



Contract Number: CT-ED-12*1420
 Effective Date : 7-1-2011
 Term Date : 6-30-2012
 Cost : 3,010,920.30
 Revenue : 3,010,920.30
 Total : _____ NTE: _____
 Action
 Renewal By : _____
 Term : 6-30-2012
 Reviewed by: [Signature]

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: November 1, 2011

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

Requesting approval of contract with Metropolitan Tucson Visitors and Convention Bureau (MTCVB) for fiscal year 2011-2012 to provide \$3,010,920.30 to promote and enhance tourism, business travel, film production and youth and amateur semi-professional sports development and marketing. This contract will allow Pima County to approve the Bureau's scope of work each year as Pima County's official tourism promotion agency.

*FY 2011-2012 Budget
 FY 2010-2011 Carry Forward*

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.

CONTRACT NUMBER (If applicable):

STAFF RECOMMENDATION(S):

Staff recommends approval of contract with Metropolitan Tucson Convention and Visitors Bureau. (MTCVB)

CORPORATE HEADQUARTERS: _____

*To: CHH - 10-25-11 By Dept
 CoB - 10-26-11
 Agenda 11-1-11 (3)
 Addendum*

CLERK OF BOARD USE ONLY: BOS MTG. _____

ITEM NO. _____

PIMA COUNTY COST: \$3,010,920.30 and/or REVENUE TO PIMA COUNTY: \$3,010,920.30

FUNDING SOURCE(S): General Fund

(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:

		YES	X	NO
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Board of Supervisors District:

1		2		3		4		5		All	XX
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IMPACT:

IF APPROVED:

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

IF DENIED:

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

DEPARTMENT NAME: Economic Development & Tourism

CONTACT PERSON: Tom Moulton TELEPHONE NO.: 243-7355

PIMA COUNTY DEPARTMENT OF: ECONOMIC DEVELOPMENT 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										
AMOUNT:	\$3,010,920.30	<table border="1"> <tr> <td colspan="2" style="text-align: center;">CONTRACT</td> </tr> <tr> <td>NO.</td> <td>CTED-1200000000000000/620</td> </tr> <tr> <td colspan="2">AMENDMENT NO. _____</td> </tr> <tr> <td colspan="2">This number must appear on all invoices, correspondence and documents pertaining to this contract.</td> </tr> </table>	CONTRACT		NO.	CTED-1200000000000000/620	AMENDMENT NO. _____		This number must appear on all invoices, correspondence and documents pertaining to this contract.	
CONTRACT										
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This number must appear on all invoices, correspondence and documents pertaining to this contract.										
FUNDING:	General Fund									
CONTRACT NO.:										

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, an Arizona non-profit corporation ("**Contractor**"). This Contract shall be effective as of July 1, 2011.

2. **Background & Purpose.**

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

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

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

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

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

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

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

3. **Term.** This Contract shall be deemed to have commenced on the 1st day of July, 2011 and shall terminate on the 30th day of June 2012 unless sooner terminated or further extended pursuant to this Contract, provided that this Contract shall not be effective until County's Board of Supervisors approves it. In no event is this Contract subject to automatic renewal. Any modification or extension shall be by formal written amendment executed by the parties hereto.

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

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

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

4.3. collect data as needed to measure the economic impact of Contractor's activities to determine if they are achieving the desired result of increasing the number of tourists, business/convention delegates and sport event participants/visitors to Pima County. Contractor shall provide by December 15, 2011 a list of projects currently underway that support Pima County Area Attractions as shown on **Exhibit A** and sport tournaments at Kino Sports Complex. Additional

projects may be requested by County from time to time hereunder, and Contractor shall implement and monitor those projects and their results will be communicated in the quarterly reports as outlined below.

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

5.1. Initial Development of Plan. Contractor shall develop a comprehensive marketing and sales promotional plan ("**Marketing Plan**") for FY 2011 - 2012. The Marketing Plan shall include, but is not limited to:

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

5.1.2. Leisure Advertising and Branding – Provide for development and design of aggressive marketing programs to reach the leisure traveler and extend the regional brand within the State of Arizona and travel markets of the State of California, the City of Chicago, the City of Denver. Northern Mexico and others as Contractor deems appropriate;

5.1.3. Programs targeting tourism business segments, including corporate, sports, business and leisure travelers in both domestic and international markets, the net result being to obtain an increasing number of visitors, whether on business, to see a sports tournament and or enjoying leisure travel; and

5.1.4. Objectives and programs to recruit film industry business which includes television and film production, professional photography shoots, music videos, documentaries, and other related industry segments. Contractor's activities shall include the following:

5.1.4.1. Direct solicitation of new business and where applicable to Pima County Attractions and related venues that may have an interest in related film/video production;

5.1.4.2. Acting as a liaison with all governmental, business and individual property owners to coordinate production needs; and

5.1.4.3. Acting as a clearinghouse for all necessary information to endeavor that production teams' needs are met, facilitating communication and coordination with supply sources located in Pima County whenever possible.

