

Contract Number: CT-ED-13\*283-01  
Effective Date: 7-1-13  
Term Date: 6-30-14  
Cost: \$3,287,082.53  
Revenue: \_\_\_\_\_  
Total: \_\_\_\_\_ NTE: \_\_\_\_\_  
Action: \_\_\_\_\_  
Renewal By: \_\_\_\_\_  
Term: 4-1-14  
Reviewed by: JH 6-30-14

## **BOARD OF SUPERVISORS AGENDA ITEM SUMMARY**

Requested Board Meeting Date: SEPTEMBER 10, 2013

### **ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:**

Requesting approval of contract amendment #1 with Metropolitan Tucson Visitors and Convention Bureau (MTCVB) dba Visit Tucson for fiscal year 2013-2014 to provide an additional \$3,287,082.53 to promote and enhance tourism, business travel, film production and youth and amateur semi-professional sports development and marketing. This contract amendment will allow Pima County to increase the amount paid to MTCVB to continue Bureau's scope of work this year as Pima County's official tourism promotion agency.

CONTRACT NUMBER (If applicable): CT ED1300000 00000 00000 283

### **STAFF RECOMMENDATION(S):**

Staff recommends approval of contract amendment #1 with Metropolitan Tucson Convention and Visitors Bureau (dba Visit Tucson) (MTCVB).

CORPORATE HEADQUARTERS: \_\_\_\_\_

To: CHH - 9-4-13  
CoB - 9-5-13  
Agenda 9-10-13  
Addendum (3)

Procure Dept 09/04/13 AM 10:00

CLERK OF BOARD USE ONLY: BOS MTG. \_\_\_\_\_

ITEM NO. \_\_\_\_\_

**PIMA COUNTY COST:** TOTAL; \$3,287,082.53 (\$3,270,000.00 (approved FY 2014 budget) and (\$17,082.53 (carry over from FY 2013) and/or REVENUE TO PIMA COUNTY: \$

**FUNDING SOURCE(S):** General Fund  
(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

**Advertised Public Hearing:**

		YES	X	NO
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**Board of Supervisors District:**

1		2		3		4		5		All	XX
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**IMPACT:**

**IF APPROVED:**

*MTCVB will continue to promote and enhance tourism, business travel, film production and youth, amateur, semi-professional, and professional sports development and marketing for the growth of Pima County.*

**IF DENIED:**

*Pima County will miss the opportunity for MTCVB to continue to promote tourism, business travel, film production and youth, amateur, semi, and professional sports development and marketing for promoting the economic growth of both incorporated and un-incorporated Pima County.*

**DEPARTMENT NAME:** Economic Development & Tourism

**CONTACT PERSON:** Tom Moulton **TELEPHONE NO.:** 724-7355

<b>PIMA COUNTY DEPARTMENT OF: ECONOMIC DEVELOPMENT AND TOURISM</b>											
<b>PROJECT: Promote and Enhance Tourism, Business Travel, Film Production &amp; Youth, Amateur, Semi-Professional, &amp; Professional Sports Development &amp; Marketing</b>											
<b>CONTRACTOR: Metropolitan Tucson Convention and Visitors Bureau, dba Visit Tucson</b>		<table border="1"> <tr> <th colspan="2">CONTRACT</th> </tr> <tr> <td>NO. <u>CT-ED-13 0000000000000000 283</u></td> <td></td> </tr> <tr> <td>AMENDMENT NO. <u>01</u></td> <td></td> </tr> <tr> <td colspan="2">This number must appear on all invoices, correspondence and documents pertaining to this contract.</td> </tr> </table>		CONTRACT		NO. <u>CT-ED-13 0000000000000000 283</u>		AMENDMENT NO. <u>01</u>		This number must appear on all invoices, correspondence and documents pertaining to this contract.	
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<b>AMOUNT: \$3,287,082.53</b>											
<b>FUNDING: General Fund</b>											
<b>CONTRACT NO.: CT ED 1300000 00000 00000 283</b>											
<b>AMENDMENT NO.: ONE (1)</b>											

ORIG. CONTRACT TERM: 07-01-2012 to 06-30-2013  
 TERM 1<sup>st</sup> AMENDMENT: 07-01-2013 to 06-30-2014

ORIG. CONTRACT AMOUNT: \$3,198,414.00  
 AMOUNT THIS AMENDMENT: \$3,287,082.53  
 TOTAL CONTRACT AMOUNT: \$ 6,468,414.00

### **AMENDED and RESTATED CONTRACT**

1. **Parties; Effective Date.** This Amended and Restated Contract ("**Contract**") is between PIMA COUNTY, a body politic and corporate of the State of Arizona, ("**County**") and METROPOLITAN TUCSON CONVENTION AND VISITORS BUREAU, dba Visit Tucson, an Arizona non-profit corporation ("**Contractor**"). This Contract shall be effective as of July 1, 2013.

2. **Background & Purpose.**

2.1. A.R.S. § 42-6108 provides for the levy and collection of a tax on the businesses falling within the transient lodging classification pursuant to A.R.S. § 42-5070;

2.2. A.R.S. § 42-6108 requires that at least Fifty Percent (50%) of the revenue from the tax be used by County to promote and enhance tourism through the recognized tourism promotion agency in Pima County;

2.3. Increasing tourism will contribute to the overall economic growth of Pima County;

2.4. Pursuant to A.R.S. § 42-6108, County passed Resolution No. 1991-181 on August 6, 1991, naming Contractor as the official recognized tourism promotion agency for County;

2.5. Resolution No. 1991-181 remains in effect so that Contractor is currently the official recognized tourism promotion agency for County;

2.6. A.R.S. § 42-6108 was amended and, effective January 1, 2006, the State of Arizona began to collect Six Percent (6%) tax on the gross proceeds of sales or gross income from the business of every person engaging or continuing in Pima County in a business taxed under Chapter 5 of A.R.S. Title 42 and classified under A.R.S. § 42-5070 from all unincorporated Pima County lodging institutions; and

2.7. Contractor may therefore receive and use Fifty Percent (50%) of the revenue received from the collection of the tax authorized by A.R.S. § 42-6108 to promote and enhance tourism, and business travel in Pima County for the purpose of bringing additional new business to resorts, hotels, attractions, sports venues and other businesses in Pima County.

3. **Term.** This Contract shall be deemed to have commenced on the 1st day of July, 2013 and shall terminate on the 30th day of June 2014 unless sooner terminated. The term of this agreement may be extended by written agreement of the parties by one (1) year term. This Contract shall not be effective until County's Board of Supervisors approves it. In no event is this Contract subject to automatic renewal.

