

**DRIPPING SPRINGS VISITOR BOARD TRANSFER
OF OPERATIONS AGREEMENT**

This Agreement is hereby entered into on the ___ day of _____ 2023, by the **City of Dripping Springs, Texas**, a general-law municipality located in Hays County, Texas (“City”), and the **Dripping Springs Visitors Bureau**, a nonprofit corporation (“Visitors Bureau”).

RECITALS:

WHEREAS, the Board of Directors of the Visitors Bureau will dissolve the 501(c)(3) after legal disposition of all funds; and

WHEREAS, the funds of the Dripping Springs Visitors Bureau are subject to the Internal Revenue Code, Business and Commerce Code, and the Texas Tax Code; and

WHEREAS, City will continue to promote tourism and educate visitors to Dripping Springs about the city’s many venues, businesses, and amenities, and support the needs of area businesses that serve tourism and travel; and

WHEREAS, City will hire the two full-time employee positions; and

WHEREAS, the City will manage marketing, social media accounts, service marks, and all operations; and

WHEREAS, upon the dissolution of the Visitors Bureau, all assets will be transferred to the City; and

WHEREAS, the transfer of operations from the Visitors Bureau to City is in the best public interest.

NOW, THEREFORE, BE IT MUTUALLY AGREED AS FOLLOWS:

1. Dripping Springs Visitors Bureau Duties

(a) Cease of Operations: The Board of Directors of Dripping Springs Visitors Bureau will vote to cease operations the 501(c)(3) after satisfactory, legal disposition of all funds consistent with the bylaws of the Dripping Springs Visitors Bureau or by December 31, 2023 whichever is sooner.

(b) Dissolution: The Board of Directors of Dripping Springs Visitors Bureau will vote to dissolve the 501(c)(3) after satisfactory, legal disposition of all funds consistent with the bylaws of the Dripping Springs Visitors Bureau. During continued existence of the Bureau, the Board will assist the City with any filings or information needed to perform the duties under the agreement to the extent possible. The City will handle the entirety of Tourism-related operations. The Board will be available to advise and share input upon request.

- (c) **Signatories on Accounts:** Current boardmembers shall remain the signatories on the Visitors Bureau accounts so long as the Visitors Bureau is active and consistent with the bylaws and banking agreements.
- (d) **Transfer of Assets:** All assets shall transfer as allowed by state and federal law and consistent with the bylaws of the Dripping Springs Visitors Bureau. No City Hotel Occupancy Tax funds may be transferred to any entity other than the City of Dripping Springs or a 501(c)(3) that agrees to solely use such funds for the purposes authorized by state law for hotel occupancy tax funds. Any transfer of City Hotel Occupancy Tax will be subject to the state tax requirements and any entity receiving such funds shall enter into a Hotel Occupancy Tax Agreement with the City to monitor the legal use of the funds.
- (e) **Bills:** All expenses of the Dripping Springs Visitors Bureau will be paid by the Visitors Bureau through dissolution. Payments shall not exceed the amount of current funds of the Visitors Bureau and shall not include funds restricted to a specific event or a specific purpose unless the expense is for the purpose of the restricted fund. Determinations related to the payment of expenses shall be made by the City Finance Director in coordination with the President of the Dripping Springs Visitors Bureau.
- (f) **Employees:** The Dripping Springs Visitors Bureau will compensate the City for payroll administration services and employee expenses related to the services provided by the tourism employees to the City. Payments shall not exceed the amount of current funds of the Visitors Bureau and shall not include funds restricted to a specific event or a specific purpose unless the expense is for the purpose of the restricted fund. Determinations related to the payment of expenses shall be made by the City Finance Director in coordination with the President of the Dripping Springs Visitors Bureau.
- (g) **Restricted Funds:** The Dripping Springs Visitors Bureau will provide all information related to restricted funds including hotel occupancy tax funds, grant funds, sponsorships, and other donations to the City of Dripping Springs.
- (h) **Property:** All property currently owned by the Dripping Springs Visitors Bureau, other than funds, will be transferred to the City upon execution of this Agreement.
- (i) **Agreements:** Any agreement or invoice of the Dripping Springs Visitors Bureau will not be assigned to the City of Dripping Springs except by separate written agreement.
- (j) **Records:** The Dripping Springs Visitors Bureau shall transfer all records to the City of Dripping Springs upon execution of this agreement.

