

ORDINANCE NO. 2015-38

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS, AMENDING THE ATTACHED HOTEL OCCUPANCY TAX (HOT) POLICY OF THE CITY OF COPPERAS COVE; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, The Texas Tax Code Sec. 351.002. authorizes a municipality by ordinance to impose a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs \$2 or more each day, and is ordinarily used for sleeping; and

WHEREAS, The City of Copperas Cove has included in the City's Code of Ordinances, Chapter 18.5 (Use Taxes), Article II (Hotel Occupancy Tax), Section 18.5-7 (Levy of tax, rate; exceptions) to impose a tax equal to seven percent (7%) of the price for occupancy of any room or space furnished by any hotel located within the city limits of the city and to hotels in the extraterritorial jurisdiction (ETJ) of the City pursuant to state law; and

WHEREAS, The City of Copperas Cove City Council desires to amend the Hotel Occupancy Tax Policy for at the recommendation of the Texas Hotel and Lodging Association to ensure fairness to all entities receiving such funds and to provide guidance for those entities utilizing such funds.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS:

Section 1.

That the Hotel Occupancy Tax (HOT) Policy dated October 6, 2015, hereinafter set forth and included with this Ordinance as Exhibit "A" is hereby amended;

Section 2.

That any additions, deletions or other amendments to the Hotel Occupancy Tax (HOT) Policy shall be made in a manner similar to process by which this policy is originally approved and only after compliance with the Texas Open Meetings Act and approved by the City Council of the City of Copperas Cove.

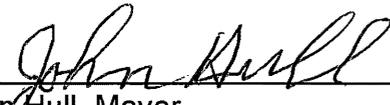
Section 3.

That should any section, clause, or provision of this ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this ordinance or any other ordinance of the city as a whole or any part thereof, other than the part so declared to be invalid.

Section 4.

That this ordinance shall be effective October 6, 2015.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS, this 6th day of October 2015, such meeting held in compliance with the Open Meeting Act (Texas Government Code, Chapter 551.001 et.seq.), at which a quorum was present and voting.



John Hull, Mayor

ATTEST:


Marjela Altott, City Secretary

APPROVED AS TO FORM:


Denton, Navarro, Rocha, Bernal, Hyde
& Zech, P.C., City Attorney



**HOTEL OCCUPANCY TAX USE GUIDELINES
UNDER TEXAS STATE LAW
FUNDING APPLICATION FORM**

State Law: By law of the State of Texas, the City of Copperas Cove collects a Hotel Occupancy Tax (HOT) from hotels, bed & breakfasts, and other lodging facilities. Under state law, the revenue from the HOT may be used only to directly promote tourism and the hotel and convention industry. **Chapter 351 of the Tax Code states that the use of HOT funds is limited to:**

- a) **Convention Centers and Visitor Information Centers:** the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing operation and maintenance of convention center facilities or visitor information centers, or both;
- a) **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- b) **Advertising, Solicitations and Promotions that Directly Promote Tourism and the Hotel and Convention Industry:** advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;
- c) **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** the encouragement, promotion, improvement, and application of the arts that can be shown to have some direct impact on tourism and the hotel/convention industry. The impact may be that the art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend the arts event. Eligible forms of art include instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture photography, graphic and craft arts, motion picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.
- d) **Historical Restoration and Preservation Activities that Directly Promote Tourism and the Hotel and Convention Industry:** historical restoration and preservation projects or activities or advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.
- e) **Sporting Event Expenses that Substantially Increase Economic Activity at Hotels:** Expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists. The event must substantially increase economic activity at hotels within the city or its vicinity.
- f) **Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations:**

City of Copperas Cove

Hotel Occupancy Tax Funding Application Form

1. the commercial center of the city;
2. a convention center in the city;
3. other hotels in or near the city; or
4. tourist attractions in or near the city.

The law specifically prohibits the use of the local hotel tax to cover the costs for general city transit costs to transport the general public.

- g) **Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.**

City Policy: The City of Copperas Cove accepts applications from groups and businesses whose program fits into one or more of the above categories. All requests for funds should be submitted in writing accompanied by the official application by June 1, 2016. The application will be reviewed by the Budget Committee in the 2nd week of June as identified in the Budget Calendar. The applicant may be asked to be present at the meeting to answer any questions regarding the application. Applicants will be notified one week prior to the meeting of the time and place for the review.

Based on the application, the Budget Committee will make a recommendation to the City Council. The City Council will make the final decision on your request.

