

STATE OF TEXAS §
COUNTY OF HIDALGO §
CITY OF MISSION §

FUNDING AGREEMENT BETWEEN THE CITY OF MISSION AND THE GREATER MISSION CHAMBER OF COMMERCE, INC.

This Agreement is executed on this the *14th* day of *October, 2024 effective October 1, 2024*, by and between the City of Mission, (hereinafter referred to as “City”) a municipal corporation of Hidalgo County, Texas, and the Greater Mission Chamber of Commerce, Inc. (hereinafter referred to as “Chamber”).

I.

The City of Mission, by authority of powers granted to it under state statutes and its City Charter has heretofore enacted a local hotel occupancy tax on occupants of hotels within the City.

II.

As part of its obligation under statutes (primarily V.A.T.S. Tax Code, Section 351.101) to use local hotel occupancy tax funds for attracting and promoting tourism and the convention and hotel industry, the City hereby agrees to pay to the Chamber a portion of the money actually received by the City from the local hotel occupancy tax as collected by the City Secretary (the “Hotel Occupancy Tax Funds”), in consideration for the Chamber advertising and promoting tourism for the visitor market from which the City derives direct tourism income benefit.

The Chamber agrees that any local Hotel Occupancy Tax Funds paid to it by the City shall be used only in the following specific areas:

1. The furnishing of facilities, personnel and materials for the registration of convention delegates, registrants and tourists.
2. Advertising and conducting solicitation and promotional programs to attract tourists and convention delegates or registrants to the City and its surrounding areas.
3. Advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.
4. To furnish and provide services and programs as stipulated in the Budget – *Attachment ‘A’*
5. Devise and coordinate special events to attract (1) winter visitors, (2) conventions, (3) Mexican visitors, and (4) other Valley residents.
6. Create and coordinate an effective public relations campaign designed to build Mission as an enjoyable tourist destination.
7. Improve facilities to promote tourism with City Council’s written approval.

The Chamber agrees to conduct a continuing program of advertising and promotion for the purpose of attracting visitors, tourists and conventions to the local area and to the City by publishing and distributing brochures and community information packets, and by advertising in various tourist publications and general media publications which are appropriate, by representing the City in travel shows and other such events, by participating with state and regional agencies in tourist development programs of benefit to the local area and to the City, and by using all appropriate means to increase the traveling public’s awareness of the cultural and recreational advantages of the local area and the City.

The Chamber further agrees that it will seek to achieve economic benefit for the City through all of such activities, that it will provide tourist-related information about the City upon request, and that it will

serve as an advisory board to the City, on request, in matters related to expanding the tourist derived economy.

III.

The following Performance Measures will be used as indicators of the services being provided by the Chamber:

- A.** Increased Sales Tax Revenues
- B.** Increased Hotel Occupancy Tax Revenues
- C.** Enhance to maintain business relationships with tourism partners, i.e. Hoteliers, RV Parks, etc.
- D.** Timely and thorough tourism and financial reporting
- E.** Creativity and innovation exhibited in Chamber Programs
- F.** Level of participation at Chamber tourism activities

IV.

The City hereby also agrees to pay to the Chamber a portion from its general fund to be used for Chamber business development (the "General Funds").

V.

It is expressly understood and agreed by and between the parties that the Chamber is hired and engaged as an independent contractor and is not an officer, agent or employee of the City.

VI.

The Chamber shall secure sufficient number of employees to accomplish this Agreement. The Chamber shall further provide such office space, equipment, supplies and other materials as may be necessary to accomplish the purpose of this Agreement.

The Chamber shall provide to the City bi-monthly reports on the activities that are conducted to benefit the City, an audited annual financial report for the Chamber within three months of the end of its fiscal year, and an annual financial audit and statement listing the expenditures made from local hotel occupancy tax revenues paid by the City to the Chamber within three months from the end of the City's fiscal year. It is further agreed by the Chamber that it shall maintain said hotel occupancy tax revenue in a separate account established for that purpose and that it shall not co-mingle that revenue with any other money or maintain it in any other account.

The Chamber shall maintain complete and accurate financial records of each expenditure of local hotel occupancy tax revenue and, upon request by the City, shall make the records available for inspection and review.

VII.

It is understood and agreed by and between the parties that Hotel Occupancy Tax Funds may be spent by the Chamber for day-to-day operations including supplies, salaries, office rental, travel expenses, and other administrative costs, if same have been previously approved in the budget and if directly related to those duties listed in Section II. The portion of the total administrative costs for which hotel occupancy tax revenues are expended may not exceed the actual administrative cost for these activities. It is understood and agreed by and between the parties that General Funds may be spent by the Chamber for business development.

VIII.

The City agrees to pay the Chamber Hotel Occupancy Tax Funds in the annual sum of \$310,000.00 payable in quarterly installments. Such payments will be dependent upon and shall not exceed the availability of Hotel Occupancy Revenues for the fiscal year contracted.

The City agrees to also pay the Chamber from the city's General Fund the annual sum of \$92,000.00 payable in one lump sum.

Payment for services to the Chamber shall be based upon requests for reimbursement with proper documentation. Payment will be made in compliance with and as required by new state legislative law. The City shall have the right to audit and inspect the Chamber's records in order to verify expenditures.

IX.

This Agreement shall begin on the 1st day of October, 2024, and shall continue in force for a period of one (1) year, ending September 30, 2025. However, either the City or the Chamber shall, upon affording proper written notice in the manner herein below provided, have the option to terminate this Agreement at any time within twelve (12) months after giving such notice. The City shall review the Agreement annually prior to budget adoption. The City and Chamber, by mutual consent of each governing body, may amend and/or extend this agreement.

X.

Any notice necessary or appropriate relative to this Agreement shall be effective when deposited in the United States mail, either certified or registered mail, postage prepaid and addressed to the City Manager, City of Mission, 1201 E. 8th Street, Mission, Texas, 78572, or to the Mission Chamber of Commerce, 202 West Tom Landry, Mission, Texas, 78572.

XI.

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 Chamber from participating with regional or state tourism programs or to contract for joint promotion with other agencies.

XII.

This Agreement shall be subject to the laws and statutes of the State of Texas and that exclusive jurisdiction shall lie in the state or district courts of Hidalgo County, Texas.

XIII.

The Chamber agrees to and shall indemnify and hold harmless and defend the City, its officers, agents and employees from 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's fees for injury to or death to any person, or for damage to any property, arising from or in connection with the operations of the Chamber, its officers, agents and employees, carried out in furtherance of this Agreement. It is the expressed intention of the parties hereto, both the Chamber and the City, that the indemnity provided for in this paragraph is also indemnity by the Chamber to indemnify and protect the City from the consequences of the City's own negligence, where the negligence is a concurring cause of the injury, death or damage. The Chamber shall carry or cause

to be carried public liability and bodily injury insurance on all automobiles used in the operations embraced by this agreement in the combined liability limits of Five Hundred Thousand and No/100 (\$500,000).

XIV.

The Chamber shall keep in effect a policy of general liability. Said insurance policy shall name the City as an additional insured. Said policy, or duplicate original thereof, must be filed with the City before any operations contemplated by this Agreement are begun.

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

READ, CONSIDERED AND APPROVED on this the 14th day of October, 2024.

CITY OF MISSION

Norie Gonzalez Garza, Mayor

ATTEST:

Anna Carrillo, City Secretary

**GREATER MISSION CHAMBER OF
COMMERCE, INC.**

Chairman of the Board