



## Legislation Text

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**File #:** 1363-2020, **Version:** 1

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**BACKGROUND:** This ordinance authorizes the Finance and Management Director to modify a contract with Experience Columbus for marketing services to increase tourism and convention business for the City of Columbus and Central Ohio. The initial contract was entered into pursuant to Ordinance 0540-2020 and is funded from Hotel/Motel excise tax proceeds in accordance with Section 371.02(c) of Columbus City Codes. This initial contract was projected to be \$10,839,000.00; however, due to the economic impact of the coronavirus, actual Hotel/Motel excise tax collections are anticipated to be significantly less.

The economic fallout of the coronavirus has impacted Ohio and the national economy at historic levels. Ohio's unemployment rate has risen to 16.8%, an increase of 11% versus pre-coronavirus levels. Similarly, Columbus's unemployment level has risen to 13.7%, an increase of 9.5% versus pre-coronavirus levels. The travel and tourism sector of the economy has been disproportionately impacted and is experiencing an unprecedented contraction in business due to the COVID-19 pandemic. Marriott, a bellwether for the industry, recently projected a 75% decrease in global revenues and a 90% decrease in domestic (U.S.) revenues. The Airline industry has been similarly impacted with domestic U.S. flights decreasing 70% over pre-coronavirus levels. The aforementioned economic impacts to the travel and tourism have resulted in a significant decrease in 2020 Hotel/Motel excise tax proceeds, which in turn has drastically reduced the contract amount for Experience Columbus.

In an effort to address the economic impact to Columbus and central Ohio's travel/tourism industry, the City of Columbus is proposing that more than \$2.2 million in Economic Recovery Funds be provided to Experience Columbus as a means to replace lost Hotel/Motel tax proceeds for the first six (6) months of 2020. These Economic Recovery Funds were provided to the City of Columbus as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This \$2 trillion economic relief package act was passed by Congress with overwhelming, bipartisan support and signed into law on March 27th, 2020.

As Ohio, as well as other states begin to reopen for business, so will the need for regional and national travel as well as discretionary tourism. Experience Columbus' mission of selling, marketing, and promoting central Ohio and Columbus will be needed now more than ever. As such, Experience Columbus will utilize these funds to continue promoting the City of Columbus and surrounding communities in order to help restore the local travel/tourism economy.

Experience Columbus, Contract Compliance#: 31-4153118 (non-profit)

**FISCAL IMPACT:** This ordinance authorizes an expenditure of \$2,285,432.00 from the CARES Act Fund with Experience Columbus for marketing services related to restoring tourism and convention business for the City of Columbus.

To authorize the Finance and Management Director to modify a contract with Experience Columbus for marketing services to restore tourism and convention business and strengthen the image of the City of Columbus, Ohio; to authorize the transfer of \$2,285,432.00 in CARES Act funds from the Department of Development to the Department of Finance; and to authorize the expenditure of \$2,285,432.00 from the CARES Act Fund. (\$2,285,432.00)

**WHEREAS,** the Department of Finance and Management entered into the initial contract with Experience Columbus

pursuant to Ordinance 0540-2020 , which is funded from Hotel/Motel excise tax proceeds in accordance with Section 371.02(c) of Columbus City Codes; and

**WHEREAS**, this initial contract was projected to be \$10,839,000.00, however due to the economic impact of the COVID -19 pandemic, actual Hotel/Motel excise tax collections are anticipated to be significantly less; and

**WHEREAS**, the economic fallout of the coronavirus has impacted Ohio and the national economy at historic levels; and

**WHEREAS**, in an effort to address the economic impact to Columbus and central Ohio's travel/tourism industry due to the COVID-19 pandemic, the City of Columbus is proposing that more than \$2.2 million in Economic Recovery Funds be provided to Experience Columbus as a means to replace lost Hotel/Motel tax proceeds; and

**WHEREAS**, Experience Columbus will utilize these funds to continue promoting the City of Columbus and surrounding communities in order to help restore the local travel/tourism economy; and

**WHEREAS**, the COVID-19 pandemic has resulted in a need to modify a contract with Experience Columbus for marketing services to help restore tourism and convention business for the City of Columbus and Central Ohio; and

**WHEREAS**, expenditure of CARES Act funding to help restore the local travel and tourism industry is necessary to address the economic impact to local businesses caused by the COVID-19 public health emergency; and

**WHEREAS**, such expenditure of funds has not been previously accounted for in the 2020 Budget; and

**WHEREAS**, this contract was awarded pursuant to provisions relating to non-profit services of City Code Chapter 329; and

**WHEREAS**, it has become necessary in the usual daily operation of the Department of Finance and Management to authorize the Finance and Management Director to modify a contract with Experience Columbus for the purpose of marketing services to help restore tourism and convention business to the City; **now, therefore**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the Director of the Finance and Management Department is hereby authorized to modify a contract with Experience Columbus for marketing the City of Columbus, so as to restore cultural, educational, religious, professional and sports-related visits and conventions in the city, thus boosting the economy and creating more jobs.

**SECTION 2.** That the transfer of \$2,285,432.00 is hereby authorized from the Department of Development to the Department of Finance and Management pursuant to the accounting codes attached to this Ordinance.

**See Attached File: Ord 1363-2020 Legislation Template.xls**

**SECTION 3.** That the expenditure of \$2,285,432.00, or so much thereof as may be needed in regard to the action authorized in Section 1, is hereby authorized to be expended from the CARES Act Fund 2207, Sub-Fund 220703 in Object Class 03 Contractual Services per the accounting codes in the attachment to this ordinance.

**See Attached File: Ord 1363-2020 Legislation Template.xls**

**SECTION 4.** That this contract is awarded in accordance with the relevant provisions of Columbus City Code Chapter 329 relating to not-for-profit service contracts exceeding twenty thousand dollars.

**SECTION 5.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 6.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

**SECTION 7.** That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.