



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Award Contract Grant

Requested Board Meeting Date: July 3, 2018

* = Mandatory, information must be provided

or Procurement Director Award

***Contractor/Vendor Name/Grantor (DBA):**

Metropolitan Tucson Convention and Visitors Bureau, dba Visit Tucson

***Project Title/Description:**

Promote and Enhance Tourism, Business, Travel, Travel, Film Production, Youth, Amateur, Semi-Professional & Professional Sports Development and Marketing

The original contract and amendment may be found under CT-17-27. Search for contract number 17%27 in eContracts.

***Purpose:**

Visit Tucson is a 501 (c) (6) nonprofit organization that provides destination marketing services for Pima County. Visit Tucson is designed as the official tourism promotion agency or destination marketing organization (DMO). As the County's official DMO, Visit Tucson is taking an active role in building a strong region, engaging with others to drive economic development and growth while leveraging that growth to increase overall regional visitation.

Attachment: Contract Number CT-ED-17-27, Amendment 2

***Procurement Method:**

Pima County Board of Supervisors Policy D 29.6 C, Direct Selection

***Program Goals/Predicted Outcomes:**

The goal of this amendment is to continue to promote and enhance tourism, travel, film production, economic development, and sports (professional, semi-professional and youth) locally and regionally. The primary goal is to increase visitation to Pima County through various marketing, sales and advertising programs nationally and globally.

***Public Benefit:**

Tourism affects businesses in Tucson and the region as well as the public by stimulating economic growth, such as increasing employment opportunities, various revenues and infrastructure funding. Increasing tourism benefits the overall economic development of Pima County and the Southern Arizona Region. Travel and tourism is the number one export industry in Arizona.

***Metrics Available to Measure Performance:**

Increased visitation is measured by several indicators, including but not limited to monitoring regional bed tax collections, lodging occupancy, attraction attendance, State of Arizona sales tax collections, sales and sports tournament bookings and room nights. Contractor will submit quarterly reports outlining specific growth indicators mutually agreed to as well as submit bi-weekly reports highlighting agency activities, trends and industry news during the same period.

***Retroactive:**

Yes. The contract expired June 30, 2018, and processing time took longer than anticipated.

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*To: CoB- 6-26-18
pgs - 19
(1)
Addendum*

Contract / Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$* _____ Revenue Amount: \$ _____

***Funding Source(s) required:**

Funding from General Fund? Yes No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? Yes No

If Yes, is the Contract to a vendor or subrecipient?

Were insurance or indemnity clauses modified? Yes No

If Yes, attach Risk's approval.

Vendor is using a Social Security Number? Yes No

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment / Revised Award Information

Document Type: CT Department Code: ED Contract Number (i.e., 15-123): 17-27

Amendment No.: 2 AMS Version No.: 4

Effective Date: 7/1/2018 New Termination Date: 6/30/2019

Prior Contract No. (Synergen/CMS): _____

Expense or Revenue Increase Decrease Amount This Amendment: \$ 3,307,000.00

Is there revenue included? Yes No If Yes \$ _____

***Funding Source(s) required:** General Fund

Funding from General Fund? Yes No If Yes \$ 3,307,000.00 % _____

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Amendment Number: _____

Match Amount: \$ _____ Revenue Amount: \$ _____

***All Funding Source(s) required:**

*Match funding from General Fund? Yes No If Yes \$ _____ % _____

*Match funding from other sources? Yes No If Yes \$ _____ % _____

*Funding Source: _____

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**

Contact: Diane Frisch, Director

Department: Attractions and Tourism Telephone: 724-7355

Department Director Signature/Date: Diane Frisch 6/22/18

Deputy County Administrator Signature/Date: [Signature] 6/25/2018

County Administrator Signature/Date: [Signature] 6/25/18
(Required for Board Agenda/Addendum Items)

**PIMA COUNTY DEPARTMENT OF:
ATTRactions AND TOURISM**

PROJECT: Promote and Enhance Tourism, Business Travel, Film Production & Youth, Amateur, Semi-Professional, & Professional Sports Development & Marketing

CONTRACTOR: Metropolitan Tucson Convention and Visitors Bureau, dba Visit Tucson

CONTRACT NO.: CT ED 17*027

AMENDMENT NO.: TWO (2)

AMOUNT: \$3,307,000

FUNDING: General Fund

CONTRACT	
NO. <u>CT-ED-17-027</u>	
AMENDMENT NO. <u>02</u>	
This number must appear on all invoices, correspondence and documents pertaining to this contract.	

