



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: August 15, 2016

or Procurement Director Award

Contractor/Vendor Name (DBA): Metropolitan Tucson Convention & Visitors Bureau/ dba Visit Tucson

Project Title/Description:

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

Purpose:

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

Procurement Method:

Direct Select

Program Goals/Predicted Outcomes:

To promote and enhance Tourism, Travel, Film Production, Economic Development, Sports Professional and Semi-professional and Youth. Overall goal is to increase visitation to Pima County through various marketing, sales and advertising programs throughout the United States and throughout the world. Increased visitation is measured by several indicators but not limited to by monitoring regional bed tax collections, lodging occupancy, attraction attendance, State of Arizona sales tax collections, sales and sport tournament bookings and room nights.

Public Benefit:

Increasing tourism benefits the overall economic development of Pima County and the southern Arizona region. Almost every business in Tucson and the region is impacted by tourism. Travel and Tourism is the number one export industry in Arizona.

Metrics Available to Measure Performance:

Contractor will submit quarterly reports outlining specific growth indicators mutually agreed to as well submit bi-weekly reports highlighting agency activities, trend and industry news during the same period.

Retroactive:

No, the funding amount was approved on June 21, 2016 as part of the annual FY 2017 Budget Adoption. The contract is being submitted to the Board of Supervisors to review the annual scope of work to meet the County tourism development objectives as outlined in Visit Tucson's FY 2016-2017 Marketing Plan.

*To: COB- 8-3-16 (3)
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Pg. 20*

Procure Dept 08-03-16 AM 11:09

Original Information

Document Type: CT Department Code: ED Contract Number (i.e.,15-123): 17*27
Effective Date: 07-01-16 Termination Date: 06-30-17 Prior Contract Number (Synergen/CMS): _____
 Expense Amount: \$ 3,207,000.00 Revenue Amount: \$ _____
Funding Source(s): General Fund

Cost to Pima County General Fund: \$3,207,000.00

Contract is fully or partially funded with Federal Funds? Yes No Not Applicable to Grant Awards
Were insurance or indemnity clauses modified? Yes No Not Applicable to Grant Awards
Vendor is using a Social Security Number? Yes No Not Applicable to Grant Awards
If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: _____ Department Code: _____ Contract Number (i.e.,15-123): _____
Amendment No.: _____ AMS Version No.: _____
Effective Date: _____ New Termination Date: _____
 Expense Revenue Increase Decrease Amount This Amendment: \$ _____
Funding Source(s): _____

Cost to Pima County General Fund: _____

Contact: Aurora Hernandez
Department: Attractions & Tourism Telephone: 724-7356
Department Director Signature/Date: Thomas M. Martin 8/1/16
Deputy County Administrator Signature/Date: J. C. ... 8/2/16
County Administrator Signature/Date: C. D. ... 8/3/16
(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**

AMOUNT: \$3,207,000.00

FUNDING: General Fund

CONTRACT NO.: CT ED 17*27

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

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, 2016.

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

3. **Term.** This Contract commences on the 1st day of July 2016 and terminates on June 30, 2017 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 2016-17 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 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.

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 operate a visitor center and in-house call center to promote County and Southern Arizona attractions and other points of interest to walk-in visitors, callers and customers who contact contractor via email or social media.

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.

6.6. **Air Service Development** - Contractor will partner with Tucson Airport Authority and organizations throughout the region to secure new air service, and retain existing flights, at Tucson International Airport.

7. **Reporting** - Contractor will provide quarterly written reports to County outlining progress toward all aspects of this Agreement, including the contractor's 2016-17 performance measures attached as **Exhibit A**. Reports for the previous quarter's results and activities will be due to County on October 25, 2016, January 25, 2017, April 25, 2017 and July 25, 2017.

Contractor will provide County with metro Tucson competitive set lodging reports in August 2016 covering July 2015-June 2016 lodging, and in February 2017 covering January-December 2016 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 2016-2017 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 2016-2017, not to exceed a total of Three Million Two Hundred Seven Thousand Dollars **\$3,207,000.00**.