5.1.5. A targeted sales and marketing plan to secure all types of youth and amateur sporting events. Expand regional partnerships that support the development and attraction of these types of events. In coordination with Pima County, marketing and tournament sales program for professional sports, and/or

tourism-related sporting events at Kino Sports Complex. If Spring Training baseball exhibition games continue in 2012, Contractor will market it appropriately and in coordination with County and Pima County Sports and Tourism Authority.

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

5.1.7. Increase awareness in the appropriate local and Tucson travel markets of the Leased Properties and major destination oriented tourism events;

5.1.8. Coordinate with Contractor's Convention Services department the development of new and/or updated collateral and promotional materials to promote the Pima County Attractions;

5.1.9. Development of a communications plan that will reach both local, regional, national and international markets; and

5.1.10. Continue to coordinate with KOLD TV an on-air television advertising marketing campaign that consists of running fifteen (15) second television spots that will air on both KOLD and other stations associated with KOLD throughout Fiscal Year 2011-12 until the schedule (number of spots contracted in Fiscal Year 2010-2011) is completed or more are added. Actual schedule shall be mutually agreeable by both parties.

5.1.11. In-state activities consisting of:

5.1.11.1. Tucson Attractions Passport Promotion;

5.1.11.2. Seasonal advertising in Phoenix and other appropriate markets; and

5.1.11.3. Marketing and sales campaigns with Southern Arizona Attractions Alliance ("**SAAA**").

5.1.12. Out-of state activities consisting of:

- 5.1.12.1. Tucson Attractions Passport Promotion;
- 5.1.12.2. Email campaigns to appropriate databases;
- 5.1.12.3. Strategic sales and marketing outreach for the Kino Sports Complex/Tucson Electric Park; and
- 5.1.12.4. Convention Marketing plan to include attractions as part of things to do in order to increase the length of stay of convention and event delegates and family members.

5.1.13. Airline Route Development Marketing Support – Assist in promoting the advantages of using Tucson International Airport by both leisure and business travelers to ensure sustainability of current routes and future growth of airline flight frequencies and commitments to new routes. Contractor shall assist the Tucson Airport Authority in their marketing efforts to increase by Five Percent (5%) the number of local residents utilizing Tucson Airport as their main departure and arrival point.

5.1.14. Mexico Marketing – Emphasize the region's diverse tourism offerings to increase the length of stay, visitation to Pima County attractions, and the economic impact of Mexican business and leisure travelers. Contractor shall describe the attractions where appropriate in Spanish throughout their promotional materials, advertising and website.

5.1.15. Actively engage in the general and comprehensive processes of Imagine Greater Tucson efforts to assure tourism economic development needs are integrated into long term planning efforts that support the Contractor's mission.

5.2. Marketing Plan/Revision of Plan. Contractor shall present the Marketing Plan to County for review and for comment no later than October 5, 2011. County shall have until October 15, 2011 to give comments and Contractor shall, within a reasonable time after receiving those comments, make any mutually agreeable revisions requested by County and shall submit a revised Marketing Plan to County.

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

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

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

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

7. Partnership Programs.

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

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

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

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

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

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

7.1.6. Pursue the possibility of reinstating an on-going front-line ambassador program, utilizing an educational work/guide book and other best practice training methods, that is both sustainable and current in order to educate hospitality front-line and management employees. A section in the guide book will be on Southern Arizona Attractions. County shall provide content on an annual basis for inclusion into the guidebook. Contractor shall report back to the County by February 17, 2012 on the status of their findings.

7.1.7. Develop an educational work/guide book by January 1, 2012 available to all front line employees to act as a reference for all front line hospitality and associated employees to study from and refer to as needed to assist them in

disseminating accurate hospitality information their guests visiting Tucson. A section in the guide book will be on Pima County's Southern Arizona Attractions. County shall provide content on an annual basis for inclusion into the guidebook; and

7.1.8. Continue to participate in an ongoing program with Community business and media outlets ("This is My Tucson") that captures the spirit and enthusiasm of the community on the importance of being positive about greater Tucson, a vision to enhance/promote Pima County's environment, economic strength and quality of life for generations to come.

7.2. Tucson Regional Economic Opportunities, Inc. ("TREGO").

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

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

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

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

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

7.6. Resort Golf and Spa Destinations. Continue your marketing efforts with the resort/spa industry located in unincorporated Pima County as one of the destination drivers that creates both business and leisure tourism to the region.

7.7. Regional Tourism Development. Contractor shall continue and expand its partnership with all municipalities of Pima County to promote tourism development as a regional approach encouraging financial participation to ensure full and equitable regional promotional coverage.

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

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

8. **Performance Measures.**

8.1. Monitoring. The effectiveness of Contractor's efforts to promote and enhance tourism, convention travel, sports development and film production within Pima County shall be evaluated by comparing forecasted and actual Measurements of Performance listed in **Exhibit B** and by monitoring Contractor's activities. The indicators cover marketing and sales activities including, but not limited to, advertising, promotions, public relations, direct marketing, e-marketing, trade shows, sales missions, familiarization tours, sports tournaments, personal and telephone solicitation, collateral development as well as tourism tax collections and other appropriate tourism indicators.