4. **Scope.** Contractor's primary goal, in partnership with the County and other municipalities within the region, shall be to promote and enhance tourism, business travel, film production, youth, amateur, semi-professional and professional sports development and destination marketing of the Pima County region. To achieve that goal, Contractor shall:

4.1. develop and implement a comprehensive marketing and sales plan, including dedicated marketing programs to develop and promote, youth and amateur sporting events, including tournaments at Kino Sports Complex, nature, cultural, arts and heritage activities and various visitor-based and County funded Pima County attractions/venues, and maintain a partnership department for the Pima County business community and others who benefit from local tourism;

4.2. provide a leadership role in the development and enhancement of tourism related activities to include but not limited to supporting infrastructure to complement the repair, expansion and potential repurposing of the Tucson Convention Center, downtown redevelopment and promotion of the region's annual events as long as it is within the scope of the organization's mission; and

4.3. collect data as needed to measure the economic impact of Contractor's activities to determine if they are achieving the desired result of increasing the number of tourists, business/convention delegates and sport event participants/visitors to Pima County. Contractor shall provide a list of projects currently underway that support Pima County Area

Attractions as shown on **Exhibit A** and sport tournaments at Kino Sports Complex. Additional projects may be requested by County from time to time hereunder, and Contractor shall implement and monitor those projects and their results will be communicated in the quarterly reports as outlined below.

## 5. **Comprehensive Marketing and Sales Plan.**

5.1. Initial Development of Plan. Contractor shall develop a comprehensive marketing and sales promotional plan ("**Marketing Plan**") for FY 2013 – 2014 and if appropriate through calendar year 2014. The Marketing Plan shall include, but is not limited to:

5.1.1. Goals, Objectives, strategies and tactics directed at attracting and increasing the number of tourists, business visitors and convention delegates and sports related and tournament visitors to Pima County;

5.1.2. Objectives and programs to recruit film industry business which includes television and film production, professional photography shoots, music videos, documentaries, and other related industry segments. Develop specific performance measures that will measure our success against our primary competitors.

5.1.3. A targeted sales and marketing plan to secure all types of youth and amateur sporting events. Expand regional partnerships that support the development and attraction of these types of events. In coordination with Pima County, marketing and tournament sales program for professional sports, and/or tourism-related sporting events at Kino Sports Complex. If Spring Training baseball exhibition games continue in 2014, Contractor will market it appropriately and in coordination with County and Pima County Sports and Tourism Authority.

5.1.4. A marketing program for Pima County Family of Attractions ("**Leased Properties**"), which include the Arizona-Sonora Desert Museum, Crooked Tree Golf Course at Arthur Pack, Colossal Cave Mountain Park, Old Tucson Studios, Pima Air and Space Museum, Titan Missile Museum, Pima County Fairgrounds (including Tucson Raceway Park and the Southwestern International Raceway), Rillito Park Racetrack, Musselman's Kart Circuit, Pima Motorsports Park, and the Ajo Chamber of Commerce tourism related facilities; and public-funded annual special events and activities including El Tour de Tucson, Downtown Walking Tour and other annual events such as the Accenture Match Play Golf Tournament, Mariachi International, Gem and Mineral Shows; Tucson Meet Yourself, and others events/activities/entities which may be established by Contractor, Leased Properties or other entities. Program development shall include but is not limited to the following elements:

5.1.5. Promote Tucson Attractions Passport to area residents and out-of-state visitors. Work with the Southern Arizona Attractions Alliance (SAAA) to promote the region's attractions to Arizona residents.

5.1.6. Airline Route Development Marketing Support – Assist Tucson Airport Authority in promoting the use of Tucson International Airport by Tucson residents and businesses, along with out-of-state visitors to maintain existing and generate new nonstop routes.

5.1.7. Mexico Marketing – Emphasize the region's diverse tourism offerings to increase the length of stay, visitation to Pima County attractions, and the economic impact of Mexican business and leisure travelers. Contractor shall describe the attractions where appropriate in Spanish throughout their promotional materials including but not limited to the attractions brochure, Tucson Attractions Passport and other advertising and website.

5.1.8. Engage in the general and comprehensive processes of Imagine Greater Tucson's efforts to assure tourism economic development needs are integrated into long term planning efforts that are presented to the community.

5.2. Marketing Plan/Revision of Plan. Contractor shall present the Marketing Plan to County for review and for comment no later than October 1, 2013. County shall have until October 15, 2013 to give comments and Contractor shall, within a reasonable time after receiving those comments, make any mutually agreeable revisions requested by County and shall submit a revised Marketing Plan to County.

5.3. Implementation of Plan. Following development of the Marketing Plan, Contractor shall implement all elements of the Marketing Plan forthwith.

6. **Strategic Operational Plan.** Contractor shall perform a review annually of the overall operations and services and recommend changes in order to improve the quality of service to its clients and the hospitality industry. The plan shall include:

6.1. Agreement on the Challenges and Opportunities of the community, review and adapt the organization's mission, imperatives and objectives, identify strategic priorities and discuss Contractor's Board of Director's role, responsibilities and functions; and

6.2. The results of the plan shall be shared with Pima County and any recommendations outlined in the plan shall be implemented as directed by Contractor's Board.

7. **Partnership Programs.**

7.1. Partnership Department. Contractor shall maintain a Partnership Department to encourage the Pima County business community and others who benefit from local tourism to invest in a joint effort to market Pima County as a leading convention and visitor destination. The Partnership Department shall focus their efforts on the following elements:

7.1.1. Strategic objectives and programming, including member benefits, participation and involvement in the tourism industry;

7.1.2. A dues structure that is fair and equitable with rates consistent with similar market-size Convention and Visitor Bureaus;

7.1.3. Recruitment and retention programs for corporate and individual members of Contractor;

7.1.4. A comprehensive service guide to inform members and potential members of the programs and benefits Contractor offers;

7.1.5. On-going educational programs for the membership and public-at-large offered at a reasonable cost with a minimum of two, designed specifically for Pima County Attractions and SAAA membership;

7.1.6. Visit Tucson will provide input and guidance on the annual fall update to SAAA's electronic concierge handbook, the "Discovery Guide," and will assist annually in the electronic dissemination of the guide to all Visit Tucson partners with an introductory letter from the SAAA president and Visit Tucson's President & CEO.

7.1.6.1 Visit Tucson will provide one annual educational session designed specifically for Pima County Attractions and SAAA members on the navigation, resources and available marketing opportunities on the VisitTucson.org website.

7.1.6.2 Visit Tucson will continue to participate in the planning and implementation of the annual frontline familiarization program, the Tucson Ambassador FAM, familiarization event, in conjunction with the leadership of SAAA.

7.1.7. Continue to participate in an ongoing program with the University of Arizona and its College of Science Department on promoting Geo-tourism and the attractions that capture the spirit of what makes Tucson unique to other regional destinations. Include the County in any strategic planning sessions.