Eligibility and Priority for Hotel Tax Funds: Priority will be given to those events and entities based on their ability to generate overnight visitors to Copperas Cove. The amount that you are requesting should not exceed more than 25 percent of the gross amount of hotel night revenue that you are predicting that will be created or sustained by your event. If an event will not generate any meaningful hotel night activity, it is not eligible for receipt of hotel occupancy tax funds. Events can prove this potential to generate overnight visitors by:

- a) **historic information on the number of room nights used during previous years of the same events;**
- b) **current information on the size of a room block that has been reserved at area hotels to accommodate anticipated overnight guests attending the funded event;**
- c) **historical information on the number of guests at hotel or other lodging facilities that attended the funded event (through surveys, guest directories, or other sources; and/or**
- d) **examples of the planned marketing of the programs and activities that will likely generate overnight visitors to local lodging properties from this event.**

Use of Revenues from Event: A portion of the revenues from any event and/or project receiving any type of funding assistance from the HOT funds should be channeled back into the future costs of operating that same event or the continued operation of the project. No other outside event(s), project, charity, etc., sponsored by the host organization may profit from the City of Copperas Cove's funding of a particular event. (Remove or amend this provision if the event has a substantial impact on tourism and hotel activity but has a portion of its proceeds channeled to outside benevolent programs.)

City of Copperas Cove Hotel Occupancy Tax Funding Application Form

Supplemental Information Required With Application: Along with the application, please submit the following:

- _____ Funding Allocation Request (HOT Policy Exhibit 1a)
- _____ Proposed Marketing Plan for Funded Event (Exhibit 3a to the HOT Policy)
- _____ Schedule of Activities or Events Relating to the Funded Project

Submit to: City Manager
City of Copperas Cove
P.O. Drawer 1449
Copperas Cove, TX 76522

**City of Copperas Cove
Hotel Occupancy Tax Funding Application Request
FY 2016-2017**



Organization Information

Submission Date:

Name of Organization:

Street Address:

Primary Phone #:

Secondary Phone #:

Mailing Address (if different from above):

E-mail:

City:

Web Site Address for Event or Sponsoring Entity:

State:

www.organization.com

Zip Code:

Organization Type: Non-Profit

Contact Name:

Tax ID #:

Entity's Creation Date:

Purpose of your organization:

Funding Request Details

Name of activity/project:.....

Date(s) of activity/project:.....

Primary location(s) of activity/project:.....

Amount of Hotel Occupancy Tax Funds Requested:.....

Which eligible use(s) is(are) most relevant to your activity or project?

- Establishment, improvement or maintenance of a convention center or visitor information center.
- Administrative costs for facilitating convention registration.
- Tourism-related advertising and promotion of the city or its vicinity.
- Programs that enhance the arts.
- Historical restoration or preservation programs.
- Sporting events of which a majority of participants are tourists.
- Enhancement or upgrading of existing sports facilities or sports fields.
- Transportation system for tourist.

City of Copperas Cove Hotel Occupancy Tax Funding Application Form

How will the funds be used? Provide a detailed justification.

Primary purpose of funded activity/project (describe):

Percentage of Hotel Tax Support of Related Costs

Percentage of total event costs covered by Hotel Occupancy Tax

Percentage of total facility costs covered by Hotel Occupancy Tax for this event

Percentage of staff costs covered by Hotel Occupancy Tax for this event

If staff costs are covered, estimate percentage of time staff spends annually on the funded event(s) compared to other activities:

Provide the amount requested for each eligible use:

1.	Convention Center or Visitor Information Center: Construction, improvement, equipping, repairing, operation and maintenance of convention center facilities or visitor information centers, or both.	
2.	Registration of Convention Delegates: furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants.	
3.	Advertising, Solicitations, Promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity.	
4.	Promotion of the Arts that Directly Enhance Tourism and the Hotel & Convention Industry: Encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture photography, graphic and craft arts, motion picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.	
5.	Historical restoration and preservation projects or activities or advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.	
6.	<p>Sporting Related Event Funding: Expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the city or its vicinity.</p> <p>How many individuals are expected to participate in the sporting related event?</p> <p>How many of the participants at the sporting related event are expected to be from another city or county?</p> <p>Quantify how the sporting related event will substantially increase economic activity at hotels within the city or its vicinity?</p>	

City of Copperas Cove Hotel Occupancy Tax Funding Application Form

7.	<p>Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations: 1) the commercial center of the city; 2) a convention center in the city; 3) other hotels in or near the city; and 4) tourist attractions in or near the city.</p> <p>What sites or attractions will tourists be taken to by this transportation?</p> <p>Will members of the general public (non-tourists) be riding on this transportation? What percentage of the ridership will be local citizens?</p>	
8.	<p>Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.</p> <p>What tourist attractions will be the subject of the signs?</p>	
Total Requested		

Questions for All Funding Request Categories

- How many years have you held this Event or Project:.....
- Number of total persons expected to attend this event:
- How many people attending this Event or Project will use Copperas Cove hotels?
How many nights will those people stay?.....
- Do you reserve a room block for this Event or Project at an area hotel and if so, for how many rooms and at which hotels?
- List other years (over the last three years) that you have hosted your Event or Project with amount of assistance given from HOT and the number of hotel rooms used:

Month/Year Held	Assistance Amount	Number of Hotel Rooms Used

- How will you measure the impact of your event on area hotel activity (e.g.; room block usage information, survey of hoteliers, etc.)?
- Please list other organization, government entities, and grants that have offered financial support to your project:
- Will the event charge admission? Do you anticipate a net profit from the event? If there is a net profit, what is the anticipated amount and how will it be used?
- Please list all promotion efforts your organization is coordinating and the amount financially committed to each media outlet:

Newspaper:..... \$
 Radio:..... \$
 TV:..... \$

City of Copperas Cove Hotel Occupancy Tax Funding Application Form

Other Paid Advertising:..... \$

Number of Press Releases to Media.....

