BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

○ Award ◉ Contract ○ Grant

Requested Board Meeting Date: June 18, 2019

***= 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, 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. As Pima County's designated official tourism promotion agency, Visit Tucson is entitled to receive 50% of Pima County's bed tax revenue under A.R.S. 41-6108 to promote and enhance tourism. 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.

***Procurement Method:**
Pima County Board of Supervisors Policy D 29.6 C, Direct Selection

***Program Goals/Predicted Outcomes:**
The goal of this contract 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:**
Contractor will submit quarterly written reports to County outlining progress toward all aspects of this Agreement, including the contractor's 2019-20 performance measures as provided in Exhibit A of this contract.

***Retroactive:**
No.

JUN 12 PM 12:58 PROCUREMENT DIRECTOR

To: COB- 6-12-19
Ver. - 1
Pgs - 14
(1) Addendum

Procure Dept 06/12/19 AM09:56

Contract / Award Information

Document Type: CT Department Code: ED Contract Number (i.e.,15-123): 19*507

Effective Date: 7-1-2019 Termination Date: 6-30-2020 Prior Contract Number (Synergen/CMS): 17*027

☒ **Expense Amount: $*** 3,650,000.00 ☐ Revenue Amount: $ _____

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

Funding from General Fund? ◉Yes ○No If Yes $ 3,650,000.00 % _____

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

Amendment No.: _____ AMS Version No.: _____

Effective Date: _____ New Termination Date: _____

Prior Contract No. (Synergen/CMS): _____

○Expense or ○Revenue ○Increase ○Decrease Amount This Amendment: $ _____

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

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

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

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

Department: Attractions and Tourism Telephone: 520.724.7355

Department Director Signature/Date: 6/11/19

Deputy County Administrator Signature/Date:

County Administrator Signature/Date: 6/11/19

(Required for Board Agenda/Addendum Items)

PIMA COUNTY

ATTRACTIONS AND TOURISM

MEMORANDUM

TO: C.H. Huckelberry, County Administrator

VIA: Jan Lesher, Deputy County Administrator

FROM: Diane Frisch, Director, Attractions & Tourism

DATE: June 12, 2019

RE: Request for Direct Selection Procurement of Professional Services for Attractions & Tourism

Pursuant to Pima County Board of Supervisors ***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 the County, I am requesting the direct selection procurement for professional services for the Metropolitan Tucson Convention and Visitors Bureau, dba Visit Tucson. Scope of work includes the Contractor's primary goal of attracting a growing number of visitors to Pima County and Southern Arizona and generating increased direct spending and economic impact from those travelers. Contractor will be measured by performance goals over the 2019-2020 year as set forth by contract.

Thank you for your consideration of this request.

____ Approved ____ Not Approved

C.H. Huckelberry, County Administrator,

6/12/2019

Date

Cc: Mary Jo Furphy, Procurement Director

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-19*507**
AMOUNT:	**$3,650,000.00**
FUNDING:	**General Fund**

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, 2019.

2. **Background & Purpose**.

   2.1. A.R.S. § 42-6108 provides for the levy and collection of a tax on the gross proceeds of sales or gross income of businesses falling within the transient lodging classification, or online lodging marketplace classification, pursuant to A.R.S. §§ 42-5070 and 42-5076, respectively, located in unincorporated areas.

   2.2. Pima County has levied a tax under A.R.S. § 42-6108, at the rate of 6%.

   2.3. 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.

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

3. **Term**. This Contract commences on the July 1, 2019 and terminates on June 30, 2020 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. Contractor will use its best efforts to meet the 2019-20 goals set forth in the performance measures attached as **Exhibit A** (the "**2019-20 Goals**").