8.2. Reporting/Meetings. Contractor shall collect the data required to measure its performance and shall report the measurements to County. Beginning October 15th, 2011 and on the 15th of the month every three (3) months thereafter (January, April, and including the July 15 immediately following expiration of this Contract), Contractor shall submit quarterly reports containing:

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

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

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

8.2.4. Contractor and County shall meet at mutually acceptable times quarterly in October, December, March, and July to review and discuss Contractor's progress reports. The CEO, Senior Marketing Representative and other representatives as deemed appropriate by either Contractor or County shall be present for the meeting. Senior executives from County that will be present shall include, but are not limited to, the Deputy County Administrator of Community and Economic Development and the Director of Economic Development and Tourism.

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

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

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

Jonathan Walker	President & CEO
Richard Vaughan	Senior Vice President, Sales & Marketing
Felipe Garcia	Vice President, Cultural Tourism & Mexico Marketing
Vicki Doyle	Vice President, Partner Development & Visitor Services
Shelli Hall	Director, Film Office
Allison Cooper	Director, Marketing & Advertising

9. **Performance Audit Committee.**

9.1. Contractor shall submit a draft working outline to the newly formed Audit Oversight Committee by October 5, 2011 on how the 24 major recommendations as listed in **Exhibit C** are going to be addressed. A progress report of the recommendations shall be submitted to the Audit committee on January 10, 2012 and June 1, 2012. By June 30, 2012, a substantial portion of the recommendations shall be in progress or completed as addressed. The report should contain but not limited to include the following:

9.1.1. A description of the 24 recommendations and sub recommendations with steps that have either been taken or planning to address.

9.1.2. The timeline utilized to execute or plan the recommendations;

9.1.3. Additional recommendations for improvement and expansion of such activities that Contractor has executed or plans on executing;

9.1.4. An on-going independent analysis of customer and stakeholder satisfaction that will measure how well Contractor is meeting expectations of customers and stakeholders.

9.2. Contractor shall fully cooperate with the Audit Committee and with County in organizing and providing necessary information and in providing access to all books and records in order to address the recommendations.

10. **Payment.** In consideration of the services specified in this Contract, County shall pay Contractor an amount not to exceed a total of Three Million ten thousand nine hundred 20 thousand and thirty cents \$3,010,920.30, as follows:

10.1. Fifty Percent (50%) of the revenue generated by the tax authorized by A.R.S. §42-6108 for fiscal year 2011-2012, not to exceed a total of Two million Seven Hundred Sixty-Eight Thousand Six Hundred Sixty-two Dollars (\$2,768,662.00); and

10.2. The balance of the amount due from fiscal year 2010-2011, pursuant to the Contract between Contractor and County dated December 4, 2010, in the amount of Two Hundred Forty-Two Thousand two Hundred Fifty-eight and 30/100 Dollars (\$242,258.30).

11. **Financial Audit Requirements.**

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

11.2. Additional County Requirements for all Contractors.

11.2.1 Contractor shall establish and maintain a separate,

identifiable accounting of all funds provided by County pursuant to this Contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 **Non-Discrimination.** Contractor agrees that during the performance of this Contract, Contractor shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin. Contractor shall comply with the provisions of Arizona Executive Order 75-5, as amended by Executive Order 2009-09 issued by the Governor of the State of Arizona, which is incorporated into this Contract as if set forth in full herein.

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

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

24 **Full and Complete Performance.** The failure of either party to insist on one or more instances upon the full and complete performance with any of the terms or conditions of this Contract to be performed on the part of the other, or to take any action permitted as a result thereof, shall not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future. The

acceptance by either party of sums less than may be due and owing it at any time shall not be construed as an accord and satisfaction.

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

26 **Legal Arizona Workers Act Compliance.**

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

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

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

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

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

subjecting subcontractor to penalties up to and including suspension or termination of this Contract.”

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

27 **Scrutinized Business Operations.** Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, Contractor hereby certifies that it does not have scrutinized business operations in Iran or Sudan. The submission of a false certification by Contractor may result in action up to and including termination of this Contract.

28 **Termination/Suspension.**

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

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

28.1.2 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.

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

28.3 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.

28.4 Administrative Suspension. County may temporarily suspend operations and payments under this Contract immediately at any time if County's Board of Supervisors or Administration determines that health, safety or other

pressing public interest requires suspension of this Contract. In the event of such suspension, Contractor shall assist County by providing information and documents to evaluate the status of the Contract and whether it should be continued.

28.5 Duties upon Termination.

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

28.5.1.1 Services were not rendered as defined by this Contract;

28.5.1.2 Contractor failed to supply information or reports as required;

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

28.5.1.4 Contractor failed to make required payments to subcontractors; or

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

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

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

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

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

if to County:

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

if to Contractor:

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

30 **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.

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

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

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

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.

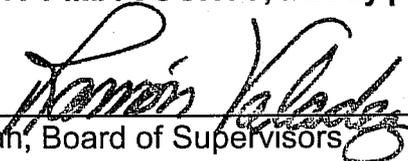
The parties hereto have executed this Contract on the day, month and year written below.

