



## AGENDA MEMORANDUM

First Reading Item for the City Council Meeting of May 15, 2018  
Second Reading Item for the City Council Meeting of May 22, 2018

**DATE:** May 15, 2018

**TO:** Keith Selman, Interim City Manager

**FROM:** Esther Velazquez, Assistant to the City Manager  
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### Appropriating \$200,000 for Convention Center Content Development

**CAPTION:**

Ordinance appropriating \$200,000 capital contribution from SMG into the Visitor Facility Fund to fund Convention Center content development; and amending the FY18 operating budget.

**PURPOSE:**

To develop content in the Theater and Convention Center venues as well as outdoor festivals.

**BACKGROUND AND FINDINGS:**

During the 2017 request for proposal process for an American Bank Center management company, SMG who won the bid, included a \$200,000 capital contribution as part of their response to the proposal. The City received SMG's \$200,000 capital contribution in December 2017.

Currently, the American Bank Center has sufficient funding to effectively support its operation. Available Type A funds for the Arena and HOT funds for the Convention Center are sufficient to continue to budget appropriately for future capital improvements. As a result, SMG's \$200,000 capital contribution would have minimal impact if utilized on a capital improvement project.

An area that is lacking in the American Bank Center's budget is funding support for developing event content for the Convention Center including the Theater and outdoor events. There is a Convention Event Fund (CEF), however, the guidelines of CEF do not allow expenditure of CEF dollars in this manner as their intent is to increase destination/overnight convention business or events that support growth of the hotel

occupancy tax. This would be an objective for the Convention Center content development funds, but not its primary function.

There is potential to increase event content and reduce the American Bank Center's net operating loss if the necessary start-up funds were available to get these events established.

SMG would utilize an approval process similar to the one for Type A Marketing and Co-Promotion Funds that require City Manager approval. SMG would request a dollar amount and provide a description of the event and justification for the funds. After the event, SMG will invoice the City for reimbursement of the approved funds. SMG would waive its reimbursement request if the event is financially successful on its own. This would result in a greater impact of the SMG capital contribution as those dollars could be utilized for a future event.

**ALTERNATIVES:** Do not approve appropriation.

**EMERGENCY / NON-EMERGENCY:** Non-Emergency.

**DEPARTMENTAL CLEARANCES:** Legal, Finance, Budget, City Manager's Office

**FINANCIAL IMPACT:**

X Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: FY18</b>	<b>Current Year</b>	<b>TOTALS</b>
Amended Budget		
This item	\$200,000	\$200,000
NEW BALANCE		

Fund: Visitor Facility Fund 4710

**Comments:** None.

**RECOMMENDATION:** Staff recommends approval of this Ordinance.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance