



# City of Las Cruces<sup>®</sup>

PEOPLE HELPING PEOPLE

## Council Action and Executive Summary

Item # 15 Ordinance/Resolution# 16-123

For Meeting of \_\_\_\_\_  
(Ordinance First Reading Date)

For Meeting of December 7, 2015  
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL       LEGISLATIVE       ADMINISTRATIVE

**TITLE: A RESOLUTION ADOPTING THE LAS CRUCES CONVENTION AND VISITORS BUREAU EVENT SPONSORSHIP POLICY.**

**PURPOSE(S) OF ACTION:**

Adopt Convention and Visitors Bureau (CVB) event sponsorship policy.

<b>COUNCIL DISTRICT: ALL</b>		
<b><u>Drafter/Staff Contact:</u></b> Jennifer Bales	<b><u>Department/Section:</u></b> Community and Cultural Services/ Convention & Visitors Bureau	<b><u>Phone:</u></b> 541-2258
<b><u>City Manager Signature:</u></b>		

**BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:**

As previously presented at the August 10 and October 12, 2015 City Council work sessions, recommendations were given for a policy on City sponsorships of community events. At that time, it was determined that the CVB should proceed with developing a sponsorship program for tourist-related events.

Staff developed the draft sponsorship policy that is attached to the proposed resolution with criteria based on number of room nights generated from each proposed event. The draft policy was reviewed and recommended by the CVB Advisory Board at their meeting of September 24, 2015, by a 4 - 0 vote.

If approved by this Resolution, any requests for funding will be reviewed by CVB and will make recommendations to the CVB Advisory Board for final approval and awarding of funding. As is proposed for FY2016 and subject to approved budget appropriations in subsequent fiscal years, a maximum of \$15,000.00 will be budgeted and available for disbursement to approved, qualifying events.

**SUPPORT INFORMATION:**

1. Resolution.
2. Exhibit "A", CVB Event Sponsorship Policy.

**SOURCE OF FUNDING:**

<b>Is this action already budgeted?</b>	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below).
	<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.	
<b>Does this action create any revenue?</b>	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

**BUDGET NARRATIVE**

N/A

**FUND EXPENDITURE SUMMARY:**

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
CVB	2710-27205020-722241-CVB02	\$15,000.00	\$51,033.00	\$36,033.00	Other outside purchased services

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this will establish the event sponsorship policy for the CVB.
2. Vote "No"; this will not establish the event sponsorship policy for the CVB.
3. Vote to "Amend"; this would require City Council to provide direction on amending the event sponsorship policy for the CVB.
4. Vote to "Table"; this would require City Council direction to staff on how to proceed.

**REFERENCE INFORMATION:**

N/A

RESOLUTION NO. 16-123

**A RESOLUTION ADOPTING THE LAS CRUCES CONVENTION AND VISITORS BUREAU EVENT SPONSORSHIP POLICY.**

The City Council is informed that:

**WHEREAS**, the City of Las Cruces (City) Convention and Visitors Bureau (CVB) is asked to sponsor numerous community events on an annual basis, the majority of which are coordinated by outside private partners; and

**WHEREAS**, the City and the CVB has deemed it necessary to enact a set of guidelines in order to handle sponsorships of outside events in a fair and coherent manner; and

**WHEREAS**, the City Council gave recommendations for a CVB event sponsorship policy at two work sessions, directing staff to develop a document with increasing hotel room nights in mind; and

**WHEREAS**, CVB staff with approval of the CVB Advisory Board drafted the event sponsorship policy; and

**WHEREAS**, a maximum amount of \$15,000.00 has been set aside in FY2016 for disbursement to approved, qualifying events fitting the CVB's event sponsorship policy.

**NOW, THEREFORE**, Be it resolved by the governing body of the City of Las Cruces:

**(I)**

**THAT** the City of Las Cruces CVB Sponsorship Policy, as shown in Exhibit "A", attached hereto and made part of this Resolution, is hereby adopted.

**(II)**

**THAT** City staff is hereby authorized to do all deeds necessary in the

accomplishment of the herein above.

**DONE AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**APPROVED:**

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

(SEAL)

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

**VOTE:**

Mayor Miyagishima:	_____
Councillor Gandara:	_____
Councillor Smith:	_____
Councillor Pedroza:	_____
Councillor Eakman:	_____
Councillor Sorg:	_____
Councillor Levatino:	_____

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
City Attorney

**Introduction**

The City of Las Cruces (City) is frequently called upon to contribute to various worthwhile causes or events. However, under the Anti-Donation Article of the New Mexico State Constitution, municipalities are prohibited from making contributions or donations to the benefit of outside entities without receiving something in return to the City. There may be instances when the City is called upon to support a specific event or activity where equal or greater value is derived for its investment. In these cases, depending on budgetary limitations, the City may choose at its discretion to sponsor a specific event or activity. It is incumbent on the City to clearly define a fair and equitable sponsorship program where qualified events and activities may be supported. As a result, the City Manager set up a Task Force to review sponsorship policy.