## 7.2. Tucson Regional Economic Opportunities, Inc. ("TREO").

7.2.1. Contractor shall collaborate with TREO to facilitate the creation, retention, expansion or recruitment of high-quality, high-wage jobs to Southern Arizona. Focus areas for supporting the economic development mission of TREO include participation in strategic planning in the appropriate segments of their five (5) key focus areas of High-Skilled/High Wage Jobs (Educational Excellence, Urban Renaissance, Livable Communities, Collaborative Governance, and Stewardship) and any new initiatives that will affect Tourism development.

7.2.2. Contractor shall assist TREO with meeting planner arrangements (i.e. lodging and food) for mutually agreed-upon site selector visits; development and integration of collateral marketing material for business recruitment purposes; airline route development marketing efforts to support Tucson International Airport and any other economic development programs that benefit Pima County businesses and residents.

7.3. Pima County Sports and Tourism Authority. Contractor shall support and provide marketing support to equal not less than a value of Fifteen Thousand Dollars (\$15,000.00), which may be cash or in-kind, to this regional organization whose mission is to enhance amateur and youth sports in Pima County, retain and recruit professional sporting teams include spring training baseball teams in Pima County both domestically and internationally and support sports related events.

7.4. Nature, Cultural, Art and Heritage Institutions. Contractor shall collaborate and support institutions in Pima County that are developing and marketing the natural resources, culture, art and heritage of the region within the scope of Contractor's mission. These institutions include but are not limited to the Pima County Economic Development and Tourism Department ("**ED&T**"), Tucson Pima Arts Council ("**TPAC**"), Santa Cruz Valley Heritage Alliance, Southern Arizona Arts and Cultural Alliance ("**SAACA**") and the Nature, Arts, Culture, and Heritage Alliance ("**NACHOS**"). Support shall be in the form of advertising and marketing support on Contractor's website, tourism videos and other marketing materials and opportunities that Contractor and hospitality segments deem appropriate.

7.5. Downtown Tucson. Promote the downtown area as an emerging entertainment and cultural hub of the greater Tucson community in coordination with the Downtown Tucson Partnership Inc. ("**DTP**"), a coalition of private individuals, community organizations, public bodies and small and large businesses for the purposes of advocating for and taking proactive action to stimulate the creation of a vibrant, livable, safe and attractive downtown, in all downtown marketing materials developed by Contractor.

7.6. Resort Golf and Spa Destinations. Continue marketing the resort/spa/golf industry located in unincorporated Pima County as one of the major destination drivers that creates both business and leisure tourism to the region. Contractor shall encourage the marketing of regional attractions within these efforts.

7.7. Regional Tourism Development. Contractor shall promote attractions and tourism attributes in municipalities throughout Pima County that invest in the MTCVB. County will work with the Contractor to encourage equitable financial participation to ensure full regional promotional coverage.

7.7.1. Contractor shall include within the Tucson Visitors Guide, sections promoting each individual town or area and their tourism attributes such as their unique attractions or culture or heritage areas; and

7.7.2. Contractor shall promote areas outside Pima County that historically draw out-of-area visitors to our region and utilize Tucson as their main destination stop. Some examples include City of Tombstone, Kartchner Caverns, area ranches, etc.



## 8. Performance Measures.

8.1. Monitoring. The effectiveness of Contractor's efforts to promote and enhance tourism, convention travel, sports development and film production within Pima County shall be evaluated by comparing forecasted and actual Measurements of Performance listed in **Exhibit B** and by monitoring Contractor's activities. The performance measures shall cover; how our market place is performing as compared to our major destination competitors as well as community indicators to include but not limited to bed tax collections, hotel occupancy, average daily rate and other indicators that measure tourism throughout the region.

8.2. Reporting/Meetings. Contractor shall collect the data required to measure its performance and shall report the measurements to County. Beginning October 15<sup>th</sup>, 2013 and on the 15th of the month every three (3) months thereafter (January, April, and including the July 15 immediately following expiration of this Contract), Contractor shall submit quarterly reports containing:

8.2.1. A report regarding Contractor's progress on the recruitment and retention of Contractor's partners;

8.2.2. An update of the performance measures listed in **Exhibit B**;

8.2.3. Narrative summary containing tourism highlights and trends, current area events and attraction marketing programs; and

8.2.4. Contractor and County shall meet at mutually acceptable times quarterly in October, January, April, and July to review and discuss Contractor's progress reports.

8.3. Modifications/Revisions. Contractor shall modify its activities or revise and resubmit the Marketing Plan or shall modify programs or specific activities if County determines that insufficient progress is being made to justify the expenditures of tax revenues or that an alternative approach or action may be more effective.

8.4. Public Access to Records. Contractor shall allow any requesting member of the public access to all records relating to its funds and activities.

8.5. Contractor Key Personnel. Contractor shall perform its obligations under this Contract in accordance with the terms of the Contract and to the best of Contractor's ability. Contractor shall employ suitably trained and skilled professional personnel to perform all services under this Contract. Contractor's executive management team is listed below, and Contractor shall provide notice within five (5) days of any change:

Brent DeRaad	President & CEO
Felipe Garcia	Executive Vice President
Roni Thomas	Chief Financial Officer
Vicki Doyle	VP of Community Relations & Visitor Services
Allison Cooper	Vice President of Marketing
Graeme Hughes	Director of Convention Sales

9. **Performance Audit Committee.**

9.1. Contractor shall follow the final audit recommendations and continue to resolve the unfinished audit points as listed in Exhibit C.

10. **Payment.** In consideration of the services specified in this Contract, County shall pay Contractor an amount not to exceed a total of Three million, two hundred and eighty-seven thousand dollars, and fifty three cents (**\$3,287,082.53**), as follows:

10.1. Fifty Percent (50%) of the revenue generated by the tax authorized by A.R.S. §42-6108 for fiscal year 2013-2014, not to exceed a total of Three Million, two hundred, seventy thousand Dollars (**\$3,270,000.00**); and

10.2. The balance of the amount due that was collected from the State of Arizona Treasury office from fiscal year 2013-2014, pursuant to the Contract between Contractor and County, in the amount of seventeen thousand, eighty two dollars and fifty three cents. (**\$17,082.53**)

11. **Financial Audit Requirements.**

11.1. State of Arizona Audit Requirements. Since Contractor is a non-profit organization, as defined in A.R.S. § 10-3140, Contractor shall comply with A.R.S. § 11-624 "Audit of Non-Profit Corporations Receiving County Monies". Each non-profit corporation that receives in excess of One Hundred Thousand Dollars (\$100,000.00) in County assistance in any fiscal year, shall file for each such fiscal year, at the corporation's expense, with the Board of Supervisors either audited financial statements prepared in accordance with federal single audit requirements or financial statements prepared in accordance with generally accepted accounting principles and audited by an independent certified public accountant.

11.2. Additional County Requirements for all Contractors.

11.2.1. Contractor shall establish and maintain a separate, identifiable accounting of all funds provided by County pursuant to this Contract.