Number Direct Mailings to out-of-town recipients.....

Other Promotions:

10. Will you include a link to the CVB or other source on your promotional handouts and in your website for booking hotel nights during this event?
11. Will you negotiate a special rate or hotel/event package to attract overnight stays?
12. What new marketing initiatives will you utilize to promote hotel and convention activity for this event?
13. What geographic areas does your advertising and promotion reach:
14. How many individuals will your proposed marketing reach who are located in another city or county?
15. If the funding requested is related to a permanent facility (e.g. museum, visitor center):
Expected Attendance Monthly/Annually:
Percentage of those in attendance that are staying at area hotels/lodging facilities: %

Required Attachments

- Along with this application, submit the following attachments and label the attachments accordingly:
- A) Funding Allocation Request (HOT Policy Exhibit 1a)
 - B) Marketing Plan (HOT Policy Exhibit 3a)
 - C) Schedule of Activities or Events Relating to the Funded Project



City of Copperas Cove

HOTEL OCCUPANCY TAX USE GUIDELINES UNDER TEXAS STATE LAW POST EVENT REPORT FORM

State Law: By law of the State of Texas, the City of Copperas Cove collects a Hotel Occupancy Tax (HOT) from hotels, bed & breakfasts, and other lodging facilities. Under state law, the revenue from the HOT may be used only to directly promote tourism and the hotel and convention industry. **Chapter 351 of the Tax Code states that the use of HOT funds is limited to:**

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- a) **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- b) **Advertising, Solicitations and Promotions that Directly Promote Tourism and the Hotel and Convention Industry:** advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;
- c) **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** the encouragement, promotion, improvement, and application of the arts that can be shown to have some direct impact on tourism and the hotel/convention industry. The impact may be that the art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend the arts event. Eligible forms of art include instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture photography, graphic and craft arts, motion picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.
- d) **Historical Restoration and Preservation Activities that Directly Promote Tourism and the Hotel and Convention Industry:** historical restoration and preservation projects or activities or advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.
- e) **Sporting Event Expenses that Substantially Increase Economic Activity at Hotels:** Expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists. The event must substantially increase economic activity at hotels within the city or its vicinity.
- f) **Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations:**

City of Copperas Cove

Hotel Occupancy Tax Post Event Form

1. the commercial center of the city;
2. a convention center in the city;
3. other hotels in or near the city; or
4. tourist attractions in or near the city.

The law specifically prohibits the use of the local hotel tax to cover the costs for general city transit costs to transport the general public.

- g) **Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.**

City Policy: The City of Copperas Cove accepts applications from groups and businesses meeting the above criteria and wishing to receive HOT funds. **All entities that are approved for such funds must submit a Post Event Report Form within 45 days of the end of each quarter for which an activity is funded.** The report will be reviewed by the City of Copperas Cove 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 Copperas Cove.

Supplemental Information Required With Post Event Report: Along with the Post Event Report, please submit the following:

_____ Quarterly Financial Report (Exhibit 2a to the HOT Policy)

Submit to: City Manager
City of Copperas Cove
P.O. Drawer 1449
Copperas Cove, TX 76522

Organization Information

Submission Date:

Name of Organization:

Street Address: Primary Phone #:
Secondary Phone #:
Mailing Address (if different from above): E-mail:

City: Web Site Address for Event or Sponsoring Entity:
State: www.organization.com
Zip Code:

Contact Name:

Event Information

Name of activity/project:.....

Date(s) of activity/project:.....

Primary location(s) of activity/project:.....

Amount of Hotel Occupancy Tax Funds Requested:.....

How were the funds used? Provide a detailed explanation.

How many years have you held this activity/project:

Event Funding Information

1. Actual percentage of funded event costs covered by Hotel Occupancy Tax
2. Actual percentage of facility costs covered by Hotel Occupancy Tax (if applicable)
3. Actual percentage of staff costs covered by Hotel Occupancy Tax (if applicable)
4. If staff costs were covered, estimate of actual hours staff spent on the funded event:
5. Did the event charge admission? Was there a net profit from the event? If there was a net profit, what was the amount and how is it being used?

