



City of Lake Geneva, 626 Geneva St, Lake Geneva, WI 53147- 262.248.3673- www.cityoflakegeneva.gov

CITY OF LAKE GENEVA SPECIAL TOURISM COMMISSION
TUESDAY, NOVEMBER 28, 2023 - 4:00 PM
LAKE GENEVA CITY HALL; COUNCIL CHAMBERS (MAIN LEVEL)

Members:

Chairperson Brian Waspi, Linda Moritz, Troy Migut, Zakia Pirzada, Alderperson Fesenmaier and Alderperson Howell; Ex-Officio Members: Mayor Charlene Klein, Comptroller Laura Pisarcik, and VISIT Lake Geneva President Stephanie Klett

AGENDA

1. Chairman, Waspi call the meeting to order
2. Roll Call
3. Comments from the public limited to 5 minutes, limited to items on this agenda
4. Discussion/Possible Action regarding VISIT Lake Geneva contract with Tourism Commission
5. **Adjournment**

This is a meeting of the Tourism Commission. No official City Council action will be taken; however, a quorum of the City Council may be present.



TOURISM ENTITY AGREEMENT

This **TOURISM ENTITY AGREEMENT** ("Agreement") is entered into by and between the City of Lake Geneva ("City") Tourism Commission ("Commission"), in accordance with §66.0615 Wis. Stat. ("Room Tax Act"), and the Lake Geneva Chamber of Commerce, Inc. doing business as VISIT Lake Geneva, a Wisconsin Non-Profit 501(c)(6) Non-Stock Corporation ("VLG") effective January 1, 2021.

WHEREAS, the City has enacted a Room Tax Ordinance to impose a tax on the privilege of furnishing, at retail, rooms or lodging to transients by any persons furnishing accommodations which are available to the public pursuant to §66.0615 Wis. Stat. ("Room Tax Act").

WHEREAS, the City has established a "Tourism Commission" duly authorized, in accordance to the statute, to contract with a tourism entity (destination marketing organization).

WHEREAS, VLG qualifies as a "tourism entity" as that term is defined in the Room Tax Act; and

WHEREAS, the City, through the authority of said Commission, desires to enter into a contract with VLG for it to provide the staff, support services and assistance in developing and implementing tourism promotion and development in the greater Lake Geneva area and VLG desires to enter into such a contract with the Commission; and

WHEREAS, the agreements of the parties as to such services shall be as set forth herein; and

WHEREAS, the parties have determined that the execution of this Agreement is in the best interest of the City;

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated in and made a part of this Agreement.

2. Definitions.

- a. "VLG" shall mean the Lake Geneva Chamber of Commerce, Inc. doing business as VISIT Lake Geneva, a Wisconsin Non-Profit 501(c)(6) Non-Stock Corporation.



b. "City" shall mean the City of Lake Geneva.

c. "Tourism Commission" shall mean a tourism commission duly formed by the City of Lake Geneva pursuant to Sec. 66.0615, *Wis. Stats.*

d. "Room Tax" shall mean a tax imposed on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators, bed & breakfast inns, vacation rentals, and other persons furnishing accommodations which are available to the public pursuant to the Room Tax Act, Sec. 66.0615, *Wis. Stats* as amended from time to time.

e. "Room Tax Ordinance" shall mean an ordinance to impose a uniform tax on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators, bed & breakfast inns, vacation rentals and other persons furnishing accommodations which are available to the public pursuant to the Room Tax Act in the City of Lake Geneva. The City currently imposes a room tax of 5% on tourists who stay at lodging properties within the City of Lake Geneva.

3. Purpose. The purpose of this Agreement is to set forth the respective responsibilities, powers, duties and obligations of the parties hereto in collecting and utilizing Room Tax revenues generated in the City under the provisions of the Room Tax Act.

4. VLG to Provide Tourism Promotion and Development. The Commission hereby designates VLG as its tourism entity as required under the Room Tax Act and VLG shall develop and implement tourism promotion and development and provide destination marketing and staff and services for the tourism industry in the City.

5. VLG Room Tax Revenue and Term. Beginning with the room tax collected on January 1, 2021 and continuing until December 31, 2023 the Tourism Commission shall forward a base amount of \$150,000 and each year an additional 35% of all room tax amounts collected over \$500,000 to VLG to be used as provided herein.

Provided there are sufficient funds transferred to the Commission, distribution of room tax by the Commission to VLG will be a minimum of \$37,500 quarterly (paid 45 days after the beginning of the quarter) with the balance determined on January 31st, for the preceding year, and paid by February 25th..

