# CITY OF MARSHALL
# AGENDA MEMO

PROJECT: 2016 HOT Fund Letters of Agreement

MEETING DATE: February 25th, 2016

DESCRIPTION: City Commission approved 2016 HOT fund allocations in November. The 2016 Letters of Agreement need to be approved so initial payments may be issued. The Letters of Agreement replace the need for contracts used previously and include all groups awarded HOT funds approved by the Commission in November 2015.

COST: $91,400.00

FUNDING: N/A

RECOMMENDED ACTION: Approve Development Committee

CITY CONTACT: Sarah E. O'Brien, Tourism & Promotions Director
Obrien.sarah@marshalltexas.net 903-702-9500

ATTACHMENTS:
2016 Payment Schedule
Letter of Agreement Marshall Depot
Letter of Agreement Harrison County Historical Museum
Letter of Agreement Michelson Museum of Art
Letter of Agreement Marshall Regional Arts Council
Letter of Agreement Boogie Woogie Promotion
Letter of Agreement Josey Ranch
Letter of Agreement Get Healthy Marshall

| 2016 Entities | Payment Type | Payment Amounts | Payment Totals | Payment Dates |
|---|---|---|---|---|
| Marshall Depot | Quarterly | $3,712.50 | $14,850.00 | March 10th, June 10th, September 10th, December 10t |
| Josey Ranch | Quarterly | $2,812.50 | $11,250.00 | March 10th, June 10th, September 10th, December 10t |
| Michelson Musem of Art | Quarterly | $3,600.00 | $9,000.00 | March 10th, June 10th, September 10th, December 10t |
| Harrison County Historical Museum | Quarterly | $1,968.75 | $7,875.00 | March 10th, June 10th, September 10th, December 10t |
| Marshall Regional Arts Council | Quarterly, Separate Amounts | Q1 $9,000, Q2 $3,600, Q3&Q4 $2,250 | $19,125.00 | March 10th, June 10th, September 10th, December 10t |
| Birthplace of Boogie Woogie | Monthly | $1,440.00 | $17,280.00 | 10th of each month, February - January |
| Get Healthy Marshall | One Lump Sum | $12,020.00 | $12,020.00 | May 10th, 2016 |
| | | FY 2016 HOT Funding Totals | $91,400.00 | |

## City of Marshall Hotel Occupancy Tax Funding Agreement

This sets forth the agreement ("Agreement") between the City of Marshall ("City") and Josey Ranch, (the "Organization"), relating to the use of Hotel Occupancy Tax Funds.

### 1. Use of Funds

The Organization agrees to use the Funds for the Event/Project described in the Hotel Occupancy Tax Funding Application. The Application is attached as Exhibit "A" to this Agreement and incorporated herein by reference. The Organization agrees that any Hotel Occupancy Tax funds received can only be used to directly promote tourism and the convention and hotel industry. Specifically, the use of Hotel Occupancy Tax funds is limited to:

(1) the establishment, improvement, or maintenance of a convention center or visitor information center
(2) the facilitation of convention registration
(3) advertising, solicitations and promotions that attract tourists and convention delegates to Marshall
(4) the encouragement, promotion, improvement and application of the arts - NOTE: Must be a viable art form (examples include instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording)
(5) the enhancement of historical restoration and preservation projects
(6) funding costs in certain counties to hold sporting events that substantially increase hotel activity
(7) funding transportation systems for tourists

### 2. General Terms

(a) Location: The Organization agrees the Event must be located within Harrison County, or in sufficiently close proximity as to reasonably attract tourists to the City of Marshall.

(b) The City shall pay the Organization 2.40 percent of the seven cent Hotel/Motel Occupancy Tax, not to exceed $11,250.00, as provided in the 2016 Annual Budget for the City of Marshall, reported to the City of Marshall pursuant to said statute during the period from October 1, 2015 to September 30, 2016. Said payment shall be made up of four installments paid to the Organization on or about each of the following dates:

| | |
|---|---|
| 1st payment | 3-10-2016 |
| 2nd payment | 6-10-2016 |
| 3rd payment | 9-10-2016 |
| 4th payment | 12-10-2016 |

(c) Promotional Materials and Sponsorship: The Organization agrees that any promotional material must contain the City of Marshall Tourism & Promotions Department logo, which can be supplied by the Tourism Director upon request. The Organization also agrees the CVB must be listed as a sponsor/partner of the event or project. The Organization agrees to provide a copy of all advertisements for the Event/Project.

(d) Audit: The Organization agrees the City of Marshall has the right to audit the books or financial records of Organization if it receives Hotel Occupancy Tax revenues.

(e) Notification Requirements: The Organization agrees to notify overnight lodging establishments in writing of the upcoming Events and provide the CVB with proof of that notification.

3. **Reporting and Reimbursement**

**The Organization is responsible for completing the Post Event Analysis with the finalized information explaining the Hotel Occupancy Tax Revenues within 60 days of the Event**. A copy of the report can be found in the Hotel Occupancy Tax Funding application. The Organization must provide receipts for review to affirm that the expenses comply with Chapter 351 of the Tax Code and the City of Marshall Hotel Occupancy Fund Policy. The report will be reviewed by the City of Marshall and the Marshall CVB board to determine how well the entity met its goals and be used in consideration of future hotel occupancy tax funding requests. Priority will be given to those events that demonstrate an ability to generate overnight visitors to the City of Marshall. If the CVB determines the Organization's Event/Project did not meet the criteria set out in this Agreement, the CVB reserves the right to deny payment of any funds to the Organization.

4. **Termination**

Either party may terminate this Agreement if the other commits a materials breach of this Agreement; provided, however, that the terminating party has given the other written notice of the breach and the other party has failed to remedy or cure the breach within ten (10) days of such notice.

5. **Remedies**

If the City of Marshall terminates this Agreement as a result of the Organization's breach, then in addition to any other remedies to which the City of Marshall may be entitled by reason of such breach, the City shall have the right to the recovery of all Hotel Occupancy Tax Revenues. In

addition, the City shall have the right to any attorneys fees incurred in the recovery of Hotel Occupancy Tax funds given to the Organization.

**6. Venue**

The venue for any dispute arising out of this Agreement shall be in Harrison, County, Texas.

City of Marshall Tourism & Promotions Department

By: _____

Name: _____

Title: _____

Date: _____

Organization

By: _____

Name: _____

Title: _____

Date: _____