

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, APPROVING BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016, AND ENDING SEPTEMBER 30, 2017, INCLUSIVE, FOR THE DOWNTOWN BRYAN ASSOCIATION WITH TOTAL EXPENDITURES OF \$664,398 AND REVENUES IN THE COMBINED TOTAL AMOUNT OF \$685,047; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Bryan (CITY) and the Downtown Bryan Association (DBA) are partnering to revitalize and maintain the commercial and aesthetic viability of the historic business district of downtown Bryan; and

WHEREAS, the DBA also provides support for tourism in the City of Bryan; and

WHEREAS, the CITY plans to utilize hotel/motel tax revenues to support the operations of the DBA; and

WHEREAS, the DBA oversees and manages the annual Texas Reds Steak and Grape Festival; and

WHEREAS, the CITY is required to approve budgets of the DBA; and,

WHEREAS, the CITY and the DBA wish to enter into an annual funding agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, THAT:

1.

The budgets for the fiscal year beginning October 1, 2016 and ending September 30, 2017, with combined expenditures in the sum of \$664,398 and combined revenues in the sum of \$685,047 be approved as indicated in the accompanying Exhibit "A" Downtown Bryan Association FY17 Budget, and Exhibit "B" Texas Reds Steak and Grape Festival Fiscal Year 2017 Budget.

2.

Expenditures shall conform to the provisions of Chapter 351.101 of the Texas Revised Civil Statutes.

3.

The Mayor is authorized to sign the ANNUAL FUNDING AGREEMENT between the City of Bryan and the Downtown Bryan Association, attached hereto as Exhibit "C", providing for funding for the DBA for the Fiscal Year 2017 funding in the amount of \$275,000.00.

4.

This Resolution shall go into effect October 1, 2016.

APPROVED AND ADOPTED by the City Council of the City of Bryan, at a regular meeting on the _____ day of _____, 2016.

ATTEST:

CITY OF BRYAN:

Mary Lynne Stratta, City Secretary

Jason P. Bienski, Mayor

APPROVED AS TO FORM:

Janis K. Hampton, City Attorney

Exhibit A

Downtown Bryan Association FY'17 Budget

Expenses	FY 2016 Budget	FY 2017 Budget
Employee Salaries	\$177,145.00	\$153,500.00
Contract Services	\$3,000.00	\$4,500.00
Queen Theatre Mortgage	\$21,420.00	\$21,420.00
Queen Construction	\$20,000.00	\$30,000.00
Utilities - Queen	\$2,000.00	\$1,200.00
Marketing/Promotion	\$20,000.00	\$15,000.00
Phone/Internet	\$1,500.00	\$1,500.00
Insurance premiums	\$3,200.00	\$3,200.00
Office supplies/equipment	\$1,000.00	\$1,000.00
Printing	\$1,500.00	\$1,500.00
Misc fees	\$300.00	\$300.00
Travel/conferences	\$2,000.00	\$2,000.00
Postage	\$350.00	\$350.00
Professional memberships	\$500.00	\$500.00
Misc/contingency	\$10,000.00	\$6,500.00
Office rental		\$6,000.00

Total Expenses	\$263,915.00	\$248,470.00
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Income	FY 2016 Budget	FY 2017 Budget
City of Bryan - HOT	\$120,000.00	\$120,000.00
City of Bryan - General Revenue	\$45,000.00	\$45,000.00
Memberships	\$20,000.00	\$15,000.00
Event Proceeds	\$9,615.00	\$10,000.00
Palace Theater Rental	\$9,000.00	\$9,000.00
Queen Marquee Rental	\$4,000.00	\$4,000.00
Queen Misc Donations	\$31,500.00	\$30,000.00
Advertising Co-op	\$14,800.00	\$18,000.00
Misc Grants/Income	\$3,000.00	\$1,000.00
Arts Council Grant	\$7,000.00	
Total Income	\$263,915.00	\$252,000.00

