such as Oklahoma City, Okla.; Des Moines, Iowa; and Birmingham, Ala., that include large editorial offices for national publishing houses. Targets will include spotlight media possibilities, such as morning shows or high-impact publications.
- Continue and grow the focus on international efforts, including media missions to Canada, England, Germany, Mexico, perhaps Australia and other sites TBD. This includes accompanying the State of Texas on its campaigns in addition to more targeted outreaches by the Communications team. When necessary, the team will enlist on-site agencies to help us set up individual appointments with media influencers.
- Utilize the strength of Visit San Antonio assets to be a part of media coverage, providing a more proactive voice where appropriate in print, broadcast or online. This includes producing op-ed pieces, appearing on television or radio shows and submitting articles or posts on impactful social-media and online sites.

Strategy B: Further Evolve Online Efforts.

- Identify and pursue opportunities with media that offer multi-platform capabilities, including print or broadcast, online and social-media channels. By doing so, we can continue to dramatically increase our media impressions (i.e., the number of readers or viewers reached). This includes outlets such as *USA Today*, *Huffington Post*, *Televisa* and various impactful culinary outlets.

GOAL 2: Showcase San Antonio's Diverse Destination Assets, including its World Heritage Site, Through Media Hosting.

Strategy A: Continue to Target Headline Media to Spotlight San Antonio Attractions and Events.

- Work one-on-one with visiting media on itineraries that inform multiple story angles. Ultimately, this will generate positive media coverage of the city.
- Continue to partner with San Antonio's top attractions, including leisure, arts, culture and history sites, in an effort to showcase the city's strengths for visiting media. This includes the preeminent story lines surrounding the designation of the city's Spanish colonial missions as World Heritage sites and the coming Tricentennial celebration.
- Utilize information provided by Culinary and Cultural taskforces to help craft the San Antonio story.

GOAL 3: Mine for New Stories That Will Draw Positive Attention for San Antonio.

Strategy A: Think Like Journalists.

- Implement unique media relations strategies to entice top-tier journalists and programming to San Antonio. The Communications team will continually mine for those story angles that will prove compelling to assignment editors, notable talent and powerful media.
- Develop and execute a game plan for compelling, unique angles associated with the city's Tricentennial celebration. This plan must be proactively pursued in 2017 for headline coverage in the following months, when the 300-year anniversary occurs.
- Monitor developments surrounding the World Heritage Site designation, completion of \$100 million-plus upgrade of the Witte Museum, plans for the 2018 Final Four and consideration of San Antonio for other headline athletic events, top conventions, the evolution of the culinary landscape, expansion of San Antonio's arts and culture scene and other fertile areas for story cultivation.
- Always stay abreast of developments within VSA-assigned areas such as family fun, arts and culture, history, romance and culinary.
- Explore ways to leverage some of the top events in San Antonio – such as the Valero Alamo Bowl, Culinaria, Fiesta, Valero Texas Open, Big League Weekend and significant conventions – to spur media coverage regionally, nationally and internationally, with increasing San Antonio's profile as a destination in mind.

GOAL 4: Be proactive partners with key organizations and meetings that serve to educate, further and evolve the industry.

Strategy A: Be plugged in as part of a strategy for improvement.

- Director of Communications will continue to serve on U.S. Travel Association Communications Committee, attending annual meetings at Washington, D.C., and IPW, wherever it is held.

- Communications representative(s) will be on hand for impactful industry meetings, including where opportunities exist to leverage relationships with key media, with regional and national PRSA, TTIA, Central States Chapter of American Travel Writers, DMAI, ESTO and other conferences.
- Communications Department will leverage long-standing international media relationships and expertise at IPW and World Travel Market, targeting key countries and increasing international editorial coverage via these leading trade/travel shows.
- Further, staff will help Visit San Antonio prepare for IPW 2023 by participating in IPW 2017 and beyond with targeted attention to: media relations; press tours, media conferences and the critical media brunch, a key component of IPW.
- Always seek out continuing education opportunities, whether offered by the City of San Antonio or regional or national organizations.

GOAL 5: Strengthen San Antonio Awareness in Key Regional Markets.

Strategy A: Seek out and enhance brand partnerships.

- Identify, along with management, key target brand partners that align with Visit San Antonio goals, audiences, messaging, etc.
- Pursue outreach, meetings, leverage relationships and build foundations upon which brand partnerships can be developed to: leverage the reach and assets of brand partners and bring additional value to the destination.
- Execute the identified brand partnership opportunities to include tapping into the multi-disciplinary functions of VSA as appropriate toward the goal of optimal success for the destination.

Strategy B: Continue to Strengthen Communications Programming.

- VSA's Regional Communications Office will target Dallas, Fort Worth, Houston, Oklahoma City and other markets as defined by overall VSA programming as needed.
- Ongoing regional media pitching and mining for new media opportunities in the key markets — both overall destination and in support of key initiatives and programs.
- Work to execute regional media missions in target markets specific to market immersion programs, air service development programming and other efforts as needed.
- Continue to mine regional markets for partnerships, cross-promotional and editorial opportunities to strengthen destination awareness.

Strategy C: Keep crisis communications a major focus.

- Director of Regional Communications will serve as VSA's lead Crisis Communications coordinator. Take the lead role on developing taskforce on issues that could evolve or present themselves with damaging impact to our destination to include such things as weather, natural and man-made disasters, health issues, security issues and similar.

- Monitor and advise staff, partners, and other key players on issues with potential negative impact on our destination to include travelers' perceptions.
- Assemble and mobilize key teams based on issues and develop issue-driven communications and action plans to protect the image of the destination.
- Liaise with local, state, national and other entities as driven by individual issues to include Texas Tourism, U.S. Travel Association, local police and others.
- Continue to maintain the Crisis Communications Plan for Visit San Antonio. Conduct an annual review to include all internal departmental key partners and local key partners as well to include City of San Antonio departments (Communications and Government Affairs, SAPD, etc.).
- Take the lead in developing materials as needed for Crisis Communications situations – assembling teams specific to an issue for information share and sourcing; developing and sharing strategies, written materials to include briefings, talking points, etc.
- Conduct an annual spokesperson training program with key members of Visit San Antonio to not only support Crisis Communications, but overall media relations, issues-driven, and presentation skills development and maintenance.

PARTNERSHIP OPPORTUNITIES

- Media Hosting: The Communications team is always looking for great opportunities to join partners in providing influential media with great experiences.
- Images & B-Roll: VSA continues to work on strengthening its photo and video libraries, and always appreciates contributions from partners in this regard.
- Passport to San Antonio: Provide free access to visiting media through the Passport program.
- Treasure Chest: Submit free hotel stays, meals, attraction attendance, etc., to the VSA to use for on-air or social promotional media giveaways.
- Share Information: The Communications team is continually working to update calendars, event listings, releases and other vehicles to spread the good word about what's happening with San Antonio partners. Media often work with long lead times, so getting this information as soon as possible is optimum.
- Participate in direct-to-consumer tradeshows and events with collateral, on-site presence at select shows and prize packages.
- Road show opportunities.
- Keep updated on the news releases in the Media Section of the VSA website, as well as the In the News section, to incorporate any news or articles in your presentations or initiatives.
- If you are hosting a media contact, VSA can help make that media contact's itinerary more robust, helping to further build their planned story, with a VIP passport to provide free access to many attractions, Visitors Guides, maps and other one-on-one meetings with important San Antonio tourism contacts.

Destination Services

MISSION

The mission of Destination Services is to simplify the planning process for meeting professionals to create unforgettable meetings and events. Partnering with Destination Services gives the planner the opportunity to save time by allowing us to share knowledge of our destination; save time and money as our services are complimentary for lead referrals, site visit coordination and VSA collateral; connect planners with local resources, unique venues, dining and entertainment opportunities; and be an advocate as needs arise. This partnership extends to local partners as we present opportunities for business and share information that may benefit their growth and understanding of our clients and trends in the industry.

The combined success of these efforts creates an opportunity for returned bookings and successful stories for referrals for new business, which contributes to San Antonio's economy through sales tax and hotel occupancy tax.

GOALS & STRATEGIES

GOAL 1: Drive traffic to San Antonio Meetings website (meetings.visitsanantonio.com) for more efficient use of the various skills sets of the Destination Services staff.

Strategy A: Promote the efficient use of the San Antonio Meetings website "Planning Assistance" early in the sales process.

- Educate internal and external partners regarding the various tools available on the meetings website.
- Create competitive advantage by providing one-stop shopping for the meeting professional.
- Educate "cold callers" — such as meeting professionals, casual planners, reunion and wedding organizers — to Destination Services the benefits of the website and how they can customize their own folders for future reference.

Strategy B: Continue to evolve the meetings website as a viable resource for planners and partners.

- Create a process and schedule to update service providers information on the website.
- Work with the Marketing Department on updates to the website.
- Create a blog for disseminating important updates regarding the destination (e.g., what's new, major street closures, discounts, events, etc.).

GOAL 2: Identify opportunities to enhance the services provided to groups booked through the Synchronicities program. (These are groups that have booked a rotation between San Antonio, Baltimore and Anaheim.)

Strategy A: Create planning tools for success

- Establish and participate in quarterly calls or face-to-face meetings with Baltimore and Anaheim to explore future opportunities of enhancing the plan for meeting professionals and the attendee experience.
- Analyze the process and planning for the 2016 IAEE Conference in Anaheim – the second in a series of Synchronicities meetings. San Antonio hosts the 2017 event.

GOAL 3: Build opportunities to grow attendance and enhance the planning experience of the meeting professional.

Strategy A: Establish the process to connect Marketing with groups to promote attendance and enhance the visitor experience.

- Develop a plan with the Marketing Department to customize attendance building opportunities for groups 2,000 or more on peak.
- Develop a standard Marketing package for groups less than 2,000 on peak.
- Proactively promote Housing, Registration and Temporary Event Services offered by Destination Services.
- Utilize social media to communicate with attendees before and during conference. Also allow opportunities for attendees to participate in the Experience Dedicated Destination survey.

