

CITY COUNCIL
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City of Hogansville



Jonathan Lynn, City Manager
Lisa Kelly, Assistant City Manager
Alex Dixon, City Attorney

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Hogansville GA 30230-1196
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COUNCIL ACTION FORM

MEETING DATE: August 17, 2020 **SUBMITTED BY:** Jonathan Lynn

AGENDA TITLE: City of Hogansville and Visit LaGrange Hotel – Motel Tax Agreement

CLASSIFICATION (City Attorney must approve all ordinances, resolutions and contracts as to form)

Ordinance (No. ____) Contract/Agreement Information Only Public Hearing

Resolution (No. ____) Ceremonial Discussion/Action Other

BACKGROUND (Includes description, background, and justification)

The City of Hogansville charges a per night hotel-motel tax for lodging purposes. As the City charges such an amount (8%), there are State of Georgia requirements for how those funds are to be spent and by what type of organization. For several years these funds were provided to the Chamber of Commerce and they would spend them according to a provided budget by the City of Hogansville. That partnership was ended in June of 2019. The City must designate these funds to a DMO (Direct Marketing Organization) to expend the funds for tourism related activities, which Visit LaGrange would do for the city of Hogansville as they are currently doing the same for Troup County.

BUDGETING & FINANCIAL IMPACT (Includes project costs and funding sources)

The City of Hogansville generates approximately \$30,000 worth of revenue from hotel-motel taxes and 62.5% of that amount is required to be provided to a DMO, which would be Visit LaGrange. There is no impact to the general fund as the funds are already, and will continue to be, programmed for tourism related expenditures within the City of Hogansville.

STAFF RECOMMENDATION (Include possible options for consideration)

Staff recommends that the City of Hogansville enter into an agreement with Visit LaGrange in order to maintain compliance with applicable State regulations pertaining to the expenditure format for collected hotel-motel taxes within the City of Hogansville including paying \$1,200/year (\$100/month) to Visit LaGrange to accomplish this task.

The \$1,200 per year expense will cover staff time, payment of expenditures, additional audit costs, creation of a Hogansville specific bank account for funds, and other associated administrative expenses. This is the same amount charged to other entities as well.

VISIT LAGRANGE, INC AND CITY OF HOGANSVILLE
HOTEL-MOTEL TAX AGREEMENT

This Agreement is made and entered into by and between the City of Hogansville, Georgia, a political subdivision of the state of Georgia (hereinafter referred to "City") and Visit LaGrange, Inc., a domestic nonprofit corporation of the state of Georgia (hereinafter referred to as "Visit LaGrange").

WITNESSETH:

WHEREAS, City currently levies an excise tax on rooms, lodgings and accommodations as authorized by the provisions of O.C.G.A. §48-13-50 et seq.; and

WHEREAS, a portion of the hotel/motel tax is to be expended for the promotion of tourism, conventions and trade shows within the City, and Georgia law allows City to contract with Visit LaGrange for the expenditure of said funds;

WHEREAS, the rate of said tax is currently equal to eight percent (8%) of the charge to the public for rooms, lodgings or accommodations which are subject to being taxed pursuant to O.C.G.A. §48-13-51, and the parties now wish to enter into a contract as contemplated by O.C.G.A. §48-13-51(3) for the expenditure of a portion of those collected funds;

NOW, THEREFORE, for and in consideration of the benefits accruing to each of the parties hereto, IT IS HEREBY AGREED AS FOLLOWS:

1. Purpose. The purpose of the excise tax imposed by City and this Agreement is to make funds available to promote, attract, stimulate and develop conventions and tourism.
2. Term. The initial term of this contract shall be from September 1, 2020 through June 30, 2021. Thereafter, this contract shall be automatically renewed for subsequent one (1) year terms beginning July 1, each corresponding with the next succeeding fiscal year of City, with the mutual agreement of each of the parties hereto. Payment of funds by City to Visit LaGrange, and acceptance of such funds by Visit LaGrange from City during any subsequent fiscal year of City shall signify the agreement of both parties to renew this contract for that particular fiscal year.
3. Budget Plan Required. Pursuant to O.C.G.A. § 48-13-51(e)(2), annually by April 1st or on such earlier date as reasonably requested by City, Visit LaGrange shall, after consultation with and input from City, provide to City a proposed plan for expenditures to be made for the upcoming fiscal year for the promotion of tourism, conventions and trade shows within the City of Hogansville, Georgia. Upon approval of said expenditure plan by the city, such budget plan shall be made a part of the City budget plan. For the initial term of this agreement, Visit LaGrange shall submit such plan for expenditures no later than September 1, 2020.