CONTRACTOR: METROPOLITAN TUCSON CONVENTION AND VISITORS BUREAU, an Arizona non-profit corporation:


Jonathan Walker, President and CEO

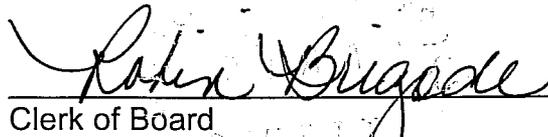
10/24/11
Date

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


Chairman, Board of Supervisors

NOV 01 2011
Date

ATTEST:


Clerk of Board

NOV 01 2011
Date

APPROVED AS TO CONTENT:


Tom Moulton, Director, Economic Development & Tourism

APPROVED AS TO FORM:

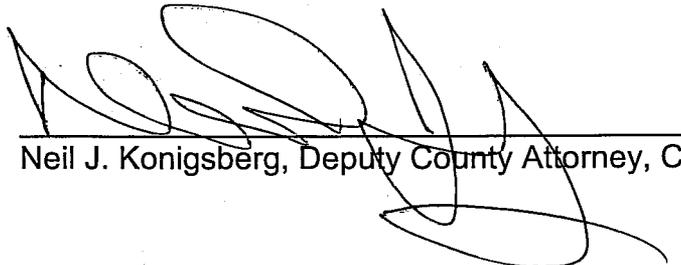

Neil J. Konigsberg, Deputy County Attorney, Civil Division

Exhibit A

Pima County Area Attractions

Pima County Leased Properties*

Ajo Country Club Golf Course
Arizona-Sonora Desert Museum
Crooked Tree Golf Course at Arthur Pack
Colossal Cave Mountain Park
Kino Sports Complex *(operated by Pima County)*
Old Tucson Studios
Pima Air and Space Museum
Titan Missile Museum
Tucson Raceway Park
Pima County Fairgrounds
Pima Motorsports Park
P1 (Musselman's) Kart Circuit
Rillito Park Racetrack
Southwestern International Raceway
Sonoran Arthropod Studies Institute

** Pima County Attractions are owned by Pima County with a majority of them operating under a management or lease arrangement with the County.*

Exhibit B

Regional Performance Productivity Categories	FY 2010-2011 Actual	FY 2011-2012 Proposed	Comments
Funding Allocation			
County		\$3,010,920	
City		\$2,345,000	
Other Municipalities		\$74,970	
Transient Lodging (Bed) Tax			
County			
City			
New Convention & Meetings Booked			
Estimated room nights generated	387,750	330,000	Included Leisure last year
Resulting economic impact	\$156,681,270	\$140 M	Included Leisure last year
Convention Center Bookings			
Estimated room nights generated	40,694	33,000	Same as city contract
Resulting economic impact	\$22,723,060	\$16 M	Same as city contract
Sports Event Development			
Number of Leads	40	32	
Number of event bookings	33	23	Same as city contract
Room nights sold	38,446	30,000	
Delegates/Participants	36,776	28,000	
Economic Impact	\$20,943,236	\$16 M	
Number of Events booked in Kino Sports Complex			
	4	4	
New Group Tour Programs Booked			
Number of programs	260	250	Included in Convention Sales numbers last year
Number of delegates	39,338	35,000	Included in Convention Sales numbers last year
Number room nights	57,447	50,000	Included in Convention Sales numbers last year
Economic Impact	\$15,629,518	\$13.8 M	Included in Convention Sales numbers last year
Mexico Visitor Reservations			
Room nights	6,221	6,000	Same as city contract
Economic Impact	\$3,232,880	\$3.6 M	Same as city contract
Leisure Visitors Produced through website based programs	615,000 Annually	650,000	

*			
Regional Performance Productivity Categories	FY 2010-2011 Actual	FY 2011-2012 Proposed	Comments
Number of Definites	61	40	
Number of Production Days	222	200	
Scouting Site Visits	66	55	
Economic Impact	\$5.9 M	\$4 M	
Positive Media Publicity Impressions			
Impressions	100,435,722	110 M	
Publicity Value	\$4.5 M	\$4.7 M	
Partnership development			
Number of Partners	575	575	
Dues	\$239,885	\$240,000	
Partnership In-kind	\$138,130	\$150,000	Annual Audit
Services Quality & Effectiveness			
External	Yes		Survey to meeting planners
Internal	Yes		Survey to Stakeholders
Leisure Visitors Produced through inquiry fulfillment			
Number of requests fulfilled	107,824	110,000	
Room nights		N/A	No Bookings done through Vis Info
EI		N/A	
Visitor Centers			Break out by visitor center
Room nights produced		N/A	No Bookings done through Vis Ctrf
EI		N/A	
Number of Visitors			
- Tucson	41,788	43,000	
- Hermosillo	6,187	7,000	Same as city contract
- Obregon			
-			
Social Media programs implemented			
Facebook	N/A	12,000	
Twitter	N/A	1,100	
Tucson Attractions Passport Sold	3,670	3.750	
Visitor Center			
Internet			
Other			

Exhibit C

Pima County Audit Recommendations Working draft document 9/29/11

I. BOARD GOVERNANCE REQUIREMENTS

1. Develop a more engaged and responsive Board of Directors—by adopting this audit’s range of industry-standard policies, including board job description, expanding its appropriate authority for management oversight and policy development, code of conduct, and other policies for maintaining board authority, avoiding conflicts of interest and fulfilling public advocacy responsibilities, evaluation of the CVB President, etc.