Event Attendance Information:

City of Copperas Cove

Hotel Occupancy Tax Post Event Report Form

1. How many people did you predict would attend this event? (number submitted in application for Hotel Occupancy Tax funds):
2. What would you estimate as the actual attendance at the event?
3. How many room nights were generated at Copperas Cove hotels by attendees of this event or project?
4. If this Event has been funded by hotel occupancy tax in the last three years, how many room nights were generated at Copperas Cove hotels by attendees of this Event or Project?
 Last Year:
 Two Years Ago:
 Three Years Ago:
5. What method did you use to determine the number of people who booked rooms at Copperas Cove hotels (e.g.; room block usage information, survey of hoteliers, etc.)?
6. Was a room block established for this Event at an area hotel (hotels), and if so, did the room block fill?
 If the room block did not fill, how many rooms were picked up?

Event Promotion Information:

1. Please check all efforts your organization actually used to promote this Event and how much was actually spent in each category:

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Newspaper | <input type="checkbox"/> TV |
| <input type="checkbox"/> Radio | <input type="checkbox"/> Other Paid Advertising |

Number of Press Releases to Media:

Number of Direct Mailings to out-of-town recipients:

Other Promotions:

2. Did you include a link to the CVB or other source on your promotional handouts and in your website for booking hotel nights during this event?.....
3. Did you negotiate a special rate or hotel/event package to attract overnight stays?
4. What new marketing initiatives did you utilize to promote hotel and convention activity for this Event?
5. Please attach samples of documents showing how Copperas Cove was recognized in your advertising/promotional campaign.
6. Please attach at least one sample of all forms of advertising/promoting used in your campaign. If the sample itself does not indicate the medium (radio, TV, print, or mail) used or where the advertising took place (e.g. a city's newspaper, or a radio spot that does not indicate the city where the spot was played), please include other information that would show location of the advertising and medium utilized.

Sporting Related Events:

City of Copperas Cove Hotel Occupancy Tax Post Event Report Form

1. If the Event funded by hotel occupancy tax was a sporting-related function/facility, how many individuals actually participated in this event?
2. If the event was a sporting-related function/facility, how many of the participants were from another city or county?
3. If the event was a sporting-related function/facility, quantify how the activity substantially increased economic activity at hotel within the city or its vicinity?

Additional Event Information:

What Copperas Cove businesses did you utilize for food, supplies, materials, printing, etc?

Required Attachments

Along with this application, submit the following attachments and label the attachments accordingly:

- A) Quarterly Financial Report (Exhibit 2a to the HOT Policy)

Please Submit no later than 45 days after the end of the quarter to:

City Manager
City of Copperas Cove
P.O. Drawer 1449
Copperas Cove, TX 76522

Entity Name
 Entity Revenue and Expenditures
 Fiscal Year 2015-16, Quarterly Report

Exhibit 2a

Effective Date July 21, 2015

Categories	Previous Quarter	Current Quarter Actual	Current FY Projected	Next FY Proposed
General Revenue				
Advertising Revenue				
Hotel Tax Proceeds				
Event Revenue - Rabbit Fest				
Vendor Booth Fees				
Admission Fees				
Parking Fees				
Sponsor Support Revenue				
Event Revenue - Sporting Events				
Registration Fees				
Sponsor Support Revenue				
Parking Fees				
Event Revenue - Krist Kindl Markt				
Vendor Booth Fees				
Parking Fees				
Sponsor Support Revenue				
Event Revenue - Downtown Garage Sale				
Vendor Booth Fees				
Parking Fees				
Sponsor Support Revenue				
Event Revenue - Circus				
Vendor Booth Fees				
Parking Fees				
Sponsor Support Revenue				
Grand Total Revenue	\$ -	\$ -	\$ -	\$ -

Entity Name
 Entity Revenue and Expenditures
 Fiscal Year 2015-16, Quarterly Report

Exhibit 2a

Effective Date July 21, 2015

Categories	Previous Quarter	Current Quarter Actual	Current FY Projected	Next FY Proposed
Operating Expenses				
Salaries				
Overtime				
Payroll Taxes				
Benefits				
Worker's Compensation				
Other Personnel Expense				
Supplies				
Utilities				
Internet				
Marketing				
Maintenance				
Design				
Postage				
Printing				
Furniture				
Repairs and Maint - Bldg				
Repairs and Maint - Equipment				
Travel				
Association Memberships				
Total Operating Expenses	\$ -	\$ -	\$ -	\$ -
Rabbit Fest Expenses				
Promotional Advertising				
Supplies				
Food				
Equipment				
Photography/Video				
Security Overtime Budget				

Entity Name
 Entity Revenue and Expenditures
 Fiscal Year 2015-16, Quarterly Report

Exhibit
2a

Effective Date July 21, 2015

Categories	Previous Quarter	Current Quarter Actual	Current FY Projected	Next FY Proposed
Sporting Event Expenses				
Promotional Advertising				
Supplies				
Food				
Equipment				
Photography/Video				
Kris Kindl Markt Expenses				
Promotional Advertising				
Supplies				
Food				
Equipment				
Photography/Video				
Downtown Garage Sale Expenses				
Promotional Advertising				
Supplies				
Food				
Equipment				
Photography/Video				
Circus Event Expenses				
Promotional Advertising				
Supplies				
Food				
Equipment				
Photography/Video				
Total Event Expenses	\$ -	\$ -	\$ -	\$ -
Grand Total Expenses	\$ -	\$ -	\$ -	\$ -

