ORGANIZATIONAL COOPERATIVE AGREEMENT BETWEEN MONTGOMERY COUNTY AND THE TOWNS OF BLACKSBURG AND CHRISTIANSBURG FOR THE CREATION AND IMPLEMENTATION OF A JOINT TOURISM PROGRAM

This Cooperative Agreement ("Agreement") is between Montgomery County, Virginia (hereinafter known as "County"), and the Towns of Blacksburg, Virginia ("Blacksburg)" and Christiansburg, Virginia ("Christiansburg") (hereinafter known as "Towns"), for the creation and administration of a jointly sponsored tourism program authorized under the provisions of Virginia Code §§ 15.2-940 and 15.2-1300.

JOINT TOURISM PROGRAM

Section 1. Purpose

The purpose of this Agreement is to establish and administer a tourism program that shall serve Montgomery County and the towns within it. It is intended to encompass all aspects of a comprehensive tourism program, including but not limited to staffing, funding, planning and executing of tourism related programs and activities, and the development and operations of a state certified local visitor information center.

Section 2. Oversight

(a) The tourism program shall function as a joint tourism agency under the supervision of the participating local governments. A Director of Tourism shall serve as the head of the agency and be responsible for the day-to-day operations of the joint tourism program. The Director shall report to a three person Operating Board comprised of the County Administrator and the managers of each Town, or their designees. The Director of Tourism shall be an independent contractor, and shall not be an employee of the County or the Towns.

(b) The Operating Board shall exercise direct oversight of staffing, budgeting, and general operations. In the event that the Operating Board cannot agree on a decision on an issue, the members shall certify the issue to the Chair of the Board of Supervisors and the Mayors of the Towns, who shall confer with the Operating Board to attempt to resolve any differences by agreement.

Section 3. Guiding Principles

(a) Funding for tourism expenditures described in this Agreement shall be based on the amount of funding received from hotel occupancy taxes. More specifically, it is the intention of the parties that the funding source for the activities contemplated by this Cooperative Agreement shall be from the additional annual revenues generated by a one percent (1%) increase in the lodging tax enacted by each locality in 2006 (the "Additional Lodging Tax Revenues").

(b) The Director of Tourism will prepare an annual work plan and budget for tourism expenditures, which shall be approved by the Operating Board by January 15th of each year. The budget will be presented to the respective governing bodies by February 1 of each year, and shall be approved by each governing body as a part of its annual budgeting process, subject to the process described in the following subsection.

(c) Each year, during the annual budget process for the County and the Towns, each locality shall estimate the revenues that will be available for these services during the next fiscal year, and the governing bodies for each locality shall establish the amount of available funds (if any) in its adopted Operating Budget. This Agreement is dependent on each locality making a good faith effort to appropriate sufficient funding on an annual basis to continue the operations and programs of the program. However, it shall be not inconsistent with this Agreement for member localities to appropriate up to 15% of their respective Additional Lodging Tax Revenues for expenses associated with tourism-related activities in each jurisdiction that are not part of this Agreement.

(d) The parties agree that the County shall be the fiscal agent for the tourism program, and in that capacity shall process all income and expenditures associated with the program. The Towns agree to pay County, in its capacity as fiscal agent, the appropriated funds in quarterly installments, conditioned upon satisfactory performance of the services described herein.

(e) Any employees assigned by the participating localities to staff the program shall report to the Director of Tourism.

(f) A program of work shall guide the activities of the program and its staff, and shall be reviewed and approved annually by the operating board, with final approval by the governing bodies.

(g) Work performed shall be in partnership with other organizations as may be mutually beneficial.

(h) Any annual budget shall be subject to appropriation by the respective governing bodies.

Section 4. The Montgomery Tourism Development Council (MTDC)

(a) As part of this Agreement, and within three months of its adoption, there shall be created an advisory council which shall provide guidance to the operating board and tourism staff in the development and implementation of an ongoing tourism program. This advisory council shall be known as the Montgomery Tourism Development Council ("MTDC"). The MTDC shall be advisory in nature, and shall assist with the elements and components required to maintain the tourism program, such as an accredited tourism community, a current tourism marketing plan, community profile, and other related requirements.

