



AGENDA MEMORANDUM

Ordinance for the City Council Meeting of February 13, 2018

DATE: February 6, 2018

TO: Margie C. Rose, City Manager

FROM: Keith Selman, Assistant City Manager
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361-826-3898

Ordinance Appropriating \$336,960 from the HOT Fund for the Rediscover Corpus Christi and the Coastal Bend Advertising Campaign

CAPTION:

Ordinance appropriating \$336,960 from the Hotel Occupancy Tax Fund for the Rediscover Corpus Christi and the Coastal Bend Advertising Campaign; amending the FY2017-18 operating budget; and declaring an emergency.

PURPOSE:

The purpose of this item is to amend the FY17-18 budget by increasing expenditures by \$336,960 from the Hotel Occupancy Tax Fund for the Corpus Christi Convention and Visitors Bureau (CCCVB) post-Hurricane Harvey advertising campaign. This funding is an advance of the CVB's FY18-19 allocation of funding which will be equally deducted from its allocation at that time.

BACKGROUND AND FINDINGS:

On January 30, 2018, the CCCVB presented to City Council the effects of Hurricane Harvey on Corpus Christi hotel occupancy and the tourism industry.

Due to emergency response to our region in September 2017, hotel occupancy rates were 80% higher than the prior year. The months of October, November and December 2017 also showed increases in occupancy when compared to the previous year. As a result, Hotel Occupancy Tax collections for the 17-18 fiscal year have experienced a significant increase.

While hotel occupancy is higher, tourism is down. Attractions such as the Texas State Aquarium and the Art Center of Corpus Christi have experienced significant decreases in projected or real revenues. Restaurants are experiencing the same decrease in revenues. Attractions and restaurants are relying on a profitable Spring Break to recover

from the deleterious effects of Hurricane Harvey on their businesses.

The CVB has created an advertising campaign called Rediscover Corpus Christi and the Coastal Bend to increase tourism during Spring Break and the summer season. The goal is to advertise to our core tourist markets that the Corpus Christi tourism industry is open for business.

ALTERNATIVES:

None.

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

Conforms to City policy.

EMERGENCY / NON-EMERGENCY:

Emergency

DEPARTMENTAL CLEARANCES:

Legal
City Manager's Office
Finance
Office of Management & Budget

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2017-2018	Current Year	Future Years	TOTALS
Line Item Budget	\$336,960	0	\$336,960
Encumbered / Expended Amount	0	0	0
This item	\$336,960	0	\$336,960
BALANCE	0	0	0

Fund(s): Hotel Occupancy Tax Fund

Comments: None.

RECOMMENDATION:

Approve ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance