

# Memorandum



CITY OF DALLAS

DATE October 16, 2009

TO Members of the Economic Development Committee:  
Ron Natinsky (Chair), Tennell Atkins (Vice-Chair), Dwaine Caraway,  
Jerry R. Allen, Sheffie Kadane, Ann Margolin, Linda Koop and Steve Salazar

SUBJECT Authorize supplemental agreement No.9 to the contract with the Dallas Convention and Visitors Bureau

On Wednesday, October 28, 2009, you will be considering the authorization of supplemental agreement No. 9 to the contract with the Dallas Convention and Visitors Bureau (DCVB) whereby the City will be assuming the function to market and promote the City as a desirable location for the entertainment industry (i.e. film, digital image and other) through the transfer of said function from DCVB to the City. The move of this function into the City organization does not increase the City's financial commitment of the past several years. In addition, through this supplemental agreement, DCVB will also continue their funding level commitment.

## SUBJECT

Authorize **(1)** supplemental agreement No.9 to the contract with the Dallas Convention and Visitors Bureau (DCVB) for the City to assume the function to market and promote the City as a desirable location for the entertainment industry (i.e. film, digital image and other) through the transfer of said function from DCVB to the City, as well as, the use of the related Film Commission's property, rights and other assets as applicable; **(2)** acceptance of funds from DCVB in the amount of \$100,000 annually, deposit the funds into the City's coffers, transfer and appropriation of those funds in the Office of Economic Development to partially fund this new function and authorization to expend an additional \$80,000 annually to be funded and paid by DCVB to cover the cost of marketing and entertainment activity related to this new function; Office of Economic Development to expend an additional \$100,000 for this new function to be reimbursed from: the Dallas Convention and Event Services Department in the amount of \$70,000 annually and a reimbursement of funds from the City's non-departmental funds in the amount of \$30,000 annually; **(3)** increase the appropriations of the Office of Economic Development by \$100,000 from \$2,533,436 to \$2,633,436 **(4)** addition of three positions to support this new function - Not to exceed \$280,000 - Financing: 2009-10 Dallas Convention and Event Services Current Funds \$70,000, City Non-Departmental Current Funds \$30,000, and Private Funds from Dallas Convention and Visitors Bureau \$180,000.

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## **BACKGROUND**

Since October of 2002, the Dallas Convention and Visitors Bureau has assumed the responsibility of marketing and promoting Dallas to film, television and media industry and professionals as a desirable and attractive destination/location for the industry, serving as a liaison between filmmakers scouting sites for feature films, television, documentaries, commercials, videos and all forms of media seeking suitable venues in the area. It has also been providing information regarding local resources such as crew, equipment and other industry related services. Its mission has included educating, promoting and advocating for the growth of the local industry. Over the past several years, the City has been funding this function within the DCVB.

Due to changes in the entertainment industry (i.e. film, digital image and other), and its tie into economic development it is considered that the function of marketing and promoting Dallas as an attractive and desirable location for the industry will find a natural synergy with the City's multifaceted economic development strategy.

It is intended for this new function to be integrated within the Office of Economic Development that not only will continue to strive to help in the creation of excellent film productions and the advancement of the digital image industries, but also pursue other areas of the entertainment industry.

The City will strive to market and promote Dallas as a place to hold major events, establish entertainment related agency headquarters/regional offices, develop the local interests, talent and businesses that can support the industry. At the same time, this will help to expand the City's economic development strategy and benefit that comes from further development in the form of an increase/retention in the tax base, and local job creation/retention. These efforts are also expected to have secondary impact derived from those that will be supporting the entertainment industry - all in a synergistic environment that fosters progressive and diversified development in the City and its community.

The City has recognized the importance of the role of this function to further support economic activity, promote and expand arts and culture, add another dimension to the city's economic development strategy and become another economic development engine for the City that also has the potential to impact the tax base and the job market. For the City to assume this new function, represents a solid commitment to supporting the effort within a large and strong organization. The City would also be able to provide the leadership, advocacy, synergy, progressive and forward-thinking economic development strategies and initiatives in the body of its elected officials and the City's management.

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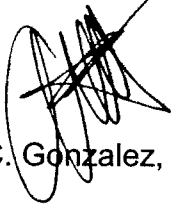
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It is anticipated that during FY 2009-10, the activity generated by this function will assist in attracting an estimated \$35 million in direct business to the Greater Dallas Metro area generating an estimated \$87.5 million induced and indirect economic impact. In addition, there is an employment impact estimated at about 12.1 jobs in the region for every \$1 million spent on a motion picture/video production (freelancers excluded).

During FY 2008-09 (thru 3<sup>rd</sup> Quarter) this function attracted an estimated 228 projects with and estimated direct spend value of \$24.01 million and an indirect economic impact of \$60.03 million to the Greater Dallas Metro area.

During FY 2007-08 this function attracted an estimated 337 projects with an estimated direct spend value of \$46,980,959 and an indirect economic impact of \$117.45 million to the Greater Dallas Metro area.

Should you have any questions, please contact me at (214) 670-3314.



A.C. Gonzalez, Assistant City Manager

C: The Honorable Mayor and Members of the City Council

Mary K. Suhm, City Manager

Deborah Watkins, City Secretary

Tom Perkins, City Attorney

Craig Kinton, City Auditor

Judge C. Victor Lander, Judiciary

Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager

Forest Turner, Assistant City Manager

Dave Cook, Chief Financial Officer

Jeanne Chipperfield, Director, Budget & Management Services

Karl Zavitkovsky, Director, Office of Economic Development

Joseph H. Perot, Assistant Director, Office of Economic Development

Helena Stevens-Thompson, Assistant to the City Manager