Original Contract Term: 07/01/2016 – 06/30/2017
 Termination Prior Amendment: 6/30/2018
 Termination Date This Amendment: 06/30/2019

Original Amount: \$ 3,207,000.00
 Amount Prior Amendment: \$ 3,595,000.00
 This Amendment Amount: \$ 3,307,000.00
 REVISED TOTAL AMOUNT: \$10,109,000.00

The above-referenced contract, together with its supporting exhibits, is amended to read as follows:

1. **Parties; Effective Date.** This 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 is effective as of July 1, 2018.
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. Under A.R.S. § 42-6108, Pima County has levied a tax at the rate of 6% on the gross proceeds of sales or gross income from the business of every person engaging or continuing, in unincorporated areas of Pima County, in a business taxed under Chapter 5 of A.R.S. Title 42 and classified under A.R.S. § 42-5070 or § 42-5076.

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 and contributing to the overall economic growth of the tourism and hospitality industry.

3. **Term**. This Contract commences on the 1st day of July 2018 and terminates on June 30, 2019 unless sooner terminated. This Contract is not effective until County's Board of Supervisors approves it. In no event is this Contract subject to automatic renewal.

4. **Scope of Work**. Contractor's primary goals are to attract a growing number of visitors to Pima County and Southern Arizona, and to generate increased direct spending and economic impact from those travelers.

4.1. Contractor will develop an annual marketing plan/program of work, with upfront input from the County, to help accomplish those goals.

4.2. Contractor will use County's investment, along with revenue from additional public and private sources, to hire and deploy a professional staff and contractors, and to plan and implement programs that help attract visitors and their spending.

5. **County Priorities**. Contractor agrees to execute the following 2018-19 County priorities:

5.1. **Marketing** - Contractor will market, promote and advertise in targeted domestic and international feeder markets: Pima County attractions and venues; events; lodging, golf and spas; unique dining; medical tourism; geo-tourism; cycling, The Loop and outdoor adventure opportunities; guest ranches; downtown; Mt. Lemmon and other areas outside metro Tucson within unincorporated Pima County; and additional regional attributes that distinguish Pima County and Southern Arizona from competitive destinations.

5.2. **Public Relations** - Contractor will target regional, national and international media with story ideas to generate positive travel coverage about County and Southern Arizona.

5.3. **Convention Sales & Services** - Contractor will work with hotels, resorts and venues throughout County to bring in additional meeting room nights. Contractor will work with planners of incoming meetings to connect them to Visit Tucson partner businesses that can enhance their meeting experiences.

5.4. **Mexico Marketing** - Contractor will market and sell travel assets in County and Southern Arizona to Mexican travelers. Contractor will work with U.S. and Mexico officials to enhance the processes for Mexican visitors to travel between Mexico and County/Southern Arizona. Contractor will work to create and sustain additional travel options for Mexican travelers to and from County/Southern Arizona. Contractor will provide County with office space at Contractor's Hermosillo visitor center to meet with Mexican businesses looking to expand into County.

5.5. **Sports** - Contractor will market, promote and sell County venues, in cooperation with County, to youth, amateur and professional organizations, groups and teams from outside Southern Arizona. Contractor will engage in similar efforts for municipalities in Pima County with which it contracts.

5.6. **Tourism** - Contractor will work to grow the number of domestic and international tour operators and travel agents who sell County/Southern Arizona itineraries. Contractor will also work with motor coach tour operators to increase trips to and stops in County and Southern Arizona.

5.7. **Film** - Contractor will help to grow direct spending in County and Southern Arizona by targeting producers of independent films, reality and other television series, music videos, and print, digital and television commercials, to film their productions in County and Southern Arizona. Contractor will work with Pima County to upload Pima County properties into database to attract Film scouts to possible locations.

6. **Partnership and Other Services**

6.1. **Partnership** - Contractor will operate a partnership (membership) program for companies operating in Pima County and Southern Arizona to invest in and benefit from Visit Tucson's programs. The private-sector revenue generated from this program will augment Visit Tucson's bed-tax (public) funding, while better connecting these businesses with incoming travelers and groups.

