

**CONTRACT FOR THE PROMOTION OF THE  
SUGAR LAND WINE & FOOD AFFAIR  
BETWEEN THE CITY OF SUGAR LAND  
AND THE IWSC GROUP**

This Contract is made between the **CITY OF SUGAR LAND** and the **IWSC GROUP**.

Recitals

The City has enacted a hotel occupancy tax within the City of Sugar Land as authorized by Chapter 351 of the Texas Tax Code, the proceeds of which may be used for promoting tourism and the convention and hotel industry. The City Council has determined that the services in this Contract directly relate to the promotion of tourism and the hotel and convention center industry. The City and IWSC wish to contract for the City to pay to IWSC hotel tax revenues in return for IWSC promoting tourism and the convention and hotel industry according to the terms of this Contract.

Agreement

In consideration of the mutual promises of each, the City and IWSC agree as follows:

**A. Definitions.** In this Contract:

*City* means the City of Sugar Land.

*IWSC* means the IWSC Group.

*Tourism Funds* means the hotel occupancy taxes received by the City and paid to IWSC under this Contract.

**B. City Payment of Tourism Funds to IWSC.** The City will pay to IWSC Tourism Funds, as provided in this section. During the Initial Term of this Contract the City will pay to IWSC:

1. A minimum of \$100,000 up to a maximum of \$120,000 of Tourism Funds if the Grand Tasting event is held at the Sugar Land Marriott located in the Sugar Land Town Square ("Sugar Land Marriott"), according to the following scale:

- (a) If the cost to IWSC to use the Sugar Land Marriott for the Grand Tasting event during the Initial Term is \$5,000, exclusive of taxes, service charges, or other fees, the City will pay IWSC \$100,000 of Tourism Funds;
- (b) If the cost to IWSC to use the Sugar Land Marriott for the Grand Tasting event during the Initial Term is \$10,000, exclusive of taxes, service charges, or other fees, the City will pay to IWSC \$105,000 of Tourism Funds;
- (c) If the cost to IWSC to use the Sugar Land Marriott for the Grand Tasting event during the Initial Term is \$15,000, exclusive of taxes, service charges, or other fees, the City will pay to IWSC \$110,000 of Tourism Funds;
- (d) If the cost to IWSC to use the Sugar Land Marriott for the Grand Tasting event during the Initial Term is \$20,000, exclusive of taxes, service charges, or other fees, the City will

- pay to IWSC \$115,000 of Tourism Funds; and
- (e) If the cost to IWSC to use the Sugar Land Marriott for the Grand Tasting event during the Initial Term is \$25,000 or above, exclusive of taxes, service charges, or other fees, the City will pay to IWSC \$120,000 of Tourism Funds; or

- 2. \$100,000 of Tourism Funds if the Grand Tasting event is not held at the Sugar Land Marriott.

The City will pay to IWSC \$100,000 of Tourism Funds during the Secondary Term and any subsequent terms of this Contract. The City will reimburse IWSC for its costs incurred each quarter in performing its obligations under this Contract based on the receipts submitted by IWSC to the City, up to the maximum reimbursements of \$100,000 to \$120,000 for the Initial Term of this Contract (depending on where the Grand Tasting event is held and, if held at the Marriott, the scale provided hereinabove) and \$100,000 for the Secondary Term and any subsequent terms of this Contract. If the City fails to receive sufficient Tourism Funds from the levy of hotel occupancy taxes to meet the City's obligation under this Contract, the City may terminate this Contract or pay some lesser amount of Tourism Funds to IWSC.

### **C. IWSC Use of Tourism Funds.**

- 1. IWSC will use the Tourism Funds to promote, and manage and supervise the marketing of, the Sugar Land Wine & Food Affair.

- 2. IWSC will promote and advertise the Sugar Land Wine & Food Affair in:

- (a) Areas outside of a 50 miles radius of the City, with emphasis on the Austin, San Antonio, El Campo, Victoria, Dallas, Shreveport, and New Orleans markets;
- (b) Appropriate state and national tourist publications and general media publications; and
- (c) All markets as the "Sugar Land Wine & Food Affair."

- 3. During each year of this Contract, prior to submittal of the annual budget to the City's city council by January 31, IWSC will work with City staff to review and comment on the proposed marketing efforts and consider new marketing campaigns at the City's request. Additionally, IWSC will incorporate Visit Sugar Land's logo and key messages (in support of IWSC's vision) in all marketing and advertising efforts.

