

AN ORDINANCE APPROVING THE 2025 ORGANIZATIONAL COOPERATIVE AGREEMENT BETWEEN MONTGOMERY COUNTY AND THE TOWNS OF BLACKSBURG AND CHRISTIANSBURG FOR THE CREATION AND IMPLEMENTATION OF THE JOINT TOURISM PROGRAM

BE IT ORDAINED, by the Board of Supervisors of the County of Montgomery, Virginia, that the Board of Supervisors hereby approve the 2025 Organizational Cooperative Agreement Between Montgomery County and the Towns of Blacksburg and Christiansburg for the Creation and Implementation of a Joint Tourism Program as follows:

2025 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. It is the intention of the County and the Towns to have a comprehensive tourism program that focuses on tourism related programs and activities that include but not necessarily limited to history, outdoors, sports, cultural and the arts.

Section 2. Oversight

- (a) The tourism program shall function as a collaborative effort by the County and the two Towns under the direct supervision of the Operating Board. The Operating Board shall be comprised of the County Administrator and the two Town Managers or their appointed designees. The Operating Board shall exercise direct oversight of staffing, budgeting and the general operations of the joint tourism program. In the event that the Operating Board cannot agree on how to proceed on a particular issue, the Board shall certify the issue to the Chair of the County Board of Supervisors and to the Mayors of the two

Towns, who shall confer and attempt to reach a consensus on how the Operating Board shall proceed.

- (b) The Operating Board shall agree on the appointment of a Director of Tourism who shall serve as staff to the Operating Board and be responsible for the day to day operations of the joint tourism program. The Director of Tourism shall be an employee of the fiscal agent and shall receive the same benefits made available to other employees of the fiscal agent. The cost of employing the Director of Tourism shall be considered a part of the annual budget costs of the joint tourism program and shall be paid by the County and the two Towns through funding the parties receive from the additional Transient Occupancy Tax Revenues. Although an employee of the Fiscal Agent, the Director of Tourism shall be evaluated by and answer to the Operating Board.

Section 3. Guiding Principles

- (a) Funding for tourism expenditures described in this Agreement shall be based on the amount of funding received from transient 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 transient occupancy tax enacted by each locality in 2006 (the "Additional Transient Occupancy Tax Revenues" or "*Revenues*"). In addition, the County and the Towns agree to annually dedicate, subject to appropriation, additional revenue equal to .002% of each localities annual sales tax to be used for tourism.
- (b) The Director of Tourism will prepare an annual work plan and budget for tourism expenditures, which shall be presented to the Operating Board by March 31 of each year.
- (c) (i) 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 consistent with this Agreement for member localities to appropriate up to 15% of their respective Additional Transient Occupancy Tax Revenues for expenses associated with tourism-related activities in the member locality's jurisdiction that are not part of this Agreement.

(ii) At the end of each fiscal year for which funds were appropriated pursuant to this Agreement, each party shall determine the actual Additional Transient Occupancy Tax Revenues that were actually received. A "true up" shall then be performed by comparing the estimated to actual Transient Occupancy Tax Revenues. In the event that any party's actual Additional Transient Occupancy Tax Revenues exceed its estimated Revenues, that party shall request that its governing body appropriate the excess Revenues for use by the tourism program. In the event that any party's actual Additional Transient Occupancy Tax Revenues are less than its estimated Revenues, that party may credit the shortfall against the amounts due for following years. The parties agree to develop administrative procedures to address this "true up" process in greater detail.

- (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 at a minimum of biannually 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 a presentation to the respective 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.
- (i) An annual report shall be published each year and presented to the respective governing bodies of the County and the two Towns.

Section 4. The Montgomery Tourism Development Council (MTDC)

- (a) As part of this Agreement, there shall be 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 the tourism operating board after consultation with respective governing body. 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-officio, 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 three (3) years. The tourism operating board, after consultation with respective governing body, 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 Town, and it shall be effective for five (5) years from the date of the last jurisdiction signing. At the conclusion of the five (5) year period, this Agreement shall automatically renew for two (2) additional successive five (5) year periods until action is taken by any of the parties to terminate the Agreement.

Section 7. Termination of Agreement

Once the five (5) 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 twelve (12) months prior to the date that the jurisdiction wishes to withdraw from participation, unless the twelve (12) months' notice requirement is waived in writing by the non-withdrawing jurisdictions. If any governing body fails to appropriate funding to continue the Agreement, it shall be deemed withdrawn and 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 funds and personal property shall be divided among the participating entities in the proportion in which it was paid for originally.

Dated this _____ day of _____, 2025.

MONTGOMERY COUNTY, VIRGINIA

By: _____

TITLE: _____

TOWN OF BLACKSBURG, VIRGINIA

By: _____

TITLE: _____

TOWN OF CHRISTIANSBURG, VIRGINIA

By: _____

TITLE: _____