11.2.2. County may require Contractor to provide a program-specific or financial audit at any time by providing written notice to Contractor. Such notice shall specify the period to be covered by the audit, the type of audit and the time for completion and submission of the audit understanding that City of Tucson, Pima County, Oro Valley and any other funds collected by Contractor are used to promote the entire region.

11.2.3. All audits provided under this Section shall be performed by a qualified independent accounting firm and shall be submitted to County within three (3) months of the close of the Contract period being audited unless other time is specified by County. It shall include any response Contractor wishes to make concerning any audit findings. Audits shall be submitted to:

Thomas R. Moulton, Director  
Pima County Economic Development & Tourism  
33 N Stone Ave, Ste 830  
Tucson, AZ 85701-1408  
Phone: 520.243.7355

11.2.4. Contractor shall pay all costs for audit and County shall not be responsible for audit costs. Grant funds may be used to pay for an audit provided the cost is reasonable and the cost is specifically included in the grant budget approved by County.

12. **Insurance.** Contractor shall obtain and maintain at its own expense, during the entire term of this Contract the following type(s) and amounts of insurance:

12.1. Commercial General Liability in the amount of \$1,000,000.00 Combined Single Limit Bodily Injury and Property Damage. County is to be named as an Additional Insured for all operations performed within the scope of the Contract between County and Contractor;

12.2. Commercial or Business Automobile Liability coverage for owned, non-owned and hired vehicles used in the performance of this Contract with limits in the amount of \$1,000,000.00 Combined Single Limit or \$1,000,000.00 Bodily Injury, \$1,000,000.00 Property Damage;

12.3. If this Contract involves professional services, Professional Liability insurance in the amount of \$1,000,000.00;

12.4. If required by law, Workers' Compensation coverage including Employees Liability coverage; and

12.5. Contractor shall provide County with current Certificates of Insurance. All certificates of insurance must provide for guaranteed thirty (30) days written notice of cancellation, non-renewal or material change.

13. **Professional Standards and Levels of Service.** In carrying out its duties under this Contract, Contractor shall perform in a humane and respectful manner and in accordance with any applicable professional accreditation standards. Contractor shall obtain and maintain all applicable licenses, permits and authority required for its performance and the performance of its employees and agents under this Contract. County recognizes that achieving the economic development strategic objectives and the performance measure indicators is a community effort, and is in part dependent on local and national economic conditions, over which Contractor does not exercise control.

14. **Record Retention.** Contractor shall retain all records of participant activity, expenses, and equipment purchased through funding under this Contract for five (5) years after the last expenditure report has been submitted, or, if later, after all other pending matters have been closed.

15. **Accountability.** To the greatest extent permissible by law, County, and any authorized federal, state, or local agency shall at all reasonable times have the right of access to Contractor's facility, books, documents, papers, or other records which are pertinent to this Contract, in order to make audits, examinations, excerpts and transcripts and for the purpose of evaluating Contractor's performance and Contractor's compliance with this Contract. This provision shall be included in all contracts between Contractor and its subcontractors providing goods or services pursuant to this Contract. Contractor shall be responsible for subcontractors' compliance with this provision and for any disallowances or withholding or reimbursements resulting from noncompliance of said subcontractors with this provision.

16. **Indemnification.** Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents from and against any and all suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, arising out of any act, omission, fault or negligence by Contractor, its agents, employees or anyone under its direction or control or on its behalf in connection with performance of this Contract.

17. **Compliance with Laws.** Contractor shall comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this Contract. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Contract, and any disputes hereunder. Any action relating to this Contract shall be brought in a court of the State of Arizona in Pima County. Any changes in the governing laws, rules, and regulations during the terms of this Contract shall apply, but do not require an amendment.

18. **Independent Contractor.** The status of Contractor shall be that of an independent contractor. Neither Contractor, or Contractor's officers, agents or employees shall be considered an employee of Pima County or be entitled to receive any employment-related fringe benefits under the Pima County Merit System. Contractor shall be responsible for payment of all federal, state and local taxes associated with the compensation received pursuant to this Contract and shall indemnify and hold County harmless from any and all liability which County may incur because of Contractor's failure to pay such taxes. Contractor shall be solely responsible for program development and operation.

19. **Subcontractor.** Contractor will be fully responsible for all acts and omissions of any subcontractor and of persons directly or indirectly employed by any subcontractor and of persons for whose acts any of them may be liable to the same extent that Contractor is responsible for the acts and omissions of persons directly employed by it. Nothing in this Contract shall create any obligation on the part of County to pay or see to the payment of any money due any subcontractor, except as may be required by law.

20. **Assignment.** Contractor shall not assign its rights to this Contract, in whole or in part, without prior written approval of County.

21. **Non-Discrimination.** Contractor agrees that during the performance of this Contract, Contractor shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

Contractor shall comply with the provisions of Arizona Executive Order 75-5, as amended by Executive Order 2009-09 issued by the Governor of the State of Arizona, which is incorporated into this Contract as if set forth in full herein.

22. **Americans with Disabilities Act.** Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.

23. **Authority to Contract.** Contractor warrants its right and power to enter into this Contract. If any court or administrative agency determines that County does not have authority to enter into this Contract, County shall not be liable to Contractor or any third party by reason of such determination or by reason of this Contract.

24. **Full and Complete Performance.** The failure of either party to insist on one or more instances upon the full and complete performance with any of the terms or conditions of this Contract to be performed on the part of the other, or to take any action permitted as a result thereof, shall not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time shall not be construed as an accord and satisfaction.

25. **Conflict of Interest.** This Contract is subject to cancellation within three (3) years after its execution pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Contract on behalf of County is, at any time while this Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract with respect to the subject matter of this Contract.

26. **Legal Arizona Workers Act Compliance.**

26.1. Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "**State and Federal Immigration Laws**"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this Contract likewise complies with the State and Federal Immigration Laws.

26.2. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

26.3. Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this Section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

26.4. Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Section by including a provision in each subcontract substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the subcontractor's books and records to insure that the subcontractor is in compliance with these requirements. Any breach of this Paragraph by subcontractor will be deemed to be a material breach of this Contract subjecting subcontractor to penalties up to and including suspension or termination of this Contract."

26.5. Any additional costs attributable directly or indirectly to remedial action under this Section shall be the responsibility of Contractor. In the event that remedial action under this Section results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed an excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

## **27. Termination/Suspension.**

27.1. Termination for Convenience. Each party reserves the right to terminate this Contract at any time and without cause by serving upon the other party sixty (60) days advance written notice specifying the effective date of termination, provided that County shall follow the procedure in Section 28.5 below to the extent applicable. In the event of termination, County's only obligation shall be:

27.1.1. If Contractor terminates, payment for services rendered prior to the date of termination unless the parties agree otherwise; or

27.1.2. If County terminates, payment for services rendered prior to the date of termination and reasonable and actual obligations incurred prior to the date of notice of termination.