4. Funding; Reporting.

(a) City shall pay to Visit LaGrange, from time to time, on a quarterly basis, those portions of the hotel/motel tax which are, pursuant to O.C.G.A. § 48-13-51, to be expended for the promotion of tourism, conventions and trade shows by Visit LaGrange on behalf of City. The portion of the hotel/motel tax to be paid to Visit LaGrange is dependent upon whether City has determined to fund tourism product development as defined in O.C.G.A. § 48-13-50.2. Unless and until City has identified and selected such project(s), the amount remitted to Visit LaGrange by City will constitute 62.50% of the total hotel/motel taxes collected. City will provide Visit LaGrange with notice of any modification to the percentage of hotel/motel tax to be expended by Visit LaGrange as a result of this agreement, or any modification in the schedule of payments, said notification to be provided at least sixty (60) days in advance of said modification.

(b) Visit LaGrange agrees to provide to City, on a monthly basis throughout the term of this Agreement, a detailed report showing how the monies remitted to Visit LaGrange by City have been utilized.

(c) On an annual basis, Visit LaGrange shall provide to the City a written report on the status of the promotion activities and projects undertaken by Visit LaGrange during the preceding twelve (12) month period.

(d) Visit LaGrange shall: (1) maintain records sufficient to demonstrate expenditures of hotel/motel tax receipts meet the requirements of O.C.G.A. § 48-13-51; (2) maintain at all times its status as a domestic nonprofit corporation of the State of Georgia; and (3) shall comply with all applicable State, federal and local laws, rules and regulations regarding the reporting, auditing, handling and/or expenditure of funds received from the City pursuant to this Agreement.

5. Future Effect. Nothing contained herein shall be construed to require City to continue levying the excise tax referred to herein at a rate of eight percent (8%). In the event that the rate of taxation should change or in the event that other purposes for which the expenditures of these funds could be lawfully made should exist within the City of Hogansville, Georgia then, and in such event, this contract may be amended by the City as may be reasonably required to comply with the provisions of O.C.G.A. § 48-13-51, et seq., or any other laws at the time in effect with respect to the subject matter of this agreement.

6. Compensation. City shall provide Visit LaGrange as compensation for its services hereunder an administrative fee in the amount of \$100.00 per month for the initial term, payable within thirty (30) days of the effective date of this Agreement and an annual administrative fee in the amount of \$1200.00 for each subsequent one (1) year renewal term for which this Agreement is in force and effect, payable within thirty (30) days after the start of each subsequent renewal term. With and upon the prior written approval of the city manager, Visit LaGrange shall further be entitled to reimbursement for its reasonable expenses incurred pursuant to its provision of services under this Agreement and approved

in advance by City. Upon the termination of this Agreement, Visit LaGrange shall refund to City on a pro rata basis any portion of the annual administrative fee received for the current term.

7. Termination. The parties may terminate this Agreement without cause and for any or no reason by giving the other sixty (60) days written notice. The parties may terminate this Agreement for cause after providing the other with written notice of breach of Sections 3, 4, 6 and/or 8 of this Agreement and after the breaching party has had ten (10) days from receipt of notice to cure the same. Within thirty (30) days of the termination of this Agreement, Visit LaGrange shall provide to City a final accounting and verification that all funds provided to Visit LaGrange by City were utilized in conformity with the requirements of this Agreement.

8. Assignment. Neither City nor Visit LaGrange shall assign any of its rights, duties, and/or responsibilities under this contract without prior approval of the other party.

9. Notice. Notice(s) required or permitted under this Agreement shall be sent by registered or certified mail or by hand delivery as follows:

To City:

City of Hogansville, GA
c/o City Manager
400 East main Street
Hogansville, Georgia 30230

To Visit LaGrange:

Visit LaGrange, Inc.
c/o Chairman of the Board
200 Ridley Avenue
LaGrange, Georgia 30240

Any such notice shall be deemed to have been given three (3) days after such notice is mailed by registered or certified mail or on the day such notice is personally delivered. The parties may change the address or the person to whom the notice is sent by giving notice of such change pursuant to this Section 9.

10. Entire Agreement. This contract represents the sole and complete understanding of the terms of the agreement between the parties hereto and may be amended, changed, or modified only by a written document signed by the parties hereto.

[SIGNATURES ON NEXT PAGE]

CITY OF HOGANSVILLE, GEORGIA (SEAL)

BY: _____
Bill Stankiewicz, Mayor

ATTEST: _____
City Clerk

Date: _____

VISIT LAGRANGE, INC. (SEAL)

BY: _____
Robert Carmichael, Chair

ATTEST: _____
Secretary

Date: _____