Strategy B: Know the group.

- Follow the history of the organization to determine changes in the pattern of hotel pick-up and/or attendance; flow and needs of the meeting.
- Share intelligence found with convention facilities, exclusive service providers and sales managers for future opportunities.
- Customize welcome packages based on the demographics of the groups and share with partners.
- For repeat business, work with planners to reach attendees with “what’s new” in San Antonio.

GOAL 3: Identify opportunities for media exposure to market San Antonio as a meetings destination to meeting professionals and locally, as far as the important impact on meetings to the community.

Strategy A: Identify clients that may be willing to provide testimonials via media requests, video or printed material for website and other Visit San Antonio communications.

- Track positive feedback and willingness to provide testimony via e-Autofeedback surveys.
- Follow-up with clients with post-meeting discussions with Sales and/or Services personnel.
- Refer written commendations from meeting professionals to Director.

Strategy B: Educate community on the value of meetings.

- Keep current list of opportunities for community outreach, updating it semi-annually.
- Record community outreach programs performed by groups in San Antonio through photography and testimonials and share with Marketing and Communications.

PARTNERSHIP OPPORTUNITIES

- Attend prior-year promotions with Destination Services Manager to showcase your business to attendees, sponsors and exhibitors. Information from prior-year promotions is available on our website: <http://partners.visitsanantonio.com/english/Resources/Co-Op-Opportunities.aspx>.
- When contacted regarding planning sites of definite business, provide amenity, refreshments or special welcome.
- Create a special welcome for conference attendees by creating signage, special drinks or food, incorporating conference logos during conference.
- Actively participate in planning site visits by offering transportation or hosting meal functions.
- Request training for meetings.visitsanantonio.com website and how it can benefit your business.

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Tourism

MISSION

The Tourism Division positions San Antonio as a premier destination to the domestic and international leisure travel market. The division's objective is to increase the number of visitors traveling to San Antonio through cooperative marketing, familiarization trips, buyer education seminars, tradeshow meetings, sales missions and consumer initiatives. In addition, tourism staff acts as staff liaison for the City of San Antonio World Heritage work plan, Convention and Visitors Commission Cultural Tourism Committee and with the San Antonio Airport on airline recruitment and retention.

GOALS & STRATEGIES

GOAL 1: Implement strategic partnerships with key U.S. receptive operators and tour operators to increase the number of domestic and international room nights generated by these companies to San Antonio by 10 percent.

Strategy A: Outreach to receptive and tour operators.

- Work with U.S. receptive/tour operators to feature the San Antonio and Texas product and itineraries, investigate opportunities to add hotel and/or attraction product to their packages. Coordinate two familiarization trips (FAMs) and two sales missions. Primary targets will be tour operators from Mexico, Canada, the United Kingdom and Germany.

Strategy B: Build the product.

- Work to build out the destination product by facilitating contracting opportunities with area hotels and attractions.

Strategy C: Educate partners.

- Continue to educate attractions, hotels, restaurants and transportation companies on how they can do business internationally by working with reputable Tour Operators and U.S. receptives.

Strategy D: Pursue an online destination training program.

- Identify a vendor and develop an online destination training program that would be available in multiple languages. The online destination training program would teach tour operators, travel agents and other key travel trade about San Antonio, so that they can sell our destination to their clients.

GOAL 2: Execute a consumer event in a key source market that will generate demand during a key time frame. These promotions will include a carefully timed approach that incorporates marketing, communications and tourism sales initiatives to generate awareness as well as visitation.

Strategy A: Consumer Centric Initiatives and Partnerships.

- Based on the source market, develop a comprehensive consumer initiative for San Antonio. This initiative would include identifying key partnerships with local businesses. This will be a pre-spring or pre-summer initiative.

Strategy B: Work to create experiential hotel packaging.

- Develop at least three experiential packaging programs that will highlight authentic and interesting San Antonio experiences available only on visitsanantonio.com.
- Identify local experiences that are unique and not readily available to the public.
- Continue to investigate marketing, communications and tourism sales opportunities to promote these packages.

GOAL 3: Continue the work started with the Arts and Cultural taskforce in FY2016. Work with key partners in the community to develop and implement an Arts and Cultural initiative that will strengthen and enhance the visibility of arts and cultural related events in San Antonio.

Strategy A: Research.

- Conduct research and gather information on best practices of existing Arts & Culture programs in an effort to establish a program in San Antonio.

Strategy B: Development of Plan.

- Meet with local Arts & Cultural leaders to share research findings and make recommendations on the initial plan.
- Work as a liaison with the CVC Cultural Task Force to help develop San Antonio's Cultural Story and identify San Antonio's Cultural Tourism base of assets.

Strategy C: Promotional Opportunities.

- Identify key promotional opportunities on visitsanantonio.com, online selling channels as well as consumer-related activities.

GOAL 4: Continue to capitalize on the cooperative international marketing opportunities with the State of Texas Tourism. Tourism will continue efforts with the U.S. receptive operators as well as international tour operators to increase San Antonio's visitation from these countries. In addition, we will work to coordinate efforts with the Brand USA office when possible.

Strategy A: Continue proactive efforts in Mexico.

- Continue with in market representation to execute key sales, marketing and communication initiatives.
- Conduct Mexico FAM in San Antonio. Coordinate an itinerary that will highlight the key pillars of our destination.
- Focus on developing vacation package programs with the airlines vacation package providers.
- Attend four key travel trade/consumer trade shows.
- Coordinate one sales mission to Mexico in the spring that will be open to partner participation.
- Coordinate closely with Marketing and Communications on all events.
- Work with in country online travel agencies that book outbound international travel.

Strategy B: Continue proactive efforts in Canada.

- Continue to work with our Canadian representative firm, which will help develop and execute key consumer centric and travel trade initiatives to increase the number of Canadian Visitors to San Antonio.
- Continue to build on recent launch of the fall Canadian campaign that integrated Marketing, Communications and Tourism components for maximum impact in the market.
- Participate with the State of Texas Tourism in its annual Canadian sales mission that focuses on direct sales calls with key travel trade representatives. Execute pre- and post-meetings with clients.
- Continue outreach to online travel agencies in this market and coordinate promotions.

Strategy C: Continue proactive efforts in the United Kingdom.

- Leverage San Antonio's presence in this market through partnerships with the State of Texas Tourism, as well as other key Texas cities. Participate in State of Texas Tourism-organized fams and sites.

- Participate in the State of Texas' Fall European Mission, which will include attending World Travel Market, a primary show for meetings with our European client base.
- Coordinate one sales mission that would incorporate the United Kingdom and Germany for a San Antonio specific mission.
- Continue focus with key U.S. receptive operators who are leaders in this market. Investigate programs and promotions to increase room nights
- Continue the co-operative partnership with Visit Houston to market our destination as the two must visit cities in Texas.

Strategy D: Continue proactive efforts in Germany.

- Leverage San Antonio's presence in this market through partnerships with State of Texas Tourism, as well as other key Texas cities. Participate in State of Texas Tourism-organized fairs and sites.
- Continue relationships with U.S. receptives who have strong relationships in this market.
- Coordinate one sales mission that would incorporate the United Kingdom and Germany for a San Antonio specific mission.
- Continue the co-operative partnership with Visit Houston to market our destination as the two must-visit cities in Texas.

Strategy E: Continue proactive efforts in China.

- Participate with the State of Texas Tourism's Mission to China by providing information for China International Travel Trade Marketplace.
- Leverage the destination's presence through partnerships with the State of Texas Tourism as well as other key Texas cities; participate in State of Texas Tourism-organized fairs and sites.
- Work with a Chinese representative firm on a per-project basis to provide direct sales efforts and representation at key events.
- Develop presentations and marketing pieces in Mandarin. Collaborate with Marketing to review VSA's Chinese website and update when necessary.
- Continue to work with important U.S. receptives to participate in promotions to key travel trade in the Chinese market.

Strategy F: Continue to pursue proactive efforts in Japan.

- Maintain relationships with existing clients and develop promotions.
- Continue to work with U.S. receptives to build San Antonio product and identify key operators and travel agents who are bringing business to San Antonio.
- Continue to leverage San Antonio's presence in this market through partnerships with the State of Texas Tourism as well as other key Texas cities.
- Target key Japanese tour operators/receptives at U.S. Travel Association IPW.
- Participate in State of Texas fairs and sites to assist in educating tour operators on the destination.
- Continue to develop technical tours for tour operators.

Strategy G: Continue proactive efforts in Brazil.

- Continue to leverage San Antonio's presence in this market through partnerships with the State of Texas Tourism as well as other key Texas cities.
- Continue to build on relationships that were built during previous missions.

GOAL 5: Continue to work on relationships with Online Travel Agencies, both in the United States and internationally. Through their strength and reach of their brand, we will increase awareness for the destination as well as provide cooperative marketing opportunities that will generate demand for partners who participate.

Strategy A: Work with Online Travel Agencies.

- Focus on both Domestic U.S. and international markets to include
- Mexico, Canada, United Kingdom and Germany.
- Identify key time periods that match travel dates for each and develop promotions to increase awareness and generate demand.
- Develop opportunities that allow for partner participation.

GOAL 6: When it comes to airline recruitment and retention, continue to develop a database of key station managers and personnel that can assist in establishing our relationship with key personnel within their organizations as well as work on any promotional ideas.

Strategy A: Continue to work closely with the San Antonio International Airport, Airport Advisory Committee and other key committees and boards to help improve San Antonio's position when being considered for domestic or international direct flights.

- Quarterly meetings with the San Antonio International Airport to discuss and share key information.
- Attend committee and board meetings.
- Assist with the development of presentations, events and or initiatives that will contribute to sharing information about tourism aspect of the destination.
- Coordinate marketing, communication and tourism efforts when developing strategic plans to assist with the promotion of the destination for new and existing flights.