MARKETING AGREEMENT

This Agreement (the "Agreement") is made and entered into by and between *the CITY OF COPPERAS COVE, TEXAS* ("hereinafter the "CITY"), a Texas home rule municipal corporation, and the ***INSERT ENTITY HERE*** a 501c3 corporation formed in the state of Texas (hereinafter the "INSERT ENTITY NAME HERE"). The CITY and INSERT ENTITY NAME HERE may jointly be referred to herein as the "PARTIES" and individually as a "PARTY."

RECITALS:

Whereas, the CITY has made it a priority to promote economic development through tourism, including efforts to attract to the community out of town visitors, travelers, businesses, organizations and groups whether for purposes of business or pleasure; and

Whereas, tourism and tourism related industries and the money spent by tourists and visitors to the community are essential components of a diverse local economy aiding in the creation of jobs for local residents, increased revenues for local businesses and increased local sales tax revenue; and

Whereas, the CITY currently levies a local Hotel Occupancy Tax, as defined herein; and

Whereas, in accordance with Section 351.103 of the Texas Tax Code, currently 1/7 of Hotel Occupancy Tax collected by the City must be used for "*advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity,*" (hereinafter the "*Section 351.(a) (3) requirement*") and

Whereas, the PARTIES agree that the INSERT ENTITY NAME HERE possess expertise in marketing and promotional activities and will be actively engaged in promoting tourism in the CITY, including promoting travel to the CITY by residents of other areas for festivals and similar events; and

Whereas, the PARTIES concur that inasmuch as INSERT ENTITY NAME HERE is a private organization to which the governing body of the City is delegating the management and/or supervision of only those programs approved in advance by the City, this Agreement is authorized by Section 351.101(c) of the Texas Tax Code.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations of the parties below, the PARTIES do mutually agree as follows:

ARTICLE 1

Definitions.

Agreement Effective Date shall mean October 1, 201__.

Local Hotel Occupancy Tax or *HOT* means a tax currently levied by the City of Copperas Cove pursuant to Chapter 351, Texas Tax Code.

Statutorily Authorized Promotional Programs or *SAPP(s)* means programs authorized by Texas Tax Code Section 351.001 (a) that promote tourism and the convention and hotel industry, and that are limited, by that section, to the following:+

- (1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;
- (2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- (3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;
- (4) the encouragement, promotion, improvement, and application of the arts, including 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, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;
- (5) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:
 - (A) at or in the immediate vicinity of convention center facilities or visitor information centers; or
 - (B) located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates;
- (6) expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists. The event must substantially increase economic activity at hotels within the city or its vicinity;

- (7) funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations: the commercial center of the city; a convention center in the city; other hotels in or near the city; or tourist attractions in or near the city; and
- (8) signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

ARTICLE 2

ANNUAL ALLOCATION OF HOT

2.1 The CITY shall not have any financial obligation to the INSERT ENTITY NAME HERE under this AGREEMENT unless and until the CITY'S elected Council allocates HOT funds for each budget year this AGREEMENT is in effect. The Annual Allocation of HOT for the Budget Year this AGREEMENT became effective is \$ _____ .00. The City Council shall be under no obligation to fund this Agreement in any subsequent Budget Year; and any allocation of funds for subsequent Budget Years shall be at City Council's sole discretion.

2.2 Any Annual Allocation, which is unencumbered or unexpended at the end of the City's Budget Year shall be remitted to the City within 30 days from the last day of that Budget Year.

ARTICLE 3

ENTITY'S USE OF HOT

3.1 **Promotional Services.** Pursuant to Section 351.101(c) of Texas Tax Code, the CITY hereby engages the INSERT ENTITY NAME HERE, on the terms and conditions provided in this Agreement, for the management and supervision of certain promotional services, programs and activities that are eligible to be funded with revenue derived by City from Hotel HOT (collectively "Statutorily Authorized Promotional Programs" or "SAPP(s)") specifically permitted under the Texas Tax Code Section 351.101(a) (1-5), as amended by the legislature during the term of this Agreement, including, by way of example advertising and solicitation for Rabbit Fest, and other promotional programs promoting visitor attractions, points of interest, entertainment opportunities, recreational facilities, and historical sites to attract tourists and convention delegates or registrants to the City of Copperas Cove. All Hotel HOT revenue expended by the INSERT ENTITY NAME HERE pursuant to this Agreement shall directly enhance and promote tourism and convention attendance in the City.

