

Legislation Text

File #: 19-462, Version: 1

Presenter/Contact

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SUBJECT:

Approval of a five-year renewal of the current agreement beginning October 1, 2019 until September 30, 2024, between the City of New Braunfels and the Greater New Braunfels Chamber of Commerce Inc. concerning the use of Hotel Occupancy Tax.

BACKGROUND / RATIONALE:

The term of the current agreement between the City and the Greater New Braunfels Chamber of Commerce is from October 1, 2014 until September 30, 2019. The renewal provision that provides that sixty (60) days before the expiration of the agreement, *"the Chamber may submit to the City Manager evidence of justification for exercising the option to renew this contract with the City for an additional five year period, not to exceed two-five year renewal periods."* The Chamber has asked to present to City Council its justification for renewal now rather than 60 days prior to the end of the agreement because the Chamber begins their budget development and planning in April-May. That change will be in section 10 of the contract (see below). This represents the only change that either party wishes to make to the contract prior to exercising the renewal.

Additionally, the Chamber of Commerce conducts budget presentations to the visitor industry in July, and City Council presentations in late July/early August. The earlier renewal will enable a timely budget development process to be met as it is more in line with the City's budget process. If the Chamber's request for renewal is approved, the contract will be renewed for a five year term effective October 1, 2019 until September 30, 2024.

SECTION 10. RENEWAL

Sixty (60) days One hundred and fifty (150) days prior to the end of the term of the Agreement, the Chamber may submit to the City Manager evidence of justification for exercising the option to renew this contract with the City for one additional five-year period.. It is understood and agreed that the Chamber is not entitled to any right of automatic renewal of this Agreement for the ensuing year, or years, since such renewal option rests exclusively with the City Council.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

N/A

FISCAL IMPACT:

The renewal of the agreement will not have a direct financial impact. However, the annual allocation for services rendered under the agreement will remain at 50 percent of total occupancy taxes collected, unless otherwise approved by City Council. Moreover, the reserve requirement of \$700,000 or 30 percent of annual expenditures will remain the same as well. Under the agreement, the

Chamber will submit their annual proposed budget no later than June 30th.

COMMITTEE RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of the renewal of the agreement.