2. City of Dripping Springs Duties:

- (a) **Current Full-time Employees:** The City will hire the two (2) full-time employees.
- (b) **Social Media:** The City will manage all social media and website accounts in the control of the Visitors Bureau.

- (c) **Initial Board Membership:** The current Board of Directors for the Visitors Bureau will be offered initial board membership starting July 1, 2023.
- (d) **Dissolution and Transfer Assistance:** The City Attorney and Finance department will assist the board with dissolution and transfer of assets.
- (e) **Funds:** Any amounts transferred or paid to the City by the Visitors Bureau will be used solely as allowed by the Texas Tax Code as it relates to Hotel Occupancy Tax and the Internal Revenue Code as it relates to tax exempt funds.
- (f) **Restricted Funds:** The Dripping Springs Visitors Bureau and City will cooperate to ensure any restricted funds are appropriately transferred including cooperation with one or more 501(c)(3)s to ensure proper disposition of funds.
- (g) **Records:** The City of Dripping Springs shall maintain all records of the Dripping Springs Visitors Bureau for the extent of the City's Record Retention Policy or for three (3) years upon the execution of this agreement, whichever period is longer.
- (h) **Filings:** The City will work with the Dripping Springs Visitors Bureau and their accountant to ensure that all required state and federal filings are done in a timely manner during the existence, active or dormant, of the Bureau.

3. Notification

Any notice necessary or appropriate relative to this Agreement shall be effective when deposited in the United States mails, either certified or registered mail, postage prepaid and addressed to the following locations:

For the City:

City of Dripping Springs
 Attn: City Administrator
 PO Box 384
 Dripping Springs, TX 78620

For the Visitors Bureau

Dripping Springs Visitors Bureau
 Attn: President
 PO Box 206
 Dripping Springs, TX 78620

4. Assignment or Delegation

No part of this Agreement may be assigned or delegated without the prior written consent of the other party, and any attempted assignment of benefits or rights or delegation of duties or obligations shall be a breach of this Agreement.

However, nothing in this Agreement shall prohibit the Visitors Bureau from participating with other city, regional, or state tourism programs or to contract for joint promotion with other agencies.

5. Controlling Law & Venue

This Agreement shall be subject to the laws and statutes of the State of Texas. It is understood and agreed that in the event any provision of this Agreement is inconsistent with the requirements of the Act, or any other applicable State law, the requirements of the law will control. The venue for any legal disputes arising under this Agreement shall be Hays County.

6. Absence of Indemnification

Each party to this Agreement shall be solely responsible and liable for the acts, errors, and omissions of its officers, agents, and employees, and for any and all claims, losses, causes of action and damages, suits, and liability of every kind including all expenses of litigation, court costs, and attorney fees, for injury to or death to any person, or for damage to any property, arising from or in connection with the party's own operations carried out in furtherance of this Agreement. No indemnification of one party by the other party is intended or shall be implied by this Agreement.

7. Termination of Prior Agreements

Certain agreements between the City of Dripping Springs and the Dripping Springs Visitors Bureau are terminated upon execution of this Agreement including:

- (a) **Hotel Occupancy Tax Program Funding Agreement** entered into on or about the 15th day of November other than the provisions requiring an accounting of all expenditures.
- (b) The **Amendment to the Hotel Occupancy Tax Grant Program Funding Agreement** entered into on or around December 2021 other than the provisions requiring an accounting of all expenditures.
- (c) **Agreement for Inclusion in City Health Coverage Program**, other than guaranteeing health coverage for DSVB employees until the employees become employees and obtain insurance through the City of Dripping Springs.
- (d) **Commercial Lease Agreement for the Dear Hall Office Spaces**. The lease terminates on June 1, 2023 in order to provide sufficient time to move any property of the DSVB and its current or former employees.

8. Entire Agreement

This Agreement constitutes the entire agreement between the parties, relative to the City's absorption of the Visitors Bureau assets and full-time employees.

IN WITNESS WHEREOF, the parties hereby execute this Agreement:

[signature page follows]

CITY OF DRIPPING SPRINGS:

**DRIPPING SPRINGS VISITORS
BUREAU:**

Bill Foulds, Jr., Mayor

Kirtan Patel, President

ATTEST:

ATTEST:

Andrea Cunningham, City Secretary

Signature

Printed Name and Title