3.2 **Branding.** The INSERT ENTITY NAME HERE recognizes the intent and desire of the CITY to establish and enhance a "brand identity" for the City of Copperas Cove. The INSERT ENTITY NAME HERE shall ensure that SAPPs are compatible with and enhance the "branding" efforts of the CITY and shall assist the CITY in developing strategies for coordinating the CITY'S marketing efforts with the INSERT ENTITY NAME HERE marketing programs, so that the CITY'S marketing efforts may be enhanced and maximized, to the extent reasonably possible.

ARTICLE 4
MARKETING PLAN

4.1 Preparation of Proposed Marketing Plan. The INSERT ENTITY NAME HERE shall prepare and submit to City a proposed Marketing Plan or Plans annually to be submitted on or before _____ of the preceding year through the term of this Agreement before the expenditure of funds for any SAPP, which Marketing Plan or Plans shall include:

- (a) A narrative description of the various programs and activities which the ENTITY NAME HERE proposes to carry out, which description shall include, without limitation, an explanation of the basis on which each such proposed program or activity qualifies as a SAPP for purposes of this Agreement and the basis on which such programs and activities are compatible with and enhance the “branding” efforts of the City;
- (b) A budget indicating how much of the Hotel HOT available to the INSERT ENTITY NAME HERE hereunder that the INSERT ENTITY NAME HERE proposes to spend on each particular SAPP; and

4.2 Approval of Marketing Plan. The City, through its City Manager, shall approve, disapprove or request modifications to any Marketing Plan submitted by the INSERT ENTITY NAME HERE within thirty (30) days after the City’s receipt of said Marketing Plan. The City’s approval shall not be unreasonably withheld or delayed. The Marketing Plan shall be delivered to the City by Certified Mail Return Receipt Requested. If the City has not approved, disapproved or requested modifications to the initial submitted Marketing Plan within thirty (30) days of receipt, the submitted Marketing Plan may be submitted to City Council for consideration. Parties agree and acknowledge that they have a duty to act in good faith to work diligently toward developing an acceptable Marketing Plan. In the event that the City Manager fails to take action on a subsequent Marketing Plan, within thirty (30) days after the CITY’S receipt of said Marketing Plan, the prior year’s approved Marketing Plan will remain in effect until a subsequent Marketing Plan is approved.

4.3 Marketing Plan Amendments. Should the approved Marketing Plan be determined by the INSERT ENTITY NAME HERE to provide insufficient flexibility to address applicable facts and circumstances as they develop, it may, at any time, propose and request City’s approval of an amendment thereto. No such amendment shall be effective until approved by the City in the same manner defined in Section 4.2 hereof, which approval by the City shall not be unreasonably withheld.

ARTICLE 5
ENTITY’S DUTY TO CITY

The INSERT ENTITY NAME HERE acknowledges that, pursuant to the terms of this Agreement and Section 351.101 (c) of the Texas Tax Code, it has a fiduciary duty to the City

with respect to its handling and use of the HOT expended in accordance with this Agreement and the City of Copperas Cove Hotel Occupancy Tax (HOT) Policy.

ARTICLE 6
RECORDS

The ENTITY NAME HERE shall maintain (or cause to be maintained) current and complete books and records reflecting expenditures of funds from the HOT hereunder in accordance with applicable law and prudent accounting procedures. Further, such book and records shall be made available to the City for inspection during normal business hours upon reasonable advance notice. All such records to the extent considered public records which fall within the provisions of the Texas Government Code, Section 552.001, *et seq.*, may be subject to disclosure and the INSERT ENTITY NAME HERE shall cooperate fully with City in timely producing all such records in response to any public request for same.

ARTICLE 7
CITY'S RIGHT TO AUDIT

The CITY reserves the right for CITY'S internal audit department personnel, or an independent certified public accounting firm selected by CITY, to conduct examinations, during normal business hours, of the books and records maintained by INSERT ENTITY NAME HERE with respect to its expenditures hereunder, which books and records shall be made available to City upon at least thirty (30) days' notice to the INSERT ENTITY NAME HERE of CITY'S inspection and audit. Any and all reasonable costs incurred by the CITY associated with any audit described herein shall be shared equally by the CITY and INSERT ENTITY NAME HERE.

ARTICLE 8
TERMINATION

8.1 INSERT ENTITY NAME HERE Default. The CITY may terminate this Agreement by furnishing written notice to the INSERT ENTITY NAME HERE if at any time during the term of this Agreement the INSERT ENTITY NAME HERE fails to perform any of its obligations hereunder and such failure to perform such covenant continues for thirty (30) days after written notice given by CITY to the INSERT ENTITY NAME HERE, provided that if such failure cannot reasonably be cured within such thirty (30) day period then the INSERT ENTITY NAME HERE shall not be in default hereunder and City shall not have the right to terminate this Agreement unless and until the INSERT ENTITY NAME HERE fails to commence curing such failure within such thirty (30) day period and prosecute such cure to completion with diligence.