- 4. IWSC will feature all and only Sugar Land hotels on the Sugar Land Wine & Food Affair website, and prominently promote any and all hotel packages ultimately created.

- 5. IWSC will prominently feature a link to the Visit Sugar Land website, or a comparable website at the City's written request, on the Sugar Land Wine & Food Affair website. IWSC will also consider promotion of area attractions, shopping, and dining destinations in marketing materials.

- 6. IWSC will utilize the #VisitSugarLandTX, or another hash tag at the City's written request, for all printed, online, or social media collateral related to the Sugar Land Wine & Food Affair.

7. To attract the traveling audience and differentiate the event from similar competitive events, IWSC is encouraged to add a unique "sugar" themed activity or offering. For example, IWSC can add a sugar themed challenge, or offer a sugar themed giveaway.

8. IWSC may spend the Tourism Funds for day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs that are directly related to the promotion of, and management and supervision of the marketing of, the Sugar Land Wine & Food Affair. However such administrative funds may not exceed \$20,000. Additionally, the administrative costs of IWSC for which Tourism Funds may be used may not exceed the administrative costs actually incurred in conducting the authorized activities under this Contract.

9. Tourism Funds may not be spent by IWSC for travel for a person to attend an event or conduct an activity not authorized by this Contract.

#### **D. IWSC Budget, Reports, Accounts, and Records.**

1. During each year of this Contract, IWSC shall submit to the City their proposed annual budget by January 31 showing a breakdown of the proposed use of the Tourism Funds for the Sugar Land Wine & Food Affair. The City's city council must give its written approval of the proposed IWSC Tourism Fund budget before the City pays any Tourism Funds to IWSC for that budget year. IWSC agrees that the City's approval of IWSC's budget for the Tourism Funds creates a fiduciary duty in IWSC to expend the Tourism Funds only in accordance with the terms of this Contract.

2. IWSC will submit quarterly progress reports to the City thirty days after the end of each quarter of each year of this Contract to the City Council listing the expenditures incurred by IWSC and the results of the work. Provided, however, the quarterly progress report for the fourth quarter of each year of this Contract shall be submitted to the City by the end of the first week of the subsequent quarter, i.e. by the end of the first week in October. The reports shall be made in the form and contain the details specified from time-to-time by the City's city manager.

3. IWSC will maintain the Tourism Funds in a separate bank account established for that purpose and will not commingle the Tourism Funds with any other funds. IWSC shall maintain complete and accurate financial records of each expenditure of Tourism Funds and shall make the records available for inspection and review upon request of the City's representative.

**E. Term and Termination.** This Contract is effective on the latest date of the dates executed by both parties and will continue in effect until September 30, 2017 (the "Initial Term"). This Contract shall expire at the end of the Initial Term unless renewed in writing by the City, with such renewal approved by the City's city council not less than sixty (60) days prior to the expiration date of the Initial Term. If renewed, the Contract shall be effective from October 1, 2017 until September 30, 2018 (the "Secondary Term"). If IWSC desires to renew this Contract for the Secondary Term, IWSC shall: (1) give a presentation recapping the Sugar Land Wine & Food Affair event held during the Initial Term; and (2) request approval of this Contract for the Secondary Term. Such presentation and request by IWSC shall be made to the City's city council, at the same meeting wherein the City's city council is scheduled to

consider the City's written renewal of the Contract for the Secondary Term. Upon expiration of the Secondary Term, this Contract shall automatically renew, without further presentation, documentation, or agreement, for successive one year terms. This Contract may be terminated by either party without cause upon sixty (60) days advance written notice to the other party.

**F. Tickets for City Use.** Each year of this Contract, IWSC will provide tickets to the City for the various events associated with the Sugar Land Wine & Food Affair. These tickets shall be made available at no charge to the City and are not payable out of the City's hotel occupancy tax funds. City and IWSC shall work together each year of this Contract to mutually determine the events for which IWSC shall provide tickets to the City, as well as the number of tickets appropriate for each event. Use of the tickets by the City shall be for promotional and economic development activities and for other public and civic purposes. As such, the primary purpose of the City's ticket usage is the promotion the community for business and tourism development and fostering intergovernmental relations.

