



# City of San Antonio

## Agenda Memorandum

**File Number:**16-4305

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**Agenda Item Number:** 2.

**Agenda Date:** 8/10/2016

**In Control:** City Council B Session

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**DEPARTMENT:** Convention & Visitors Bureau

**DEPARTMENT HEAD:** Casandra Matej, Director

**COUNCIL DISTRICTS IMPACTED:** All

### **SUBJECT:**

Briefing on the San Antonio Convention and Visitors Bureau transition to a public/private 501(c)(6) non-profit organization.

### **SUMMARY:**

This is a briefing to provide City Council an update on the San Antonio Convention and Visitors Bureau (SACVB) transition to a public/private 501(c)(6) non-profit organization and the update on the status of the proposed management agreement between the City of San Antonio and Visit San Antonio (newly created non-profit).

Competition between destinations for leisure visitors, meetings, and conventions is growing at both a national and international level. A primary goal for this transition is to cultivate a dynamic and competitive destination marketing organization that affords the best competitive advantage to sustain and grow the San Antonio visitor industry.

### **BACKGROUND INFORMATION:**

The visitor industry is a key economic generator for the City of San Antonio with a \$13.4 billion annual economic impact. Additionally, San Antonio hosts more than 32.5 million visitors annually, which provides for more than 122,500 local jobs. The significance of the CVB's efforts working jointly with its partners is directly connected to the success of San Antonio's visitor industry. The SACVB is the only organization of the top 50 U.S. cities in a city governed structure, including all cities in our competitive set.

In May 2015, Mayor Taylor appointed a CVB Structure Task Force chaired by SeaWorld President Dan Decker and comprised of more than a dozen local industry leaders. The task force was charged with determining an ideal CVB structure that would afford a greater competitive advantage for the City and the destination.

In December 2015, that Task Force recommended to Mayor and Council to transition the CVB to a

public/private 501(c)(6) non-profit corporation. Key drivers for that recommendation were to: 1) afford a greater competitive advantage, 2) sustain and grow San Antonio's visitor industry, and 3) afford new opportunities for budget growth. Council approved this recommendation via a Resolution in February 2016. Subsequently, on May 5, 2016, Mayor Ivy Taylor appointed the initial Board comprised of five individuals.

- Councilwoman Rebecca Viagran, District 3
- Frank Miceli, Sales & Marketing Exec., Spurs Sports & Entertainment
- Tim Sullivan, GM Marriott Rivercenter/Riverwalk
- Rusty Wallace, Regional Vice President, GM at Omni Hotels
- Marise McDermott, President & CEO Witte Museum

## **ISSUE:**

As part of the transition process, the CVB is providing a briefing on the status of the transition and the proposed management agreement. Key items in the presentation will include:

- Overall Process and Timeline
- Management Agreement Summary
  - ✓ Term
  - ✓ Accountability/Transparency
  - ✓ Convention Center Booking Policy
  - ✓ City Appropriations/Funding
  - ✓ Use of Funds
  - ✓ SBEDA
  - ✓ Code of Ethics
  - ✓ Continuing Partnership
- Human Resources/Employee Update
- Fiscal Impact

## **ALTERNATIVES:**

This is an informational briefing and is intended to provide the City Council with an update on the transition and management agreement.

## **FISCAL IMPACT:**

The Convention and Visitors Fund (CVB) reimburses the General Fund and several internal services funds, such as the Technology and Purchasing funds, for services provided that support the operations of the CVB in the amount of \$1.5 million annually. These services include payroll, human resources, finance, budget, legal, and technology services. As the CVB transitions to a separate legal entity, the City budget may lose the \$1.5 million reimbursement it receives today, an equivalent reduction in the City budget would have to take place to offset the loss in revenue. This reduction would be identified as the transition occurs over the next fiscal year.

**RECOMMENDATION:**

This item is intended to provide City Council an update on the San Antonio Convention and Visitors Bureau (SACVB) transition to a public/private 501(c)(6) non-profit organization and the status of proposed management agreement between the City of San Antonio and Visit San Antonio.