8.2 Unspent Funds. In the event this Agreement is terminated by the CITY pursuant to the terms of this Agreement and unspent Hotel HOT reserved for SAPP costs and expenditures remains, then such unspent amounts shall be eligible for use by the CITY in any manner permitted by Chapter 351 of the Texas Tax Code and INSERT ENTITY NAME HERE shall have no further right or entitlement to the receipt of such funds, except for the payment of

eligible costs and expenses reasonably incurred by the INSERT ENTITY NAME HERE up to and including the date of termination.

8.3 CITY Default. CITY Default shall mean the failure of the CITY to comply with or to perform any term, obligation, covenant or condition contained in this Agreement, and the CITY fails to cure such failure within thirty (30) days after written notice from the INSERT ENTITY NAME HERE describing such failure, or if such failure cannot be cured within such 30-day period in the exercise of all due diligence, then if the CITY fails to commence such cure within such 30-day period or fails to continuously thereafter diligently prosecute the cure of such failure.

8.4 If the CITY is in default of this Agreement, the INSERT ENTITY NAME HERE may terminate this Agreement by written notice and sue for damages, subject to the limitations of Article 9.

ARTICLE 9
LIABILITY OF ENTITY AND CITY

9.1 No Liability of City Personnel. The INSERT ENTITY NAME HERE agrees that no provision of this Agreement is intended to or shall be interpreted to negate or diminish any statutory or common law rights the CITY may have to immunity under the laws of the State of Texas. Further, the INSERT ENTITY NAME HERE agrees that it may assert claims only against the assets of CITY and that under no circumstances shall any officer or employee of CITY ever be personally liable for any of the obligations of CITY under this Agreement.

9.2 **INDEMNIFICATION.** The **INSERT ENTITY NAME HERE** AGREES TO INDEMNIFY, SAVE AND HOLD HARMLESS CITY, ITS AGENTS, OFFICERS, REPRESENTATIVES, EMPLOYEES, AND AFFILIATES, OF AND FROM ANY AND ALL PRESENT OR FUTURE CLAIMS, DEMANDS OR CAUSES OF ACTION THAT MAY ACCRUE ON ACCOUNT OF, OR IN ANY WAY ARISING OUT OF, **INSERT ENTITY NAME HERE** WRONGFUL ACTS AND/OR OMISSIONS UNDER THIS AGREEMENT AND/OR ENTITY 'S MISUSE OF HOT REVENUE AND/OR THE MISMANAGEMENT OF SUCH REVENUES.

9.3 **REIMBURSEMENT OF FUNDS.** IF THIS AGREEMENT OR THE USE OF HOT AS PROVIDED HEREIN IS DEEMED TO BE IMPERMISSIBLE BY A COURT HAVING JURISDICTION OVER THE PARTIES AND SUBJECT MATTER, AND A FINAL NON-APPEALABLE JUDGEMENT REQUIRES THE **INSERT ENTITY NAME HERE** TO RETURN SUCH FUNDS, THEN THE **INSERT ENTITY NAME HERE** AGREES THAT ANY AND ALL FUNDS ADVANCED TO IT BY THE CITY SHALL BE REIMBURSED TO THE CITY

9.04 City's Liability Limitations. Should City fail to timely, fully and completely comply with any one or more of the requirements, obligations, duties, terms, conditions or warranties of this Agreement, such failures shall be an Act of Default by City and City shall have thirty (30) days to cure and remove the Default upon receipt of written notice to do so from the INSERT

The INSERT ENTITY NAME HERE shall at all times be the independent contractor of the CITY and not the employee or agent of the CITY, with respect to the matters provided for herein. The INSERT ENTITY NAME HERE shall have no right or power to contract with third parties for, on behalf of, or in the name of the CITY or to otherwise bind or obligate the CITY.

ARTICLE 12
SUCCESSORS AND ASSIGNS; ASSIGNABILITY

12.1 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of PARTIES and their respective heirs, representatives, successors and permitted assigns.

12.2 **Assignment by INSERT ENTITY NAME HERE.** The INSERT ENTITY NAME HERE shall not be permitted to assign this Agreement, in whole or in part, unless such assignment is first approved by the City Council of Copperas Cove.

ARTICLE 13
TERM

13.1 Unless earlier terminated under the terms of this Agreement, this Agreement shall renew annually on October 1, subject to the CITY'S Annual Allocation obligations parameters set out in ARTICLE 2.

13.2 In addition to any other right of termination set out herein, either PARTY may terminate this AGREEMENT by giving the other 30 days' notice prior to renewal.

ARTICLE 14
MISCELLANEOUS

14.1 **Amendments.** This Agreement may be amended only by a written instrument so stating which is executed by the PARTIES hereto.

14.2 **Severability.** If any provision of this Agreement shall be invalid or unenforceable for any reason and to any extent, the remainder of this Agreement shall not be affected thereby, but shall be enforced to the greatest extent permitted by law.