   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 2019-20 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 coverage about travel to and within 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 and promote the use of County venues, in cooperation with County, to youth, amateur and professional organizations, groups and teams from outside Southern Arizona. Contractor will actively market the Kino Complex expansion throughout the term of this Contract. 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. Contractor will provide quarterly information on filming within Pima County including film permit 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 one and a half trained employees to help staff the Regional Visitor Center during its normal operating hours. Contractor will create or purchase display racks from which Contractor-printed visitor materials are distributed at the Regional Visitor Center. Contractor will continue to distribute visitor guides and gem show materials. Contractor will pay all costs associated with purchasing, leasing, installing and maintaining kiosks in the Regional Visitor Center. Contractor and Pima County will mutually agree on the design, style, size and location of any distribution rack or kiosk before it is installed in the Regional Visitor Center. Contractor will work with and refer visitor center volunteers to Pima County, should Pima County opt to create a volunteer program to help with the operation of the Regional Visitors Center. Contractor will provide a CTA training program within the market.

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 2019-20 Goals. Reports for the previous quarter's results and activities will be due to County on October 26, 2019, January 25, 2020, April 26, 2020 and July 26, 2020.

   Contractor will provide County with metro Tucson competitive set lodging reports in August 2019 covering July 2018-June 2019 lodging, and in February 2020 covering January-December 2019 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 2019-20 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 2019-2020, not to exceed a total of $3,650,000.00. County will distribute the funds as they are received by the County from the Department of Revenue.

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." Contractor will, at its expense, provide the Board of Supervisors with either audited financial statements prepared in accordance with federal single audit regulations or financial statements prepared in accordance with generally accepted accounting principles and audited by an independent certified public accountant, coving the fiscal year covered by this Contract. The audit requirements in this Section 11, and the reporting obligations in Section 7, survive expiration of the term of this Contract.

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, in addition to the financial reporting required in Section 11.1 above, may require Contractor to provide a program-specific or financial audit at any time by providing written notice to Contractor, to confirm that City of Tucson, Pima County, Oro Valley and any other funds collected by Contractor are used to promote the entire region. 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.

11.3. All audits provided under this Section must be performed by a qualified independent accounting firm and a written audit report submitted to County. The annual audit required by Section 11.1 must be submitted no later than three (3) months after the close of the fiscal year covered by this Contract unless other time is specified by County. It must include any response Contractor wishes to make concerning any audit findings. Audits must be submitted to:

Diane Frisch, Director
Pima County Attractions and Tourism
130 West Congress Street, Suite 505
Tucson, Arizona 85701
520.724.7355

11.4. Contractor will pay all costs for audits and County is not responsible for audit costs. Funds provided by Pima County under this Contract may be used to pay for an audit provided the cost is reasonable and is specifically included in the budget attached as Exhibit C.

12. **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.

13. **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.

14. **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:

    14.1. 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;

    14.2. 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;

    14.3. Professional Liability insurance in the amount of $1,000,000.00 if this Contract involves professional services; and

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

    14.5. 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.

15. **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 2019-20 Goals is a community effort, and is in part dependent on local and national economic conditions, over which Contractor does not exercise control.

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 will pay 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 is 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 or obligations under 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.

26.4. 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.

26.5. 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."

26.6. 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's 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:

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

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

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

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

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

27.5.7. 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:

27.5.8. 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

27.5.9. 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 West Congress Street, Suite 505
Tucson, Arizona 85701
520.724.7355

Contractor:

Mr. Brent DeRaad, President and CEO
Metropolitan Tucson Convention & Visitors Bureau
dba: Visit Tucson
115 N. Church Avenue, Suite 200| Tucson, AZ 85701
Tucson, Arizona 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. **Entire Agreement**. This document constitutes the entire agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Contract may be modified, amended, altered or extended only by a written amendment signed by the parties.

REMAINDER OF PAGE INTENTIONALLY BLANK
SIGNATURE PAGE FOLLOWS

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 — Date: 6/10/19

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

Richard Elías, Chairman, Board of Supervisors — Date

ATTEST:

Julie Castaneda, Clerk of Board — Date

APPROVED AS TO CONTENT:

Diane Frisch, Director, Pima County Attractions & Tourism — Date: 6/10/2019

APPROVED AS TO FORM:

Deputy County Attorney — Date: 6.7.2019

REGINA NASSEN

Exhibit A

Visit Tucson 2019-20 Performance Indicators & Measures

	2019-20 Goal	July 2018-March 2019	2018-19 Goal
Marketing			
People reached via social media	1 million	936,727	500,000
Unique users to Visit Tucson website	1 million	875,235	1.2 million
Public Relations			
Value of media coverage	$30 million	$28 million	$25 million
Sales			
Bookings	340	290	317
Room nights	170,000	142,389	163,000
TCC room nights (meetings & sports)	25,000	16,634	20,000
Estimated Economic Impact	$68 million	$61 million	$57 million
Services			
Number of meetings serviced	325	267	300
Sports			
Bookings	64	58	55
Room nights	45,000	27,457	43,000
Estimated Economic Impact	$23.4 million	$16 million	$24 million
Mexico Trade & Marketing			
Attract consumers to Sonora tradeshows	12,000	13,800	9,000
Consumers engaged on the Vamos Facebook	110,000	105,921	100,000

page

<u>Tourism</u>			
Travel professionals trained/educated	850	1,191	1,300
Room nights	7,500	N/A	N/A
<u>Film</u>			
Projects booked and aided	50	44	50
Direct spending	$9 million	$6.3 million	$9 million

Exhibit B
Tucson Competitive Set Comparison
July 2018 – June 2019

Tucson Competitive Set Comparison--January-December 2018
Updated: January 2019
Source: STR (Occupancy, Rate, RevPAR & Room Revenue)

	7-15/6-16		1-16/12-16		7-16/6-17		1-17/12-17		7-17/6-18		1-18/12-18		Properties		Rooms	
	Occupancy	Rank	Occupancy	Rank	Occupancy	Rank	Occupancy	Rank	Occupancy	Rank	Occupancy	Rank	Census	Sample	Census	Sample
Tucson	59.0%	15	60.0%	15	61.8%	15	63.7%	13	64.9%	13	65.8%	13	150	97	15,562	12,585
Phoenix	66.8%	9	67.2%	10	67.0%	11	67.7%	10	68.6%	10	69.7%	T8	476	371	65,675	56,006
Scottsdale	67.5%	8	68.0%	8	68.0%	10	68.4%	8	69.1%	8	69.7%	T8	75	68	14,774	14,012
Albuquerque	60.4%	13	60.4%	14	62.1%	14	63.0%	14	63.4%	14	64.7%	14	166	122	17,610	14,382
Palm Springs	59.6%	14	61.5%	13	62.7%	13	61.9%	15	61.7%	15	61.6%	15	138	82	15,266	12,263
San Diego	76.1%	2	77.1%	2	77.6%	2	77.3%	2	77.9%	2	78.7%	2	486	336	62,374	53,414
San Francisco	84.7%	1	84.3%	1	83.5%	1	82.8%	1	82.5%	1	81.9%	1	402	242	52,698	44,952
Portland	76.1%	2	75.7%	4	75.2%	4	74.5%	4	73.5%	4	73.2%	4	288	224	29,269	26,510
Denver	74.2%	5	73.7%	5	73.4%	5	73.4%	5	73.3%	5	73.1%	5	354	297	50,169	47,218
Las Vegas	72.4%	7	72.4%	6	72.2%	6	72.1%	6	70.5%	7	70.5%	6	378	129	165,823	25,284
Seattle	75.9%	4	75.8%	3	77.2%	3	76.8%	3	75.6%	3	75.1%	3	373	276	48,667	44,578
San Antonio	64.8%	11	64.7%	12	65.2%	12	65.0%	12	65.1%	12	66.0%	12	434	326	47,455	42,194
Santa Fe	64.7%	12	67.2%	10	68.2%	9	66.7%	11	67.8%	11	69.0%	11	64	44	5,655	4,738
Colorado Springs	65.4%	10	67.9%	9	69.0%	8	67.8%	9	68.8%	9	69.7%	T8	117	81	11,055	8,766
Austin	73.3%	6	72.3%	7	71.8%	7	71.8%	7	71.1%	6	70.3%	7	336	280	39,632	36,699

