



Legislation Details (With Text)

File #: 36201 **Version:** 1 **Name:** GMCVB Contract: Gregg McManners, Director
Type: Resolution **Status:** Passed
File created: 11/13/2014 **In control:** BOARD OF ESTIMATES (ended 4/2017)
On agenda: 12/2/2014 **Final action:** 12/2/2014
Enactment date: 12/3/2014 **Enactment #:** RES-14-00921

Title: Authorizing a 4 year service contract for tourism marketing services, between the City and the Greater Madison Convention and Visitors Bureau.

Sponsors: Chris Schmidt

Indexes:

Code sections:

Attachments: 1. MT & GMCVB. 4 Year Contract.1-1-2015.pdf, 2. Ahrens SUBSTITUTE

Date	Ver.	Action By	Action	Result
12/2/2014	1	COMMON COUNCIL	Adopt the Following Amendment(s)	Fail
12/2/2014	1	COMMON COUNCIL	Adopt	Pass
11/24/2014	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
11/20/2014	1	MONONA TERRACE COMMUNITY AND CONVENTION CENTER BOARD		
11/18/2014	1	COMMON COUNCIL	Refer	
11/14/2014	1	MONONA TERRACE COMMUNITY AND CONVENTION CENTER BOARD	Referred for Introduction	

Fiscal Note

This resolution authorizes a 4 year service contract for tourism marketing services between the City and the Greater Madison Convention and Visitors Bureau (CVB), with the potential for a 4 year extension. The primary fiscal element of the contract is an increase in the share of prior year room tax revenues collected by the City and paid to the CVB from the current 20 percent level to 26 percent by 2018. If the contract is extended another 4 years, the share would increase to 32% by 2022. The amount of room tax revenues paid to the CVB is expected to increase from \$2.179 million in 2014 to \$3.6 million in 2018 and \$5.3 million in 2022. These estimates assume growth in room tax revenues of 10 percent in 2014, 7.3 percent in 2015 and between 3 percent and 4 percent annually over the remaining years of the contract and extension period.

Title

Authorizing a 4 year service contract for tourism marketing services, between the City and the Greater Madison Convention and Visitors Bureau.

Body

WHEREAS, the Greater Madison Convention and Visitors Bureau (the "Bureau") provides tourism marketing services and seeks to attract new destination businesses, visitors, conventions, events and trade shows to the greater Madison area; and

WHEREAS, the City, through the Monona Terrace Community and Convention Center has contracted for such

services under a prior contract with the Bureau, dated January 1, 2007, and which expires on December 31, 2014, and

WHEREAS, the City, through the Monona Terrace Community and Convention Center, has been satisfied with the services provided by the Bureau, and

WHEREAS, the City, through the Monona Terrace Community and Convention Center, desires to engage the Bureau to promote Madison for conventions, conferences, events and tourism travel for the period after the expiration of the current contract and the City and the Bureau have negotiated terms for a new contract; and

WHEREAS, the revenue funding for the contract comes from the room tax on the furnishing of rooms or lodging and state law generally requires that such room tax revenues be earmarked for tourism promotion and development, and

WHEREAS, the proposed contract establishes destination marketing program goals, along with sales and marketing goals to generate sales for Monona Terrace to be met by the Bureau and for payments to the Bureau based upon the achievement of performance measures achieved by the Bureau, and

WHEREAS the initial term of the proposed contract is four years, beginning on January 1, 2015, with an optional renewal term of an additional four years, and

WHEREAS, in 2015 the City's payment to the Bureau for destination marketing services will equal 21.5% of the actual room tax collections, and in 2016 such payments shall equal 22% of the actual room tax collections. In subsequent years of the contract the City's payment to the Bureau shall increase by 2% each year, and

WHEREAS, under MGO 4.26(4)(b), if the total cost for services will exceed \$25,000 over the lifetime of the contract and a competitive bidding process was not used, the Common Council must authorize the contract by resolution and

WHEREAS under MGO 4.26, service contracts with a duration of more than 3 years must be authorized by the Common Council,

NOW THEREFORE BE IT RESOLVED, that the Common Council hereby authorizes the Mayor and Clerk to sign on behalf of the City of Madison, a four year contract with an option of a four year renewal, with the Greater Madison Convention and Visitors Bureau for tourism marketing services, as described above.