

Laurie Sica

From: Donna Pierce
Sent: Tuesday, May 06, 2003 3:23
To: Borough Assembly
Cc: John Corso; Rod Swope
Subject: FW: Hotel-Motel tax revenues

there seemed to be a bit of confusion last week about assembly review and oversight of the tax dollars that support the JCVB budget. hope this clears that up. if anyone wants more historical information, please let me know.

-----Original Message-----

From: Donna Pierce
Sent: Thursday, May 01, 2003 5:07 PM
To: 'lorene.palmer@traveljuneau.com'
Cc: John Corso
Subject: FW: Hotel-Motel tax revenues

hi lorene. as i said last night, i have a file of the ballot issues and resolutions embodying the intent of the assembly with regard to bed tax. john corso also has the same information. let us know if you want to see anything. taxes, generally speaking, can't be "dedicated" but they are sometimes "earmarked" (john wouldn't approve those as legal terms, but you get the idea). the assembly did that through resolutions and intent language. from our research they haven't amended the resolution since the late 80's. and i have no record of grant agreements made after the one attached.

the point john made to me was that the assembly reauthorizes JCVB's funding every year when it adopts the budget. therefore, even though this hasn't consistently happened over the years, it's appropriate for the assembly to review the tax-related part of the JCVB's budget every year, and besides, it's a great opportunity for you to communicate JCVB's accomplishments.

-----Original Message-----

From: John Corso
Sent: Thursday, May 01, 2003 4:17 PM
To: 'lorene.palmer@traveljuneau.com'
Cc: Donna Pierce
Subject: Hotel-Motel tax revenues

Lorene:

I'm will be out of town until Tuesday, but a quick review of Resolution 1036, attached, indicates that JCVB is a permissible, not a mandatory recipient of hotel-motel tax revenues. Please take a look at the resolution, particularly section 3. The language about "the intent of the Assembly" is our usual way of saying that the Assembly is not bound. I welcome your questions after I return.

-John

5/7/2003

MEMORANDUM

CITY/BOROUGH OF JUNEAU
155 South Seward Street, Juneau, Alaska 99801

Date: February 9, 1993

To: Committee on Committees

From: Patty Ann Polley, CMC
Municipal Clerk

Re: JCVB

The Juneau Convention and Visitors Bureau was incorporated as a non profit 501 (c) (6) corporation on March 11, 1985.

Between the 1970's and 1984 a number of different scenarios were tried for visitors information and centers but none were particularly successful. Among the scenarios tried were: (1) there was an organization which received a direct appropriation from the Assembly for visitors information centers, (2) the CBJ took over JCVB for a year but found that was not successful, and (3) the Chamber became involved and received an appropriation for \$50,000 for visitors services but there was a conflict between the purposes of the Chamber and visitors information. Finally, the tourism industry came back to the Assembly with an offer to back the bed tax and JCVB would incorporate and manage visitors centers and visitors information. Bob Dindinger provided me with the history of the various efforts to provide tourism information and visitors centers for the CBJ.

The original incorporators of JCVB were: Kevin Ritchie, Bob Jacobsen, Mike Weaver, Frank Pival, Joe Merrill, Bob Dindinger, Millie Shelley, Robert Derse and Vern Schmitt.

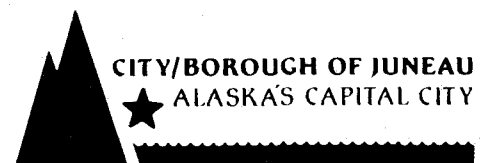
On October 2, 1984, the ballot contained a proposition increasing the bed tax from 3% to 5%. The ballot for the CBJ election on October 4, 1988, contained the question to increase the bed tax from 5% to 7%. The 1988 ballot indicated the tax was for "programs which are directly related to the development and promotion of the tourism industry in Juneau, including but not limited to, partial funding of the Juneau Convention and Visitors Bureau, and funding of tourism marketing programs." In both 1984 and 1988, the voters approved the ballot measures.

The JCVB receives 4 cents of the 7 cent bed tax and Parks and Rec for Centennial Hall receives the remaining 3 cents of the bed tax. Parks and Rec in turn contracts with JCVB for the marketing of Centennial Hall.

Presently, Dennis Egan is serving as the Assembly liaison to the JCVB and Jim Dumont is serving as the CBJ staff liaison to JCVB.

Attached are a copy of the incorporation papers, the by laws, and general information relating to JCVB.

PAP:etp



(2) VP 1-1-10
9/23

GRANT AGREEMENT BETWEEN THE CITY AND BOROUGH OF JUNEAU
AND THE JUNEAU CONVENTION AND VISITORS BUREAU

WHEREAS, the voters of the City and Borough of Juneau approved a two percent increase in the hotel-motel room rental tax, and

WHEREAS, the Assembly adopted Resolution Serial Number 1036 establishing Assembly intent to utilize the proceeds of the two percent increase as follows:

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1036

A RESOLUTION ESTABLISHING THE ASSEMBLY INTENT TO UTILIZE THE PROCEEDS OF THE PROPOSED TWO PERCENT INCREASE IN THE HOTEL-MOTEL ROOM RENTAL TAX TO PROMOTE TOURISM DEVELOPMENT.