Refer to page 50.

Assessment:

MTCVB has a board of 32 members including 5 standing governmental appointments. There are currently 3 committees for them to be a part of, Marketing, Community Action and Partnership committees. The board has always been asked and encouraged to be engaged and help the MTCVB disseminate the tourism message to the community.

Desired Outcomes:

All Board members adhere to the attendance policies outlined in the bylaws. All Board members must to on at least one committee and attend and participate. Board members will be active and engage with the Community Relations committee’s recommendations relating to advocacy on behalf of the MTCVB. Committee structure adopted by board. Have received commitment from all board members to be more engaged.

2. Reduce Board size—from its current 33 member to a more manageable 21-25 members.

Refer to page 50.

Assessment:

The MTCVB board is currently 32 members, coming from several categories representing the hospitality industry, general business, community organizations and government. While reducing numbers does not necessarily guarantee more engagement it would be a good exercise to look at condensing the board into fewer members. It could take at least a year or perhaps longer to reduce board size as terms are dictated by the Corporation bylaws.

Desired Outcomes:

The Executive Committee will appoint a committee of the board with staff support to look at the bylaws and recommend changes and updates to address the board size issue and other bylaws changes that may be beneficial to the organization. Committee will meet, make suggested changes regarding board size and composition. Target completion date 3/1/12. Implementation at beginning of next fiscal year July 1, 2012. Assigned to the Bylaws Committee.

3. Increase Executive Committee size—currently at five positions, it should match the industry average size of 6 for CVBs of comparable size to Tucson.

Refer to page 50.

Assessment:

The current Executive Committee has 5 members, Chair, Vice-Chair, Secretary/Treasurer, Immediate Past Chair and Member at Large

Desired Outcomes:

With the input of the newly appointed Bylaws committee the Board will discuss the merits of adding another Executive Committee position, splitting the Secretary and Treasurer positions into two separate positions. Assigned to the Bylaws Committee. Committee to recommend additional members be added and approved when all bylaw changes are voted on by membership. Target implementation date 12/15/11 subject to final ratification by Board.

4. Develop new dedicated positions for Treasurer and Secretary as recommended as standard practice of non-profit organizations.

Refer to page 50.

Assessment:

Same as above, currently 5-member Executive Committee with Secretary and Treasurer combined into one position

Desired Outcomes:

Board to discuss merits of enlarging the Executive Committee and splitting the currently combined duties of Secretary/Treasurer. Would need a bylaws change to accomplish this. Assigned to the Bylaws Committee. This recommendation will come from the committee to be included in complete bylaws change and implemented as soon as vote of membership is complete. Target date for implementation 12/15/11 subject to final ratification by Board when bylaws vote is held.

5. Create a Finance Committee of the Board to enhance financial control and management—with its new Treasurer becoming the Committee's Chair.

Refer to page 51.

Assessment:

Currently the Executive Committee functions as the Finance committee

Desired Outcomes:

The Executive Committee can recommend the formation of a new Finance committee and with the approval of the board it can be done immediately. Assigned to the Bylaws Committee then to Finance Committee. Board approved creation of Finance Committee on August 18, 2011. It's up and running.

II. STAFF POLICY, REPORTS & DEVELOPMENT

6. Develop a Standard government contract format for Pima County and other government entities with the MTCVB—providing a regional and more manageable and efficient agreement process for all parties. All government entities should form a joint committee to develop one standardized model agreement format that can be applied for each jurisdiction. Contract term should be four to five years.

Refer to page 23.

Assessment:

Right now we have three different agreements with three different governmental entities all asking for different things. A uniform agreement for all three entities would be very welcomed by the MTCVB. Executive Committee will take the lead on this recommendation

Desired Outcomes:

MTCVB staff and board representatives would work with representatives from Pima County, City of Tucson and Oro Valley to agree on one standardized agreement model to streamline this process. This will be an ongoing process involving reps from City of Tucson, Pima County and Oro Valley. Tom Moulton is taking lead on this with staff support. Target date for regional agreement for MTCVB July 1, 2012.

7. The Board should revise their mission statement—helping assure recognition and importance of the CVB's role in Metro Tucson's public-private tourism partnership.

Refer to page 48.

Assessment:

The current mission statement was developed in 1999 by the Board of Directors through a committee and ultimately acceptance by the full board.

Desired Outcomes:

While our current mission statement has served us well for 12 years, it is time to revisit this statement and make sure it still says what we need it to say. Things have changed dramatically in the past few years and there is no doubt a newly crafted mission statement would be a good idea. To be handled in a half day retreat with full board to gain maximum input. Recommendation #10 could be discussed at the same time. Board has recommended a full board half-day retreat to address this issue and also #10. Target completion and implementation date is June 30, 2012.