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:

Thomas R. Moulton, Director
Pima County Attractions and Tourism
33 N Stone Ave, Ste 830
Tucson, AZ 85701-1408
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. **Insurance** 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 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. Professional Liability insurance in the amount of \$1,000,000.00; if this Contract involves professional services

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

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."

26.4. 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:

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

July 29, 2016

Date

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

Sharon Bronson, Chair, Board of Supervisors

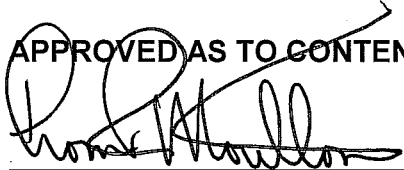
Date

ATTEST:

Robin Brigode, Clerk of Board

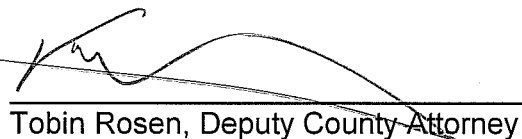
Date

APPROVED AS TO CONTENT:



Thomas R. Moulton, Director, Pima County Attractions & Tourism

APPROVED AS TO FORM:



Tobin Rosen, Deputy County Attorney

7/29/16

Exhibit A

Visit Tucson 2016-17 Performance Indicators & Measures

Visit Tucson 2016-17 Performance Indicators & Measures

	Actual 2015/16	Forecasted 2016/17
Transient Lodging Tax Collections		
- Pima County	*\$6,600,000	*\$6,550,000
- City of Tucson	\$ 14,016,291	**\$17,967,264
- Oro Valley	\$ 1,054,589	***\$1,000,000

** Projected value for FY 16 - includes extra revenue from PC Lodging due to ADOR audit of hotels; FY 2017 Forecasted higher exceptional collections 4th Quarter FY 16 and positive lodging trends projected for FY 2017*

*** Tucson forecasts \$10,367,264 in base bed tax revenue and \$7,600,000 in hotel surcharge revenue.*

**** Forecast reduced bed tax collections due to Hilton El Conquistador renovations during FY17*

Sales

- Bookings	289	295
- Room Nights	167,703	171,057

Sports

- Bookings	55	56
- Room Nights	39,046	39,827

Film

- Projects Booked & Aided	55	56
- Direct Spending	\$6.26 million	\$6.39 million

Visitor Center

- Customers Served	24,109	#15,000
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#Visitor center moving in August 2016 to University of Arizona visitor center. Will likely lose some traffic due to visitors going to former location.

Marketing

- Social Media Reach	15.7 million	16 million
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Exhibit B