If following the execution of this Agreement, the Wisconsin Room Tax Act changes with respect to the amount of room taxes or the allocation of room taxes, the Commission and VLG, agree to re-negotiate paragraph 5 of the Agreement according to changes in the statute to become effective the year following the change. Further, if the City enacts a change to increase the room tax rate from its current rate of 5%, any amounts attributable solely to the increase in the rate shall not be used to determine if room tax rates collected for the year exceed \$500,000.

6. Use of Room Tax Revenues. VLG agrees to use the room tax revenue it receives to implement tourism promotion and development as well as provide destination marketing, staff, and services for the tourism industry in the City as defined in the Room Tax Statute. With the goal of advancing the City of Lake Geneva as a premier tourism destination. The parties agree that room tax



revenues may also be used by VLG for its administrative costs, such as, staffing costs, and other costs associated with the performance of its obligations under this Agreement. VLG agrees that its administrative costs will be reasonable and proper.

7. Acknowledgement of Compliance. VLG acknowledges and agrees that the imposition of a room tax as specified above complies with the Room Tax Act, and all other applicable statutes.

8. VLG Responsibilities. In addition to those other duties and responsibilities set forth herein, VLG shall be responsible for the following:

- a. Reporting. VLG will provide, to the Tourism Commission, monthly reports of tourism tracking and indicators including marketing activities, promotions, and event plans.
- b. Grant Assistance. VLG will assist with the Tourism Commission Grant Program for the purpose of vetting qualifications, evaluation of set criteria and make recommendations for possible grant dollar distribution.
- c. Accounting. VLG will provide the City (City Comptroller) with an accounting of all VLG expenditures of room tax revenue as required by the Room Tax Act and the Wisconsin Department of Revenue.
- d. VLG Room Tax Annual Report ("Report"). Not later than April 1st of each year, VLG shall provide the City a Report, which information is intended to be used by the City on a form that the City must provide to the Wisconsin Department of Revenue ("DOR") on or before May 1st. The Report shall specify the amount of all room tax revenues it received from the City in the previous year and a detailed account of all expenditures or room tax revenue as required by the Room Tax Act. VLG agrees to certify to the City the truth and accuracy of the Report. VLG further agrees to assist the City as appropriate with DOR Room Tax Reporting requirements. If DOR reporting deadline requirements change, VLG will provide City the report information necessary to file no later than 30 days prior to the DOR deadline.
- e. Business Plan. VLG agrees to provide a written business plan to the City which provides a projection of proposed and/or planned tourism promotion and development activities by January 1st of each year.
- f. Services.
 - i. Continue the name of Visit Lake Geneva.
 - ii. Continue to manage and promote the following annual events in the City of Lake Geneva:
 - 1. Concerts in the Park (approximately 7 summer midweek nights)
 - 2. Winterfest (U.S. Snow Sculpting Championship)
 - 3. Christmas Parade
 - 4. Restaurant Week
 - iii. Assist the Commission and City of Lake Geneva Downtown Business Improvement District (BID) with promoting BID events
 - iv. Maintain and staff Visitors Center in the City of Lake Geneva



- v. From Visit Lake Geneva's website provide a complimentary website link to the City of Lake Geneva Downtown Business Improvement District (BID) website.
- vi. VLG shall forward all received group event Request for Proposals (RFP's) to hotels/motels located within the city limits of the City of Lake Geneva, which meet the requirements of such RFP's. Visit Lake Geneva will notify the group event coordinator for the Lake Geneva Tourism Commission of any large city wide groups coming to the area, as well as sharing the RFP for any group that falls within the agreed upon accommodations and property specs previously provided by the group event coordinator.
- vii. For each fiscal year, VLG shall render to the City of Lake Geneva, to the extent required in section 8(d), an accounting of the expenditures. The allocation of Room Tax dollars used for the VLG marketing shall not be used to pledge as security for bonds and to retire bonds or grants.
- viii. Visit Lake Geneva's strategic plan initiatives should be designed to enhance downtown Lake Geneva's tourism industry and unique character of place, and create new visitor experiences with the goal of positive effect on the City of Lake Geneva Hotel & Motel occupancy.
- ix. hotel occupancy. VLG will continue to work with the Lake Geneva Downtown Business Improvement District (BID) on concepts and promoting of additional events, particularly those midweek or offseason.
- x. VLG to provide complimentary advertising space on VLG website home page as follows: Twelve (12) one-month event spotlight ads to market city events targeting the tourist audience, and six (6) one-month lodging spotlight ads to promote the Riviera as an event venue. City agrees to provide ad material to VLG in accordance with VLG's Partner Co-op Marketing program requirements.

9. Events of Default. Each of the following shall be considered to be an Event of Default (only following the applicable cure period) as to VLG:

- a. The failure to provide the City with the Room Tax Revenue Report as required herein. However, upon request of VLG, the City will give VLG an additional ten (10) days to cure. If, however, the City is granted an extension by the Department of Revenue, then VLG will be given additional time to prepare the Room Tax Revenue Report so that the City can file a timely Certified Report with the Department of Revenue.
- b. The failure to provide the City with the financial records that support the Room Tax Revenue Report as required herein after thirty (30) days written notice of VLG's failure to do so by the City, provided that if VLG cannot in good faith provide the business plan within the thirty (30) days of notice but has begun the process to provide such information, the cure period shall be extended an additional thirty (30) days to allow for VLG's good faith compliance.
- c. The failure to provide the City with the business plan as required herein after thirty (30) days written notice of VLG's failure to do so by the City, provided that if VLG cannot in good faith provide the business plan within the thirty (30) days of notice but has begun the process to provide such information, the cure period shall be extended an additional thirty (30) days to allow for VLG's good faith compliance.



10. Termination.

A. This Agreement shall remain in effect from January 1, 2021 to December 31, 2023 (three (3) years). Both parties agree to good faith renewal negotiations 180 days prior to the expiration of the contract term.

B. Notwithstanding the above, this Agreement can be subject to termination earlier if any of the following occur:

a. The City may terminate this Agreement at any time if VLG commits an Event of Default that is not cured within the applicable time period.

b. The City may terminate this Agreement at any time if it is found that VLG, or its agents, has committed a material breach of this Agreement, (including but not limited to, the intentional misuse of VLG Room Tax revenues for purposes outside of which are permitted by the Room Tax Act); or (ii) VLG is no longer acting as a "Tourism Entity" as defined in the Room Tax Act. In the event of a material breach, and prior to terminating the Agreement, the City shall provide written notice, including a reasonable description of the material breach, of the material breach to VLG. VLG shall have thirty (30) days to cure said breach. The City may terminate the Agreement if VLG fails to cure said breach within the thirty (30) day cure period.

c. In the event of termination, the City shall make no further remittances to VLG under this Agreement and those revenues shall instead be temporarily retained by the City until such time as they can be forwarded to another tourism entity as defined by the Room Tax Act. All funds in the possession of VLG shall remain the property of VLG.

d. Following termination, the City shall have no further obligation to VLG. However, VLG shall remain under the duty to provide an accounting as requested and the audit as described above in this Agreement, through the date of termination.

11. Modification. This Agreement shall not be modified without an express written agreement executed by the parties.

12. Severability. If any provision or provisions of this Agreement shall be held to be invalid, such holding shall not in any way whatsoever affect the validity of the remainder of this Agreement.

13. Governing Law. This Agreement has been drawn and executed and shall be performed in the State of Wisconsin. All questions concerning this Agreement and the performance hereunder shall be judged and resolved in accordance with the laws of Wisconsin.

14. Invalidity. If any term or condition of this Agreement, or the application of this Agreement to any person or circumstance, shall be deemed invalid or unenforceable, the remainder of this Agreement, or the application of the term or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and condition shall be valid and enforceable to the fullest extent permitted by law.



15. Waiver. No delay or omission by any party in exercising any right or power arising out of any default under any of the terms or conditions of this Agreement shall be construed to be a waiver of the right or power. A waiver by a party of any of the obligations of the other party shall not be construed to be a waiver of any breach of any other terms or conditions of this Agreement.
16. Enforcement. Enforcement of this Agreement may be by proceedings at law or in equity against any person or persons violating or attempting or threatening to violate any term or condition in this Agreement, either to restrain or prevent the violation or to obtain any other relief. If a suit is brought to enforce this Agreement, the prevailing party shall be entitled to recover its costs, including reasonable attorney fees, from the non-prevailing Party.
17. Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the subject matter hereof. There are no representations, arrangements, understandings, or agreements, oral or written, not contained herein.
18. Authority. In signing this Agreement, the parties represent and warrant that the terms herein have been approved by their respective governing bodies and that appropriate authority rests in the signatories on behalf of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Lake Geneva Chamber of Commerce, Inc. d/b/a VISIT Lake Geneva

By: [Signature], Chairperson

Attest: _____, President & CEO

Date: 11/9/20

City of Lake Geneva Tourism Commission

By: [Signature], Chairman

Attest: _____, Secretary

Date: 11/09/2020