Exhibit B

Texas Reds Steak and Grape Festival

Expenses	FY 2014 Actual	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Budgeted
Advertising/Marketing	\$40,354.69	\$54,011.59	\$57,000.00	\$60,000.00
Cook-off Expenses	\$3,324.16	\$3,495.21	\$3,500.00	\$3,500.00
Entertainment	\$46,961.62	\$76,326.84	\$80,000.00	\$82,000.00
Festival Survey	\$2,350.00			
Glassware (Wine & Beer)	\$5,720.12	\$5,747.50	\$6,000.00	\$6,000.00
Grape Stomp		\$1,502.08		
Insurance	\$6,319.00	\$5,469.76	\$6,000.00	\$6,500.00
Kick-off Party (Sponsorship/VIP)	\$2,525.19	\$2,659.24	\$3,500.00	\$3,800.00
Kids Zone	\$7,828.56	\$5,624.55	\$6,000.00	\$6,300.00
Labor	\$14,567.48	\$14,491.17	\$18,000.00	\$18,250.00
Logistics (Cleaning, Golf Carts, Portapotties, Tents, Tickets)	\$33,324.15	\$30,743.79	\$33,000.00	\$35,000.00
Meetings		\$33.88	\$200.00	\$200.00
Memberships	\$100.00	\$100.00	\$200.00	\$200.00
Merchandise (T-Shirts)	\$576.00	\$530.00	\$630.00	\$700.00
Misc	\$5.00	\$10.00		
Postage	\$68.30	\$78.82	\$100.00	\$100.00
Processing Fees	\$2,548.49	\$5,888.20	\$6,500.00	\$7,000.00
Salary				\$24,677.76
Saturday Night Event			\$7,480.00	\$8,500.00
Scholarship Fund	\$1,000.00	\$1,500.00	\$2,500.00	\$3,000.00
Services		\$360.00		
Sponsor Appreciation	\$693.67	\$103.55	\$500.00	\$700.00
Steak Dinner		\$24,864.90	\$27,000.00	\$29,000.00
Sunday Brunch			\$5,000.00	\$5,500.00
Supplies	\$3,691.69	\$8,271.66	\$8,500.00	\$8,700.00
Permits	\$231.00	\$1,848.00	\$1,500.00	\$1,500.00
Training		\$2,156.33	\$2,500.00	\$2,800.00
Transportation	\$9,625.00	\$10,385.75	\$10,500.00	\$11,000.00
Volunteers	\$18,678.64	\$14,995.07	\$18,000.00	\$19,000.00
Wholesale Beer	\$10,239.98	\$12,919.36	\$15,000.00	\$17,000.00
Wholesale Wine	\$40,778.50	\$45,229.86	\$50,000.00	\$55,000.00
Wireless Internet	\$1,200.00			

Total Expenses	\$252,711.24	\$329,347.11	\$369,110.00	\$415,927.76
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Income	FY 2014 Actual	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Budgeted
Direct Support	\$127,000.00	\$111,197.80	\$110,000.00	\$110,000.00
Equipment Rental		\$300.00		
Festival Sales	\$148,339.53	\$191,406.30	\$239,257.88	\$275,146.56
Grants	\$9,571.00	\$7,000.00	\$7,000.00	\$7,000.00
Grape Stomp		\$737.00		
Merchandise	\$448.00	\$469.44	\$700.00	\$900.00
Reimbursements/Refunds	\$512.05			
Sponsorships	\$18,100.00	\$19,250.00	\$20,895.00	\$22,000.00
Vendor Permits	\$16,150.00	\$16,065.00	\$17,000.00	\$18,000.00
Previous Year Fund Balance		\$67,409.34	\$17,078.43	\$25,742.88

Total Income	\$320,120.58	\$346,425.54	\$394,852.88	\$433,046.56
Total Income Plus Previous Year's Fund Balance		\$413,834.88	\$411,931.31	\$458,789.44

Exhibit C

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

DOWNTOWN BRYAN ASSOCIATION
FISCAL YEAR 2017
FUNDING AGREEMENT

This Funding Agreement for Fiscal Year 2017 (the "Agreement") is entered into on this the ____ day of _____, 2016 by and between the City of Bryan, Texas ("City") a home-rule municipal corporation doing business at 300 South Texas Avenue, Bryan, Texas 77803 and the Downtown Bryan Association ("DBA") a 501(c)(3) tax exempt, Texas non-profit corporation, doing business at 216 W. 26th Street, Bryan, Texas 77803.

WHEREAS, Texas Tax Code §§ 351.002 and 351.003(a) authorize City to levy by ordinance a municipal hotel occupancy tax ("Hotel Tax") not exceeding seven percent (7%) of the consideration paid by a hotel occupant; and

WHEREAS, by ordinance, City has provided for the assessment and collection of a municipal hotel occupancy tax of seven percent (7%); and

WHEREAS, Texas Tax Code § 351.101(a) authorizes City to use revenue from its municipal hotel occupancy tax to promote tourism and the convention and hotel industry, yet limits such revenue to uses such as: (1) "advertising and conducting solicitations and promotional programs to attract tourists ..."; (2) "the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, ..."; and, (3) "...activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites ..."; and

WHEREAS, Texas Tax Code §351.10I(c) authorizes City to delegate by contract with an independent entity, the management and supervision of programs and activities of the type described hereinabove funded with revenue from the municipal hotel occupancy tax; and

WHEREAS, the City Council has determined the promotion of tourism and the hotel and convention industry can best be accomplished by DBA through the use of hotel occupancy tax revenue on the above described activities for the purposes of attracting, promoting, developing, presenting, producing and encouraging visitors, tourists, and conventions to come to the City of Bryan and its Historic Downtown; and