	7-15/6-16		1-16/12-16		7-16/6-17		1-17/12-17		7-17/6-18		1-18/12-18	
	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank	Rate	Rank
Tucson	$95.78	14	$97.15	14	$100.33	14	$106.44	14	$107.25	14	$111.60	14
Phoenix	$120.95	10	$123.01	10	$126.92	10	$126.87	10	$128.39	10	$129.78	10
Scottsdale	$180.08	2	$184.17	2	$190.53	2	$190.06	2	$192.98	2	$196.80	2
Albuquerque	$78.95	15	$79.57	15	$80.63	15	$82.14	15	$82.90	15	$84.25	15
Palm Springs	$152.55	3	$159.99	3	$163.71	3	$162.09	3	$169.52	3	$170.72	3
San Diego	$152.32	4	$154.87	4	$158.30	4	$160.08	4	$161.51	5	$166.30	4
San Francisco	$232.40	1	$230.85	1	$227.06	1	$229.24	1	$234.30	1	$241.33	1
Portland	$130.23	7	$132.59	7	$134.01	7	$135.64	7	$136.10	7	$136.62	8
Denver	$124.01	8	$127.39	8	$129.17	8	$131.29	9	$131.49	9	$131.63	9
Las Vegas	$108.09	12	$113.75	12	$117.93	12	$117.27	12	$115.58	12	$114.44	13
Seattle	$150.27	5	$153.65	5	$157.44	5	$159.79	5	$161.77	4	$165.09	5
San Antonio	$107.85	13	$108.42	13	$111.11	13	$111.41	13	$114.18	13	$115.72	12
Santa Fe	$121.34	9	$123.16	9	$128.83	9	$132.11	8	$134.60	8	$139.50	7
Colorado Springs	$108.52	11	$113.77	11	$119.04	11	$124.09	11	$125.81	11	$126.75	11
Austin	$137.52	6	$138.85	6	$140.28	6	$139.16	6	$139.38	6	$140.76	6

	7-15/6-16		1-16/12-16		7-16/6-17		1-17/12-17		7-17/6-18		1-18/12-18	
	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank	RevPAR	Rank
Tucson	$56.53	14	$58.34	14	$61.97	14	$67.76	14	$71.03	14	$73.45	14
Phoenix	$80.78	9	$82.69	10	$84.98	11	$85.89	10	$88.05	10	$90.42	10
Scottsdale	$121.48	2	$125.33	2	$129.65	2	$130.06	2	$133.35	2	$136.99	2
Albuquerque	$47.72	15	$48.05	15	$50.04	15	$51.72	15	$52.52	15	$54.53	15
Palm Springs	$90.95	8	$98.42	7	$102.67	5	$100.28	6	$104.57	5	$105.19	5
San Diego	$115.91	3	$119.39	3	$122.79	3	$123.74	3	$125.86	3	$130.93	3
San Francisco	$196.77	1	$194.55	1	$189.58	1	$189.73	1	$193.23	1	$197.72	1
Portland	$99.15	6	$100.34	6	$100.75	7	$101.01	5	$99.97	6	$100.02	6
Denver	$92.05	7	$93.83	8	$94.82	8	$96.34	8	$96.40	8	$96.26	T8
Las Vegas	$78.26	11	$82.38	11	$85.13	10	$84.59	11	$81.53	12	$80.68	12
Seattle	$114.06	4	$116.53	4	$121.55	4	$122.72	4	$122.32	4	$123.94	4
San Antonio	$69.91	13	$70.20	13	$72.48	13	$72.46	13	$74.34	13	$76.37	13
Santa Fe	$78.53	10	$82.71	9	$87.80	9	$88.05	9	$91.23	9	$96.26	T8
Colorado Springs	$71.02	12	$77.24	12	$82.13	12	$84.16	12	$86.58	11	$88.37	11
Austin	$100.82	5	$100.40	5	$100.77	6	$99.86	7	$99.07	7	$98.89	7