WHEREAS, the assembly supports the development of tourism as a major basic industry in Juneau, and

WHEREAS, the city and borough and the local tourism industry jointly sponsored a workshop in January 1984 to discuss ways to improve the tourism industry through cooperative efforts, and

WHEREAS, one of the recommendations from that workshop was to study the feasibility of developing a convention and visitor organization to coordinate and sponsor joint programs to encourage tourism,

WHEREAS, an Interim Convention and Visitors Bureau was formed, and

WHEREAS, the Board of Directors of the Interim Juneau Convention and Visitors Bureau has presented to the assembly a plan to develop a Juneau Convention and Visitors Bureau, and

WHEREAS, the assembly has given conceptual approval to the plan, and

WHEREAS, one source of revenue for the Juneau Convention and Visitors Bureau is recommended to be the proceeds of a two percent increase in the existing hotel-motel room rental tax;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the assembly supports the development of a Juneau Convention and Visitors Bureau with the overall purpose to coordinate public and private local resources to increase the number of visitors to Juneau.

2. That the assembly recognizes the hotel-motel room rental tax is paid primarily by visitors to Juneau and is an appropriate source of revenue to undertake programs to increase the number of visitors and tourists to Juneau, and thereby, expand the tourism industry and its contribution to the local economy.

3. That it is the intent of the assembly to utilize the proceeds of the proposed two percent increase in the hotel-motel room rental tax to be submitted to the voters in October 1984 to partially fund the Juneau Convention and Visitors Bureau upon assembly approval of a specific budget, activity program, and reporting system for the bureau relating to the fiscal year of the city and borough.

Adopted this 4th day of June, 1984.

WHEREAS, the Assembly in Ordinance 84-22 (ag) appropriated \$70,000 to partially fund the Juneau Convention and Visitors Bureau from January 1, 1985, through June 30, 1985, based on a budget submitted by the bureau;

WHEREAS, the Juneau Convention and Visitors Bureau (JCVB) is an incorporated entity with the following mission and goals adopted by the board of directors:

JCVB MISSION

The Juneau Convention and Visitors Bureau is a non-profit organization whose purpose is to coordinate local resources to increase the number of visitors to Juneau.

Supporting Narrative:

The Juneau Convention and Visitors Bureau would represent the City and Borough of Juneau in the solicitation of all types of travelers to our area -- whether they visit for business, pleasure, or both.

It would be the "catalyst" that brings together the interests of city government, trade and civic associations, and individual travel suppliers -- hotels, motels, restaurants, attractions, transportation, and other business in increasing outside visitor traffic to our area.

The Juneau Convention and Visitors Bureau would be the City and Borough of Juneau's liasion between potential visitors in our area and the businesses which will host them when they arrive. It would act as a central informational clearing house, a convention management consultant, and a marketing and promotional agency.

JCVB GOALS

1. TO DEVELOP AND IMPLEMENT AN ORGANIZATION WHICH WILL ACT AS THE COOPERATIVE SOURCE OF CONTACT FOR VISITORS INTERESTED IN COMING TO JUNEAU.
2. TO DEVELOP AND IMPLEMENT AN ONGOING MARKETING AND INFORMATIONAL PROGRAM WHICH WILL SELL THE CAPITAL CITY OF JUNEAU AND ITS ATTRACTIONS TO POTENTIAL VISITORS.
3. TO RESERVE THE NEGATIVE TREND OF TOURISM IN SOUTHEAST ALASKA AND PROMOTE THE POSITIVE GROWTH OF THE NUMBER OF VISITORS COMING TO OUR AREA.
4. TO CONTACT AND PERSUADE CONVENTION GROUPS TO COME TO JUNEAU, THUS REDUCING THE BURDEN OF THE OPERATING DEFICIT OF CENTENNIAL HALL AND INCREASING THE AMOUNT OF REVENUES COMING TO JUNEAU.
5. TO ASSIST IN DEVELOPING AND IMPLEMENTING QUALITY VISITOR'S SERVICES PROGRAMS TO BENEFIT THE VISITOR UPON HIS ARRIVAL TO JUNEAU.
6. TO ASSIST IN DEVELOPING AND IMPLEMENTING ADDITIONAL TRAVEL ITINERARY ALTERNATIVES TO SOUTHEAST ALASKA FOR THE POTENTIAL VISITOR.

GRANT AGREEMENT BETWEEN THE CITY AND BOROUGH OF JUNEAU
AND THE JUNEAU CONVENTION AND VISITORS BUREAU

This is an agreement between the City and Borough of Juneau (CBJ) and the Juneau Convention and Visitors Bureau (JCVB) on September 23, 1987.

WHEREAS, the JCVB has submitted to the CBJ Assembly a marketing plan for convention and visitor solicitation, a visitor services operation plan and a budget identifying specific activities of the total plan and

WHEREAS, in order to provide such services, the JCVB requires compensation to implement activities identified in the marketing and operations plan and

WHEREAS, the JCVB has submitted a specific marketing plan for Centennial Hall with identified activities and program expenses for fiscal year 1988;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. The JCVB shall participate in the CBJ's annual budget process according to a schedule and directions provided by the CBJ Assembly. An annual budget and marketing plan for the upcoming fiscal year will be submitted to all members of the CBJ Assembly and the City Manager prior to the scheduled budget process.