Tucson Competitive Set Comparison July 2015 - June 2016

Tucson Competitive Set Comparison-July 2015-June 2016

	1-13/12-13		7-13/6-14		1-14/12-14		7-14/6-15		1-15/12-15		7-15/6-16					
	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank				
Tucson	\$51.31	14	\$51.82	14	\$52.40	14	\$54.04	14	\$54.63	14	\$56.53	14				
Phoenix	\$65.07	10	\$68.98	10	\$71.92	9	\$78.01	9	\$79.77	9	\$80.78	9				
Scottsdale	\$100.46	2	\$105.87	2	\$111.06	2	\$119.22	2	\$120.87	2	\$121.48	2				
Albuquerque	\$42.13	15	\$43.39	15	\$44.71	15	\$45.91	15	\$46.99	15	\$47.72	15				
Palm Springs	\$77.42	6	\$81.22	6	\$83.96	7	\$86.86	8	\$87.73	8	\$90.95	8				
San Diego	\$97.29	3	\$102.29	3	\$106.39	3	\$111.63	3	\$115.11	3	\$115.91	3				
San Francisco	\$155.83	1	\$165.27	1	\$174.81	1	\$183.84	1	\$188.05	1	\$196.77	1				
Portland	\$74.42	7	\$77.32	8	\$83.04	8	\$88.56	7	\$94.74	6	\$99.15	6				
Denver	\$73.08	8	\$78.63	7	\$84.86	6	\$88.89	6	\$91.41	7	\$92.05	7				
Las Vegas	\$60.99	12	\$65.59	11	\$69.11	11	\$70.49	11	\$74.57	11	\$78.26	11				
Seattle	\$92.42	4	\$97.03	4	\$104.02	4	\$109.73	4	\$113.14	4	\$114.06	4				
San Antonio	\$64.02	11	\$64.60	12	\$67.60	12	\$68.82	12	\$69.33	12	\$69.91	13				
Santa Fe	\$67.15	9	\$69.21	9	\$71.70	10	\$73.33	10	\$76.77	10	\$78.53	10				
Colorado Springs	\$56.88	13	\$57.64	13	\$61.64	13	\$64.91	13	\$68.09	13	\$71.02	12				
Austin	\$85.22	5	\$88.48	5	\$92.08	5	\$97.38	5	\$99.43	5	\$100.82	5				
	1-13/12-13		7-13/6-14		1-14/12-14		7-14/6-15		1-15/12-15		7-15/6-16					
	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank				
Tucson	\$298,811,570	12	\$302,261,291	12	\$305,361,203	12	\$314,744,243	12	\$318,909,103	12	\$329,322,573	12				
Phoenix	\$1,474,688,449	4	\$1,564,312,897	4	\$1,622,243,517	4	\$1,768,184,204	4	\$1,812,755,756	4	\$1,841,911,890	4				
Scottsdale	\$559,005,688	10	\$589,818,463	10	\$609,134,963	10	\$640,309,652	10	\$643,402,660	10	\$645,470,025	10				
Albuquerque	\$269,596,531	13	\$276,878,315	13	\$285,605,121	13	\$293,265,680	13	\$300,075,106	13	\$305,953,055	13				
Palm Springs	\$401,507,694	11	\$422,144,840	11	\$443,792,174	11	\$458,405,708	11	\$465,503,859	11	\$475,925,557	11				
San Diego	\$2,088,615,245	3	\$2,222,073,955	3	\$2,310,317,699	3	\$2,451,849,144	3	\$2,538,959,789	3	\$2,573,452,904	3				
San Francisco	\$2,911,398,649	2	\$3,089,833,763	2	\$3,272,189,673	2	\$3,433,890,202	2	\$3,518,869,844	2	\$3,697,022,944	2				
Portland	\$703,960,974	9	\$733,082,646	9	\$793,805,490	9	\$851,757,042	9	\$918,748,882	9	\$966,716,481	9				
Denver	\$1,096,761,567	6	\$1,190,415,378	6	\$1,303,038,464	6	\$1,380,095,500	6	\$1,422,786,698	6	\$1,458,052,141	6				
Las Vegas	\$3,760,331,967	1	\$4,050,426,342	1	\$4,293,386,709	1	\$4,365,817,993	1	\$4,587,671,556	1	\$4,756,653,933	1				
Seattle	\$1,373,420,567	5	\$1,444,355,975	5	\$1,555,801,980	5	\$1,654,054,983	5	\$1,732,923,178	5	\$1,775,412,686	5				
San Antonio	\$1,038,608,219	7	\$1,055,106,107	7	\$1,098,850,122	7	\$1,115,893,309	8	\$1,131,245,798	8	\$1,151,860,629	8				
Santa Fe	\$150,929,789	15	\$154,219,636	15	\$161,289,819	15	\$167,194,250	15	\$174,191,378	15	\$176,860,107	15				
Colorado Springs	\$215,017,924	14	\$220,658,835	14	\$237,352,819	14	\$251,499,390	14	\$267,322,376	14	\$281,783,280	14				
Austin	\$946,165,484	8	\$993,974,573	8	\$1,045,141,172	8	\$1,127,782,497	7	\$1,195,735,515	7	\$1,251,549,200	7				