	7-15/6-16		1-16/12-16		7-16/6-17		1-17/12-17		7-17/6-18		1-18/12-18	
	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank	Room Revenue	Rank
Tucson	$329,322,573	12	$336,084,674	12	$354,700,750	12	$388,515,462	12	$406,411,105	12	$414,666,868	12
Phoenix	$1,841,911,890	4	$1,898,732,790	4	$1,972,586,995	4	$2,009,018,601	4	$2,082,001,506	4	$2,166,316,138	4
Scottsdale	$645,470,025	10	$668,060,253	10	$696,946,035	10	$703,691,334	10	$727,500,356	10	$748,697,770	10
Albuquerque	$305,953,055	13	$311,668,952	13	$323,818,657	14	$334,875,187	14	$340,160,679	14	$349,869,778	14
Palm Springs	$475,925,557	11	$517,364,369	11	$544,043,056	11	$538,155,760	11	$568,740,580	11	$579,809,349	11
San Diego	$2,573,452,904	3	$2,652,926,243	3	$2,741,875,115	3	$2,777,547,796	3	$2,821,404,610	3	$2,959,409,937	3
San Francisco	$3,697,022,944	2	$3,660,376,332	2	$3,558,406,940	2	$3,581,673,987	2	$3,693,507,458	2	$3,812,741,316	2
Portland	$966,716,481	9	$986,430,214	9	$1,004,510,516	9	$1,019,846,861	9	$1,022,374,776	9	$1,041,000,170	9
Denver	$1,458,052,141	6	$1,511,642,868	6	$1,552,944,679	6	$1,617,455,422	6	$1,656,429,261	6	$1,692,607,306	6
Las Vegas	$4,756,653,933	1	$4,881,540,268	1	$5,134,122,278	1	$5,107,607,589	1	$4,932,233,894	1	$4,885,250,193	1
Seattle	$1,775,412,686	5	$1,828,178,941	5	$1,924,037,556	5	$1,983,443,867	5	$2,028,811,992	5	$2,110,667,019	5
San Antonio	$1,151,860,629	8	$1,167,754,969	8	$1,214,895,341	8	$1,224,322,533	8	$1,268,266,505	8	$1,312,155,802	8
Santa Fe	$176,860,107	15	$184,765,110	15	$183,316,178	15	$180,095,328	15	$188,367,492	15	$199,147,668	15
Colorado Springs	$281,783,280	14	$306,231,381	14	$327,999,363	13	$342,205,342	13	$351,270,346	13	$355,039,011	13
Austin	$1,251,549,200	7	$1,284,874,245	7	$1,325,608,031	7	$1,355,316,284	7	$1,391,137,763	7	$1,417,995,811	7

