

## AGREEMENT FOR THE USE OF CITY GUEST TAX FUNDS

This Agreement is entered into between **the City of Lawrence, Kansas**, a municipal corporation (hereafter "City") and **eXplore Lawrence, Inc.** (hereafter the "Independent Agency"), on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, for the purpose of establishing certain conditions on the receipt, expenditure and use of City funds received by the Independent Agency.

### I. Use of City Funds

- A. As a condition of the receipt of City funds amounting to **\$1,060,000** during City budget year 2018, the Independent Agency hereby agrees to use and expend all such funds pursuant to:
  - 1. Charter Ordinance No. 30 which states monies shall be expended for such purposes as the City Commission determines promotes, enhances, maintains, or improves the tourism, visitor, or convention business of the city;
  - 2. The Agreement for Services between the City of Lawrence, Kansas and Explore Lawrence to Operate the Lawrence Convention and Visitors Bureau, dated January 13, 2016 (hereafter "Operations Agreement"); and
  - 3. All applicable federal, state, and local laws.

### II. Independent Contractor

The Independent Agency further agrees that it is an independent contractor of the City, and that the employees, agents, and vendors of the Independent Agency are not employees of the City.

### III. Disbursement of Funds

- A. The Independent Agency shall request disbursement of funds as follows:
  - 1. Requests for disbursements shall be made by the Independent Agency in writing, on the official letterhead of the agency;
  - 2. Unless otherwise agreed to in writing, requests shall be submitted quarterly no sooner than one week following distribution of the transient guest tax proceeds by the State of Kansas.
- B. The City shall not disburse any funds prior to receipt of transient guest tax proceeds from the State of Kansas.
- C. **The City retains the right to withhold subsequent disbursements of funds for failure to provide monthly report as outlined in the Operations Agreement.**
- D. The City retains the right to unilaterally adjust the amount of any disbursement if the City Commission determines that insufficient public funds exist to fully fund the agency at the level indicated in this agreement.

### IV. Reporting Requirements

The Independent Agency shall provide written reports to the City as follows:

- A. Pursuant to the Operations Agreement, **monthly reports should be provided to the City Manager** including:
  - 1. Reports that indicate the overall economic impact of tourism and sales activities;

2. Reports for event-specific economic impact for CVB-sponsored or coordinated events;
3. Monthly transient guest tax collections for the City of Lawrence;
4. General trends on requests for proposals to hotel properties and sales activities;
5. General reporting on special event activities and bids;
6. Marketing and communications activities; and
7. Other timely organizational items of note or requests by the city.

**B. An annual report shall be provided to the City Commission by February 15, 2019.**

- C. If not submitted with an application for funding for the following calendar year, the following documents shall be on file with the City within nine months of the close of the Independent Agency's fiscal year:
  1. IRS Form 990 (i.e. copy of Federal Tax Return) as well as a copy of the corporate annual report filed with the Kansas Secretary of State – FORM NP (not-for-profit) filing.
  2. A copy of the agency's financial audit. It is suggested that the agency adopt SFAS No. 117. This standard has been adopted by the Financial Accounting Standards Board as a preferred accounting method for non-profit corporations.

V. Anti-Discriminatory Practice

The Independent Agency must follow all applicable federal, state, and local laws regarding protected classes and may not refuse service to any persons based on race, sex, religion, color, national origin, age, ancestry, familial status, sexual orientation, gender identity, or a real or perceived disability.

VI. Access to Financial Records

In addition, the Independent Agency shall provide the City with reasonable access to financial records concerning the expenditure of City Funds.

VII. Withholding of Payment

The City shall retain the authority to withhold any and all payments to the Independent Agency if, in the sole judgment of the City, the proposed or continued use of the funds violates the terms of this Agreement, any applicable law, or is contrary to the appropriate use of public funds.

**THE UNDERSIGNED, DULY REPRESENTING EXPLORE LAWRENCE, INC., THE INDEPENDENT AGENCY OF THIS AGREEMENT, HEREBY AGREES TO THE CONDITIONS OF THIS AGREEMENT FOR THE RECEIPT, EXPENDITURE AND USE OF CITY FUNDS:**

Signature: \_\_\_\_\_

Print Name and Title: \_\_\_\_\_

STATE OF KANSAS    )  
COUNTY OF DOUGLAS )

The foregoing Agreement was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, representing \_\_\_\_\_ as the Independent Agency of this Agreement. In testimony whereof, I have hereunto set my hand and affixed my official seal on the day and year last above written.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**THE UNDERSIGNED FOR THE CITY OF LAWRENCE, KANSAS:**

Signature: \_\_\_\_\_

Printed Name and Title: Casey Toomay, Assistant City Manager \_\_\_\_\_

STATE OF KANSAS    )  
COUNTY OF DOUGLAS )

The foregoing Agreement was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, representing the City of Lawrence, Kansas. In testimony whereof, I have hereunto set my hand and affixed my official seal on the day and year last above written.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_