6.2. **Visitor Services** - Contractor will support Pima County in operation of the Regional Visitor Center in the Historic Courthouse by providing at its expense a trained employee to help staff the Regional Visitor Center during its normal operating hours. Contractor is responsible for creating or paying for display racks from which Contractor printed visitor materials are distributed at the Regional Visitor Center. Pima County must pre-approve the design or style of the distribution racks before they are installed. Contractor is responsible for all costs associated with purchasing, leasing, installing and maintaining kiosks in the Regional Visitor Center. Pima County must pre-approve the size and location of any kiosk before it is installed in the Regional Visitor Center. Contractor will work with Pima County to supply long-time visitor center volunteers in the Regional Visitors Center.

6.3. **Collaboration** - Contractor will collaborate with its partner businesses, County, other public funding stakeholders and with economic development, attractions, lodging, arts and cultural, and other regional organizations on initiatives that benefit tourism, economic development and quality of life throughout Pima County. Contractor will work to increase its revenue, and

leverage the County's investment in contractor, by entering into investment agreements from municipalities throughout Pima County and with partner businesses.

6.4. **Events** - Contractor will market, and, in some cases, invest in, existing and new events in Pima County that contractor believes have promise to attract visitors from outside Southern Arizona.

6.5. **Capital Projects** - Contractor will work with public and private stakeholders to identify capital projects throughout Pima County, and possible funding sources for those projects, that have the potential to attract additional travelers to the region.

7. **Reporting-** Contractor will provide quarterly written reports to County outlining progress toward all aspects of this Agreement, including the contractor's 2018-19 performance measures attached as *Exhibit A*. Reports for the previous quarter's results and activities will be due to County on October 26, 2018, January 25, 2019, April 26, 2019 and July 26, 2019.

Contractor will provide County with metro Tucson competitive set lodging reports in August 2018 covering July 2017-June 2018 lodging, and in February 2019 covering January-December 2018 lodging as set forth in *Exhibit B*. The reports will cover, but are not limited to, metro Tucson's performance against cities in the western and southwestern United States regarding hotel occupancy, average daily rates, and revenue per available room.

8. **Modifications/Revisions.** Contractor will modify its activities or revise and resubmit the Marketing Plan or 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.

9. **Public Access to Records.** Contractor will allow any requesting member of the public access to all records relating to its funds and activities, including the Fiscal Year 2017-18 Budget as set forth in *Exhibit C*.

10. **Payment.** In consideration of the services specified in this Contract, County will pay Contractor Fifty Percent (50%) of the revenue generated by the tax authorized by A.R.S. §42-6108 for fiscal year 2018-2019, not to exceed a total of \$3,307,000.00.

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 will 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 will 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 will 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 must be performed by a qualified independent accounting firm and will 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 will include any response Contractor wishes to make concerning any audit findings. Audits will be submitted to:

Diane Frisch, Director
Pima County Attractions and Tourism
130 W. Congress, 5th Floor
Tucson, AZ 85701
Phone: 520.724.7355

11.2.4. Contractor will pay all costs for audits and County is not 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. Insurances. Contractor will 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 \$2,000,000.00 Combined Single Limit Bodily Injury and Property Damage. County will 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. Professional Liability insurance in the amount of \$1,000,000.00 if this Contract involves professional services; and

12.4. Workers' Compensation coverage, including Employees Liability coverage, if required by law.

12.5. Contractor will 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 will perform in a humane and respectful manner and in accordance with any

applicable professional accreditation standards. Contractor will 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 will 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 will 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 must be included in all contracts between Contractor and its subcontractors providing goods or services pursuant to this Contract. Contractor is 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 will 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 will 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 govern the rights of the parties, the performance of this Contract, and any disputes hereunder. Any action relating to this Contract must be brought and maintained 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 apply, but do not require an amendment.