14.3 **Headings.** All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

14.5 **Waivers.** No failure or delay of a Party in the exercise of any right given to such Party hereunder or by law shall constitute a waiver thereof, nor shall any single or partial exercise of any such right preclude other further exercise thereof or of any other right. The waiver by a Party of any breach of any provision hereof shall not be deemed to be a waiver of any subsequent breach thereof or of any breach of any other provision hereof.

14.6 Governing Law and Venue. This Agreement shall be construed, interpreted and applied in accordance with and shall be governed by, the laws applicable to the State of Texas. Venue for any disputes arising under this Agreement shall be in Coryell County, Texas.

15.7 Authority. The person executing this Agreement on behalf of the INSERT ENTITY NAME HERE and the CITY each represents that he/she has the power and authority to do so and to bind his/her principal to the terms of this Agreement.

15.8 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original of this Agreement but all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

(SIGNATURES ON FOLLOWING PAGES)

INSERT ENTITY NAME HERE:

By: _____

Name: _____

Title: _____

Date: _____

STATE OF TEXAS §

COUNTY OF CORYELL §

This instrument was acknowledged before me, the undersigned authority, on the _____ day of _____, 2015, by INSERT NAME, INSERT TITLE of the INSERT ENTITY NAME HERE, a nonprofit 503c3 corporation, for and on behalf of said corporation.

NOTARY PUBLIC, STATE OF TEXAS

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

CITY:

CITY OF COPPERAS COVE, TEXAS

By: _____
Andrea Gardner, City Manager

Date: _____

ATTEST:

Mariela Altott, City Secretary

APPROVED AS TO FORM:

Denton Navarro Rocha Bernal Hyde
& Zech, P.C., City Attorney

STATE OF TEXAS §

COUNTY OF CORYELL §

This instrument was acknowledged before me, the undersigned authority, on the _____ day of _____, 2014, by ANDREA GARDNER, City Manager of the City of Copperas Cove, Texas, on behalf of said City.

NOTARY PUBLIC, STATE OF TEXAS

Marketing Plan

A marketing plan is a roadmap your organization follows to be fully effective and dramatically improve the success of your organization. This plan identifies who your target audience is, how your organization will reach them, and how you will retain develop continued tourism and support for the hotel industry. While this plan sets a path for the future, it is also a document that should remain somewhat fluid as market conditions and opportunities develop and new data becomes.

The sections below should be identified in your marketing plan. These areas are reflective of the purpose of hotel occupancy tax to promote tourism and the hotel industry. The use of hotel occupancy tax funds should have an economic impact on hotel industry and the community.

Key Economic Goals

How will the activities funded with Hotel Occupancy Tax (HOT) impact the local economy? Increase overnight visitors and HOT revenue; increase visitor spending; etc.

Target Geographic Markets

What geographic area will your organization target for the funded HOT activity(ies)? Examples: Areas within a 10-hour drive; Texas, Oklahoma, New Mexico, Arkansas, Louisiana; etc.

Target Consumers

What population demographic will you target in your marketing and tourism appeal for the funded HOT activity(ies)? Examples: Generation, family status, hobby interests, etc.

Performance Measurements

Measuring the effectiveness of the funded HOT activity(ies) is key to determining the success of your activity(ies). The following metrics can be used to analyze your program: Number of hotel/motel rooms; Hotel/motel rooms blocked in advanced; Number of hotel/motel rooms utilized in the block; Activity attendance by locals and visitors; etc.

MARKETING TOOLS & RESOURCES

The sections below should also be included in your marketing plan if they are applicable to your organization/funded HOT activity(ies). This is not a comprehensive list, but a guide only. This section will describe how your organization will market your funded HOT activity(ies), tourism to Copperas Cove, and the hotel industry.

Marketing Messages

Any brand messages? The City Built for Family Living, etc.

Regional Programs/Cooperative Marketing

Will you participate in regional/cooperative marketing to promote your activity and the hotel industry?

Advertising

Digital Marketing - Will you utilize digital marketing? How?

Print - Will you utilize flyers, brochures, newspapers, magazines, etc?

Social Media - Will you utilize social media? What services?

Television - Will you run commercials? What stations and what focus?

Radio - Will you use radio advertising? What stations?

Research

Research prior to conducting marketing efforts and activities can provide more effective results of funded activities. Do you plan to conduct any research related to the funded HOT activity(ies)?

Public Relations

Public relations can greatly improve exposure to your funded HOT activity(ies). What public relation programs will your organization incorporate into your marketing toolbox.

Travel Shows/Fairs

Will you participate in any shows or fairs to promote your funded HOT activity(ies), tourism to Copperas Cove, or the hotel industry?

Group Sales

Will your organization conduct any group sales related to your funded HOT activity(ies)? How will you conduct those sales?

Information Center Services

Will your organization function as an information center for the city in any way? How?

Mailing/Distribution Program

Will your organization send information by direct mailings or through a fulfillment house to promote your funded HOT activity(ies), tourism to Copperas Cove, and/or the hotel industry?

Special Programs

Will you develop and implement any special programs to increase tourism and support the hotel industry? If so, what programs?