Strategy B: Tourism staff will work to reach out to key airlines' staffs internationally and domestically. The objective of these visits is to develop relationships and get a better understanding of key staff within the organization.

- Identify trips for 2017 and research station manager contact information for key airlines.
- Develop an assessment sheet for key information to be gathered.
- Report out on any findings that can be used for the future.

PARTNERSHIP OPPORTUNITIES

To learn more about the markets that Tourism pursues, or participate in cooperative opportunities you may contact us at:

- Francisco Gallegos – Consumer Initiatives, Vacation Packaging, Mature and Student Motor Coach Tours: (210) 207-6834, franciscogallegos@visitsanantonio.com
- Sal Garza – Mexico, Canada, Brazil, Arts and Culture: (210) 207-6763, salgarza@visitsanantonio.com
- Dianne Sassenhagen – United Kingdom, Germany, China, Japan, U.S. receptives, Destination Online Training Program: (210) 207-6865, diannesassenhagen@visitsanantonio.com
- Dorah Putney – Domestic Online Travel Agencies, Booking Engine, Airport Initiatives, World Heritage City Work Plan: (210) 297-6791, dorahputney@visitsanantonio.com

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Connect San Antonio

MISSION

The Connect San Antonio team facilitates mutually beneficial partnerships within the local community to help raise San Antonio's profile as a meeting destination. It identifies board and committee members of national organizations, to gain support and influence to bring future meetings, conferences and conventions to San Antonio. It is also a resource to connect with local industry experts.

KEY ACCOMPLISHMENTS FOR FY2016

- Increased booking goal by 250 percent.
- Locals assisted in securing 10 short-term meetings with more than 4,000 room nights and more than 5,000 attendees in the 2016-2018 timeframe.
- Increased database development for San Antonio's top industries. This is a great resource for industry experts and speakers for conferences and meetings.
- Added Connect SA testimonials to the Connect SA page. This includes locals telling their story about the successful experience they had in bringing a meeting to San Antonio.

GOALS & STRATEGIES

GOAL 1: Identify and connect with people in the local community to assist in bringing future meetings, conferences and conventions to San Antonio.

Strategy A: Engage and educate locals within target industries.

- This can be accomplished through: research, prospecting, one-on-one meetings with key locals and attending industry events and meetings.

GOAL 2: Leverage local influence and industry to assist in bringing future meetings and conventions to San Antonio.

Strategy A: Find the connections within industries and the people to capture the story to bring more credibility to San Antonio and secure additional room nights.

- Work with local leaders to gain support and assistance in bringing group business to San Antonio.
- Engage and prepare locals to advocate for San Antonio.
- Identify San Antonio industries' strengths and weaknesses.
- Assist in developing and telling San Antonio industries' stories.
- Attend industry meetings and events to network and stay abreast of industry trends locally and nationally.

GOAL 3: Recognition for supporters.

Strategy A: Communicate the value of the Connect San Antonio program and give recognition to supporters of the program to the local community.

- Develop opportunities to host and recognize locals who have assisted in securing group business and provide opportunities for them to share their success stories with others in the community. This can be done by recognizing and thanking those individuals publically, hosting Connect SA locals at events, recognizing them at the Annual Meeting and through testimonials.

GOAL 4: Increase awareness of the San Antonio military visitor.

Strategy A: Identify opportunities and strategies to engage the military visitor.

- Connect San Antonio to the military visitors before, during and after their visit to San Antonio throughout military page, the EDD program and by working with military leadership, Air Force Wing Moms and hospitality partners.

GOAL 5: Develop a database.

Strategy A: Research and identify local experts in the medical and technology industries to create a list of local industry experts as a source for speaking and expertise opportunities.

- Work with industry experts to create list and develop speaker/expert forms and communication outreach.

PARTNERSHIP OPPORTUNITIES

- Military Appreciation Partner discount and deals.
- Military Familiarization Tour Partnership (pay to play).
- Booth Space opportunities at JBSA (free).

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Visitor Information Center

MISSION

The primary mission of the Visitor Information Center (VIC) is to maximize and enhance the San Antonio visitor experience by providing accurate and helpful information on attractions, tourism services, cultural sites and events. The VIC focuses on using the highest level of customer service for the purpose of extending visitor stays, increasing visitor spending and promoting return visitation.

The VIC will continue to maintain healthy partnerships with local attractions, hotels, restaurants and industry organizations. The goal is to become a leader amongst Visitor Information Centers across the country.

GOALS & STRATEGIES

GOAL 1: Expanded Visibility of Visitor Information Center. Boosting visitation numbers at the VIC is critical in this era when electronic devices are often used to gain information on a destination. The VIC must position itself to showcase the many services it offers to visitors and locals alike.

Strategy A: Implement a VIC marketing plan.

- The VIC will work with Visit San Antonio's Marketing Division to strategize and implement marketing opportunities including traditional and non-traditional methods. Methods include print ads, hotel TV ads space, and participation in local community events such as Sicolvia.
- Technology no doubt plays an important role in travel today and a strong, thorough marketing plan can help maintain the VIC's place in the tourism industry.

Strategy B: Manage social media opportunities.

- The VIC will manage social media channels to promote the services, retail items and happenings at the VIC.
- VIC management will respond to consumer feedback via social media in an effort to preserve the VIC's prominence.

Strategy C: The concierge connection.

- The VIC will reach out to educate the concierges and front desk staff on the services, activities and retail products the VIC provides to visitors and locals.
- We will create a referral incentive program for concierges and front desk staff to refer visitors to the VIC.

GOAL 2: Broaden visitor experience. The Visitor Information Center of today can no longer just be a place of bricks and mortar filled with brochures and friendly people. Visitor Information Centers need to look beyond their conventional way of serving visitors, bringing an out-of-the-ordinary, unexpected visitor experience. That's why it's critically important to make sure our customer service representatives are well-trained, versed and knowledgeable in what San Antonio has to offer the visitor.

Strategy A: Research VIC activities by tourism partners.

- The VIC will look for opportunities for San Antonio tourism partners to promote their shows, events and attractions in the visitor center to enhance the experience of the visitor when they come into the VIC.

Strategy B: Offer unexpected experiences.

- The VIC will work with local tourism partners to offer visitors unexpected experiences such as photos from a photo booth and tickets to local major events.

GOAL 3: Review administrative & revenue areas. The visitor information center management staff continues to explore ways to streamline its work operations and expedite visitor purchasing experience.

Strategy A: Implement new Point of Sale system.

- The VIC will be implementing a new Point of Sale system that will provide faster, more efficient service for visitors and the ability to collect visitor data.

Strategy B: Enhance revenue opportunities.

- The VIC will consider new non-conventional souvenirs, while maintaining standard ones for visitors. Also, it will grow the number of new consignment ticket agreements from tourism partners.

PARTNERSHIP OPPORTUNITIES

- **Tourism Collateral Distribution:** Provide tourism-related printed collateral for distribution at the Visitor Information Center (VIC). More than 330,000 pieces of collateral were distributed last year. Contact Brian Lang at 210-207-6890 or brianlang@visitsanantonio.com.
- **Ticket Consignment Program:** Partners are encouraged to team up with the VIC in the selling of their attraction tickets. Current program is limited to certain attraction categories; additional ticket categories are being considered for inclusion. Contact Brian Lang at 210-207-6890 or brianlang@visitsanantonio.com.
- **Special Promotional Programming:** Partners are encouraged to leverage the VIC on an ad-hoc basis during special-event programming on Alamo Plaza to promote and market tourism industry initiatives with a limited timeframe. Ideas may include, but are not limited to, hotel anniversaries, Alamo Plaza events, partner seasonal events, etc. Contact Brian Lang at 210-207-6890 or brianlang@visitsanantonio.com.
- **Partner with the VIC staff** by promoting your business at the VIC by hosting a special day or event at the VIC. Contact Brian Lang at 210-207-6890 or brianlang@visitsanantonio.com.

EXHIBIT B

EXHIBIT B

TRANSITION PLAN

I. TERM

A. Term. The term of this Transition Plan (the *Plan*) shall commence on October 1, 2016, and will remain in full force and effect through September 30, 2017 (the *Term*), with an extension option of up to six (6) months from the end of the Term.

II. SCOPE OF TRANSITION SERVICES

A. HUMAN RESOURCES

i. City Services and Employment Needs. In accordance with Article III of the Management Agreement (entered into by the Parties concurrently with this Plan), for the period of October 1, 2016 through March 31, 2017, the City will provide VSA with ongoing City services and support consistent to those services provided to its internal City departments. In the event the City and VSA require additional time for the transition, the Parties may, by mutual agreement, extend the transition period by up to six (6) months pursuant to written approval executed by both Parties.

Effective April 1, 2017, all functions of the City's Convention and Visitors Bureau (the *CVB*) shall transition to VSA and the City shall commence to provide compensation to VSA to provide the aforementioned Transition Services described in Article II of the Management Agreement.

The City shall facilitate the human resources component, not limited to the hiring process, for VSA employees so that VSA may select individuals to fill key employment positions. The compensation of these hires is to be determined and within the purview of VSA.

ii. City Employee Contract Back Periods:

Current employees electing to move to VSA will become employees of VSA effective January 1, 2017. City will afford VSA a contract back period, whereby employees will become temporary City employees (with full-time attributes) for the period specified, subject to the restrictions and guidelines set forth below:

- For employees within 6 months of vesting, as defined by the Texas Municipal Retirement System (*TMRS*), with the City at time of the Transition, the period for contracting back will be from January 1, 2017 until the end of the calendar year after which said contract back employee achieves five (5) years of service.
- For employees within 3 years of 20 year retirement, as defined by TMRS, at time of the Transition, the contract back period will be from January 1, 2017 until the end of the calendar year in which said contract back employee achieves twenty (20) years of service.