**Sponsorship Task force**

- |                  |                |              |                 |
|------------------|----------------|--------------|-----------------|
| Rusty Babington  | Jennifer Bales | Rob Caldwell | Monica Campbell |
| David Dollahon   | Barbara DeLeon | Chris Faivre | Andy Hume       |
| Phil San Filippo |                |              |                 |

**Scope of Policy**

The City recognizes two types of events. City-run events are those that are initiated, planned, organized, and funded by any City department(s). These events are covered in City Manager Policy (CMP) #2.1 "Sponsorship of City Programs and Initiatives".

City-sponsored events are those initiated and operated by organizations, groups and individuals outside of the City's organizational structure. This policy only covers City-sponsored events.

**Overview**

The number of sponsorships and amount of funding are restricted and may vary from year-to-year depending on budgetary limitations. City sponsorships shall not be considered as long-term commitments in order to encourage independent viability of events as well as support new initiatives. An organization can apply for funds for up to four consecutive years; however there are no guarantees that a sponsorship will be carried over from one year to another. Sponsorships that continue beyond one year should normally expect a 25% decrease in funding each year. An exception may be made if the event organizer can clearly demonstrate through measurable results that the event or activity is substantially increasing its return on the City's investment.

Sponsorships may include in-kind services, direct cash payment; or a combination of both. Due to New Mexico anti-donation restrictions, outright gifts or payments are prohibited. There must be a clear value received for any sponsorship from the City. For example, groups or individuals coordinating and executing a public event or activity shall accomplish at least one of the following objectives:

- Promote tourism by bringing in overnight guests to our hotels or RV parks.

## City of Las Cruces – Proposed Sponsorship Policy

- Improve or enhance the quality of life for the citizens of Las Cruces.
- Creates direct economic impact to the City.

The stated event objective will determine the source of funds received. Funds for tourism-related requests will be funded from Lodger's Tax revenues. Quality of life or economic impact sponsorships are funded from General Fund revenues.

### **Budgetary Limitations**

Any consideration for sponsorships is predicated on budgetary limitations. General Funds and Lodger's Tax funds are limited. It is essential that prior to making any awards, the appropriate department making the award has the necessary funding to carry out its main mission and objectives. Therefore, the amount set for sponsorships will vary from year-to-year. Once the budgetary limits are depleted, no additional requests will be considered.

### **Application for Sponsorship Requests**

Applications will be made twice each year for all sponsorship requests. The first submission deadline is July 15<sup>th</sup> and the second is December 15<sup>th</sup>. Applications for tourism-related sponsorships should be sent to the Convention and Visitors Bureau (CVB); while economic impact and quality of life sponsorship applications should be sent to the Office of the City Manager. All applicants shall be notified within thirty (30) days whether or not their program or event has been accepted for funding. Applicants may be called upon to make a formal presentation. Each group or organization making a request for submission will be required to submit a completed application, event budget, as well as plans for permitting and marketing. The request for sponsorship will be ineligible for funding if any section of the application or process is incomplete.

Applicants may only apply for funds for one category during any funding cycle. For example, if an organization receives City sponsorship funds in a funding cycle for a quality of life project; the same event is not eligible to apply for an economic impact or tourism sponsorship during the same period.

To be considered for funding from the CVB through its Lodger's Tax collections, one must clearly demonstrate that the event will attract overnight visitors to Las Cruces and positively impact the local economy. Consideration for sponsorship funding for either quality of life or economic impact events or activities from the General Fund; the applicant must demonstrate that the event will clearly enhance the quality of life for its citizens or will enhance the economic impact of the city. All City-sponsored events receiving General Fund revenues must be open and available to all citizens of Las Cruces.

## Convention and Visitors Bureau (CVB) Sponsorships

The CVB is funded solely on Lodger's Tax collections. The sales activities and events must be focused on bringing overnight visitors to Las Cruces. The number of requests for funding support have increased substantially over the past several years. As much as the CVB would like to help and support all of these worthwhile programs and events, the CVB must be selective and support only those events that have the propensity to bring in overnight guests and reflect positively on our community.

