
**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION****Council Meeting Date: 08/04/2016
Agenda Item: 5A1**

ACTION: Approve an amendment to the second agreement for a one-year time extension between Competitor Group, Inc., Tempe Tourism Office, and City of Tempe to host the start of the Rock 'n' Roll Half Marathon and the finish line of both the Rock 'n' Roll Marathon and Half Marathon.

FISCAL IMPACT: The City of Tempe's payments under this agreement are a \$50,000 base payment and up to an additional \$40,000 based on Competitor Group, Inc., achieving Tempe hotel room nights and registered out of state participant milestones. Sufficient funds for these payments have been appropriated in the Community Services General Fund Cost Center 2522 (Special Events) as part of the fiscal year 2016-17 adopted budget.

RECOMMENDATION: Approve the amendment.

BACKGROUND INFORMATION: The first agreement covered ten years, while the second agreement (C2012-177) is a one-year agreement with four optional one-year extensions. This is the fourth of the four extensions. City of Tempe and Tempe Tourism Office will share costs associated with this agreement based upon previous agreements with City Council and Tempe Tourism Office board approvals. In-kind City of Tempe services, valued at \$108,000, are met through existing budget appropriation in participating department operating budgets.

On January 15, 2017, the City of Tempe will play host to the Rock 'n' Roll Half and Full Marathon (RnR), one of the premier races in the RnR series produced by Competitor Group, Inc. (CGI). City of Tempe is guaranteed 10,036 room nights. Costs for City of Tempe and Tempe Tourism Office will be determined as follows:

a. City of Tempe and Tempe Tourism Office shall each pay CGI a base amount of \$50,000 for a total of \$100,000.

b. City of Tempe and Tempe Tourism Office shall each make payments to CGI by March 31, 2017, contingent on CGI achieving certain registered out-of-state participant milestones as follows:

Total registered out-of-state participants between 11,446-12,590: \$ 7,500

Total registered out-of-state participants between 12,591-13,162: \$12,500

Total registered out-of-state participants between 13,163-13,734: \$17,500

Total registered out-of-state participants of 13,735 or more: \$20,000

- "Registered out-of-state participants" means a participant who lists a home address outside of the state of Arizona when registering with CGI for the RnR.

- Each participant milestone represents a single total payment each from City of Tempe and Tempe Tourism Office. Milestone payments are not cumulative. Thus, reaching the 13,735 milestone means a total payment to CGI of \$20,000 for both the City of Tempe and the Tempe Tourism Office, for a total of \$40,000.

c. City of Tempe and Tempe Tourism Office shall each make payments to CGI by March 31, 2017, contingent on CGI achieving certain Tempe hotel room night milestones as follows:

10,036 – 10,453 Tempe hotel room nights: \$ 7,500

10,454 – 10,871 Tempe hotel room nights: \$12,500

10,872 – 11,289 Tempe hotel room nights: \$17,500

11,290 or more Tempe hotel room nights: \$20,000

- "Tempe hotel room nights" shall be determined based on the "hotel room night" figures for the City of Tempe, as published in the annual Economic Impact Report commissioned by CGI and independently prepared by San Diego State University (SDSU) or a similar accredited outside agency.

- Each hotel room night milestone represents a single total payment each from City of Tempe and Tempe Tourism Office. Milestone payments are not cumulative.

- No hotel room night milestone payments shall be made if CGI fails to commission the annual Economic Impact Report from SDSU.

ATTACHMENTS: Amendment

STAFF CONTACT(S): Shelley Hearn, Community Services Director, (480) 350-8906

Department Director: Shelley Hearn, Community Services Director

Legal review by: David Park, Assistant City Attorney

Prepared by: Linda Cano, Special Events Manager