

STATE OF GEORGIA

COUNTY OF CHATHAM

**MEMORANDUM OF AGREEMENT
REGARDING HOTEL/MOTEL TAX**

This Memorandum of Agreement, made and entered into this _____ day of _____, 2021, is by and between THE MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH (hereinafter the "City") and the SAVANNAH AREA CHAMBER OF COMMERCE/VISIT SAVANNAH.

WITNESSETH:

WHEREAS, pursuant to O.C.G.A 48-13-51(a)(3) and O.C.G.A 48-13-51(b) the City levies a tax of eight percent on all hotel and motel rooms receipts within the City's jurisdiction (hereinafter the "Hotel/Motel Tax"); and

WHEREAS, that the City of Savannah intends to use the proceeds of such tax for any legal purposes, to include specifically, but not necessarily limited to, promoting tourism, conventions, and trade shows by a qualified destination marketing organization designated by the City of Savannah; and

WHEREAS, that an amount equal to 33.8% of total amount of taxes collected at the rate of 8 percent shall be expended for promoting tourism, conventions and trade shows by a private sector nonprofit registered 501(c)(6) organization designated as the destination marketing organization (DMO) for the City of Savannah, as defined by O.C.G.A 48-13-50.2(3), and in accordance with O.C.G.A 48-13-51. Visit Savannah, a registered 501(c)(6), will be designated as the destination marketing organization.

THEREFORE, the City and Visit Savannah do agree to the following:

1. Visit Savannah will provide services including, but not limited to, marketing, public relations, advertising, and other services to promote tourism, conventions, and trade shows in the City. Visit Savannah will conduct convention marketing and leisure marketing, provide exposure in the local, state, national and international media and operate the Visitor Information Center on Martin Luther King Jr. Boulevard and River Street.
2. The City shall be represented on the Board of Directors of Visit Savannah by the Savannah City Manager or their appointee and a City elected official who shall serve with full voting rights and all privileges.
3. Visit Savannah shall implement and provide a Diversity, Equity, and Inclusion (DEI) Plan that develops strategies to attract minority visitors and group conventions, promotes tourism-related minority-owned businesses in Savannah, and highlights cultural heritage attractions significant to minority communities (including, but not limited to, Savannah's Black, Jewish, Indigenous, Hispanic, and female populations). The plan shall be provided to City Council within 6 months of this agreement.

4. Visit Savannah shall designate a full-time staff member whose duties shall include, but not necessarily limited to, the implementation, oversight, and updating of the Diversity, Equity, and Inclusion Plan.
5. The Diversity, Equity, and Inclusion Plan shall be reviewed and updated annually by the Visit Savannah Board of Directors. The plan and its progress will be provided to the City Manager with year-end Business Plan results. Visit Savannah shall present that plan annually during a meeting of City Council.
6. A marketing program and budget for Visit Savannah shall be approved by the Board of Directors of Visit Savannah, in order to comply with the requirements of O.C.G.A. 48-13-51. The marketing program and budget shall be provided to the City Manager no later than December 1 of each year for the upcoming year starting the following January 1.

The Visit Savannah marketing plan and budget shall include the following:

- A. Line-item details by major work programs areas with explanations supporting proposed line-item expenditures.
- B. Proposed expenditures in the budget plan matching the estimated revenues for the year.
- C. A detailed explanation of all Visit Savannah costs allocated for the services shared with or provided by the Savannah Area Chamber of Commerce, including but not limited to occupancy and share of salaries.

The marketing program, which will be directly related to the budget above, will include the following:

- A. Annual goals for Visit Savannah; and
- B. Measurable objective and strategies to achieve the objectives.

7. The City will pay Visit Savannah for tourism and convention promotion services a monthly amount which will be specified prior to January of each year and which is 33.8% of the total estimated Hotel/Motel Tax receipts for each year. All payments will be made by the tenth working day of each month.

The City shall furnish a statement each month to Visit Savannah which shall show the total amount of Hotel/Motel Taxes received during the previous month and cumulatively for the year.

The revenue estimates upon which the monthly payments are to be based will have been mutually agreed to as part of the City's and DMO's budget preparation process previously referenced. When the final tax collection figures are available following the conclusion of the budget year, the City will make an additional payment to Visit Savannah, or Visit Savannah will refund monies to the City, such the City's payments to Visit Savannah equals 33.8% of the total Hotel/Motel Taxes collected for the year.

8. Visit Savannah will maintain separate and verifiable accounting records for all revenues and expenses including P&L statements as well as a Balance Sheet, which will be separate and distinct from similar records maintained by the Chamber of Commerce. Visit Savannah funds will be used solely to pay expenses related to the promotion of tourism, conventions and trade shows in accordance with the approved marketing plan and budget. All Visit Savannah revenues, expenditures, assets, liabilities and fund equity will be accounted for in a separate fund entity (hereinafter "Visit Savannah Fund"), which is distinct from the Chamber of Commerce's operating fund, in accordance with generally accepted accounting principles applicable to not-for-profit organizations.
9. Visit Savannah will provide a mid-year report to the City Manager on revenues and expenditures to date, work program achievements, and progress in meeting goals and objectives. These reports will be provided no later than August 1.
10. In order to comply with O.C.G.A 48-13-51, Visit Savannah and the Chamber will provide to the City Manager within 180 days of the end of each year independently audited financial statements for the Visit Savannah Fund that will include a separate Visit Savannah balance sheet and statement of revenues and expenditures, plus a separate Savannah Area Chamber of Commerce balance sheet and statement of revenues and expenditures for the same time period. The intent is to clearly demonstrate Visit Savannah monies are separately accounted for and used exclusively for the advancement of Visit Savannah goals, strategies and tactics and that Hotel/Motel Tax revenues were used in conformity with State law. At the same time as the audit report, the DMO will provide detailed statement of revenues and expenditures for its operations on the same level of details as the approved budget comparing actual totals to approved. Upon request, Visit Savannah will provide a schedule of all staff positions, including those shared with the Chamber of Commerce, allocation percentage and salary range.
11. This Agreement shall designate Visit Savannah, a registered 501(c)(6), as the exclusive destination marketing organization until December 31, 2023, after which this agreement shall be annual and shall automatically continue from year to year unless terminated after a written notice of not less than ninety (90) days before the annual renewal date.
12. This agreement goes into effect once the 8 percent collection period begins. If the 8 percent rate is not implemented, the existing agreement, dated October 1, 1999, will remain in effect.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first written above.

THE MAYOR AND ALDERMEN
OF THE CITY OF SAVANNAH

City Manager

Chief Executive Officer
SAVANNAH AREA CHAMBER OF COMMERCE

Attest:

Mark Massey
Clerk of Council