18. **Independent Contractor**. The status of Contractor is that of an independent contractor. Neither Contractor, or Contractor's officers, agents or employees are considered an employee of Pima County or are entitled to receive any employment-related fringe benefits under the Pima County Merit System. Contractor is responsible for payment of all federal, state and local taxes associated with the compensation received pursuant to this Contract and will indemnify and hold County harmless from any and all liability which County may incur because of Contractor's failure to pay such taxes. Contractor is 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 creates 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 will 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 will 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 will 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 will 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 is not 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 of 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, is not 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 is not 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 will 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 has 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, is 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 will 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 will 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 is 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 are 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 is an excusable delay for which Contractor is 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 will follow the procedure in Section 27.5 below to the extent applicable. In the event of termination, County's only obligation is:

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 will 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 will 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 will 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 will respond within fifteen (15) days of receipt of County's notice and will 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 will, 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 will 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 must be in writing and served by personal delivery or by certified mail upon the other party as follows:

County:

Diane Frisch, Director
Pima County Attractions and Tourism
130 W. Congress, 5th Floor
Tucson, AZ 85701
520-724-7355

Contractor:

Mr. Brent DeRaad, President and CEO
Metropolitan Tucson Convention & Visitors Bureau
dba: Visit Tucson
100 South Church Ave
Tucson, AZ 85701-1631
520-624-1817

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 Visit Tucson's marketing 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 is 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 will be ineffective to the extent of such prohibition without invalidating the remainder of this Contract.

33. **Israel Boycott Certification.** Contractor hereby certifies that it is not currently engaged in, and will not for the duration of this Contract engage in, a boycott of Israel as defined by A.R.S. § 35-393.01. Violation of this certification by Contractor may result in action by the County up to and including termination of this Contract.

34. **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.

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

June 14, 2018

Date

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

Chairman, Board of Supervisors


Date

ATTEST:

Julie Castaneda, Clerk of Board

Date

APPROVED AS TO CONTENT:



Diane Frisch, Director, Pima County Attractions & Tourism

APPROVED AS TO FORM:



Deputy County Attorney

Exhibit A

Visit Tucson 2018-19 Performance Indicators & Measures

Performance Measures-Pima County
Updated: April 26, 2018

	Proposed 2018-19	Adopted 2017-18	YTD - July '17 - March '18
Marketing			
Social media engagement	500,000	450,000	449,783
Users to Visit Tucson website	1,200,000	1,207,058	931,878
Public Relations			
Generate media coverage--value	\$25,000,000	\$25,000,000	\$29,445,702
Sales			
Bookings	317	317	278
Room nights	*163,000	177,623	139,273
TCC room nights (meetings & sports)	*20,000	34,953	34,356
Economic impact	*\$57,000,000	\$65,812,910	\$55,642,729
Services			
Meetings serviced	300	301	220
Sports			
Bookings	55	55	52
Room Nights	43,000	41,961	33,423
Economic Impact	\$17,000,000	\$15,503,854	\$17,295,673
Mexico Trade & Marketing			
Attract consumers to Sonora tradeshow	9,000	9,050	6,100
Consumers engaged on the Vamos Facebook page	5,500,000	5,766,672	3,471,771
Travel Industry Sales			
Travel professionals trained/educated	1,300	1,575	1,154
Promote to Targeted Tour Operator Clients	4,000,000	4,000,000	4,484,900
Film			
Projects booked and aided	50	56	41
Direct spending	\$9,000,000	\$11,000,000	\$7,591,139

*Christian Congregation of Jehovah's Witnesses (CCJW) are projected to book 3 meetings in summer 2019 vs. 7 in past summers. Once or twice per decade, CCJW stages conventions in stadiums vs. smaller arenas and that will take place in 2019. We anticipate CCJW returning to 7 conventions at TCC in summer 2020.