Exhibit C

Visit Tucson's FY 2016-17 Budget

**VISIT TUCSON
FY 2016-2017 BUDGET**

METROPOLITAN TUCSON CONVENTION & VISITORS BUREAU					
BUDGET					
FY 2016-2017					
					% Change
DESCRIPTION	ADOPTED FY 15-16	ESTIMATE FY 15-16	PROJECTED FY 16-17	FY Estimated 15-16 to FY 16-17	EXPLANATION
REVENUE					
City of Tucson	3,312,628	3,312,628	4,100,000	23.77%	34% of 6% Bed Tax
Pima County	3,200,000	3,200,000	3,275,000	2.34%	50% of 6% Bed Tax
Oro Valley	215,000	215,000	250,000	16.28%	Oro Valley Council Approved
Partnership Dues	232,000	216,000	227,400	5.28%	Partner Dues
Partnership Programs & Visitor Center Revenue	98,000	101,100	89,100	-11.87%	Events/Merch Sales/Brochure Rack Sales/Visitor Center will relocate
Industry Meetings & Co-Op Advertising Revenue	408,200	355,405	336,600	-5.29%	Industry Meetings/Advertising/ Co-Ops
Other Income	18,350	45,650	410,550	799.34%	Interest, Mexico ticket sales, Medical Tourism
Tohono O'odham Casino	75,000	75,000	75,000	0.00%	
Pasquia Yaqui Tribe	75,000	75,000	75,000	0.00%	
TOTAL REVENUE	\$ 7,634,178	\$ 7,595,783	\$ 8,838,650	16.36%	
EXPENSES					
ADMINISTRATIVE					
Administrative Salaries	457,300	437,694	465,290	6.30%	7 full time, 2 part time employees
Administrative Payroll Taxes & Benefits	114,563	106,862	115,949	8.50%	7 full time, 2 part time employees, 2 extra employees on insurance benefits.
Building Maintenance/Utilities/CAM	17,510	18,360	18,360	0.00%	Maint / Utilities / Janitorial / CAM.
Equipment Maintenance	2,550	2,550	2,550	0.00%	Repair & Maintenance of computers and office equipment
Community Involvement	33,300	39,800	40,800	2.51%	Community Relations / BOD Meetings/Local Events
Membership Dues & Subscriptions	15,700	21,700	21,700	0.00%	National/Local/Professional/Industry Orgs.Memberships/Resource Materials
Education/Training/Travel	2,890	2,890	3,060	5.88%	Continuing Education & Computer Training
Parking	4,080	4,080	4,080	0.00%	Employee Parking
Miscellaneous Expense	1,360	1,530	1,530	0.00%	Delivery / Business Cards / Name Plates / Banners
Office Supplies/Computer Supplies	7,820	6,800	9,690	42.50%	Stationary / Supplies / Toner / Software
Postage / Telephone	20,570	18,700	18,700	0.00%	Postage
Mortg Interest/LOC Interest/Bank Fees/Insurance	6,630	6,579	7,480	13.70%	Building / LOC Interest / Bank Fees
Mortgage Principal Payments	10,438	10,438	0	-100.00%	Wells Fargo Building Loan paid October 2015
Depreciation	11,084	12,200	10,158	-16.74%	Building / Equipment / Improvements / Furniture & Fixtures
Vehicle Expense	8,000	8,200	11,500	40.24%	Vehicle & Maintenance- New lease in May 2017
Property Taxes & Corporation Taxes	10,795	10,319	10,319	0.00%	Property Taxes/Corporation Tax
Accounting	28,000	24,000	26,500	10.42%	Audit//Payroll Processing/Retirement Plan Admin
Building Contingency			27,500	100.00%	Building Improvements & Repair
Legal / Consulting	19,000	21,500	35,000	62.79%	General Legal Counsel / Consulting/ Strategic Planning
Total Administrative Expense	771,590	754,202	830,165	10.07%	
	10.11%	9.93%	9.39%		Administration % of total budget