27.2. Non-appropriation. Notwithstanding any other provision in this Contract, this Contract may be terminated if, for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining County or other public entity obligations under this Contract. In the event of such termination, County shall have no further obligation to Contractor, other than for services rendered prior to termination.

27.3. Suspension for Cause. County may suspend operations and payments under this Contract immediately for violation of contractual requirements, unsafe working conditions, violation of Federal or State law, or lack of reasonable progress in accomplishing objectives and schedules contained in this Contract.

27.4. Administrative Suspension. County may temporarily suspend operations and payments under this Contract immediately at any time if County's Board of Supervisors or Administration determines that health, safety or other pressing public interest requires suspension of this Contract. In the event of such suspension, Contractor shall assist County by providing information and documents to evaluate the status of the Contract and whether it should be continued.

27.5. Duties upon Termination.

27.5.1. Unless County determines that health, safety or other pressing public interest requires immediate action, County shall send Contractor's President written notice prior to taking action to terminate or suspend this Contract if the primary reason for termination or suspension is:

27.5.1.1. Services were not rendered as defined by this Contract;

27.5.1.2. Contractor failed to supply information or reports as required;

27.5.1.3. Contractor is not in compliance with agreed disbursement documentation, accounting procedures or performance;

27.5.1.4. Contractor failed to make required payments to subcontractors; or

27.5.1.5. County has a reasonable cause to believe Contractor is not in compliance with the nondiscrimination clause of this Contract.

27.5.2. Contractor's President shall respond within fifteen (15) days of receipt of County's notice and shall submit to County a written plan to cure the deficiency or deficiencies within a stated time frame of no more than sixty (60) days, together with any additional information or documents requested by County. Subject to County's right to take immediate action in the event that health, safety or other pressing public interest requires:

27.5.2.1. County shall, within fifteen (15) days of receipt of the President's plan, either accept the proposed plan and time frame or require different or additional steps be taken or modify the timetable; and

27.5.2.2. If Contractor's President confirms within five (5) days of County's response that Contractor will proceed with the cure, as amended or modified by County, County shall allow Contractor to implement the plan for cure during the timetable period so long as Contractor is making progress in accord with the plan and is responding promptly to any additional requests by County.

28. **Notice.** Any notice required or permitted to be given under this Contract shall be in writing and shall be served by personal delivery or by certified mail upon the other party as follows:

If to County:

Mr. Thomas R. Moulton, Director  
Pima County Economic Development & Tourism  
33 N Stone Ave, Ste 830  
Tucson, AZ 85701-1408

If to Contractor:

Mr. Brent DeRaad, President and CEO  
Metropolitan Tucson Convention & Visitors Bureau  
100 S Church Ave  
Tucson, AZ 85701-1631

29. **Non-Exclusive Contract.** Contractor understands that this Contract is non-exclusive and is for the sole convenience of County. County reserves the right to obtain like services from other sources for any reason.

30. **Other Documents.** Contractor and County in entering into this Contract have relied upon information provided in "Tucson CVB Sales and Marketing Strategic Overview to Leverage Additional Bed Dollars" Plan: and information provided by Contractor. To the extent not inconsistent with the provisions of this Contract, these documents are hereby incorporated into and made a part of this Contract as if set forth in full herein.

31. **Remedies.** Either party may pursue any remedies provided by law for the breach of this Contract. No right or remedy is intended to be exclusive of any other right or remedy and each shall be cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this Contract.

32. **Severability.** Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Contract.



33. **Entire Agreement.** This document constitutes the entire agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Contract may be modified, amended, altered or extended only by a written amendment signed by the parties.

**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)**

The parties hereto have executed this Contract on the day, month and year written below.

**CONTRACTOR: METROPOLITAN TUCSON CONVENTION AND VISITORS BUREAU, dba Visit Tucson, an Arizona non-profit corporation:**



Brent DeRaad, President and CEO

9/3/2013

Date

**COUNTY: PIMA COUNTY, a body politic and corporate of the State of Arizona:**

Chairman, Board of Supervisors

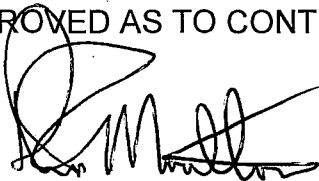
Date

ATTEST:

Clerk of Board

Date

APPROVED AS TO CONTENT:



Director, Economic Development & Tourism

APPROVED AS TO FORM:



Deputy County Attorney, Civil Division

**MARARC NATELSKY**

## EXHIBITS

## **EXHIBIT A**

### **List of Projects Underway to Support Pima County Attractions**

Visit Tucson will market and otherwise support Pima County attractions in 2013-14 via the following tactics.

#### **Tucson Attractions Passport**

- Visit Tucson will promote the Tucson Attractions Passport on VisitTucson.org, Visit Tucson's mobile site that is scheduled to launch in October 2013, Tripadvisor, Google Display Networks, digital boards in Phoenix year-round, and, as applicable, in other paid media that corresponds to promoting things to do, deals, and/or attractions-related ads tied to "Free Yourself" campaigns and correlating landing pages.
- Visit Tucson will invest a maximum of \$15,000 to: 1) update the digital app of the passport; and 2) produce and print the passport.
- Visit Tucson will design the passport's cover and point-of-purchase flyers, and create advertising to promote the passport and the digital app.
- Visit Tucson will assist the Southern Arizona Attractions Alliance (SAAA) in developing a strategic plan to create awareness of the digital app to drive purchases.
- Visit Tucson will create 15-second video ads that promote attractions and the passport, which will be displayed on various paid and owned distribution channels.

#### **Real Deals, Real Summer**

- Visit Tucson spent \$90,000 in summer 2013 promoting metro Tucson summer deals, including Pima County attractions. Inviting visitors to the attractions will remain in the creative message in 2014.

#### **aRes**

- Visit Tucson has incorporated the aRes booking engine on its website (VisitTucson.org), which provides online ticketing and dynamic packaging options for Pima County attractions.
- A marketing strategy in conjunction with the SAAA/Pima County will be developed and executed to maximize attraction ticket sales and encourage packages with the lodging industry through the aRes platform or other appropriate platform.

#### **Promotion/Advertising**

- Visit Tucson will invest a minimum of \$20,000 in 2013-14, in conjunction with Pima County \$20,000 and other partners, to support the University of Arizona College of Science's local geo-tourism advertising initiative to raise local awareness about our region's geo-tourism attributes. The \$20,000 investment will include \$15,000 cash investment with the balance as in-kind support to promote geo-tourism initiatives.
- Visit Tucson will work with Loews Ventana Canyon to promote their Window Walk Nature Trail including the new Desert tortoise and Butterfly Garden exhibit. Visit Tucson will take Mrs. America contestants to Pima County attractions in August 2013. Visit Tucson will pay a videographer to shoot footage of the contestants at the attractions with a video montage shown on the webcast of the event. The footage will also be available for promotional use by Visit Tucson, Loews Ventana Canyon and the respective attractions.

- Visit Tucson is working with Pima County, City of Tucson and Old Tucson to create a local/regional multimedia incentive program to help attract feature films, television series and commercials.
- Attractions were featured in the 2013 Visit Tucson visitors guide and will be featured in the 2014 guide, as well.
- Visit Tucson has a section in its website ([www.visittucson.org/things-to-do/attractions/](http://www.visittucson.org/things-to-do/attractions/)) dedicated to attractions. Content will continue to be added to this section in the coming year and repurposed for social networks.
- Visit Tucson will place tags on attractions-related pages of VisitTucson.org, which will provide intelligence about online users accessing these pages. This data will improve our marketing effectiveness.
- Banners and web content about Pima County attractions will run on Visit Tucson-sponsored pages on Tripadvisor.com and on Visit Tucson's website--VisitTucson.org.
- Pima County attractions were featured in Visit Tucson's advertorial sections in Biz Tucson (summer 2013) and in the June 2013 issue of Phoenix Magazine. This will continue subject to our finalized media plan for FY 2013-2014.
- E-newsletters will be sent to consumers in Visit Tucson's database of 200,000 customers promoting Pima County attractions.
- Visit Tucson will continue to explore with Pima County and its attractions to develop new strategies and programs to increase awareness and visitors through both marketing and sales programing.

## EXHIBIT B

### Metro Tucson CVB 2013-14

#### Performance Indicators & Measures

	Pima County 2012-2013 Actual	Pima County 2013-2014 Proposed
<b>Performance Indicators</b>		
Occupancy	57.0%	57.6% (+1%)
Average Daily Rate	\$90.00	\$90.90 (+1%)
Revenue Per Available Room	\$51.29	\$52.32 (+2%)
Pima County Bed-Tax Collections	\$6,150,000	\$6,300,000
*Tucson Bed-Tax Collections	*\$12,400,000	*\$12,600,000
Oro Valley Bed-Tax Collections	\$790,000	**\$700,000
Tucson International Airport		
Arrivals/Departures	3,605,682 (2012)	3,500,000 (2013)
Pima County Attractions Attendance	TBD	TBD
MTCVB Funding	\$3,075,000	\$3,150,000

\*Tucson includes 6% bed tax+\$2 per room per night

\*\*Hilton El Conquistador may undergo room renovations in 2013-14

2012-13 fiscal year bed-tax collections are estimates and highlighted in yellow—final amounts TBD in October 2013

#### Performance Measures-Meetings

##### Regional

Bookings (Meetings+Sports)	327	350
Room Nights (Meetings+Sports)	312,167	322,000
Delegates/Participants (Meetings+Sports)	171,702	170,000
Economic Impact (Meetings+Sports)	\$132.6 million	\$138 million
Events Booked at Kino Sports Complex (Meetings+Sports)	7	6

##### Tucson Convention Center

Bookings (Meetings+Sports)	15	*9
Room Nights (Meetings+Sports)	42,723	*22,000
Delegates/Participants (Meetings + Sports)	55,142	*30,000
Economic Impact (Meetings+Sports)	\$24.9 million	*\$13 million

\*Reduction in TCC bookings is due to potential cancellation of Jehovah's Witnesses' 2014 conferences & not renewing BMX contract due to TCC arena renovations.

##### Tucson Hotels/Resorts (Excluding TCC)

Bookings	217	235
Room Nights	204,506	225,000
Delegates/Participants	88,492	100,000
Economic Impact	\$93.8 million	\$100 million

**Page two**

**2012-2013**

**Actual**

**2013-2014**

**Proposed**

**Performance Measures-Sports**

**Tucson Venues (Excluding TCC)**

Bookings	25	12
Room Nights	23,479	14,000
Delegates/Participants	31,640	20,000
Economic Impact	\$21.5 million	\$12 million
FC Tucson sponsorship (Pima County pass through)	N/A	\$280,000

**Performance Measures-Tourism**

Tour Operator Brochure Impressions	2.1 million	2.2 million
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**Performance Measures-Mexico Trade & Marketing**

Room Nights-Total	9,004	9,000
Economic Impact-Tucson	N/A	N/A
Economic Impact-Total	\$6.2 million	\$6.2 million
Mexico Trade Coalition Meetings Led	10	8
Motor Coach Shopping Tours Generated	64	60
Businesses Assisted-Working with Mexico	51	50
Facilitate export transactions from metro Tucson companies to Mexico	6	6

**Performance Measures-Marketing**

Unique Website Visits	1.14 million	1.3 million
Ad Impressions Generated	385,854,000	N/A
Generate Consumer Inquiries	70,142	75,000
Promote Downtown Events	37	30
Generate Events Page Views on MTCVB Website	666,591	525,000
Attractions Passports Sold	1,987	2,000
Increase marketing spending in top feeder markets identified in Visitor analysis	N/A	\$100,000

**Performance Measures-Public Relations**

Total Media Impressions Generated	*5,466,259,446	8 million
Value of Total Earned Media	\$4.7 million	**\$3.5 million
Facebook Posts	N/A	156
Twitter Posts (Tweets)	N/A	365

\*Included social media impressions, which dramatically increased readers/viewers, but added little economic value

\*\*Value will factor earned media from print, broadcast & online only, excluding social media

**Page three**

2012-2013

Actual

2013-2014

Proposed

**Performance Measures-Film**

Definite Projects-Southern Arizona	56	50
Production Days-Southern Arizona	260	200
Direct Spending-Southern Arizona	*\$11.8 million	\$6 million

\*Film's economic impact was \$17.8 million in 2012-13, which was reported to Pima County last year. Direct spending equaled \$11.8 million. We feel direct spending is a more accurate indicator.

**Performance Measures-Partner Development**

Number of Partners	533	510
Dues	\$213,719	\$210,000
Partnership In-Kind	\$180,230	\$150,000

**Performance Measures-Visitor Center**

Visitors Served—Downtown	32,298	30,000
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**Performance Measures-Community**

**Partnerships**

Collaborative partnership events	19	18
Tourism Branding Meetings with Stakeholder Groups	100	N/A
Complete by June 30, 2013 & report results of destination brand initiative	Yes	N/A

**Performance Measures-General Support**

County Official to Serve on MTCVB Board	Yes	Yes
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**Definitions**

Performance Indicator: Illustrates the performance of the travel and tourism industry or one of its industry sectors: e.g. hotel occupancy, airport arrivals, attraction attendance, etc...

Performance Measure: Number that measures the results of DMO activities.