2. The JCVB will submit quarterly financial activity reports 30 days after the close of each quarter (the first quarter beginning with July) to the CBJ Assembly and City Manager.

3. The JCVB shall provide for an annual audit of its finances by a Certified Public Accountant and submit the document to the City Manager.

4. The JCVB shall defend, indemnify, and hold harmless the CBJ from any claim whatsoever arising from the activities of the JCVB, its officers, employees, and directors.

5. The JCVB shall acquire and maintain workers compensation insurance for all of its employees. The JCVB shall also acquire and maintain insurance for automobile liability, general liability, and corporate legal liability in amounts for risks specified by the CBJ Risk Manager.

6. The CBJ and JCVB will work together, in a cooperative effort, to share statistical information for administrative purposes.

7. The financial and other records of the JCVB will be available at all times to the CBJ during normal working hours.

8. As stated in Resolution 1036, the intent of the Assembly is to utilize the proceeds of the 2% hotel-motel room tax to fund the activities of the JCVB. If the JCVB proposes a budget below the revenue from the 2% tax, the excess revenue shall be reserved in a fund for future funding requests by the JCVB.

9. The JCVB shall make every reasonable effort to comply with the mission and reach the goals as adopted by its Board of Directors and set out in the recitals hereto.

10. The CBJ Administration shall provide, in full, the grant allocations as appropriated by the CBJ Assembly, to the JCVB at the beginning of each year.

11. The JCVB may occupy and use the Davis Log Cabin and associated office equipment for the purpose of providing the services. JCVB will provide all routine maintenance for said facility including janitorial and individual repairs under \$500.00. The CBJ will provide all annual major maintenance to said facility in excess of \$500.00.

12. The CBJ agrees to pay the JCVB 40% of the 5% hotel-motel room tax (formerly referred to as "2% of the bed tax"), plus \$94,000 for the marketing of Centennial Hall and \$64,400 for the administration and operation of the Davis Log Cabin Visitor Information Center.

13. In exchange for this compensation, the JCVB shall implement the planned activities proposed in the Centennial Hall marketing plan, not to exceed the proposed \$94,000. The JCVB will provide the City with quarterly reports that include data specific to the Centennial Hall marketing activities found in the attached proposal.

14. In addition, the JCVB will:

(a) Waive JCVB membership fees for Centennial Hall.

(b) Provide complimentary space in the JCVB newsletter for the Centennial Hall Manager's editorial use. Complimentary copies of the quarterly newsletter will be sent to all local media, the members of the Assembly, and Centennial Hall Advisory Committee members.

15. In addition to providing financial resources for the convention marketing activities of Centennial Hall, the CBJ, through its Centennial Hall staff, shall provide for local and statewide advertising that is related to convention solicitation, for the local meeting planner seminar, for printing of the 4-color Centennial Hall brochure with accompanying rates, policies and procedures guide, and for materials commonly distributed to Centennial Hall user groups, such as pads and pens.

16. This agreement terminates June 30, 1988, and is subject to renewal thereafter upon written agreement of both parties.

Dated this _____ day of _____, 1987.

CITY AND BOROUGH OF JUNEAU, ALASKA

By: _____
Kevin C. Ritchie, City Manager

JUNEAU CONVENTION AND VISITORS BUREAU

By: _____
Kimberley A. Tyner, President

REVISION #1

CONTRACTUAL PROPOSAL

FOR CONVENTION SOLICITATION FOR CENTENNIAL HALL

* PL = Per Lead

1.	Overhead/Administration	\$ 26,016
2.	CBJ Required Activity/Progress Reports (Monthly, Quarterly, Annual) and Meetings	4,352
3.	Slide Show	1,500
4.	Advertising	8,500
5.	Stock Supply of Promo Items and Brochures	6,000
6.	Public Relations and Press Kits	1,118
7.	Convention/Meeting Assistance for Centennial Hall <u>only</u> and Materials for delegates	6,160
8.	Site Inspections - (4 Planners)	1,292
9.	Directories, Convention Lists, Memberships	2,960
10.	Developing New Leads: 15 National (Reduce to 10) 16 Statewide (Reduce to 8)	4,976/\$497 PL 3,535/\$441 PL
11.	FAM Trip (7 Planners) (Eliminate Totally)	-0-
12.	Meeting Planner Seminars (1) National (1) Statewide	4,464/\$112 PL 3,140/\$ 78 PL
13.	Convention Bids: Formal 18% (Reduced to 4) Informal (82%)	11,668/\$2917 per bid 14,980/\$ 428 per bid
14.	Tradeshows: (35-45 leads) National (5-6 leads) Smaller Regional (Eliminate smaller show)	5,594/\$143 PL -0-
TOTAL		\$106,255
Less State Grant Appropriation		<u>12,722</u> \$93,533
NEEDED OPTION: Tradeshow Display Booth		\$ 1,500 upgrade 5,000 new display