- For employees vested and within 3 years of age 60 at time of the Transition, the contract back period will be from January 1, 2017 until the end of the calendar year in which said contract back employee reaches sixty (60) years of age.

Either the City or VSA may identify employees as subject matter experts (*SME*) in key administrative roles critical to a successful Transition such as SAP/financial expertise (e.g., Finance Department) and CRM/database management expertise (e.g., Senior Management Coordinator). The period for contracting back for *SME* positions may be up to 9 months from date of the Transition but will not extend beyond the Term of this Plan.

All contract back employees (with the exception of *SME*'s as discussed above) will become temporary City employees of City with full City benefits (with benefits administered by the City) during the contract back period. Salaries and performance management for such contract back employees shall be determined by VSA. The City will invoice VSA on a monthly basis for the total cost of contract back employees and received benefits, of which VSA will remit payment to the City within 15 business days of such invoice.

The City will engage in an accelerated placement process for CVB employees who have declared interest in continued employment with the City, specifically during the period of October 1, 2016 through December 31, 2016. By utilizing the traditional workforce realignment process for those employees who choose to continue City employment, unclassified employees will maintain reasonable compensation and date of rank.

Effective January 1, 2017, all regular full and part-time City positions budgeted for the CVB will be eliminated. The list of positions is detailed in Exhibit A.

iii. Annual Leave Transition for Affected Employees:

The following conditions will apply to employees who have accumulated annual leave balances upon separation from City to VSA as of December 31, 2016:

- Employees who have 10 or more days of City annual leave upon separation from City will be awarded a beginning balance of two weeks (or 10 days) of vacation by VSA upon the Transition.
- Employees who have less than 10 days of City annual leave upon separation from City will be awarded a beginning balance of vacation time equal to their previous balance from the City (not to exceed 10 days).
- Employees with no annual leave balances upon separation from City will not be awarded any beginning balance of leave as of the Transition.
- All employees with more than ten (10) days of annual leave upon transition to VSA will have all hours over eighty (80) paid out by the City upon separation in FY 2017.
- Contracted temporary employees, while employed by City, will continue to accrue time consistent with City policy. All contract back temporary employees,

at time of future transition, who have annual leave balances will be awarded their available balance up to 10 days by VSA for vacation time. Upon said transition, temporary contracted employees will have all hours over eighty (80) paid out by the City upon separation.

B. RESERVE FUNDS

i. Marketing/Major Events Reserve.

In March 2015, while under governance of the City, the CVB secured "IPW" to hold their signature event in the City in May 2023. IPW is the travel industry's premier international marketplace and largest generator of travel to the United States. The event consists of an intensive three days of business appointments between more than 1,000 U.S. travel organizations from every region of the country and close to 1,200 international and domestic buyers from more than 70 countries that result in the generation of more than \$4.7 billion in future travel to the U.S.

The City previously established a "Marketing/Major Events' Reserve" (the *Events' Reserve*) for the purpose of maintaining committed and anticipated Hosting Obligations (as defined in the Management Agreement) associated with the event and committing to a financing plan to fund the Events' Reserve up to a maximum of \$5 million by March 2023.

To assist with the establishment of the Events' Reserve, the CVB and the City identified \$86,323 resulting from Hosting Obligations' carry-forward amounts accumulated in prior years that shall act as a current year balance. Additionally, any unexpended funds from the current FY 2016 Hosting Obligations budget will be added to the Events' Reserve in order to continue to increase this reserve. VSA will also work with industry stakeholders, local business leaders, and potential sponsors to fundraise, solicit partnerships/sponsorships, and receive in-kind services in anticipation of IPW.

ii. Air Incentive Marketing Reserve.

The CVB and City previously allocated designated carryover funds originally appropriated in the CVB's operating budget to establish an "Air Incentive Marketing Reserve" (the *Air Reserve*) in the sum of \$250,000. Additionally, the CVB appropriated \$125,000 in FY 2016 for air incentive marketing. Any unexpended balance from the FY 2016 \$125,000 appropriation will be added to the existing balance Air Reserve so that the Air Reserve will total \$375,000 at the conclusion of FY 2016. The City will maintain the Air Reserve balance. VSA will continue to commit \$125,000.00 on an annual basis for new opportunities associated to air incentive marketing. Any unused future funds year over year by VSA associated to this budget will be dedicated to the Air Reserve managed by VSA.

Upon joint written approval from the City and VSA, the City's Air Incentive Marketing Reserve funds may be jointly leveraged with VSA's Air Reserve funds to incentivize and/or promote future direct flights to the City. These funds are restricted to Air Incentive Marketing opportunities and cannot be used to subsidize airline flight opportunities.

C. BUSINESS REQUIREMENTS

i. Office Lease Agreement.

The City and VSA each recognize that a Lease Agreement will prospectively be negotiated and executed for the rental of the CVB's currently utilized space at the International Center located at 203 S. St. Mary's, San Antonio, Texas 78205, and the Visitor Information Center located at 141 Alamo Plaza, San Antonio, Texas 78205 (the *Information Center*). No change in the footprint of space requirements is anticipated for either location over the term of the lease. The current rent, facility service charges, and common area charges are budgeted at \$592,221 for the International Center, and \$35,829 for the Visitor Information Center respectively. Any equipment not referenced within this Plan will be included within the Lease Agreement as property of the City and being leased to VSA.

ii. Transition of Current Assets.

While under governance of the City, the CVB previously purchased various items and commodities utilizing HOT dollars appropriated to the CVB's operating budget, the ownership of the items referenced in Exhibits B, C, and D of this Plan will be transferred to VSA from the City as part of this Plan:

- Furniture and fixtures (Exhibit B);
- Personal computers, laptops, and other miscellaneous equipment (Exhibit C);
- Vehicles/fleet (Exhibit D); and
- Intellectual Property as listed in Exhibit D to the Management Agreement.

Title, licenses, and/or security interests, if any, in the foregoing items necessary for the Transition will subsequently be transferred to VSA during the Term of this Plan. Any records and documentation currently held by the City pertaining to the foregoing items will be forwarded to VSA for its official records.

The Parties also recognize that certain assets, primarily in the form of inventory, are currently located within the Information Center, of which will also transition in accordance with the provisions of the Plan after completion of the annual inventory conducted on the products and merchandise located therein.

iii. Intellectual Property

The City and VSA will initiate actions and prepare a schedule to transfer and share Intellectual Property (as defined and described in the Management Agreement) as of October 1, 2016, including specifically the domain name www.visitsanantonio.com, to VSA in an effort to prevent disruption in VSA's marketing and advertising efforts. The City acknowledges VSA will commence actions to register various Intellectual Property in the United States Patent and Trademark Office.

Both Parties agree to execution of license(s) for VSA's use of such Intellectual Property during the term of this Plan in accordance with the terms of the Management Agreement, the

City shall waive any infringement claims involving existing Intellectual Property, and both Parties will subsequently enter into any necessary co-existence agreements governing such use of the Intellectual Property for the benefit of the Parties.

As VSA currently utilizes City servers, software, email applications, and other technology, City instructional technology staff will commence transfer of these applications to VSA during the Term of this Plan.

III. REVENUE ENHANCEMENT PLAN

VSA will develop a Revenue Enhancement Plan in accordance with procedures set forth in the Management Agreement, for the purpose of growing and diversifying revenue sources for VSA over the Term of this Plan and beyond. The Revenue Enhancement Plan will identify potential private funding sources, financial goals, and corresponding strategies for implementation. VSA will brief City periodically on the status and outcome of this Revenue Enhancement Plan with completion prior to the end of FY 2017.

IV. STATUTORY REQUIREMENTS RELATED TO PUBLIC FUNDS

A. COMPETITIVE BIDDING

VSA shall conduct competitive bidding procedures to extent such process is applicable to a particular procurement involving public funds. Once a threshold determination of applicability pursuant to Chapter 252, Texas Local Government Code, as amended, is established, VSA shall abide by the preference programs instituted by the City for the selection of contract parties. The City maintains policies of inclusiveness regarding preference afforded to companies operating in and around the City and preference to veteran-owned small businesses. After careful analysis of these programs, each competitively bid contract (not including informal solicitations) request issued by VSA will adhere to the ordinances authorizing these programs or otherwise award additional discretionary/mandatory points in accordance with the procedures listed in each respective program's policies. VSA may consider joint ventures to satisfy the requirements of preference programs.

The VSA Board of Directors (the *Board*) retains responsibility and shall approve all applicable procurement selections. To assist VSA in complying with the above provisions related to competitive bidding, VSA and the City agree that VSA shall utilize the City's SAP System for the Term of this Plan to facilitate procurements.

B. TEXAS PUBLIC FUNDS INVESTMENT ACT

VSA shall comply with Chapter 2256, Texas Government Code, as amended (the *Investment Act*), in the purchase, sale, and investment of public funds under its control. VSA and the City agree that the Board will subsequently develop and adopt an investment policy, based upon the City's Investment Policy, and shall invest public funds as permitted by the Investment Act, in compliance with the investment policy approved by the Board, and according to the standard of care prescribed by the Investment Act.

V. RECORDS

To the extent the City maintains records (accounting, human resource, financial, etc.) related to the CVB, the City will provide VSA with copies of all records permissible for distribution under current law for its files and record keeping, as such information may prospectively be requested from various government agencies.

VI. AMENDMENTS; FURTHER ACTIONS

In the event that certain provisions of this Plan require amendment, the City Council hereby delegates, to the extent necessary under applicable law, the ability to the Board and the City Manager or her designee to enact, approve, and effectuate such amendments to this Plan without further action or approval by the City Council.

The City Council hereby recognizes the Board and City staff's authority, from time to time and at any time, to do and perform all such acts and things and to execute, acknowledge and deliver all such instruments, certificates and ancillary agreements or contracts, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Plan, including those that are specifically contemplated and/or required under and pursuant to the provisions of the Management Agreement.

