

**COUNCIL ACTION FORM**

**SUBJECT: ACVB SUPPLEMENTAL FUNDING AGREEMENT**

**BACKGROUND:**

The Ames Convention and Visitors Bureau (ACVB) receives a substantial portion of its operating revenue from Hotel/Motel taxes. Five-sevenths of the City's Hotel Motel Tax is transferred to the ACVB for the purpose of investing in events and activities that draw people to Ames.

Due to the COVID-19 pandemic, hotel revenues in Ames decreased substantially (\$16.5 million from March to November 2020 compared to the prior year). This, in turn, caused a significant decrease in the funding going to ACVB for its operations. At ACVB's request, the City Council included \$35,000 in its FY 2020/21 adjusted budget for a one-time supplemental payment to ACVB. This amount would come from the City's Hotel/Motel Tax Fund.

An agreement has prepared to administer the payment of these funds. Upon approval, the City would remit the \$35,000 to ACVB, provided that ACVB agrees to use the funds to pursue events and conferences to be hosted in Ames, and for incentives to support groups already committed to holding events in Ames (where ACVB is contractually obligated to provide such incentives). ACVB would submit a report by June 30, 2022 to the City outlining the actual expenditures made with this supplemental funding.

Separately, the City Council allocated funds in its budget to provide ACVB with a loan in the amount of \$75,000. **ACVB has not yet determined whether this loan will be necessary. As ACVB completes its budgeting process in the coming months, the organization will notify the City whether the loan is necessary or if ACVB will forego the loan.**

**ALTERNATIVES:**

1. Approve the attached supplemental funding agreement with ACVB in the amount of \$35,000.
2. Direct staff to modify the terms of the supplemental funding agreement.
3. Do not approve the supplemental funding agreement.

**CITY MANAGER'S RECOMMENDED ACTION:**

The City budget contains the \$35,000 to be provided to ACVB under this agreement. ACVB will be required to use these funds to further its objectives to attract and retain events and conferences in Ames, which will benefit the Ames community by stimulating the local economy.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

**SUPPLEMENTAL FUNDING AGREEMENT  
BETWEEN THE CITY OF AMES, IOWA  
AND  
AMES CONVENTION & VISITORS BUREAU, INC.**

**THIS AGREEMENT**, made and entered into the \_\_\_ day of \_\_\_\_\_, 2021, by and between the **CITY OF AMES, IOWA**, a municipal corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter sometimes called “City” or “City of Ames”) and **AMES CONVENTION & VISITORS BUREAU, INC.** (an entity organized and existing pursuant to the laws of the State of Iowa and hereinafter sometimes called “ACVB”);

**WITNESSETH THAT:**

**WHEREAS**, the City of Ames and ACVB have partnered since 1987 to encourage and promote the Ames community as a location for conventions, conferences, entertainment, events, and recreation; and

**WHEREAS**, the City transfers 5/7ths of the annual proceeds from Hotel/Motel Tax revenues to the ACVB to finance its operations; and

**WHEREAS**, the COVID-19 pandemic has caused a decrease of over \$16,500,000 in hotel revenues from March to November 2020 compared to the same period in the previous year; and

**WHEREAS**, this decrease in hotel/motel revenues has caused a significant negative impact on ACVB’s operations; and

**WHEREAS**, the City of Ames desires the ACVB to effectively carry out its mission to recruit visitors to the Ames community for the benefit of the local quality of life and economy;

**NOW, THEREFORE**, the parties hereto have agreed and do agree as follows:

**I  
ONE-TIME SUPPLEMENTAL FUNDING**

1) Within 30 days of the execution of this Agreement, the City of Ames agrees to remit to ACVB the sum of \$35,000 from the City’s Hotel/Motel Tax Fund balance.

2) ACVB agrees to utilize this amount:

- a) to pursue events and conferences to be hosted in Ames; and
- b) for incentives to support groups already committed to hold events in Ames, which incentives ACVB is contractually obligated to provide.

- 3) No later than June 30, 2022, ACVB shall furnish the City a report detailing the uses of the funds provided under this Agreement.

**II  
FINANCIAL ACCOUNTING AND ADMINISTRATION**

- 1) All monies disbursed under this Agreement shall be accounted for by the accrual method of accounting.
- 2) At such time and in such form as the City may require, there shall be furnished to the City such statements, records, reports, data, and information as the City may require with respect to the use made of monies disbursed hereunder. ACVB may dispose of such documents only after a period of five years from their creation.

**III  
DURATION, TERMINATION, AND AMENDMENT**

- 1) This Agreement shall be in full force and effect from and after the date first written above.
- 2) This Agreement shall be terminated upon verification by the City that a final report has been received and all other terms of this Agreement have been met.
- 3) This Agreement may be amended only by mutual written consent of the parties.

**IV  
DISCRIMINATION PROHIBITED**

In accordance with Chapter 14 of the Municipal Code, no person shall, on the grounds of age, race, color, creed, religion, national origin, disability, sexual orientation, gender identity, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Agreement.

*(Signatures follow on next page)*

**IN WITNESS WHEREOF** the parties hereto have, by their authorized representatives, set their hand and seal as of the date first above written.

**CITY OF AMES, IOWA**

**ATTEST:**

BY \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Diane Voss, City Clerk

**AMES CONVENTION & VISITORS BUREAU, INC.**

BY \_\_\_\_\_  
Authorized Representative