Exhibit B

Tucson Competitive Set Comparison January – December 2018

Tucson Competitive Set Comparison--January-December 2017																											
Updated: January 2018																											
Source: STR (Occupancy, Rate, RevPAR & Room Revenue)																											
	7-14/6-15		1-15/12-15		7-15/6-16		1-16/12-16		7-16/6-17		1-17/12-17		Properties		Rooms												
	Occupancy	Rank	Occupancy	Rank	Occupancy	Rank	Occupancy	Rank	Occupancy	Rank	Occupancy	Rank	Census	Sample	Census	Sample											
Tucson	58.8%	14	58.7%	15	59.0%	15	60.0%	15	61.8%	15	63.7%	13	146	98	15,566	12,666											
Phoenix	64.8%	10	65.9%	9	66.8%	9	67.2%	10	67.0%	11	67.7%	10	463	365	64,154	55,234											
Scottsdale	67.0%	8	66.9%	8	67.5%	8	68.0%	8	68.0%	10	68.4%	8	75	66	14,753	13,949											
Albuquerque	60.0%	13	60.3%	13	60.4%	13	60.4%	14	62.1%	14	63.0%	14	167	120	17,728	13,754											
Palm Springs	58.4%	15	59.0%	14	59.6%	14	61.5%	13	62.7%	13	61.9%	15	134	75	14,742	11,556											
San Diego	76.1%	3	76.4%	2	76.1%	2	77.1%	2	77.6%	2	77.3%	2	485	335	61,652	52,523											
San Francisco	84.7%	1	84.4%	1	84.7%	1	84.3%	1	83.5%	1	82.8%	1	396	228	51,648	43,384											
Portland	73.8%	5	74.9%	5	76.1%	2	75.7%	4	75.2%	4	74.5%	4	279	209	27,742	24,580											
Denver	76.1%	3	75.7%	4	74.2%	5	73.7%	5	73.4%	5	73.4%	5	329	274	45,777	42,954											
Las Vegas	68.4%	7	71.2%	7	72.4%	7	72.4%	6	72.2%	6	72.1%	6	374	125	165,425	23,546											
Seattle	76.6%	2	76.2%	3	75.9%	4	75.8%	3	77.2%	3	76.8%	3	356	259	44,370	40,287											
San Antonio	65.5%	9	64.9%	10	64.8%	11	64.7%	12	65.2%	12	65.0%	12	423	319	46,189	41,351											
Santa Fe	62.7%	11	64.4%	11	64.7%	12	67.2%	10	68.2%	9	66.7%	11	65	41	5,713	4,528											
Colorado Springs	62.6%	12	63.9%	12	65.4%	10	67.9%	9	69.0%	8	67.8%	9	119	82	11,168	9,668											
Austin	73.8%	5	73.8%	6	73.3%	6	72.3%	7	71.8%	7	71.8%	7	316	264	37,127	34,285											
	7-14/6-15		1-15/12-15		7-15/6-16		1-16/12-16		7-16/6-17		1-17/12-17																
	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank															
Tucson	\$91.94	14	\$93.04	14	\$95.78	14	\$97.15	14	\$100.33	14	\$106.44	14															
Phoenix	\$120.40	7	\$121.09	8	\$120.95	10	\$123.01	10	\$126.92	10	\$126.87	10															
Scottsdale	\$177.94	2	\$180.67	2	\$180.08	2	\$184.17	2	\$190.53	2	\$190.06	2															
Albuquerque	\$76.52	15	\$77.93	15	\$78.95	15	\$79.57	15	\$80.63	15	\$82.14	15															
Palm Springs	\$148.72	3	\$148.72	4	\$152.55	3	\$159.99	3	\$163.71	3	\$162.09	3															
San Diego	\$146.71	4	\$150.73	3	\$152.32	4	\$154.87	4	\$158.30	4	\$160.08	4															
San Francisco	\$217.03	1	\$222.90	1	\$232.40	1	\$230.85	1	\$227.06	1	\$229.24	1															
Portland	\$120.08	8	\$126.49	7	\$130.23	7	\$132.59	7	\$134.01	7	\$135.64	7															
Denver	\$116.75	10	\$120.78	9	\$124.01	8	\$127.39	8	\$129.17	8	\$131.29	9															
Las Vegas	\$103.11	13	\$104.75	13	\$108.09	12	\$113.75	12	\$117.93	12	\$117.27	12															
Seattle	\$143.27	5	\$148.45	5	\$150.27	5	\$153.65	5	\$157.44	5	\$159.79	5															
San Antonio	\$105.07	11	\$106.83	11	\$107.85	13	\$108.42	13	\$111.11	13	\$111.41	13															
Santa Fe	\$116.99	9	\$119.14	10	\$121.34	9	\$123.16	9	\$128.83	9	\$132.11	8															
Colorado Springs	\$103.62	12	\$106.62	12	\$108.52	11	\$113.77	11	\$119.04	11	\$124.09	11															
Austin	\$132.02	6	\$134.76	6	\$137.52	6	\$138.85	6	\$140.28	6	\$139.16	6															