**Definitions Source**: Destination Marketing Association International in conjunction with Destination & Travel Foundation -- "Standard DMO Performance Reporting--A Handbook for Destination Marketing Organizations," May 2011

**MTCVB Report Card--2013-14 (to be reported to Pima County)**

\* Occupancy, average daily rate & Revenue Per Available Room (RevPAR) for Tucson & competitive set (Phoenix, Scottsdale, Palm Springs, Santa Fe, Albuquerque, Denver, Austin & San Antonio



## **Page four**

- \* Measure occupancy, average daily rate & RevPAR increases/decreases for competitive set vs. budget increases/decreases for those CVBs
- \* Room revenue/CVB budget
- \* Room revenue/Airline seats
- \* Bed Tax Collections (Region-wide, includes City, County and all other collections)

## EXHIBIT C

### **Metro Tucson CVB--Audit Points Status (Updated: July 2013)**

- |  |   |
|--|---|
| 1. Develop a more engaged & responsive board   | Completed Spring 2012, ongoing<br>Board approved bylaws revision in August 2012 setting board size at 21-31. Reduced to 28 for 2012-13.   |
| 2. Reduce board size from current 33 members to more manageable 21-25 members              | Completed August 2012<br>Split Secretary/Treasurer into 2 positions in early 2012; Exec Comm now has: Chair, Vice Chair, Secretary, Treasurer, At-Large, At-Large, Immediate Past Chair--7 members--Completed August 2011   |
| 3. Increase Executive Committee size from 5 to 6   |   |
| 4. Develop new dedicated positions for Treasurer & Secretary                               | Completed August 2011   |
| 5. Create a Finance Committee of the Board to enhance financial control & management       | Completed August 2011<br>Each jurisdiction wants deliverables specific to them. CVB was able to standardize many performance measures, however, in 2012-13 government contracts, which helps focus CVB resources & lessens performance measure tracking & reporting--Completed Summer/Fall 2012, ongoing<br>Board approved new vision & mission statements. Completed February 2013 |
| 6. Develop standard government contract format for Pima County & other government entities |   |
| 7. Board should revise their mission statement   |   |
| 8. Adopt new & expanded Performance Marketing Guidelines                                   | Completed Spring 2012, ongoing  |
| 9. Initiate new Performance Tracking Report  | Completed Spring 2012, ongoing<br>Completed & presented to board of directors in May 2013   |
| 10. Develop an annual MTCVB Value Statement  | Completed February 2012   |
| 11. Revise & enhance travel & entertainment policy   | Completed August 2011, ongoing<br>Benchmarked Visit Tucson positions & salaries against CVBs with budgets ranging from \$4-\$10 million--Source: 2012 DMO Compensation & Benefits Study, Destination & Travel Foundation. Completed April 2013  |
| 12. Audit staff travel & entertainment expenses  | Created a performance-based Visit Tucson staff incentive plan for 2013-14. All full-time employees are eligible for year-end bonus ranging from 0-3% based on meeting quantitative goals set at beginning of fiscal year. Sales bonus ranges will be increased by 3% in 2013-14, as well. Completed May 2013  |
| 13. Commission market pricing survey for all positions                                     | Completed October 2012, ongoing<br>Completed Fall 2011, ongoing<br>A marketing plan was produced for 2012-13 with limited input from the CVB's marketing committee, board of directors, Pima County & City of Tucson. More stakeholder input is needed in developing the 2013-14 plan & in subsequent years, as well. Ongoing.  |
| 14. Develop an industry standard staff incentive plan                                      |   |
| 15. Produce an annual lost business report analysis  |   |
| 16. Revise & enhance annual report   |   |
| 17. Develop industry standard marketing plan   |   |
| 18. Develop true destination brand development program                                     | Brand process was completed and introduced to community in June 2013  |

Visitor Inquiry Study (Nov 2012), Visitor Analysis (Dec 2012) & destination branding initiative (June 2013) have provided a strong foundation to reach targeted customers, with tailored messages when they're considering visiting Tucson & other destinations. Creative needs to be developed & placed in 2013-14, ongoing

19. Guide development of CVB's leisure marketing program

20. CVB leadership to address current challenges & impediments:

a) long-term competitive funding for marketing; b) revitalizing TCC; c) master planning for downtown enhancement; d) infrastructure for special events/sports. Board task forces should develop strategic plans on each with CEO leadership

Visit Tucson staff is working with City of Tucson & Pima County on many of these. Staff to develop "white papers" on each topic for review by Visit Tucson's community relations committee in 2013-14, ongoing

Moved PR under Marketing in fall 2012. Hired Tim Vimmerstedt as Director of Marketing in February 2013. Tim is aiding considerably with local PR. Promoted writer Debbie Melcher from part to full time in summer 2012. Would like to add another full-time PR person to aid with media FAMs & proactive outreach. Bringing in media golf classic-60 national & international golf media-in December 2013 & 2014. Ongoing.

21. Address public relations management

Visit Tucson staff has had numerous conversations with City of Tucson staff regarding how & to what extent to renovate TCC, along with City's potential investment in a convention center hotel. Decisions won't be made by Visit Tucson, but City has allowed us to have a considerable voice in recent months. Ongoing

22. Assure MTCVB/Convention Center future opportunities

Stakeholder survey is being developed--will be implemented in fall 2013. CVB surveys meeting planner customers regularly. Will bring out customer advisory board in Fall 2013. Ongoing

23. Development of customer perception surveys: a) stakeholders; b) tour operators; c) meeting planners

CVB staff meets regularly with TIA & other stakeholders to develop strategies to bring new nonstop routes into TIA. Visit Tucson traveled with TIA to Seattle to meet with Alaska Airlines & hosted Alaska Airlines in Tucson in November, which led to securing nonstop Tucson-Portland flight; working on nonstop routes into Mexico. Have discussed visitor entry experience with TIA. TIA is very comfortable with its electronic signage & accommodates CVB welcome tables for events. Completed June 2013.

24. Assess Tucson Airport Authority's Gateway Opportunities

**Gray indicates audit point was completed between July 1, 2012 & June 30, 2013**

**Yellow indicates audit point hasn't been fully addressed**

# EXHIBIT D

## METROPOLITAN TUCSON CONVENTION & VISITORS BUREAU BUDGET FY 2013-2014

REVENUE	DESCRIPTION	ADOPTED		ESTIMATE		ADOPTED		% Change		EXPLANATION
		FY 12-13	FY 12-13	FY 12-13	FY 12-13	FY 13-14	FY 13-14	FY 12-13	FY 12-13	
	City of Tucson	2,472,540	2,472,540	3,000,000	21.33%	33%	6% Bed Tax			
	Pima County	3,200,000	3,073,500	3,150,000	2.49%	50%	of 6% Bed Tax			
	Oro Valley	74,970	74,970	120,000	60.06%		Oro Valley Council Approved			
	Partnership Dues	228,000	216,000	232,400	7.59%		Partner Dues & Fees			
	Partnership Programs & Visitor Ctr Revenue	115,000	108,775	108,500	-0.25%		Events/Merch Sales/Brochure Rack Sales			
	TradeShow & Co-Op Advertising Revenue	321,100	310,300	298,700	-3.74%		Tradeshows/Advertising Co-Ops			
	Other Income	6,900	2,800	2,800	0.00%		Registrar Reimb/Conv. Services/Film Office/Stock Sale			
	Tohono Oodham Casino	75,000	73,519	73,519	0%					
	Pasquia Yaqui Tribe	75,000	75,000	75,000	0.00%					
	<b>TOTAL REVENUE</b>	<b>6,568,510</b>	<b>6,407,404</b>	<b>7,050,919</b>	<b>10.20%</b>					

