

TO: Mayor and City Council
Robert G. Wells
THROUGH: Robert G. Wells, City Manager
FROM: Edward L. Jochums, Director
Department of Community Services *EJ*

FOR MEETING: 01/02/07
AGENDA ITEM NO: 4.3 (u)

SUBJECT: SALEM CONVENTION AND VISITOR ASSOCIATION TOURISM CONTRACT UPDATE

ISSUE

Update on the progress of the transition of the Salem Convention and Visitor Bureau operation to the Salem Convention and Visitor Association.

RECOMMENDATION

Information only.

BACKGROUND

1. Section 56 of the City Charter recognizes, "Activities performed directly by the city or through contracts which promote use of Salem for conventions, conferences, seminars or for general tourism..." as being an eligible use of Transient Occupancy Tax funds. Salem Revised Code Chapter 37 indicates a percentage of Transient Occupancy Tax funds may be used by the City for convention and tourism promotion.
2. On June 27, 2005, following termination of negotiations with the Salem Convention and Visitor Association, Salem City Council approved the City's assumption of the management of convention and tourism promotion activities and services until June 30, 2006.
3. As noted in the June 2005 report, the City's assumption of the tourism program allowed the City time to reevaluate tourism services and maintain its long-term investment in the basic organizational structure of the tourism bureau. During this time, citizens and visitors continued to be served by programs, activities, and services.
4. On August 1, 2005, the City assumed the total operations of the tourism services, including the continuation of five experienced and dedicated staff to maintain services and long-term tourism relationships.
5. Mayor Janet Taylor convened the Tourism Task Force in August 2005.
6. On December 1, 2005, the Tourism Task Force presented their report to Council. City Council adopted the Tourism Task Force report as a guiding document to engage a Destination Marketing Organization for the provision of tourism and visitor services.
7. On January 23, 2006, City Council approved a special procurement process to exempt a specified class of goods or services, personal services, or professional services to be identified as "Tourism Marketing and Visitor Services" and to identify the scope of a services and governance model that best met the recommendations of the Tourism Task Force.
8. On March 9, 2006, Contracts and Procurement Division issued a Request for Qualifications, RFQ No. 056189, for Tourism Marketing and Visitor Services. The RFQ reflected the scope of services anticipated in the adopted guidance document, the Tourism Task Force report of December 2005.
9. On March 27, 2006, the RFQ closed. The City received one submission of Statements of Qualifications from the Salem Convention and Visitor Association.
10. On April 6, 2006, an RFQ evaluation committee (Dwane Brenneman, Ross Carey, Linda Norris, Barbara Roberts, and Bonnie Stephenson) reviewed the RFQ and recommended that the City proceed with contract negotiations

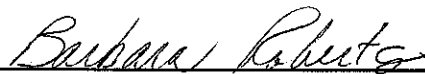
and agreement development. The committee suggested a phased approach to the negotiation process, utilizing the identified benchmarks contained in the RFQ. In addition, having served on the Tourism Task Force and with their knowledge base of the intent of the Tourism Task Force report, they agreed to see the process to its completion and act as a special negotiations and transitional team.

11. The Salem Convention and Visitors Association was issued a Notification of Intent to Award RFQ No. 056189, contingent on the successful completion of services agreement negotiation.
12. At its September 18, 2006, meeting, the Salem City Council received the Tourism Marketing and Visitor Services Contract that had been successfully negotiated with the Salem Convention and Visitor Association.

FACTS AND FINDINGS

1. The contract with the Salem Convention and Visitor Association (SCVA) was executed on September 20, 2006. Since that date, SCVA has been making incremental progress toward completion of the benchmarks to assume the full operation of the visitor bureau. Highlights of work to date are as follows:
 - a. SCVA has filled its elected positions on the Board of Directors. Their next task is to gain representation from their strategic partners (Salem City Council, Salem Chamber, SEDCOR, Salem Convention Center, Marion County, Polk County, Salem Area Lodging Association, and Oregon State Fair and Expo Center).
 - b. The search for the CEO is underway: 30 applicants from around the United States have applied, the field has been narrowed to three candidates by the search committee, with interviews scheduled for early January.
 - c. SCVA has started to hold regular Board of Directors and Executive Board meetings to engage their eager community partners in the upcoming planning process that will result in the development of their strategic operations plan, the final benchmark prior to assuming the full operation.
2. While it was hoped that the transition process could happen in a more expeditious manner, the SCVA Executive Board has engaged in a longer process to recruit and hire a CEO. Based on the current status of the process, these are the updated target dates for completion of the benchmarks associated with negotiation, agreement development, and transition processes:

Convene Negotiation and Transitional Team	Completed
SCVA Adoption of Reconfigured Governance Structure/Bylaws	Completed
Execution of the Tourism Contract	Completed
SCVA Recruitment and Hiring of CEO	No later than February 1, 2007
SCVA Strategic Operations Plan	No later than March 1, 2007
Transition of Bureau Operation to SCVA	No later than April 1, 2007



Barbara Roberts, CPRP
Community Resources/Recreation/Tourism Manager