8. Adopt new and expanded Performance Marketing Guidelines—all MTCVB performance measures should rely on third party independent validation and research support as required. Methodologies should be footnoted as required.

Refer to page 45.

Assessment:

This is very similar to recommendation #17. I am not sure what is being recommended here as page 45 refers to the Marketing Plan process. We always make every effort to have all our performance measure reporting formulas come from independent research or valid third parties.

Desired Outcomes:

To be assigned to the Marketing Committee for recommendations

9. Initiate the new Performance Tracking Report—highlighted by the fourteen major productivity measures, and including all recommendations as noted.

Refer to page 26.

Assessment:

As previously stated, we have three different sets of performance measures asked for by the three different governmental entities. It would be much easier to have a standard set of performance measures to report to all stakeholders.

Desired Outcomes:

We are currently looking at the 14 major productivity measures that are recommended and feel confident we can alter our reporting format to include all the salient recommended measures on the list. Implemented by staff with direction from the Marketing Committee. This can be implemented as soon as possible after standard regional agreement is reached. In meantime, MTCVB staff will track all these measures that are possible and practical. Target date is July 1, 2012.

10. Develop an annual MTCVB Value Statement—clarifying the total annual performance production and return on investment for MTCVB marketing. Prominently communicate this Value Statement following the mission statement, and in response to it, in all appropriate CVB publications including the Annual Report, the annual Marketing Plan, ongoing stakeholder reports, appropriate PR, etc.

Refer to page 35.

Assessment:

We currently have all the information that that is recommended we include in a Value Statement and we do communicate that but perhaps not as succinctly as has been recommended

Desired Outcomes:

Form a taskforce of staff, industry partners and board members to review the development of a Value Statement that can be used in all our publications, website and communications. To be discussed and decisions made by full board at ½ day retreat along with recommendation #7. To be done along with #7 at board retreat. Board has suggested a professional industry moderator to facilitate discussion and development of these items. Target completion and implementation 6/30/2012.

11. Revise and Enhance the Travel and Entertainment Policy—using inputs from the Baltimore CVB Model as a best proactive and provided to management.

Refer to page 21.

Assessment:

We have a good travel and entertainment policy in place already according to the Consultant but as with all policies perhaps it could be enhanced.

Desired Outcomes:

Staff will review the suggested T&E police from Baltimore and see where we can enhance our current policies. Any additions necessary will be added to our current policy. Assigned to the Finance Committee. This will be addressed at the Finance Committee meeting in October. Target completion 1/1/12.

12. Audit MTCVB Staff Travel and Entertainment expenses—a newly formed Board Finance Committee should make this their first task.

Refer to page 21.

Assessment:

Currently all expense reports are carefully reviewed by the Sr VP of Sales and Marketing, the Chief Financial Officer and the President. They are then given to the Treasurer for final approval

Desired Outcomes:

When a Finance committee is formed, all expense reports will be given to the Chair of that committee for review. Details and process on auditing staff T&E expenses will be agreed to by Finance Committee with target implementation by 1/1/12.

13. Commission a market pricing survey for all positions—Develop a survey of CVBs to accurately determine the range of compensation for all position categories. Also, plan to repeat this process every three-four years.

Refer to page 22.

Assessment:

Staff has not had raises in 3 years and with the economic conditions we are in, it would be a good thing to have position compensation reviewed.

Desired Outcomes:

The Destination Marketing Association International produces a salary and compensation survey of all CVB's every 2 years. Staff will obtain the latest copy (2010) of that survey and see where we stand for all positions. Any recommendations for change will be sent through the Finance committee for review. Study has been obtained and will be given to Finance Committee for review and recommendations. This study is very comprehensive and was just completed by DMAI.

14. Develop an industry standard Staff Incentive Plan—to more appropriately compensate employees for delivering performance, hire an industry HR firm for development and implementation.

Refer to page 22.

Assessment:

The MTCVB has never has an employee incentive plan. Periodically we have developed a small inventive plan for the sales people to help stimulate sales and focus more attention on developing leads and bookings. It has always been very minimal and nowhere near what the hotel sales incentive plans usually are.

Desired Outcomes:

Currently staff is reaching out to several CVB's around the country asking for their incentive plan formats. We will take this information to the Executive Committee for review and their recommendations. If the Executive Committee would like to commission an HR firm to do this, that request can easily be accomplished. The time line for implementation would likely be next fiscal year. Executive Committee to review research and make recommendations. Target date for implementation 7/1/12.

15. Produce an annual Lost Business Report Analysis—the last complete year's total of lost business reports should now be merged to produce the first Annual Management Analysis of Tucson lost Meeting Business, including the accompanying staff findings. This annual analysis of Lost Business should be a part of the ongoing reports issued to Stakeholders.

Refer to page 35.

Assessment:

We do now and have always done a Lost Business Report on all the group business we have not been able to book. This report is fairly detailed and is used by staff in trying to address those conditions that may be keeping business from booking here.

Desired Outcomes:

The Lost Business Report analysis we currently do may not be as detailed as recommended or made a part of our Annual Report. We have already begun to make this report more detailed and it will be available to all our stakeholders. New report to be generated by staff and reviewed by Marketing Committee. This new format has been developed and more detailed information is currently being gathered. It can easily be included in next year's annual report.

16. Revise and enhance the Annual Report—following recommendations as required in this audit, highlighted by major performance productivity accomplishments—and making sure that most stakeholders are actually reviewing this online publication as well as the annual Marketing Plan. If not, produce hard copies.
Refer to page 42.

Assessment:

We produce an Annual Report each year of all our activities and achievements. It is currently produced electronically and is easily downloadable.

Desired Outcomes:

As with the Marketing plan, we are currently reviewing the additional suggestions in the Audit regarding the Annual Report and are including everything we possibly can for the Annual Report coming out next month. We will again produce it electronically as it is so much less expensive but make also have printed copies available. Assigned to Community Relations committee with input from staff and Marketing committee. Further engagement and input from community leaders, organizations and stakeholders will be gathered. Target delivery date for 2010-11 Annual Report 10/31/11.

17. Develop an industry standard CVB Marketing Plan—designed as a community collaborative effort and highlighted by quantifiable performance based productivity goals to be achieved, while also following the formatted recommendations in this audit. This Marketing Plan document would also serve as a principal annual addendum to contract agreements with government.
Refer to page 44.

Assessment:

The current Marketing Plan is developed by staff with the input from the Marketing committee and from other hotel and industry partners through a series of meetings. We try to make it as comprehensive as possible to cover all the markets we are targeting

Desired Outcomes:

Following the outline in the Performance Audit recommendation regarding the Bureau's marketing plan, MTCVB staff is right now changing our Marketing Plan to reflect as many of these recommendations as possible. The goal is to make it more detailed with more specific deliverables. Many of the recommended items are already in the Marketing Plan but we need to make them more clearly identifiable. Direction will come from the Marketing committee with will include a broad cross section of community leaders, industry professionals and community organizations including governmental organizations. Target delivery date for 2011-12 Marketing Plan is 10/31/11.

III. MAJOR PROGRAM DEVELOPMENT

18. Develop a true Destination Brand Development Program—with leadership management support from a nationally recognized destination industry brand consultant and follow best industry practices for its implementation with strong community collaboration.

Refer to page 36.

Assessment:

The MTCVB went through a Brand analysis and development process about 10 years ago with the help of some outside Branding experts. It was based on input from leisure travelers and group clients from all over the country that both had and had not traveled to Tucson. It was a thorough process and from it we have developed our marketing direction and Brand Promise

Desired Outcomes:

As with anything, a Brand analysis should be refreshed from time to time and we are happy to do this. It should be noted that it will be an expensive exercise to get a nationally recognized consultant to do it but it can be done. A Brand is not a slogan or a tag line, it's the identity of a destination and what that destination delivers by way of an experience. Advertising and marketing campaigns can come out of a Branding exercise but a slogan is not a Brand. We will identify two or three nationally recognized Brand consultants and with the approval of the Board we will engage one of them to do a Brand analysis for us. Marketing Committee will be engaged with direction from the Executive Committee. We are in the process of receiving proposals from recognized brand management companies and will be making a recommendation to the board for an analysis of our current branding process. Marketing Committee will be involved and a target date to have assessment completed is 1/31/12. Implementation of any recommendation to be done by beginning of next fiscal year 7/1/12.

19. Guide development of the MTCVB's forthcoming leisure marketing program—retaining a recognized professional destination marketing firm for research, advertising and creative planning assistance.

Refer to page 40.

Assessment:

We have an aggressive marketing and advertising campaign toward the leisure market that has been producing very well for this destination. As always, it never hurts to have a fresh pair of eyes and creative brains help us refine our message.

Desired Outcomes:

With the approval of the board and input from the marketing committee, we will retain a proven destination marketing firm to reevaluate our leisure marketing direction and working with our partners and stakeholders, develop an even more aggressive approach to the leisure market. This will be done before the end of this fiscal year. This might be able to be combined with recommendation #18 above and be done at the same time by the same firm. Assigned to Marketing Committee and Executive Committee with input from community and industry stakeholders, then presented to full board. Suggested recommendations from this process to be implemented by beginning of next fiscal year 7/1/12.

IV. KEY LEADERSHIP REQUISITES

20. It is the responsibility of CVB leadership to address current challenges and impediments—and to coalesce community interests to advocate for productive change. Issues include:

- a) Long term Competitive Funding for marketing--including developing a CVB Funding Plan for the future**
- b) Revitalization of the Tucson Convention Center and future development of a Headquarters Hotel**
- c) Master Planning for Downtown Enhancement**
- d) Other Infrastructure Development including special events and celebrations, sporting or entertainment venues.**

In each case, Board task forces should develop strategic plans on each of these and other emerging issues with leadership from the CEO. Dependent on findings, the board should adopt the reports and then present them to appropriate agencies and organizations for adoption and follow-up.

Refer to page 62.