## EXPENSES

### ADMINISTRATIVE

Administrative Salaries	389,890	401,282	426,588	6.31%	7 full time, 1 part time employee
Administrative Payroll Taxes & Benefits	111,699	107,423	112,030	4.29%	7 full time, 1 part time employee
Building Maintenance/Utilities/CAM	17,850	18,360	18,360	0.00%	Maint / Utilities / Janitorial / CAM.
Equipment Maintenance	3,060	2,550	2,550	0.00%	Repair & Maintenance of computers and office equipment
Community Involvement	20,500	27,300	26,300	-3.66%	Community Relations / BOD Meetings/Local Events
Membership Dues & Subscriptions	19,000	21,200	21,200	0.00%	National/Local/Professional/Industry Orgs. Memberships/Resource Materials
Education/Training/Travel	1,870	1,860	1,870	0.54%	Continuing Education & Computer Training
Parking	3,910	3,910	3,910	0.00%	Employee Parking
Miscellaneous Expense	1,870	1,615	1,700	5.28%	Delivery / Business Cards / Name Plates / Banners
Office Supplies/Computer Supplies	7,990	7,990	7,990	0.00%	Stationary / Supplies / Toner / Software
Postage / Telephone	26,350	24,140	24,140	0.00%	Postage
Mortg Interest/Rent/LOC Interest/Bank Fees/Insurance	15,402	14,671	15,130	3.13%	Building / Visitor Center / LOC Interest / Bank Fees
Mortgage Principal Payments	22,950	22,950	24,623	7.29%	Wells Fargo Building Loan
Depreciation	13,211	14,515	15,130	4.23%	Building / Equipment / Improvements / Furniture & Fixtures
Vehicle Expense	11,000	5,000	5,000	0.00%	Vehicle & Maintenance
Property Taxes & Corporation Taxes	11,312	12,002	12,087	0.71%	Property Taxes/Corporation Tax
Accounting	30,000	28,000	23,500	-16.07%	Audit/Payroll Processing/Retirement Plan Admin
Legal / Consulting	21,000	17,000	20,000	17.65%	General Legal Counsel / Consulting/ Strategic Planning
<b>Total Administrative Expense</b>	<b>728,864</b>	<b>731,768</b>	<b>762,108</b>	<b>4.15%</b>	Administration % of total budget

**METROPOLITAN TUCSON CONVENTION & VISITORS BUREAU  
BUDGET  
FY 2013-2014**

<u>DESCRIPTION</u>	<u>ADOPTED FY 12-13</u>	<u>ESTIMATE FY 12-13</u>	<u>ADOPTED FY 13-14</u>	<u>% Change FY 12-13 to FY 13-14</u>	<u>EXPLANATION</u>

**SALES & MARKETING**

**PROGRAM EXPENSES**

Sales, Marketing, Partnership & Film Office Salaries	1,903,583	1,959,199	2,082,753	6.31%	30 full time, 3 part time employees (includes 2 new employees)
Sales, Marketing, Partnership & Film Office PR taxes & Benefits	545,355	524,477	546,970	4.22%	30 full time, 3 part time employees (includes 2 new employees)
Advertising/Direct Mail/Events	1,798,772	1,727,600	1,977,238	14.45%	Group / Consumer / TCC / Co-Op Adv / Event Promo / Direct Mail / Mexico
Farms/Sales Missions	91,500	65,000	97,500	50.00%	Farm Trips For Meeting Planners / Tour Operators / Int'l Promotions / Travel Writers
Community Involvement/Membership Dues & Subscriptions	17,500	17,500	17,500	0.00%	Dues & Subscriptions For Industry & Local Organizations / Publications
Representation Fees	84,000	66,000	70,000	6.06%	Representation Firms: Domestic & International
Vehicle Expense	10,000	10,000	10,500	5.00%	Mileage Reimbursement
Postage/Telephone	128,650	117,860	117,860	0.00%	Long Distance / Telemarketing / Cell Phones/Postage
Research / Customer Advisory Board	75,000	50,500	50,000	-0.99%	Research / Customer Advisory Board
Brand Development	175,000	175,000	50,000	-71.43%	Brand Development
Printing / Video / Tradeshow Booth / Sales Tools	119,500	104,000	166,000	59.62%	Brochures / Conv Calendar / Sales tools / Video / Tradeshow Booth
Tradeshows/Meetings/Promotional	274,600	272,420	326,900	20.00%	Industry tradeshows / Sales Trips / Client Events
Partnership Development	71,400	67,550	74,000	9.55%	Partner programs
Tucson Film Department	47,000	48,590	97,000	99.63%	Film department programs
Summer / Promotional	90,000	90,000	90,000	0.00%	Summer Consumer & Group Campaign / Collateral Materials

**OPERATING EXPENSES**

Building Maintenance/Utilities/CAM	87,150	89,640	89,640	0.00%	Maint / Utilities / Janitorial / CAM.
Equipment Maintenance	14,940	12,450	12,450	0.00%	Repair & Maintenance of computers and office equipment
Education/Training/Travel	9,130	9,140	9,130	-0.11%	Continuing Education & Computer Training
Parking	19,090	19,090	19,090	0.00%	Employee Parking
Miscellaneous Expense	9,130	7,885	8,300	5.26%	Delivery / Business Cards / Name Plates / Banners
Office Supplies/Computer Supplies	39,010	39,010	39,010	0.00%	Stationary / Supplies / Toner / Software
Mortg Interest/Rent/LOC Interest/Bank Fees/Insurance	75,198	71,629	73,870	3.13%	Building / Visitor Center / LOC Interest / Bank Fees
Mortgage Principal Payments	112,050	112,050	120,217	7.29%	Wells Fargo building loan
Depreciation	64,489	70,870	73,870	4.23%	Building / Equipment / Improvements / Furniture & Fixtures
Property Taxes & Corporation Taxes	55,228	58,598	59,013	0.71%	Property Taxes/Corporation Tax
Legal / Consulting	21,000	17,000	20,000	17.65%	General Legal Counsel / Consulting / Strategic Planning

Sales & Marketing % of Total Budget

Total Sales & Marketing Expense	5,938,285	5,803,058	6,298,811	8.54%	
	89.07%	88.80%	89.21%		
TOTAL EXPENSES	6,667,149	6,534,826	7,060,919	8.05%	
TOTAL REVENUE	6,568,510	6,407,404	7,060,919		
	-98,639	-127,422	0		