	7-14/6-15		1-15/12-15		7-15/6-16		1-16/12-16		7-16/6-17		1-17/12-17	
	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank
Tucson	\$54.04	14	\$54.63	14	\$56.53	14	\$58.34	14	\$61.97	14	\$67.76	14
Phoenix	\$78.01	9	\$79.77	9	\$80.78	9	\$82.69	10	\$84.98	11	\$85.89	10
Scottsdale	\$119.22	2	\$120.87	2	\$121.48	2	\$125.33	2	\$129.65	2	\$130.06	2
Albuquerque	\$45.91	15	\$46.99	15	\$47.72	15	\$48.05	15	\$50.04	15	\$51.72	15
Palm Springs	\$86.86	8	\$87.73	8	\$90.95	8	\$98.42	7	\$102.67	5	\$100.28	6
San Diego	\$111.63	3	\$115.11	3	\$115.91	3	\$119.39	3	\$122.79	3	\$123.74	3
San Francisco	\$183.84	1	\$188.05	1	\$196.77	1	\$194.55	1	\$189.58	1	\$189.73	1
Portland	\$88.56	7	\$94.74	6	\$99.15	6	\$100.34	6	\$100.75	7	\$101.01	5
Denver	\$88.89	6	\$91.41	7	\$92.05	7	\$93.83	8	\$94.82	8	\$96.34	8
Las Vegas	\$70.49	11	\$74.57	11	\$78.26	11	\$82.38	11	\$85.13	10	\$84.59	11
Seattle	\$109.73	4	\$113.14	4	\$114.06	4	\$116.53	4	\$121.55	4	\$122.72	4
San Antonio	\$68.82	12	\$69.33	12	\$69.91	13	\$70.20	13	\$72.48	13	\$72.46	13
Santa Fe	\$73.33	10	\$76.77	10	\$78.53	10	\$82.71	9	\$87.80	9	\$88.05	9
Colorado Springs	\$64.91	13	\$68.09	13	\$71.02	12	\$77.24	12	\$82.13	12	\$84.16	12
Austin	\$97.38	5	\$99.43	5	\$100.82	5	\$100.40	5	\$100.77	6	\$99.86	7
	7-14/6-15		1-15/12-15		7-15/6-16		1-16/12-16		7-16/6-17		1-17/12-17	
	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank
Tucson	\$314,744,243	12	\$318,909,103	12	\$329,322,573	12	\$336,084,674	12	\$354,700,750	12	\$388,515,462	12
Phoenix	\$1,768,184,204	4	\$1,812,755,756	4	\$1,841,911,890	4	\$1,898,732,790	4	\$1,972,586,995	4	\$2,009,018,601	4
Scottsdale	\$640,309,652	10	\$643,402,660	10	\$645,470,025	10	\$668,060,253	10	\$696,946,035	10	\$703,691,334	10
Albuquerque	\$293,265,680	13	\$300,075,106	13	\$305,953,055	13	\$311,668,952	13	\$323,818,657	14	\$334,875,187	14
Palm Springs	\$458,405,708	11	\$465,503,859	11	\$475,925,557	11	\$517,364,369	11	\$544,043,056	11	\$538,155,760	11
San Diego	\$2,451,849,144	3	\$2,538,959,789	3	\$2,573,452,904	3	\$2,652,926,243	3	\$2,741,875,115	3	\$2,777,547,796	3
San Francisco	\$3,433,890,202	2	\$3,518,869,844	2	\$3,697,022,944	2	\$3,660,376,332	2	\$3,558,406,940	2	\$3,581,673,987	2
Portland	\$851,757,042	9	\$918,748,882	9	\$966,716,481	9	\$986,430,214	9	\$1,004,510,516	9	\$1,019,846,861	9
Denver	\$1,380,095,500	6	\$1,422,786,698	6	\$1,458,052,141	6	\$1,511,642,868	6	\$1,552,944,679	6	\$1,617,455,422	6
Las Vegas	\$4,365,817,993	1	\$4,587,671,556	1	\$4,756,653,933	1	\$4,881,540,268	1	\$5,134,122,278	1	\$5,107,607,589	1
Seattle	\$1,654,054,983	5	\$1,732,923,178	5	\$1,775,412,686	5	\$1,828,178,941	5	\$1,924,037,556	5	\$1,983,443,867	5
San Antonio	\$1,115,893,309	8	\$1,131,245,798	8	\$1,151,860,629	8	\$1,167,754,969	8	\$1,214,895,341	8	\$1,224,322,533	8
Santa Fe	\$167,194,250	15	\$174,191,378	15	\$176,860,107	15	\$184,765,110	15	\$183,316,178	15	\$180,095,328	15
Colorado Springs	\$251,499,390	14	\$267,322,376	14	\$281,783,280	14	\$306,231,381	14	\$327,999,363	13	\$342,205,342	13
Austin	\$1,127,782,497	7	\$1,195,735,515	7	\$1,251,549,200	7	\$1,284,874,245	7	\$1,325,608,031	7	\$1,355,316,284	7

Exhibit C

Visit Tucson's FY 2018-19 Budget

METROPOLITAN TUCSON CONVENTION & VISITORS BUREAU					
BUDGET					
FY 2018-2019					
DESCRIPTION	ADOPTED FY 17-18	ESTIMATE FY 17-18	PROJECTED FY 18-19	% Change FY Estimated 17-18 to FY 18-19	EXPLANATION
REVENUE					
City of Tucson	4,610,123	4,610,123	4,800,000	4.12%	34% of 6% Bed Tax
Pima County	3,465,882	3,166,792	3,250,000	2.63%	50% of 6% Bed Tax
Oro Valley	275,000	275,000	300,000	9.09%	Oro Valley Council Approved
Partnership Dues	210,000	200,000	200,000	0.00%	Partner Dues
Partnership Programs & Visitor Center Revenue	65,000	69,055	64,525	-6.56%	Events/Merch Sales/Brochure Rack Sales
Industry Meetings & Co-Op Advertising Revenue	283,100	288,070	236,000	-20.82%	Industry Meetings/Advertising/ Co-Ops/Discontinue Book of Fun
Other Income	165,230	106,700	114,500	7.31%	Mexico Co-Op With Premium Outlets and Ticket Sales, Medical Tourism
Tohono O'odham Casino	75,000	75,000	75,000	0.00%	
Pascua Yaqui Tribe	75,000				
TOTAL REVENUE	9,234,335	8,800,740	9,040,025	2.72%	
PENSES					
ADMINISTRATIVE					
Administrative Salaries	464,083	452,353	478,040	5.68%	4 full time, 1 part time employees, fill receptionist position.
Administrative Payroll Taxes & Benefits	121,380	119,816	132,651	10.71%	4 full time, 1 part time employees, fill receptionist position.
Building Maintenance/Utilities/CAM	18,190	20,213	13,600	-32.72%	Maint / Utilities / Janitorial / CAM.
Equipment Maintenance	2,650	2,210	2,210	0.00%	Repair & Maintenance of computers and office equipment
Community Involvement	40,800	45,600	43,000	-5.70%	Community Relations / BOD Meetings/Local Events
Membership Dues & Subscriptions	21,700	16,600	16,000	-3.61%	National/Local/Professional/Industry Orgs.Memberships/Resource Materials
Education/Training/Travel	3,060	2,210	2,380	7.69%	Continuing Education & Computer Training
Parking	3,740	3,485	5,049	44.88%	Employee Parking, parking at Pima County facilities is \$85 per employee
Miscellaneous Expense	1,630	1,309	1,360	3.90%	Delivery / Business Cards / Name Plates / Banners
Office Supplies/Computer Supplies	9,350	9,350	8,160	-12.73%	Stationary / Supplies / Toner / Software
Postage / Telephone	17,850	19,244	19,720	2.47%	Postage
LOC Interest/Bank Fees/Insurance	6,970	6,290	6,628	37.16%	Building / LOC Interest / Bank Fees/Tenant Improvement Interest
Reserve for Capital Expenditures, Moving, & Advertising	200,000	200,000		-100.00%	
Rent Pima County Courthouse			32,708	100.00%	Rent at Pima County Court House
Depreciation	11,536	10,728	19,535	82.13%	Building / Equipment / Improvements / Furniture & Fixtures
Vehicle Expense	8,100	7,000	8,000	14.29%	Vehicle & Maintenance- New lease in May 2017
Property Taxes & Corporation Taxes	9,945	10,464	10,642	1.71%	Property Taxes/Corporation Tax
Accounting	26,500	22,500	23,100	2.67%	Audit/Payroll Processing/Retirement Plan Admin
Building Contingency	27,500	0	12,500	100.00%	Building Improvements & Repair
Legal / Consulting	45,000	35,250	105,500	199.29%	General Legal Counsel / Consulting/ Strategic Planning/Tourism Master Plan
Building Restoration		-72,700			
Total Administrative Expense	1,039,784	911,919	942,783	3.38%	
	11.02%	10.51%	9.99%		Administration % of total budget