Assessment:

The leadership of the MTCVB has always advocated for those issues mentioned above. We have offered our opinions and thoughts on expansion of the TCC and a new downtown hotel as well as any other infrastructure that would make Tucson a better tourism and meeting destination. We have long voiced our support for a long term competitive funding plan for the MTCVB. We have advocated for an enhanced downtown product and for other events that would make a positive impact on this community

Desired Outcomes:

While the MTCVB leadership has been vocal on all these issues we perhaps have not been as organized about this effort as we could have been. A key component to making a great impact on local development issues will be the involvement of the Board members. A taskforce can be developed with members of staff and the Board to develop a more strategic approach to these issues. Directed by Executive Committee. With changes in leadership at the City level, this initiative will need to be a consistent effort with regular input from selected staff, selected board members, the tourism industry, as well as, city and county representatives. There will never be a completion date for this one as it will be an ongoing effort. Time frame to start would likely be after the City elections this fall. Target January 2012.

21. Public relations management--should be formulated as a senior management responsibility to foster relationships and address important needs for effective communication—particularly with government officials as outlined, but also including detailed plans for stakeholders, media and the general public.

Refer to page 69.

Assessment:

We do have a PR position that is part of the Executive staff that attends to media relations, placing information in local as well as national publication and online about the Tucson community and its attractiveness as a leisure and meeting destination. As with all departments, the PR department could greatly benefit from another person to help in all the areas mentioned above

Desired Outcomes:

Senior staff has already met with the Community Relations committee of the Board to discuss these very issues. A detailed community communications plan is being drawn up right now to address better communications and relationships with the elected officials, the business community, our members and the media. This plan will be presented to the Community Relations committee in October for them to tweak and then will go to the full board for their approval. It will begin to be implemented immediately with consistent oversight from Executive Committee and Community Relations Committee. This too will be an ongoing initiative that will take consistent effort. Target date to start is 11/1/11.

V. INFRASTRUCTURE, SERVICE AND OTHER TOURISM MARKETING ISSUES

22. Assure MTCVB/Convention Center Future Opportunities—through development of a new Marketing Partnership Agreement between the two entities.

Refer to page 68.

Assessment:

We have an agreement with the TCC that was written over 20 years ago that established duties that are to be done by the TCC staff and duties that are the responsibility of the MTCVB. While many of the points in the agreement are still valid, there are some that do need to be reworked and refined as times and processes have changes dramatically in how the TCC is booked and even how it functions.

Desired Outcomes:

Right now we have started the process with the staff at the TCC to look at this agreement and make substantive recommendations and changes to make for a more efficient partnership between the MTCVB and the TCC. This will take a few months to work out and the recommended changes will be presented to the TCC and MTCVB boards respectively for consideration and approval. Oversight by Executive Committee. The process has started with a target date of 12/31/11 to bring recommended changes to MTCVB Board and TCC management.

23. Development of Customer Perception Surveys—including independent third party produced studies to determine the opinions and needs of:

a. Stakeholders/partners (currently being implemented)

b. Tour operators

c. Meeting planners

Refer to page 72.

Assessment:

We do have an ongoing questionnaire that is sent to all meeting planners after a meeting is held in Tucson to evaluate their stay here and to have them address any issues they may have. We have in the past sent out surveys to our partnership but have not done one for a few years. Currently the County is sending our survey to many stakeholders in the Tucson community. Last year a survey was sent to a list of over 500 meeting planners and more than 1000 leisure travelers in our data base to get their input on Tucson as a destination and the MTCVB's level of service as well as several other issues

Desired Outcomes:

On a regular basis, at least once every 2 years, we will hire an independent research firm to survey these three groups to determine their opinions and needs and how the MTCVB can service them better and how we can move Tucson forward as a destination. Community Relations committee will review the process. We would look to stagger these perception studies with one to tour operators going out early in 2012 and one to meeting planners in late 2012. The stakeholders/partners survey would be done again in 2013.

24. Assess the Tucson Airport Authority's Gateway Opportunities— recommending CVB joint meetings with design support to develop a more universal planning approach for enhancing the visitor arrival experience.

Refer to page 72.

Assessment:

We have a good relationship with the Tucson Airport Authority and have worked closely with them to enhance signage, advertising and a welcoming experience for visitors. At our cost we have installed flat screens in baggage claim to show videos of Tucson's sights and attractions, we have underwritten the cost of display advertising so our attractions could promote themselves. We have designed and paid for

brochure racks to hold our promotional material so it's convenient for visitors since the airport has done away with their visitor information centers.

Desired Outcomes:

There has always been some reluctance on the part of TAA to allow us to do too much in the way of welcoming visitors or to enhance the exposure of Tucson's attractions. There is a new PR/marketing person at TAA and we will meet with her in the very near future to discuss these issues and see how we can enhance the visitor experience and first impression of Tucson. This can be accomplished with a combination of staff, Marketing Committee and Community Relations Committee. A meeting with MTCVB staff, airport staff and selected board members would be targeted for late 2011 with follow up meetings and recommendations to bring to the Board by end of first quarter 2012.