Exhibit C

Visit Tucson's FY 2019-20 Budget

METROPOLITAN TUCSON CONVENTION & VISITORS BUREAU BUDGET FY 2019-2020					
DESCRIPTION	ADOPTED FY 18-19	ESTIMATE FY 18-19	PROJECTED FY 19-20	% Change FY Estimated 18-19 to FY 19-20	EXPLANATION
REVENUE					
City of Tucson	5,479,832	5,479,832	5,650,000	3.11%	34% of 6% Bed Tax
Pima County	3,400,000	3,400,000	3,500,000	2.94%	50% of 6% Bed Tax
Oro Valley	300,000	300,000	300,000	0.00%	Oro Valley Council Approved
Partnership Dues	200,000	195,000	190,000	-2.56%	Partner Dues
Partnership Programs & Visitor Center Revenue	64,525	84,555	69,200	-18.16%	Events/Merch Sales/Brochure Rack Sales
Industry Meetings & Co-Op Advertising Revenue	207,000	204,150	165,650	-18.86%	Industry Meetings/Advertising
Other Income	19,000	30,100	23,000	-23.59%	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		0			
TOTAL REVENUE	**9,745,357**	**9,768,637**	**9,972,850**	**2.09%**	
EXPENSES					
ADMINISTRATIVE					
Administrative Salaries	421,800	406,500	449,615	10.61%	3 full time, 2 part time employees (Receptionist for full year)
Administrative Payroll Taxes & Benefits	117,045	114,939	134,200	16.76%	3 full time, 2 part time employees (Receptionist for full year)
Building Maintenance/Utilities/CAM	12,000	11,491	3,165	-72.46%	Maint / Utilities / Janitorial / CAM
Equipment Maintenance	1,950	1,920	2,190	14.06%	Repair & Maintenance of computers and office equipment
Community Involvement	43,000	54,000	55,000	1.85%	Community Relations / BOD Meetings / Local Events
Membership Dues & Subscriptions	16,000	19,000	19,000	0.00%	National/Local/Professional/Industry Orgs.Memberships/Resource Materials
Education/Training/Travel	2,100	2,925	2,250	-23.08%	Continuing Education & Computer Training
Parking	4,455	4,335	5,000	15.34%	Employee Parking, parking at Pima County facilities is $85 per employee
Miscellaneous Expense	1,200	1,290	1,560	20.93%	Delivery / Business Cards / Name Plates / Banners
Office Supplies/Computer Supplies	7,200	7,425	7,200	-3.03%	Stationery / Supplies / Toner / Software
Postage / Telephone	17,400	17,775	18,750	5.49%	Postage
LOC Interest/Bank Fees/Insurance	6,150	4,980	5,850	17.47%	Building / LOC Interest / Bank Fees/Tenant Improvement Interest
Debt Service on Tenant Improvements	1,463	1,555	3,060	96.84%	
Rent Pima County Courthouse	21,300	21,300	42,600	100.00%	
Depreciation	20,507	17,759	13,845	-22.04%	Building / Equipment / Improvements / Furniture & Fixtures
Vehicle Expense	8,000	7,100	11,500	61.97%	Vehicle & Maintenance- Lease ends May 2020
Property Taxes & Corporation Taxes	9,390	7,434	4,200	-43.50%	Property Taxes/Corporation Tax
Accounting	23,100	22,500	24,200	7.56%	Audit//Payroll Processing/Retirement Plan Admin
Building Contingency	12,500	3,500	0	-100.00%	Building Improvements & Repair
Legal / Consulting	105,500	107,250	42,250	-60.61%	General Legal Counsel / Consulting/ Strategic Planning/Tourism Master Plan
Building Restoration		0			
Total Administrative Expense	**852,059**	**834,977**	**845,434**	**1.25%**	
	8.74%	8.80%	8.57%		Administration % of total budget
SALES & MARKETING					
PROGRAM EXPENSES					
Sales, Marketing, Pamership & Film Office Salaries	2,390,200	2,303,500	2,547,816	10.61%	36 full time & 3 part time employees, fill 1 sales & 1 public relations, & CTA sales
Sales, Marketing, Pamership & Film Office PR taxes & Benefits	663,255	651,319	760,466	16.76%	36 full time & 3 part time employees, fill 1 sales & 1 public relations, & CTA sales