(b) The MTDC shall consist of nine members who shall be residents of the county, or who are employed or operate businesses in the hospitality industry in one of the localities. One member shall be a member of the Board of Supervisors appointed by that body; one member shall be a member of Blacksburg Town Council, appointed by that body; one

member shall be a member of Christiansburg Town Council, appointed by that body; one member shall be appointed by the Montgomery Chamber of Commerce; and the five remaining members shall be appointed by both the county board of supervisors and the two town councils. These appointees shall be owners, operators, or employees from local hotels, restaurants, and attractions.

A representative from Virginia Tech will also be included as an ex-offico, non-voting member of the MTDC. This representative will be designated by Virginia Tech, and will preferably be a representative from the university relations office or the tourism/hospitality department.

(c) The members of the MTDC shall serve terms of office of two years, except the initial term for the board of supervisors' appointee and for three of the committee appointees shall be for one year to ensure that all terms do not expire at the same time. The board of supervisors and the two town councils shall have the unqualified right to remove any appointee and to appoint a replacement if in the appointing authority's opinion such member has failed to attend meetings or otherwise has neglected the member's duties. Vacancies occasioned by the inability of a member to act or by a member ceasing to meet eligibility requirements shall be filled by the appointing authority. Appointments to fill vacancies shall be only for the unexpired portion of the term.

(d) The director of tourism shall serve as the staff for the MTDC. The MTDC shall adopt bylaws, including provisions for regular meetings.

Section 5. Ownership of property and Insurance

(a) The County and the Towns shall provide such office space as is required for the joint tourism program.

(b) The County as fiscal agent shall hold title to all tangible personal property used by the joint tourism program, subject to the towns' rights upon termination as hereinafter described.

(c) The County shall procure insurance policies covering any real estate and tangible personal property used in the joint tourism program and shall provide premises liability, and general liability coverage insuring the jurisdictions in respect to the operations and properties of the program. The costs of all such insurance shall be considered an operating expense of the program to be shared in the same proportion as other expenses as outlined above.

Section 6. Duration of Agreement

This Agreement shall become effective immediately upon approval and adoption of ordinance authorizing this Agreement by the County's Board of Supervisors and the Councils of each Towns, and it shall effective for a minimum of three years from the date of the last jurisdiction signing. At the conclusion of the initial three year period, this Agreement shall automatically renew for two (2) additional successive three year periods until action is taken by any of the parties to terminate the Agreement.

Section 7. Termination of Agreement

Once the initial three year period of this Agreement has passed, the Agreement may be terminated upon written notice of any one or all of the participating local governments. Written notice of intent to withdraw must be given at least 12 months prior to the date that the jurisdiction wishes to withdraw from participation, unless any governing body of the localities fails to appropriate funding for further participation. If any governing body fails to appropriate funding to continue the Agreement, the remaining jurisdictions will utilize their best efforts to continue the program.

Section 8. Disposition of properties and funds under termination

In the event of termination of this Agreement, and absent the creation of a revised or replacement agreement, the following guidelines shall apply:

(a) The parties shall use their best efforts to ensure the ongoing operation of a tourism program at the termination of this Agreement.

(b) Upon termination of this Agreement, after the payment of all outstanding debts and costs, all remaining personal property shall be divided among the participating entities in the proportion in which it was paid for originally.

DATED this _____ day of _____, 2011.

MONTGOMERY COUNTY, VIRGINIA

By: _____
Craig Meadows, County Administrator

TOWN OF BLACKSBURG, VIRGINIA

By: _____
Marc A. Verniel, Town Manager

TOWN OF CHRISTIANSBURG, VIRGINIA

By: _____
Barry Helms, Acting Town Manager

MONTGOMERY COUNTY, VIRGINIA

By: _____
James D. Politis, Chair