Section 3-38-21 of the New Mexico Lodgers' Tax Act, relating to the Lodger's Tax (currently 5%), which defines eligible use of Lodger's Tax proceeds, states in part:

"A municipality or county imposing an occupancy tax may use the proceeds from the tax to defray costs of advertising, publicizing and promoting tourist-related attractions, facilities and events of the municipality or county and tourist facilities or attractions within the area."

CVB staff will screen all eligible applications of tourism-related sponsorships and present recommendations for funding to its Advisory Board that has been appointed by the Mayor.

### Lodger's Tax Criteria

**Tier 1 Sponsorship:** A Tier 1 sponsorship will be considered for up to \$6,000 if the following criteria are met:

A strategic plan is presented at the time of the sponsorship application. No event shall be considered for a Tier 1 sponsorship unless there is a minimum window of at least 150 days prior to the proposed event. The proposal should include a marketing plan with a detailed section on how this event will be marketed to visitors; an overall budget, implementation strategy, and plans for securing appropriate permits.

- The proposed event or activity must fit into the overall branding the CVB is using for attracting visitors to Las Cruces and must reflect positively on the city.
- The event or activity must have the potential to bring to Las Cruces at least 300 room nights that can be directly attributed to the event.
- The proposed event or activity should be somewhat unique. The CVB is not interested in supporting events that are similar to events that can be found in every other city.
- The event is for the betterment of the hospitality and tourism industry.

**Tier 2 Sponsorship:** A Tier 2 sponsorship will be considered for up to \$4,000 if the following criteria are met:

A strategic plan is presented at the time of the sponsorship application. No event shall be considered for a Tier 2 sponsorship unless there is a minimum window of at least 120 days prior to the proposed event. The proposal should include a marketing plan with a detailed section on how this event will be marketed to visitors; an overall budget, implementation strategy, and plans for securing appropriate permits.

- The proposed event or activity fits into the overall branding the CVB is using for attracting visitors and reflects well on the city.
- The event or activity has the potential to bring to Las Cruces at least 150 room nights that can directly be attributed to the event.
- The event is for the betterment of the hospitality and tourism industry.

**Tier 3 Sponsorship:** A Tier 3 sponsorship will be considered for up to \$2,000 if the following criteria are met:

A strategic plan is presented at the time of the sponsorship application. No event shall be considered for a Tier 3 sponsorship unless there is a minimum window of at least 90 days prior to the proposed event. The proposal should include a marketing plan with a detailed section on how this event will be marketed to visitors; an overall budget, implementation strategy, and plans for securing appropriate permits.

- The proposed event or activity fits into the overall branding the CVB is using for attracting visitors and reflects well on the city.
- The event or activity has the potential to bring to Las Cruces at least 100 room nights that can directly be attributed to the event.
- The event is for the betterment of the hospitality and tourism industry.

**Tier 4 Sponsorship:** Tier 4 sponsorships are existing events and activities that take place in our community; and CVB's participation provides an opportunity to nurture and support those that have supported or are important to the CVB and the hospitality and tourism industry. Tier 4 sponsorships will not exceed \$1,000. No event shall be considered for a Tier 4 sponsorship unless there is a minimum window of at least 60 days prior to the proposed event.

**Special Sponsorship:** Occasionally an opportunity comes along to host a major event or activity. The cost may be higher than a Tier 1 sponsorship; but the cost-benefit far exceeds our normal parameters. Examples of a Special Sponsorship are the WAC tournament or the Biggest Loser. These are viewed on a case-by-case basis and a determination is made depending on the overall benefit and its direct impact to Las Cruces tourism.



# City of Las Cruces<sup>®</sup>

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## COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

For Meeting of \_\_\_\_\_  
 (Ordinance First Reading Date)

For Meeting of December 7, 2015  
 (Adoption Date)

TITLE: **A RESOLUTION ADOPTING THE LAS CRUCES CONVENTION AND VISITORS BUREAU EVENT SPONSORSHIP POLICY.**

Purchasing Manager's Request to Contract (PMRC) {Required?}    Yes     No

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact	<i>Luisa Balis</i>	541-2258	11/20/15
Department Director	<i>Arnold Wallen</i>	X-3060	11/20/2015
Management & Budget Manager	<i>[Signature]</i>	x-2106	11/20/15
Assistant City Manager/CAO	<i>[Signature]</i>	x-2078	11/24/15
Assistant City Manager/COO	<i>[Signature]</i>		11/25/15
City Attorney	<i>[Signature]</i>	EXT 2128	30 NOV 2015
City Clerk - Interim	<i>[Signature]</i>	X2115	12-1-15