VII. MISCELLANEOUS

This Plan shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

If any provision of this Plan or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Plan and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council and the Board hereby declare that this Plan would have been enacted without such invalid provision.

It is officially found, determined, and declared that the meeting at which this Plan is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Plan, was given, all as required by Chapter 551, Texas Government Code, as amended.

**CITY OF SAN ANTONIO, TEXAS,
A HOME-RULE MUNICIPALITY**

**VISIT SAN ANTONIO
A TEXAS NONPROFIT CORPORATION**

Sheryl L. Sculley
City Manager

Name:
Title:

ATTEST:

(CORPORATION SEAL)

Leticia Vacek
City Clerk

APPROVED AS TO FORM

Andrew Segovia
City Attorney

(CITY SEAL)

EXHIBIT A

EMPLOYMENT POSITIONS

EXHIBIT B

FURNITURE AND FIXTURES

EXHIBIT C

PERSONAL COMPUTERS, LAPTOPS, AND OTHER MISCELLANEOUS EQUIPMENT

EXHIBIT D

VEHICLES/FLEET

EXHIBIT C

**Visit San Antonio
Ethics Code**

Adopted July 26, 2016

ARTICLE 1. DECLARATION OF POLICY

Sec. 1-1. Statement of Purpose.

It is essential in a democratic system that the public has confidence in the integrity, independence, and impartiality of those who act on their behalf in expending public funds to further advance the City of San Antonio, Texas (the "City") and its tourism industry. Such confidence depends not only on the conduct of those who exercise Official power, but on the availability of aid or redress to all persons on equal terms and on the accessibility and dissemination of information relating to the conduct of affairs.

For the purpose of promoting confidence in Visit San Antonio (the "Corporation") and thereby enhancing the Corporation's ability to function effectively, this Code of Ethics (the "Code"), largely based upon the City's Code of Ethics, is adopted. This Code establishes standards of conduct, disclosure requirements, and enforcement mechanisms relating to Corporation's Officials and Employees and others whose actions affect public faith in the Corporation, such as Former Corporation Officials and Employees, and persons doing business with the Corporation. By prohibiting conduct incompatible with the Corporation's best interests and minimizing the risk of any appearance of impropriety, this Code furthers the legitimate interests of the City's tourism industry.

All Corporation Officials and Employees are, to some extent, stewards of the public trust. They have a responsibility of wisely expending public funds to further advance the objective of increasing tourism to and otherwise promoting the City. To ensure and enhance public confidence in the Corporation, each Corporation Official and Employee must not only adhere to the principles of ethical conduct set forth in this Code and technical compliance therewith, but they must scrupulously avoid the appearance of impropriety at all times.

Sec. 1-2. Definitions.

As used in this Code, the following words and phrases have the meaning ascribed to them in this section, unless the context requires otherwise or more specific definitions set forth elsewhere in this Code apply:

- (a) *Accept.* A written or verbal indication that someone agrees; "Acceptance" of an offer of subsequent employment or business opportunities includes legally binding contracts and all informal understandings that the parties expect to be carried out; an agreement, either by express act or by implication from conduct, to the terms of an offer so that a binding contract is formed.
- (b) *Affiliated.* Entities are "affiliated" if one is the parent or subsidiary of the other or if they are subsidiaries of the same parent entities.
- (c) *Affinity.* Relationship by "Affinity" (by marriage) is defined in Sections 573.024 and 573.025, Texas Government Code, as amended.
- (d) *Before the Corporation.* Representation or appearance "Before the Corporation" means before the Board of Directors, a committee, a task force, or other working group hereafter designated by the Corporation.
- (e) *Benefit.* Anything reasonably regarded as pecuniary gain or pecuniary advantage, including a Benefit to any other person in whose welfare the beneficiary has a direct and substantial interest.
- (f) *Business Days.* The days of the week, Monday through Friday, in which the administrative offices of the Corporation are open for business.
- (g) *Candidate.* A person who Knowingly and willingly takes affirmative action for the purpose of gaining nomination or election to a position on the Board of Directors (the "Board"). Examples of affirmative action include:
 - (1) The filing of an application for a place on a ballot;
 - (2) The making of a public announcement of a definite intent to run for a Corporation office, regardless of whether the specific office is mentioned in the announcement; and
 - (3) Before a public announcement of intent, the making of a statement of definite intent to run for corporation office and the soliciting of support by letter or other mode of communication.

- (h) *City*. "City" means the City of San Antonio, Texas.
- (i) *Code of Ethics*. "Code of Ethics", "Ethics Code", or "this Code" means Articles 1 through 6 of this Code, its amendment(s), and/or enhanced definitions.
- (j) *Confidential Information*. "Confidential Information" includes all information held by the Corporation that is not available to the public under the Texas Public Information Act and any information from a meeting closed to the public.
- (k) *Consanguinity*. Relationship by "Consanguinity" (by blood) is defined in Sections 573.022 and 573.023, Texas Government Code, as amended.
- (l) *Economic Interest*. "Economic Interest" includes, but is not limited to, legal or equitable property interests in land, chattels, and intangibles, and contractual rights having more than *de minimis* value. Service by a Corporation Official or Employee as an officer, director, advisor, or otherwise active participant in an educational, religious, charitable, fraternal, or civic organization does not create for that Corporation Official or Employee an Economic Interest in the property of the organization.
- Ownership of an interest in a mutual or common investment fund that holds securities or other assets is not an Economic Interest in such securities or other assets unless the person in question participates in the management of the fund. Ownership of stock in a publicly traded corporation does not constitute Ownership for purposes of this Code if the Employee or Official owns less than ten (10) percent of the voting stock or shares of the entity and the value of the stock is less than fifteen thousand dollars (\$15,000.00).
- (m) *Employee*. The term "Employee" or "Corporation Employee" is any person listed on the Corporation payroll as an Employee, whether part-time or full-time.
- (n) *Entity*. "Entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, joint-venture, or any other entity recognized by law, including non-profit entities.
- (o) *Former Corporation Official or Employee*. A "Former Corporation Official" or "Former Corporation Employee" is a person whose Corporation duties terminate on or after the effective date of this Code.
- (p) *Gift*. "Gift" means a voluntary transfer of property (including the payment of money) or the conferral of a Benefit having pecuniary value (such as the rendition of services or the forbearance of collection on a debt), unless consideration of equal or greater value is received by the donor.
- (q) *Intentionally*. A person acts Intentionally, or with intent, with respect to the nature of his or her conduct or to a result of his or her conduct when it is his conscious objective or desire to engage in the conduct or cause the result.
- (r) *Knowingly*. A person acts Knowingly, or with knowledge, with respect to the nature of his or her conduct or to circumstances surrounding his or her conduct when he or she is aware of the nature of his or her conduct or that the circumstances exist. A person acts Knowingly, or with knowledge, with respect to a result of his or her conduct when he or she is aware that his or her conduct is reasonably certain to cause the result.
- (s) *Official*. The term "Official" or "Corporation Official" includes the following persons:
- Chief Executive Officer;
 - Board of Directors;
 - Chair;
 - Vice Chair;
 - Secretary/Treasurer; or
 - Any officer appointed by the foregoing; and
 - Members of all Boards, commissions, committees, task forces, and other bodies created by the Corporation pursuant to federal or State law, including entities that may be advisory only in nature, who are appointed by the Corporation, or who are designated in the bylaws or organization papers of an entity to serve on behalf of the Corporation; and Board members of any entity who are appointed by the Corporation to such Board membership.

This list is updated annually by the Corporation. All updates are incorporated into this Code without further action by the Corporation. The Corporation's human resources staff shall provide the list annually to the Corporation to post on the Corporation's Internet webpage.

- (t) *Official Action.* "Official Action" includes:
 - (1) Any affirmative act (including the making of a recommendation) within the scope or in violation of an Official or Employee's duties, and
 - (2) Any failure to act, if the Official or Employee is under a duty to act and knows that inaction is likely to affect substantially an Economic Interest of the Official or Employee or any person or entity.
- (u) *Official Information.* "Official Information" includes information gathered pursuant to the power or authority of Corporation government.
- (v) *Ownership.* Ownership of an interest in a mutual or common investment fund that holds securities or other assets constitutes direct or indirect Ownership of such securities or other assets if the individual in question participates in the management of the fund. Ownership of stock in a publicly traded corporation constitutes Ownership for purposes of this Code if the Employee or Official owns more than ten (10) percent of the voting stock or shares of the entity and the value of the stock is more than fifteen thousand dollars (\$15,000.00).
- (w) *Partner.* Someone who engages in an activity or undertaking with another; a "Partner" includes partners in general partnerships, limited partnerships, and joint ventures. One who shares or takes part with another especially in a venture with shared Benefits and shared risks.
- (x) *Recklessly.* A person acts Recklessly, or is reckless, with respect to circumstances surrounding his or her conduct or the result of his or her conduct when he is aware of but consciously disregards a substantial and unjustifiable risk that the circumstances exist or the result will occur. The risk must be of such a nature and degree that its disregard constitutes a gross deviation from the standard of care that an ordinary person would exercise under all the circumstances as viewed from the actor's standpoint.
- (y) *Representation.* "Representation" is a presentation of fact—either by words or by conduct—made to induce someone to act. "Representation" does not include appearance as a witness in litigation or other Official proceedings.
- (z) *Solicitation.* "Solicitation" of subsequent employment or business opportunities includes all forms of proposals and negotiations relating thereto.

ARTICLE 2. PRESENT CORPORATION OFFICIALS AND EMPLOYEES

Sec. 2-1. Conflicts of Interest

- (a) *General Rule.* To avoid the appearance and risk of impropriety, a Corporation Official or Employee shall not take any Official Action that he or she knows is likely to affect the Economic Interests of:
 - (1) The Official or Employee;
 - (2) His or her parent, child, spouse, or other family member within the second degree of Consanguinity or Affinity;
 - (3) His or her outside client;
 - (4) A member of his or her household;
 - (5) The outside employer of the Official or Employee or of his or her parent, child (unless the child is a minor), spouse, or member of the household (unless member of household is a minor);
 - (6) An entity in which the Official or Employee knows that any of the persons listed in Subsections

- (a)(1) or (a)(2) holds an Economic Interest;
- (7) An entity which the Official or Employee knows is an Affiliate or Partner of an entity in which any of the persons listed in Subsections (a)(1) or (a)(2) holds an Economic Interest as defined in Section 2-1;
- (8) a. An entity for which the Corporation Official or Employee serves as an officer or director or in any other policy making position; or
 - b. A non-profit Board to which the Official or Employee is appointed by the Board of Directors or Corporation management to represent the best interests of the Corporation, if the action by the Corporation Official or Employee as a member of the Board is related to an item pertaining to the Corporation, and the Corporation Official or Employee would be involved in the negotiation, development or implementation of that item on behalf of the Corporation; or
- (9) A person or entity with whom, within the past twelve (12) months:
 - a. The Official or Employee, or his or her spouse, directly or indirectly has:
 - 1. Solicited an offer of employment for which the application is still pending;
 - 2. Received an offer of employment which has not been rejected; or
 - 3. Accepted an offer of employment.
 - b. The Official or Employee, or his or her spouse, directly or indirectly engaged in negotiations pertaining to business opportunities, where such negotiations are pending or not terminated.
- (b) *Recusal and Disclosure.* A Corporation Official or Employee whose conduct would otherwise violate Subsection (a) must recuse himself or herself from the matter at hand. From the time that the conflict is, or should have been recognized, he or she shall:
 - (1) Immediately refrain from further participation in the matter, including discussions with any persons likely to consider the matter; and
 - (2) Promptly file with the Corporation an appropriate explanation disclosing the nature and extent of the prohibited conduct. In addition:
 - (i) A supervised Employee shall promptly bring the conflict to the attention of his or her supervisor who will then, if necessary, reassign responsibility for handling the matter to another person; and
 - (ii) A member of a Board shall promptly disclose the conflict to other members of the Board and shall not be present during the Board's discussion of, or voting on, the matter.
- (c) *Definitions.* For purposes of this rule:
 - (1) An action is likely to affect an Economic Interest if it is likely to have an effect on that interest that is distinguishable from its effect on members of the public in general or a substantial segment thereof; and
 - (2) The term "client" includes business relationships of a highly personalized nature, but not ordinary business-customer relationships.

Sec. 2-2. Unfair Advancement of Private Interests.

- (a) *General Rule.* A Corporation Official or Employee may not use his or her Official position to unfairly advance or impede private interests, or to grant or secure, or attempt to grant or secure, for any person (including himself or herself) any form of special consideration, treatment, exemption, or advantage beyond that which is lawfully available to other persons. A Corporation Official who represents to a person that he or she may provide an advantage to that person based on the Official's position on a Board or commission violates this rule.
- (b) *Special Rules.* The following special rules apply in addition to the general rule:
 - (1) *Acquisition of Interest in Impending Matters.* A Corporation Official or Employee shall not acquire

an interest in, or be affected by, any contract, transaction, or other matter, if the Official or Employee knows, or has reason to know, that the interest will be directly or indirectly affected by impending Official Action by the Corporation.

- (2) *Reciprocal Favors.* A Corporation Official or Employee may not enter into an agreement or understanding with any other person that Official Action by the Official or Employee will be rewarded or reciprocated by the other person, directly or indirectly.
 - (3) *Appointment of Relatives.* A Corporation Official or Employee shall not appoint or employ or vote to appoint or employ any relative within the third degree of Consanguinity or Affinity or any member of his or her household to any office or position of employment within the Corporation.
 - (4) *Supervision of Relatives.* No Official or Employee shall be permitted to be in the line of supervision of a relative within the third degree of Consanguinity or third degree of Affinity or any member of his or her household. If an Employee, by reason of marriage, promotion, reorganization, or otherwise, is placed into the line of supervision of a relative, one of the Employees will be reassigned or other appropriate arrangements will be made for supervision.
- (c) *Recusal and Disclosure.* A Corporation Official or Employee whose conduct would otherwise violate this section shall adhere to the recusal and disclosure provisions provided in Subsection 2-1(b) (Conflicts of Interest).

Sec. 2-3. Gifts.

(a) *General Rule.*

- (1) A Corporation Official or Employee shall not Solicit, Accept, or agree to Accept any Gift or Benefit for himself or herself or his or her business:
 - a. That reasonably tends to influence or reward Official conduct; or
 - b. That the Official or Employee knows or should know is being offered with the intent to influence or reward conduct.

(b) *Campaign Contribution Exception.* The general rule stated in Subsection (a) does not apply to a campaign contribution made pursuant to the Texas Election Code, as amended.

(c) *Gifts to Closely Related Persons.* A Corporation Official or Employee shall take reasonable steps to persuade a parent, spouse, child, or other relative within the second degree of Consanguinity or Affinity, or an outside business associate not to solicit, Accept, or agree to Accept any Gift or Benefit:

- (1) That reasonably tends to influence or reward the Corporation Official's or Employee's Official conduct, or
- (2) That the Official or Employee knows or should know is being offered with the intent to influence or reward the Corporation Official's or Employee's discharge of Official duties.

Sec. 2-4. Confidential Information.

- (a) *Improper Access.* A Corporation Official or Employee shall not use his or her position to obtain Official Information about any person or entity for any purpose other than the performance of Official duties.
- (b) *Improper Disclosure or Use.* A Corporation Official or Employee shall not Intentionally, Knowingly, or Recklessly disclose any Confidential Information gained by reason of said Official's or Employee's position concerning the property, operations, policies or affairs of the Corporation. This rule does not prohibit:
 - (1) Any disclosure that is no longer confidential by law; or
 - (2) The confidential reporting of illegal or unethical conduct to authorities designated by law.

Sec. 2-5. Representation of Private Interests.

- (a) *Representation of Private Interests Before the Corporation by a Member of the Board.* A Corporation Official or Employee who is a member of a Board or other Corporation body shall not represent any person, group, or entity:
 - (1) Before that Board or body;
 - (2) Before Corporation staff having responsibility for making recommendations to, or taking any action on behalf of, that Board or body, unless the Board or body is only advisory in nature; or
 - (3) Before a board or other Corporation body which has appellate jurisdiction over the board or body of which the Corporation Official or Employee is a member, if any issue relates to the Official's or Employee's Official duties.
- (b) *Representation of Private Interests Before the Corporation by Corporation Officials and Employees.*
 - (1) *General Rule.* A Corporation Official or Employee shall not represent for compensation any person, group, or entity, other than himself or herself, or his or her spouse or minor children, Before the Corporation. For purposes of this subsection, the term compensation means money or any other thing of value that is received, or is to be received, in return for or in connection with such representation.
 - (2) *Exception for Board Members.* The rule stated in Subsection (b)(1) does not apply to a person who is classified as a Corporation Official only because he or she is an appointed member of a board or other Corporation body.
- (c) *Prestige of Office and Improper Influence.* In connection with the Representation of private interests Before the Corporation, a Corporation Official or Employee shall not:
 - (1) Assert the prestige of the Official's or Employee's Corporation position for the purpose of advancing private interests; or
 - (2) State or imply that he or she is able to influence Corporation action on any basis other than the merits.
- (d) *Representation in Litigation Adverse to the Corporation.*
 - (1) *Officials and Employees (other than members of the Board of Directors).* A Corporation Official or Employee, other than a person who is classified as an Official only because he or she is an appointed member of a board or other Corporation body, shall not represent any person, group, or entity, other than himself or herself, or his or her spouse or minor children, in any litigation to which the Corporation is a party, if the interests of that person, group, or entity are adverse to the interests of the Corporation.
 - (2) *Board Members.* A person who is classified as a Corporation Official only because he or she is an appointed member of a board or other Corporation body shall not represent any person, group, or entity, other than himself or herself, or his or her spouse or minor children, in any litigation to which the Corporation is a party, if the interests of that person, group, or entity are adverse to interests of the Corporation and the matter is substantially related to the Official's duties to the Corporation.

Sec. 2-6. Conflicting Outside Employment.

- (a) *General Rule.* A Corporation Official or Employee shall not Solicit, Accept, or engage in concurrent outside employment which could reasonably be expected to impair independence of judgment in, or faithful performance of, Official duties.
- (b) *Special Application.* The following special rule applies in addition to the general rule: A Corporation Official or Employee shall not provide services to an outside employer related to the Official's or Employee's Corporation duties.
- (c) *Other Rules.* The general rule stated above applies in addition to all other rules relating to outside employment of Corporation Officials and Employees, including requirements for obtaining prior approval of outside employment, as applicable.

Sec. 2-7. Public Property and Resources.

A Corporation Official or Employee shall not use, request, or permit the use of Corporation facilities, personnel, equipment, or supplies or time while on Corporation duty for private purposes (including political purposes), except:

- (a) Pursuant to duly adopted Corporation policies, or
- (b) To the extent and according to the terms that those resources are lawfully available to the public.

Sec. 2-8. Political Activity.

The following ethical restrictions apply:

- (a) *Influencing Subordinates.* A Corporation Official or Employee shall not, directly or indirectly, induce or attempt to induce any Corporation subordinate of the Official or Employee:
 - a. To participate in an election campaign, contribute to a Candidate or political committee, or engage in any other political activity relating to a particular party, Candidate, or issue, or
 - b. To refrain from engaging in any lawful political activity.

A general statement merely encouraging another person to vote does not violate this rule.

- (b) *Paid Campaigning.* A Corporation Official or Employee shall not Accept anything of value, directly or indirectly, for political activity relating to an item pending on the ballot, if he or she participated in, or provided advice relating to, the exercise of discretionary authority by a Corporation body that contributed to the development of the ballot item. Anything of value does not include a meal or other item of nominal value the Corporation Official or Employee receives in return for providing information on an item pending on the ballot.
- (c) *Official Vehicles.* A Corporation Official or Employee shall not display or fail to remove campaign materials on any Corporation vehicle under his or her control.

Limitations on the use of public property and resources for political purposes are imposed by Section 2-7 (Public property and resources).

Sec. 2-9. Actions of others.

- (a) *Violations by Other Persons.* A Corporation Official or Employee shall not Intentionally or Knowingly assist or induce, or attempt to assist or induce, any person to violate any provision in this Code.
- (b) *Using Others to Engage in Forbidden Conduct.* A Corporation Official or Employee shall not violate the provisions of this Code through the acts of another.

Sec. 2-10. Corporation Contract Personnel.

- (a) A member of the Corporation who, in the course of Official duties, has direct supervisory authority over contract personnel shall make reasonable efforts to ensure that the conduct of contract personnel is compatible with the obligations imposed on Corporation Officials and Employees by this Code.
- (b) Contract personnel employed by a member of the Corporation shall comply with all obligations imposed by this Code on Corporation Employees. Contract personnel may not engage in political activity using Corporation resources or during duty hours.
- (c) All contracts for administrative services between a member of the Corporation and independent contractors shall contain a provision requiring the independent contractor to comply with all requirements imposed by this Code on Corporation Employees.

Sec. 2-11. Persons Required to Report; Time to Report; Place to Report.

- (a) A Corporation Official or Employee who has knowledge of a violation of any of the provisions of this Code shall report this violation as provided below within a reasonable time after the person has knowledge of a violation. A Corporation Official or Employee shall not delegate to, or rely on, another person to make the report. Any Corporation Official or Employee who has knowledge that a violation of the Code has been committed and Intentionally fails to report such violation is subject to the penalties herein.
- (b) A report made under this section shall be made to:
 - (1) the Chief Executive Officer;
 - (2) the Chair of the Corporation; or
 - (3) the Executive Committee.
- (c) A report shall state:
 - (1) The name of the Corporation Official or Employee who believes that a violation of a provision of the Code has been or may have been committed;
 - (2) The identity of the person or persons who allegedly committed the violation;
 - (3) A statement of the facts on which the belief is made; and
 - (4) Any other pertinent information concerning the alleged violation.
- (d) Notice of all reports shall be provided to the Chief Executive Officer and the Executive Committee, within two (2) Business Days of receipt.

ARTICLE 3. FORMER CORPORATION OFFICIALS AND EMPLOYEES

Sec. 3-1. Continuing Confidentiality.

A Former Corporation Official or Employee shall not use or disclose Confidential Information acquired during service as a Corporation Official or Employee. This rule does not prohibit:

- (a) Any disclosure that is no longer confidential by law; or
- (b) The confidential reporting of illegal or unethical conduct to authorities designated by law.

Sec. 3-2. Subsequent Representation of Private Interests.

- (a) *Representation of Private Interests Before the Corporation by a Former Board Member.* A person who was a member of a board or other Corporation body shall not represent any person, group, or entity for a period of one (1) year after the termination or conclusion of his or her Official duties:
 - (1) Before that board or body;
 - (2) Before Corporation staff having responsibility for making recommendations to, or taking any action on behalf of, that board or body, unless the board or body is only advisory in nature; or
 - (3) Before a board or other Corporation body which has appellate jurisdiction over the board or body of which the former Corporation Official or Employee was a member, if any issue relates to his or her former duties.
- (b) *Representation of Private Interests Before the Corporation by Former Corporation Officials and Employees.* A Former Corporation Official or Employee shall not represent for "compensation" any person, private group, or private entity, other than himself or herself, or his or her spouse or minor children, Before the Corporation for a period of one (1) year after termination or conclusion of his or her Official duties. This subsection does not apply to a person who was classified as a Corporation Official only because he or she was an appointed member of a Board or other Corporation body. For purposes of this subsection, the term compensation means money or any other thing of value that is received, or is to be received, in return for or in connection with such Representation.

- (c) *Improper Representation of influence.* In connection with the Representation of private interests Before the Corporation, a Former Corporation Official or Employee shall not state or imply that he or she is able to influence Corporation action on any basis other than the merits.
- (d) *Representation in litigation adverse to the Corporation.* A Former Corporation Official or Employee shall not, absent consent from the Corporation, represent any person, group, or entity, other than himself or herself, or his or her spouse or minor children, in any litigation to which the Corporation is a party, if the interests of that person, group, or entity are adverse to the interests of the Corporation and the matter is one in which the Former Corporation Official or Employee personally and substantially participated prior to termination of his or her Official duties.
- (e) A Former Corporation Official or Employee may subsequently represent private interests Before the Corporation, despite the limitations in Sections (a)-(d) hereof, only after the following conditions are met:
 - (1) Prior to representation Before the Corporation, the Former Corporation Official or Employee provides to the Board a disclosure statement indicating the scope and detailing the description of the proposed representation;
 - (2) The Board reviews and approves the disclosure statement; and
 - (3) The Board issues a written waiver of the provisions of this Section, which is to be produced by the Former Corporation Official or Employee upon reasonable request of Corporation staff or consultants.

ARTICLE 4. MEMBERS OF THE PUBLIC AND OTHERS

Sec. 4-1. Forms of Responsibility.

No person shall Intentionally or Knowingly induce, attempt to induce, conspire with, aid or assist, or attempt to aid or assist another person to engage in conduct violative of the obligations imposed by this Code.

Sec. 4-2. Annual Report.

The Corporation shall prepare and submit an annual report to the Mayor and City Council detailing the activities of the Corporation during the prior year. The format for the report shall be designed to maximize public and private understanding of the Corporation's operations, and shall include a summary of the content of actions reviewed by the Board, all in accordance with the management contract entered into between the Corporation and the City Council.

Sec. 4-3. Public Records.

Requests for public records relating to meetings and other proceedings of the Corporation, to the extent public funds were utilized regarding the act or personnel in review, will be handled in compliance with the Texas Public Information Act.

ARTICLE 5. ADMINISTRATIVE PROVISIONS

Sec. 5-1. Other Obligations.

This Code is cumulative of and supplemental to applicable State and federal laws and regulations. Compliance with the provisions of this Code shall not excuse or relieve any person from any obligation imposed by State or federal law regarding ethics or any other issue addressed herein. Even if a Corporation Official or Employee is not prohibited from taking Official Action by this Code, action may be prohibited by duly promulgated personnel rules, which may be more stringent.

Sec. 5-2. Distribution and Training.

- (a) Within thirty (30) days after entering upon the duties of his or her position, every new Official or

Employee shall be furnished with a copy of this Code. The failure of any person to receive a copy of this Code shall have no effect on that person's duty to comply with this Code or on the enforcement of its provisions. Upon appointment to a Board or commission, such Official shall be provided with a copy of the Code. The Code shall be posted on the Corporation's webpage.

- (b) The Executive Committee, or a designee thereof, shall develop and implement a comprehensive training program for the Officials and Employees of the Corporation on the provisions of this Code. Such materials and programs shall be designed to maximize understanding of the obligations imposed by these ethics rules, as well as to prepare Corporation Officials and Employees to ensure the good judgment necessary to accomplish the statement of purpose herein. Upon completion of training, Officials and Employees of the Corporation shall execute a statement confirming training attendance and affirming receipt of this Code. Such acknowledgement shall evidence the individual read, understands, and will prospectively comply with this Code.
- (c) The Corporation's Department of Human Resources shall enact an administrative directive requiring that all Corporation departments provide their Employees with training on the Code at least once every other calendar year. Training shall be provided to all Corporation departments by video or live presentation and will include educational materials. Additional presentations shall be offered to any department where necessary to accommodate large numbers of Employees.
- (d) The Chief Executive Officer shall notify department directors regarding any significant amendments to the Code within twenty (20) Business Days of adoption. Department directors shall disseminate the information to department Employees.
- (e) Information shall be provided to Employees terminating Corporation service regarding the restrictions on Former Corporation Employees in Article 3 of this code.

Sec. 5-3. Severability.

If any provision of this Code is found by a court of competent jurisdiction to be invalid or unconstitutional, or if the application of this Code to any person or circumstances is found to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or applications of this Code which can be given effect without the invalid or unconstitutional provision or application.

ARTICLE 6. DESTINATION MARKETING ACCREDITATION PROGRAM ORGANIZATIONAL CODE OF ETHICS

Sec. 6-1. Incorporation

The Destination Marketing Accreditation Program ("DMAP") requires that each organization adhere to the DMAP Code of Ethics as prescribed by the DMAP Board of Directors. As such, the DMAP Code of Ethics is attached hereto as Exhibit A and incorporated herein by reference. To the extent a conflict exists, the provisions of this Code will apply.

Exhibit A

DMAP Code of Ethics

EXHIBIT D

EXHIBIT D

Management Agreement

INTELLECTUAL PROPERTY USE BY VISIT SAN ANTONIO

The City of San Antonio (the *City*) is the sole owner of all content previously utilized by the San Antonio Convention & Visitors Bureau. Pursuant to the Management Agreement, the City authorizes Visit San Antonio (*VSA*, and collectively with the City, the *Parties*) the ability to retain usage rights for all assets referenced below, pursuant to a license agreement to be executed hereafter by the Parties.

The City will continue to work with VSA to identify and extend the rights of usage of any materials and essential tools to facilitate VSA's primary mission of promoting the City as a premier leisure and convention destination to potential domestic and international travelers and prospectively enter into any necessary additional agreements to facilitate the shared goal of encouraging tourism to the City.

Current Convention and Visitors Center Intellectual Property

- **Proof Advertising:** Agreement between the City and Proof Advertising as VSA's Advertising Agency of Record to expire on September 30, 2017, including any subcontracts such as Komet Communications or any media or TV/Broadcast, Print, Radio, Out of Home, or Digital media outlet.
- **Domains/URLs:**
visitsanantonio.com, sanantoniovisit.com, sanantoniovisit.net, visitsanantonio.today, unforgettablesa.com, unforgettablesanantonio.com, unforgettablemeeting.com, meetinsa.com, meetinsa.net, meetings.visitsanantonio.com, getawaysa.com, sanantoniosweeps.com, ahorraensanantonio.com, transformationsa.com, gentlemansquiz.com, gentlemensquiz.com, cityofyellowroses.com, sanantoniovacationdeals.com, sasave.com, sanantonioattractionsguide.com, sanantonioformeetings.com, sanantonioheritage.com, kidcationweek.com, sanantoniotexashillcountry.com, sanantonio.travel, 1-800-thealamo.com, worldheritagesa.com, worldheritagesa.com, meetinsa.com, sanantoniotexas.cn, satravelsforward.com, missionsofsanantonio.org
 - Includes the url and email extensions derived from the use of the url for all of the above.
 - All website content including editorial, photography and video included as of (date) for the above websites.
- **Visitors Guide:** All editorial, photo and video content included in the printed and online versions of San Antonio's official Visitors guide.
- **E-Newsletters:** All content including photography video and editorial for e-newsletters including ownership of the opt-in database (email addresses) from Leisure, Trade, Partner, CTA, and EDD partners sites.
- **Databases:** Ownership of all databases collected over time in existing CRM tools including EBMS, Ungerbock or any other database management tools.

EXHIBIT D

Management Agreement

- **Deep. In the Heart:** Usage rights of the phrase in our logo and any advertising piece in all traditional and nontraditional media outlets. Existing agreement with Melody Lane, expires Feb. 2018).
- **Social Media Channels:** All usage rights and content included in social media outlets such as Facebook, Twitter, Instagram, Youtube, Pinterest, Linked In, Flickr, Tumblr, Foursquare, Periscope, Emojis, and Snapchat.
 - Includes the usage of social media #visitsanantonio, #MeetinSA, #TourInSA, #SACVBNews, #SAVEinSA, #unforgettableSA handles in all of the above channels.
- **TV & Video advertising Music & Talent Rights (English & Spanish):**
 - River Walk (2 versions)
 - Roller Coaster (2 versions)
 - Nightlife
 - Missions
 - Splashes
 - Fine Dining/Luxury
 - Fine Dining/Food Truck
- **Online Videos:** All unforgettable asset videos which are part of unfforgettablesa.com and visitsanantonio.com including: Event Videos, Destination Videos, Leisure, Trade, Hotel Channel and Trade Testimonials.
- **Radio.** All radio spots recorded in English & Spanish since 2011 including talent releases.
- **Photographs / Images / Illustrations-Artwork:** For all materials developed since 2007 for Leisure, Trade such as Joel Salcido, Bob Howen, Paul Swen, Darren Abate. Stock video and photos purchased since 2007. Partner images provided to CVB to use on website, marketing, editorial, etc. and Coloring Book Illustration/ Gentleman's guide.
- **Specific Logos:** Usage of the Quatrefoil logo (or combination of the quatrefoil shape, and Corazon Red color and the San Antonio name. Includes usage of other logos that include the quatrefoil such as: SA Tourism Ambassadors, Show Us Your Badge, San Antonio & the Texas Hill Country and SACVB University.
- **Agreements for Educational Programs:** Agreements with Mickey Schaeffer & Associates to implement the Certified Tourism Ambassador Program and Experience Dedicated Destination research.
- **Promotional Agreements:** Existing agreements resulting in promotional opportunities including: Spurs Sport & Entertainment, Alamo Bowl, US All American Bowl, Paseo del Rio Association, Valero Texas Open, Rock n Roll, Marathon, SA Rodeo.

EXHIBIT D

Management Agreement

- **Advertising Services and Fulfillment:** Advertising services agreements such as Thompson Print Solutions (Fulfillment), Speak Inc (trade speaker series agreements), Kennected Marketing - Lorie Kennedy (CTA Partner Outreach and Certified Folder Display).
- **Research Agreements and Reports:** Agreements resulting in Quantitative and Qualitative research report ownership such as: Smarketing, SMARI, Fire Studios, Oxford Economics, DK Schifflett (Economic Impact Study).
- **Synchronicities / Trade Agreements:** Cooperative agreement with the City of Baltimore CVB and Anaheim CVB to co-promote under the Synchronicities brand. Also agreements to participate and promote in all Trade/Meetings association event including: Association Forum, IAEE, PCMA.
- **World Heritage-** Usage of the UNESCO logo when promoting the World Heritage Sites designated Missions.
- **Tourism Agreements:** Agreements to promote the City's Tourism products externally and fulfilment within VisitSanAntonio.com web content. Such as : aRes, and to include, photos, copy, layout and design, all reporting and promotional information, databases, Smart Destinations (Go Card); to include all contract agreements related to the affiliate agreement and the reseller agreement and any promotional activities.
- **Tourism Agreements for Educational Programs:** Will be entering into an agreement with Tugaru to develop the Destination online training program in late October of 2016. In English or Spanish, Mandarin, Portuguese, Japanese.
- **Trade Agreements:** Agreements to participate and Promote in all Trade events including: IPW, NTA, ABA, SYTA, WTM, ITBM, IMEX, Expo Mayorista, Vuela y Viaje, Virtuoso, ARLAG, MARLAG, Destino Shopping, and all State of Texas Missions and or promotional events listed on the annual travel calendar.
- **Tourism E- Newsletter:** All content including photography video and editorial for e newsletters including ownership of the opt-in database (email addresses) from international Leisure, Travel Trade. In English or Spanish, Mandarin, Portuguese, Japanese.
- **Tourism:** SAVE program, name, marketing, historical reporting.
- **International Markets:** Secondary Market Tourism and Communications Agency agreements such as Adnova in Mexico and Pulse Communication in Canada.
- **Communications Services Agreements:** For communications services including Cision (Media value) and Geiger (media FAM fulfillment).

EXHIBIT D

Management Agreement

INTELLECTUAL PROPERTY OWNERSHIP BY VISIT SAN ANTONIO

Post-Management Agreement execution, VSA retains the ownership rights of all intellectual property (created or arising from the delivery of services under the management agreement) derived from the foregoing list, including not limited to:

Marks: All trademarks, trade dress, corporate names, and logos, together with the goodwill associated with any of the foregoing owned or developed for use in connection with VSA's activities.

Creations: All ideas, inventions, works of authorship, know-how, processes, formulas, data, computer programs, improvements, discoveries, developments, designs, techniques, customer lists, devices, records, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, proposed products, business plans, or reproductions of any aforementioned items owned or developed by VSA for its purposes.

Confidential Information: All trade secrets and other confidential or proprietary information owned or developed by VSA for use exclusively for its purposes.

Registrations: All registrations or applications for registration related to the Marks, Creations, and Confidential Information.



Destination & Marketing Agreements with Visit San Antonio (VSA)

City Council Agenda Item #4

September 29, 2016

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Background



- ✓ May 2015, Mayor Taylor appointed a 13-Member CVB Structure Task Force
- ✓ December 2015 –Task Force recommended to transition the CVB to a public/private non-profit corporation
- ✓ February 2016 – Resolution to initiate the process to transition the CVB to **Visit San Antonio (VSA)** a Non-Profit 501(c)(6) Corporation
- ❖ **September 2016 – Consideration of Management Agreement for City Council for action**



2

Background



- **Board of Directors:**

- Mayor appointed 5 founding members
 - Includes Councilwoman Rebecca Viagran
- Fiduciary oversight
- Strategic direction
- Advisory role for Convention & Sports Facilities Department (CSF)



Board
of Directors

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Management Agreement



- **Term:** October 1, 2016 – September 30, 2021
(one 5 yr. extension option)
- **Funding:**
 - FY2017: \$23,330,624
 - FY2018 – FY2021: Target of 35% of total H.O.T.
- **VSA Business Plan:**
 - Quarterly & annual reports
 - Performance Targets
 - Revenue Enhancement Plan
- **Sales:** Solicitation of group business for the HBGCC
12-months and further



4

City Controls



- **Use of Funds**
 - Used solely in connection with VSA providing Services as part of Business Plan
- **Audit:**
 - VSA: Annual audit by an independent auditing firm
 - City: Right to examine all books directly related to the funds provided to VSA



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Management Agreement



- **Procurement:**
 - VSA will follow State & City policy and procedures
 - Will include veteran outreach and local preference policies
- **SBEDA:**
 - Applies to contracts or agreements above \$50,000
 - VSA to submit annual SBEDA Action Plan



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Management Agreement



- **Intellectual Property Rights:**
 - City owns intellectual property previously used by CVB (trademarks, logos, etc.)
 - VSA will own all intellectual property developed in the future



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Management Agreement



- **Suspension**
 - Failing to abide by the terms of the Agreement
 - Failing to maintain insurance
 - Conviction of City, State or Federal laws involving moral turpitude
- **Termination For Cause**
 - Sale, transfer, pledge, conveyance or assignment
 - Ceasing operations for more than 20 days
 - Expenditure of HOT in violation of Ethics Code
 - Failure to cure reason for suspension
- **Default with Opportunity for Cure**
 - Performing unsatisfactorily
 - Failing to perform or comply with material terms of Agreement
 - Bankruptcy or selling all of company's assets
 - Gratuitous expenditures made in hopes of securing a contract.



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Ancillary Agreements



- **Transition Plan:**
 - Human Resources
 - Office Lease
 - Statutory Requirements Related to Public Funds
- **Code of Ethics**
 - Mirrors City's Ethics Code



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Next Steps



- **January 2017**
 - CVB staff transition to VSA
- **October 2017**
 - CVB Transition Complete



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Recommendation



Staff recommends approval of the Destination & Marketing Agreements
with Visit San Antonio



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Destination & Marketing Agreements
with
Visit San Antonio

City Council Agenda Item #4

September 29, 2016

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