For the Sugar Land Wine & Food Affair held during the Initial Term of this Contract, the tickets provided to the City by IWSC shall include, at a minimum, the following access:

2 tickets to Thursday, April 6, 2017 Private Dinner Event  
66 tickets to Friday, April 7, 2017 Grand Tasting Event  
66 tickets to Saturday, April 8, 2017 Sip & Stroll Event  
66 tickets to Sunday, April 9, 2017 Sip & Stroll Event

For the Sugar Land Wine & Food Affair held during the Secondary Term of this Contract, and any other subsequent terms for which this Contract is renewed, the City's ticket allotment shall be comparable to the allotment provided by IWSC for the Sugar Land Wine & Food Affair held during the Initial Term of this Contract.

**G. Miscellaneous Provisions.**

1. Notice. Any notice provided pursuant to this Contract shall be effective when deposited in the United States mail, either certified or registered mail, postage prepaid and addressed to the parties as follows:

To the City:                      City Manager  
    City of Sugar Land  
    2700 Town Center Blvd. North  
    Sugar Land, Texas 77479

With a copy to:                Director of Economic Development  
    City of Sugar Land  
    2700 Town Center Blvd. North  
    Sugar Land, Texas 77479

To the IWSC:                    Elizabeth Feichter, COO

IWSC Group  
1000 Marietta Street, NW, Suite 108  
Atlanta, GA 30318

2. Assignment. This Contract may not be assigned by IWSC without prior written consent of the City.

3. Entire Agreement. This Contract represents the entire agreement between the City and IWSC and supersedes all prior negotiations, representations, or contracts, either written or oral. This Contract may be amended only by written instrument signed by both parties.

4. Open Records. IWSC acknowledges that by reason of this Contract and the receipt of Tourism Funds hereunder, IWSC's records relating to this Contract and expenditures made hereunder are subject to the provisions of Chapter 552, Government Code (Public Information Act).

5. Law Governing and Venue. This Contract is governed by the law of the State of Texas and a lawsuit may only be prosecuted on this Contract in a court of competent jurisdiction located in or having jurisdiction in Fort Bend County, Texas.

6. Disclosure of Interested Persons for Council-Approved Contracts. Contracts that require City Council approval, such as contracts that exceed \$50,000, are subject to the requirements of Section 2252.908, Tex Gov't Code. Under the provisions of this statute:

a. The City may not enter into a contract with a business entity that requires Council approval unless the business entity submits a disclosure of interested persons at the time the business entity submits a signed contract to the City;

b. A disclosure of interested parties must be submitted on a form prescribed by the Texas Ethics Commission (Commission) that includes:

i. A list of each interested party for the contract of which the contractor business entity is aware, an interested party being a person who has a controlling interest in the business entity or who actively participates in facilitating or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity; and

ii. The signature of the authorized agent of the contracting business entity, acknowledging that the disclosure is made under oath and under penalty of perjury.

The Commission has approved a Certificate of Interested Persons form, which must be filled out, signed and notarized by the Contractor and submitted to the City at the time of execution of this Contract, along with the certification of filing generated from the Commission's website at <https://www.ethics.state.tx.us/tec/1295-Info.htm>. The Certificate of Interested Persons form is available on the Commission's website and the Contractor must follow the Commission's filing process adopted pursuant to the statute.

CITY OF SUGAR LAND

IWSC GROUP



Allen Bogard, City Manager

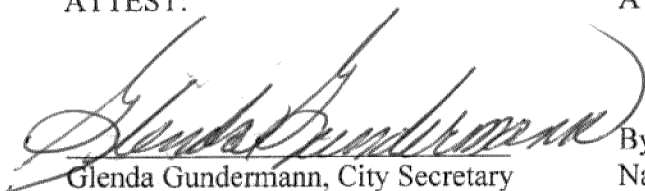
By:



Name: Elizabeth Feichter

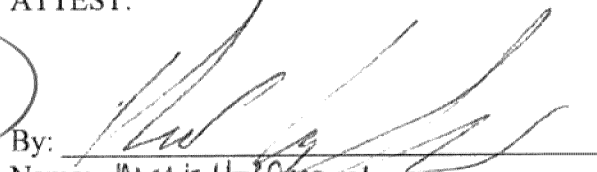
Title: Chief Operating Officer

ATTEST:

  
Glenda Gundermann, City Secretary

ATTEST:

By:



Name: Mark Hoffmeyer

Title: Assistant Director of programming

Approved as to Form:

Dawn Shu Smith