SALES & MARKETING					
PROGRAM EXPENSES					
Sales, Marketing, Partnership & Film Office Salaries	2,265,817	2,208,547	2,333,960	6.68%	33 full time & 3 part time employees, fill 2 marketing positions
Sales, Marketing, Partnership & Film Office PR taxes & Benefits	592,620	584,984	647,649	10.71%	33 full time & 3 part time employees, fill 2 marketing positions
Advertising & Incentives	3,049,675	2,707,200	2,828,000	4.46%	Group / Consumer / TCC / Co-Op Adv / U-fly/Sales Incentives/Mexico
Fans/Sales Missions	292,000	223,800	298,000	32.28%	Fam Trips For Meeting Planners / Tour Operators / Int'l Promotions / Travel Writers
Community Involvement/Membership Dues & Subscriptions	19,500	19,500	19,500	0.00%	Dues & Subscriptions For Industry & Local Organizations / Publications
Representation Fees	90,000	90,000	100,000	11.11%	Representation Firms
Vehicle Expense	15,000	13,000	14,000	7.69%	Mileage Reimbursement
Postage/Telephone	87,150	83,956	95,280	2.47%	Long Distance/Telemarketing/ Cell Phones/ WiFi Postage
Research / Customer Advisory Board	135,000	125,000	150,000	20.00%	Research / Customer Advisory Board (STR, visitor inquiry, Long Woods, gem show, culinary
Printing / Video / Booth's / Sales Tools	170,000	191,546	178,000	-7.07%	Brochures / Sales tools / Video / Booth (CD/Online video up \$80,000)
Industry Meetings/Promotional	476,700	420,556	373,800	-11.12%	Industry Meetings / Sales Trips / Client Events , no Travel Classics 18-19.
Event Development	450,000	446,500	500,000	11.98%	Community Events & Sponsorships
Partnership Development	47,000	37,500	50,000	33.33%	Partner programs; Tucson Tourism Trends, Orientations, Education, Outreach
Tucson Sports	198,100	155,020	183,000	18.05%	Marketing & Sales Missions
Tucson Film Department	60,000	54,300	50,000	-7.92%	Film department programs SXSW
Visitor Center	47,000	36,000	49,600	37.78%	Rent, Merchandise, Operating expenses, and move to new location
OPERATING EXPENSES					
Building Maintenance/Utilities/CAM	88,810	88,687	66,400	-32.72%	Maint / Utilities / Janitorial / CAM
Equipment Maintenance	12,450	10,790	10,790	0.00%	Repair & Maintenance of computers and office equipment
Education/Training/Travel	14,940	10,790	11,820	7.69%	Continuing Education & Computer Training
Parking	18,260	17,015	24,651	44.88%	Employee Parking, Pima County parking is more than current parking
Miscellaneous Expense	7,470	6,391	6,640	3.90%	Delivery / Business Cards / Name Plates / Banners
Office Supplies/Computer Supplies	45,650	45,650	39,840	-12.73%	Stationary / Supplies / Toner / Software
LOC Interest/Bank Fees/Insurance	34,030	30,710	42,123	37.16%	Building / LOC Interest / Bank Fees/Tenant improvement Interest
Rent Pima County Courthouse			159,692	100.00%	Rent
Depreciation	56,324	52,366	95,377	82.13%	Building / Equipment / Improvements / Furniture & Fixtures
Property Taxes & Corporation Taxes	48,555	51,087	51,958	1.71%	Property Taxes/Corporation Tax 1/2 year if we sell the building
Building Contingency	27,500	0	12,500	100.00%	Building Improvements & Repair (the unknowns)
Legal / Consulting	45,000	35,250	105,500	189.29%	General Legal Counsel / Consulting/ Strategic Planning/Tourism Master Plan
Total Sales & Marketing Expense	8,394,551	7,766,145	8,496,879	9.41%	
	88.98%	89.49%	90.01%		Sales & Marketing % of Total Budget
TOTAL EXPENSES	9,434,335	8,678,064	9,439,682	8.78%	
TOTAL REVENUE	9,234,335	8,800,740	9,040,025		
	-200,000	122,676	-399,637		
Add Reserve for Capital - Surplus	200,000	200,000			
	0	322,676			