WHEREAS, the DBA was created to revitalize and maintain the commercial and aesthetic viability of the historic business district of downtown Bryan; and

WHEREAS, the City Council finds there is adequate consideration in the exchange of DBA's services for the public financial assistance provided by this Agreement; and

WHEREAS, the City Council finds there is sufficient assurance by reason of the conditions of this Agreement that the public purposes stated herein will be accomplished.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

ARTICLE I. FUNDING AGREEMENT

- 1.1 **Amount.** In consideration of the activities and duties to be performed by DBA under this Agreement, City agrees to pay DBA during the Term of this Agreement, the total sum of TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$275,000.00), through a combination of \$45,000.00 of General Fund money and \$230,000.00 of hotel occupancy tax revenues actually collected and received by City from the Hotel Tax (hereinafter "Hotel Tax Revenues").
- 1.2 **Term.** The term of this Agreement shall commence October 1, 2016, and extend through September 30, 2017.

ARTICLE II. USE OF HOTEL TAX REVENUES

- 2.1 **Consideration.** The amount to be paid to DBA under this Agreement from the City's Hotel Tax Revenues is in consideration for DBA's promotion of tourism and the convention and hotel industry through its programs, special events, and activities centered on the promotion of the arts and historical Downtown Bryan, its regional and statewide marketing campaigns, visitor information, and production of the Texas Reds Steak and Grape Festival ("Texas Reds Festival" or "Festival") intended to attract, promote, produce and encourage visitors, tourists and conventions to come to the City of Bryan and its Historic Downtown.
- 2.2 **Restrictions.** All funds received by DBA from the City's Hotel Tax Revenues must be spent in compliance with the requirements of Chapter 351 of the Texas Tax Code, the DBA's approved amended budget, and for the purposes authorized under this Agreement. It is expressly agreed and understood that DBA will be required to return all or a portion of that funding, if the City determines that expenditures have been made which are not authorized under Chapter 351 of the Texas Tax Code, or deviate materially from the uses authorized under this Agreement or the DBA's approved amended budget or if reports required herein are not submitted in a complete and timely manner. A copy of the DBA FY 2017 operating budget, approved by the Bryan City Council (the "Approved Budget"), is attached to this Agreement as **Exhibit "A"**.
- 2.3 **Allocation and Use.** Of the total sum of TWO HUNDRED THIRTY THOUSAND DOLLARS (\$230,000.00) of Hotel Tax Revenues to be paid to DBA under this Agreement, the sum of ONE HUNDRED TEN THOUSAND DOLLARS (\$110,000.00) shall be allocated for the Texas Reds Festival. The remaining ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000.00) of Hotel Tax Revenues, not allocated to the Texas Reds Festival, shall be used for: (i) that portion

of the salaries of DBA employees that is directly attributable to the performance of the services and activities set forth in this Agreement, which services or activities are authorized uses of Hotel Tax Revenues under Chapter 351 of the Texas Tax Code, in an amount not to exceed the approved budget amount, and (ii) for marketing and promotional expenditures necessary for the performance of this Agreement that are allowable under the requirements of Chapter 351 of the Texas Tax Code, in an amount not to exceed the Approved Budget; and for no other purposes.

- 2.4 **Marketing and Promotions.** Advertising and promotional materials purchased with Hotel Tax Revenues must be targeted to reach audiences outside of Brazos County. These materials include, but are not limited to, signs, posters, postcards, newsletter and print advertising. The term "out-of-area advertising" used in this Agreement shall mean outside of Brazos County.
- 2.5 **Budget.** DBA shall adhere to the Approved Budget (**Exhibit "A"**), as may be amended by the City Council, (the "Approved Amended Budget") for all operations of DBA funded by Hotel Tax Revenues. The DBA Board of Directors may authorize minor amendments to the approved budget as necessary to carry out DBA's operations and the intent of this Agreement, in a manner consistent with the efficient use of public funds, and in accordance with state law, provided, however, such amendments may not increase the overall Hotel Tax Revenue Funding or alter the approved budget allocations of funding in the "Texas Reds Festival", "Employee Salaries" or "Marketing & Promotions" line items, as set forth in **Exhibit "A"**, without the consent of the City Council.
- 2.6 **Fiduciary Duties.** DBA acknowledges that the approval of such budget by the Bryan City Council creates a fiduciary duty in DBA with respect to the Hotel Tax Revenue paid by City to DBA under this Agreement. DBA shall expend Hotel Tax Revenue only in the manner and for the purposes specified in this Agreement, Texas Tax Code §351.101(a), and in the budget as approved by the City Council.

