

RESOLUTION NO. R2020-06

A RESOLUTION APPROVING THE 2021 BLUEBONNET FESTIVAL MARKETING AGREEMENT WITH THE BURNET CHAMBER OF COMMERCE; AUTHORIZING THE APPROPRIATION HOTEL OCCUPANCY TAX TO FUND THE AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

Whereas, the Bluebonnet Festival is an annual event hosted by the Burnet Chamber of Commerce (the "Chamber"); and

Whereas, for the first time in its 37-year history the Bluebonnet Festival was cancelled due to the COVID-19 pandemic; and

Whereas, financial losses incurred by the Chamber as a result of the Bluebonnet Festival cancellation has place the viability of future Bluebonnet Festivals in peril; and

Whereas, City Council finds the Bluebonnet Festival to be an essential promotional program attracting tourist to the City; and

Whereas, in order to assure the continuation of the Bluebonnet Festival, City Council deems it appropriate to expend Hotel Occupancy Tax funds to provide promotional funding for the 2021 Bluebonnet Festival.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF BURNET, TEXAS:

Section one. That the recitals to this Resolution are incorporated herein for all purposes.

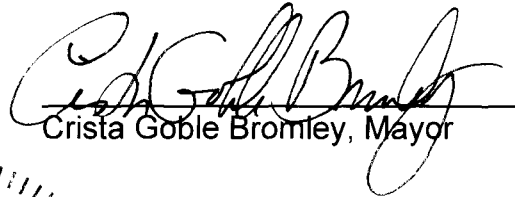
Section two. That the 2021 Bluebonnet Festival Marketing Agreement, attached hereto as **Exhibit "A"**; and, the expenditure of Hotel Occupancy Tax funds, as provided in said agreement, are hereby approved.

Section three. That the city manager is hereby authorized to execute an agreement in substantial form as Exhibit A and execute such other documents and take such other actions reasonably necessary to facilitate the purpose of this Resolution.


Section four. That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THIS 14th DAY OF April 2020.

CITY OF BURNET, TEXAS


Crista Goble Bromley, Mayor

ATTEST:


Kelly Dix, City Secretary

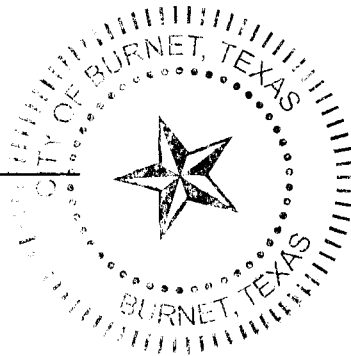


EXHIBIT "A"

2021 BLUEBONNET FESTIVAL MARKETING AGREEMENT

This Agreement (the "Agreement") is made and entered into by and between *the CITY OF BURNET, TEXAS* ("hereinafter the "CITY"), a Texas home rule municipal corporation, and the *BURNET CHAMBER OF COMMERCE* a 501c3 corporation formed in the state of Texas (hereinafter the "CHAMBER"). The CITY and CHAMBER 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, a portion of the 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 "*351.101(a) (3) requirement*") and

Whereas, the PARTIES agree that the CHAMBER 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 CHAMBER possesses 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 Bluebonnet Festival is an annual event hosted by the CHAMBER; and

Whereas, for the first time in its 37-year history the Bluebonnet Festival was cancelled due to the COVID-19 pandemic; and

Whereas, financial losses incurred by the CHAMBER as a result of the Bluebonnet Festival cancellation has place the viability of future Bluebonnet Festivals in peril; and

Whereas, City Council finds the Bluebonnet Festival to be an essential promotional program attracting tourist to the City; and

Whereas, in order to assure the continuation of the Bluebonnet Festival, City Council deems it appropriate to expend Hotel Occupancy Tax funds to provide promotional funding for the 2021 Bluebonnet Festival; and

Whereas, the PARTIES concur that inasmuch as CHAMBER 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.

Advertising expenses means cost incurred in advertising the 2021 Bluebonnet Festival, including direct and indirect costs associated with design, publication and distribution of printed brochures to state and municipal visitor centers; design, and publication of print advertising in national and regional magazines and newspapers; and production of radio and television advertising.

Agreement Effective Date means 4-14, 2020.

Bluebonnet Festival means that certain festival taking place annually in Burnet, Texas, the second weekend in April since 1983,

Current fiscal year means the current fiscal year of the City, which began on October 1, 2020 and ends September 30, 2021.

Entertainer means a person, musical group, or stage troop engaged by the CHAMBER to perform at the 2021 Bluebonnet Festival.

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

Merchandise means tee shirts, ball caps, cups and related items promoting the Bluebonnet Festival.

Statutory Compliance means compliance with the third party administrator requirements of Texas Tax Code Section 351.101(c), (d), (e), (f) and (g).