Advertising & Incentives	2,998,295	2,965,876	2,923,754	-1.42%	Group / Consumer / TCC / Co-Op Adv / U-fly/Sales Incentives/Mexico
Fams/Sales Missions	296,000	299,667	329,100	9.82%	Fam Trips For Meeting Planners / Tour Operators / Int'l Promotions / Travel Writers
Community Involment/Membership Dues & Subscriptions	19,500	14,642	19,500	33.18%	Dues & Subscriptions For Industry & Local Organizations / Publications
Representation Fees	100,000	100,000	90,000	-10.00%	Representation Firms
Vehicle Expense	14,000	9,000	14,000	55.56%	Mileage Reimbursement
Postage/Telephone	98,600	100,725	106,250	5.49%	Long Distance/Telemarketing/ Cell Phones/ WiFi/ Postage
Research / Customer Advisory Board	150,000	150,000	150,000	0.00%	Research / Customer Advisory Board (STR, visitor inquiry, Long Woods, gem show, culinary
Printing / Video / Booths / Sales Tools	178,000	167,312	175,000	4.60%	Brochures / Sales tools / Video / Booth (CD/Online video up $80,000)
Industry Meetings / Promotional	386,800	380,965	359,500	-5.63%	Industry Meetings / Sales Trips / Client Events.
Event Development	651,000	633,546	550,000	-13.19%	Community Events & Sponsorships
Partnership Development	50,000	43,050	66,400	54.24%	Partner programs; Tucson Tourism Trends, Orientations, Education, Outreach
Tucson Sports	163,000	166,220	270,000	62.44%	Marketing & Sales Missions
Tucson Film Department	50,000	51,460	65,000	26.31%	Film department programs
Visitor Center	49,600	40,500	36,000	-11.11%	Rent, Merchandise, Operating exenses, and move to new location
OPERATING EXPENSES					
Building Maintenance / Utilities / CAM	68,000	65,117	17,935	-72.46%	Maint / Utilities / Janitorial / CAM
Equipment Maintenance	11,050	10,880	12,410	14.06%	Repair & Maintenance of computers and office equipment
Education/Training/Travel	11,900	16,575	12,750	-23.08%	Continuing Education & Computer Training
Parking	25,245	24,565	25,500	3.81%	Employee Parking, Pima County parking is more than current parking
Miscellaneous Expense	6,800	7,310	8,840	20.93%	Delivery / Business Cards / Name Plates / Banners
Office Supplies/Computer Supplies	40,800	42,075	40,800	-3.03%	Stationary / Supplies / Toner / Software
LOC Interest/Bank Fees/Insurance	34,850	28,220	33,150	17.47%	Building / LOC Interest / Bank Fees/Tenant Improvement Interest
Debt Service on Tenant Improvements	8,288	8,809	17,340		Interest on purchase of Tennant Improvements. Will pay off loan after sale of 100 S Church
Rent Pima County Courthouse	120,700	120,700	241,400	100.00%	Rent At Historic Pima County Courthouse
Depreciation	116,205	100,632	78,455	-22.04%	Building / Equipment / Improvements / Furniture & Fixtures
Property Taxes & Corporation Taxes	53,210	42,126	23,800	-43.50%	Property Taxes/Corporation Tax 1/2 year if we sell the building
Building Contingency	12,500	3,500	0	100.00%	Building Improvements & Repair (the unknowns)
Legal / Consulting	105,500	107,250	42,250	-60.61%	General Legal Counsel / Consulting/ Strategic Planning/Tourism Master Plan
Total Sales & Marketing Expense	**8,893,298**	**8,655,642**	**9,017,416**	**4.18%**	
	91.26%	91.20%	91.43%		Sales & Marketing % of Total Budget
TOTAL EXPENSES	**9,745,357**	**9,490,619**	**9,862,850**	**3.92%**	
TOTAL REVENUE	**9,745,357**	**9,768,637**	**9,972,850**		
2019-20 Building Cost	**0**	**0**	**110,000**		Cost of keeping building in 2019-2020
NET REVENUE	**0**	**278,118**	**0**		