**VISIT TUCSON
FY 2016-2017 BUDGET**

METROPOLITAN TUCSON CONVENTION & VISITORS BUREAU					
BUDGET					
FY 2016-2017					
					% Change
DESCRIPTION	ADOPTED FY 15-16	ESTIMATE FY 15-16	PROJECTED FY 16-17	FY Estimated 15-16 to FY 16-17	
					EXPLANATION
SALES & MARKETING					
PROGRAM EXPENSES					
Sales, Marketing, Partnership & Film Office Salaries	2,232,700	2,136,979	2,271,710	6.30%	29 full time & 2 part time employees
Sales, Marketing, Partnership & Film Office PR taxes & Benefits	559,337	521,738	566,102	8.50%	29 full time & 2 part time employees
Advertising & Incentives	1,913,799	2,063,520	2,897,650	40.42%	Group / Consumer / TCC / Co-Op Adv / U-fly/Sales Incentives/Mexico
Fams/Sales Missions	166,500	136,400	194,200	42.38%	Fam Trips For Meeting Planners/T Operators/Int'l Promotions/Travel Writers
Community Involvement/Membership Dues & Subscriptions	17,500	18,000	19,500	8.33%	Dues & Subscriptions For Industry & Local Organizations / Publications
Representation Fees	70,000	71,400	84,400	18.21%	Representation Firms
Vehicle Expense	13,000	13,500	15,000	11.11%	Mileage Reimbursement
Postage/Telephone	100,430	91,300	91,300	0.00%	Long Distance/Telemarketing/ Cell Phones/ WiFi/ Postage
Research / Customer Advisory Board	35,000	31,000	45,000	45.16%	Research / Customer Advisory Board
Printing / Video / Booth's / Sales Tools	124,000	72,500	72,000	-0.69%	Brochures / Sales tools / Video / Booth
Industry Meetings/Promotional	433,379	459,270	540,900	17.77%	Industry Meetings / Sales Trips / Client Events
Event Development & Community Initiatives	485,000	521,500	480,000	-7.96%	Events, Initiatives, & Green Valley
Partnership Development	45,000	38,450	45,000	17.04%	Partner programs
Tucson Sports	180,000	174,700	170,000	-2.69%	Marketing & Sales Meetings
Tucson Film Department	51,000	51,505	50,000	-2.92%	Film department programs
Visitor Center	50,000	48,500	75,000	54.64%	Rent, Merchandise, Operating expenses, and move to new location
OPERATING EXPENSES					
Building Maintenance/Utilities/CAM	85,490	89,640	89,640	0.00%	Maint / Utilities / Janitorial / CAM.
Equipment Maintenance	12,450	12,450	12,450	0.00%	Repair & Maintenance of computers and office equipment
Education/Training/Travel	14,110	14,110	14,940	5.88%	Continuing Education & Computer Training
Parking	19,920	19,920	19,920	0.00%	Employee Parking
Miscellaneous Expense	6,640	7,470	7,470	0.00%	Delivery / Business Cards / Name Plates / Banners
Office Supplies/Computer Supplies	38,180	33,200	47,310	42.50%	Stationary / Supplies / Toner / Software
Mortg Interest/LOC Interest/Bank Fees/Insurance	32,370	32,121	36,520	13.70%	Building / LOC Interest / Bank Fees
Mortgage Principal Payments	50,962	50,962	0	-100.00%	Wells Fargo building loan paid October 2015
Depreciation	54,116	59,565	49,593	-16.74%	Building / Equipment / Improvements / Furniture & Fixtures
Property Taxes & Corporation Taxes	52,705	50,381	50,381	0.00%	Property Taxes/Corporation Tax
Building Contingency			27,500	100.00%	Building Improvements & Repair
Legal / Consulting	19,000	21,500	35,000	62.79%	General Legal Counsel / Consulting/ Strategic Planning
Total Sales & Marketing Expense	6,862,588	6,841,581	8,008,485	17.06%	
	89.89%	90.07%	90.61%		Sales & Marketing % of Total Budget
TOTAL EXPENSES	7,634,178	7,595,783	8,838,650	16.36%	
TOTAL REVENUE	7,634,178	7,595,783	8,838,650		
	0	0	0		