


**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** June 29, 2009

**SUBJECT:** Fiscal Impact Statement: "Washington, DC Convention and Tourism Corporation Marketing Contracts Emergency Act of 2009"

**REFERENCE:** Bill Number 18 – 335 – As Introduced

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**Conclusion**

Funds are sufficient in the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. The fiscal impact of the proposed resolution is included in the budget and financial plan.

**Background**

The existing contract and marketing agreement between the Washington Convention Center Authority (WCCA) and the Washington, DC Convention and Tourism Corporation (Destination DC) to provide marketing services is based on a contract dated 2001 which was extended for a five-year term in 2006. This Amended and Restated Marketing Agreement runs through September 13, 2013 with five one-year renewal options.

There is no fiscal impact associated with the approval of this contract because all funds necessary to implement this contract come from existing tax revenues already dedicated to the WCCA.

**Fiscal Impact**

Funds are sufficient in the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation because the funds necessary to implement the contract are budgeted out of the WCCA dedicated taxes. Approximately 70% of WCCA's dedicated taxes

come from hotel taxes; the remaining 30% come from sales taxes. The WCCA's authorizing legislation requires it to transfer 17.4% of its dedicated hotel taxes to a Marketing Fund to be used to promote tourism. Destination DC receives 80% of the Marketing Fund. The WCCA's estimated dedicated taxes and funds transferred to Destination DC are shown below.

**WCCA Dedicated Taxes - Annual Transfer to Destination DC**

	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>4 Year Total</b>
<b>WCCA Dedicated Taxes</b>	93,054,000	97,055,000	101,229,000	105,581,000	396,919,000
<b>Transfer to Destination DC</b>	9,067,182	9,457,039	9,863,754	10,287,813	38,675,788