ARTICLE III. PAYMENT

- 3.1 **Festival Payment.** The ONE HUNDRED TEN THOUSAND DOLLARS (\$110,000.00) of Hotel Tax Revenues allocated to Texas Reds shall be paid to DBA in accordance with Section 7.3.5 below.
- 3.2 **Quarterly Installment Payments.** The remaining ONE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$165,000.00) to be paid to DBA under this Agreement, consisting of a combination of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000.00) from Hotel Tax Revenues and FORTY-FIVE THOUSAND DOLLARS (\$45,000.00) from General Fund monies, shall be paid in four (4) quarterly installments as set forth below:

Payment Number	Amount	Payment Date
1	\$41,250	November 15, 2016
2	\$41,250	February 15, 2017
3	\$41,250	May 15, 2017
4	\$41,250	August 15, 2017

- 3.3 Payment by the City of the quarterly installment payments shall be subject to the DBA's satisfactory performance and compliance with the terms of this Agreement.

**ARTICLE IV.
HOTEL TAX REVENUE
ACCOUNTING AND RECORD KEEPING**

- 4.1 **Separate Accounts.** DBA shall maintain Hotel Tax Revenue paid to DBA by City in a separate account, or with segregated fund accounting, such that any reasonable person can ascertain the revenue source of any given expenditure.
- 4.2 **Financial Records.** DBA shall maintain a complete and accurate financial record of each expenditure of the Hotel Tax Revenue made by DBA. These funds shall be classified as restricted funds for audited financial purposes.

**ARTICLE V.
REPORTING REQUIREMENTS**

- 5.1 **Quarterly Reports.** DBA shall submit to the City Manager or his designee the following detailed quarterly reports, no later than the 30th of January, April, and July of the Agreement year, and the October immediately after the Agreement year. This obligation of the DBA shall survive the termination of this Agreement.
- 5.1.1 **General Financial Activity Report.** This includes a summary of the DBA's revenues and expenditures for the current quarter as well as the fiscal year to date, and a summary of the DBA's assets and liabilities. A form of the Financial Activity Report is attached to this Agreement as **Exhibit "B"**. This report shall exclude any amount included in Section 5.1.2.
- 5.1.2 **Texas Reds Festival Financial Activity Report.** This includes a summary of the DBA's revenues and expenditures related to the Festival for the current quarter as well as the fiscal year to date, and a summary of the DBA's assets and liabilities related to the Festival. A form of the Financial Activity Report is attached to this Agreement as **Exhibit "C"**.
- 5.1.3 **General Quarterly Program Report.** This report shall include: (i) a listing of each of the activities, programs, events, and marketing campaigns directly funded with Hotel Tax Revenue or which has its administrative costs in the form of DBA employee salaries, funded in whole or in part by the Hotel Tax Revenues, and is intended to enhance and promote tourism and the convention and hotel industry; (ii) a listing of DBA's activities and efforts to revitalize and maintain the commercial and aesthetic viability of the Historic Downtown Bryan business district (the "Core Study Area"), including, but not limited to, the following information: number of new businesses, number of relocating businesses, number of businesses closing or relocating out of the Core Study Area, DBA membership dues revenues, in-kind and cash contributions and grants received by DBA, and the aggregate of

volunteer hours. A form of the DBA Annual Program Report is attached to this Agreement as **Exhibit "D"**.

- 5.1.4 **Texas Reds Quarterly Program Report.** This report shall be a summary of DBA's activities related to the Festival including a summary of how Hotel Tax Revenues have been utilized. A form of the Texas Reds Annual Program Report is attached to this Agreement as **Exhibit "E"**.

ARTICLE VI. MAINTAIN BOOKS AND RECORDS AND AUDIT

- 6.1 DBA will establish, operate and maintain an accounting system that will allow for adequate review of its income, expenses, and financial status of the corporation at the end of each fiscal year.
- 6.2 DBA shall have an audit of its books and records performed by an independent certified public accounting firm and an audit report prepared and delivered to the City Manager following each odd numbered fiscal year. The audit shall be completed and the report delivered to the City Manager no later than 60 days from the last day of the odd numbered fiscal year.
- 6.3 DBA shall maintain its financial records for a period of five (5) years after the termination of this Agreement, and shall make such records available for inspection by the City Internal Auditor during regular business hours, upon reasonable notice. The City shall have the right to conduct an audit of the books and records of DBA related to this Agreement, upon reasonable notice. The City's right to inspect and to conduct an audit of DBA's books and records related to this Agreement shall survive the termination of this Agreement.
- 6.4 DBA shall maintain all its records consistent with the Texas Public Information Act and shall cooperate with CITY in responding to any public information request ("open records request") filed with CITY pursuant to the Texas Public Information Act.

ARTICLE VII. DUTIES AND ACTIVITIES

- 7.1 DBA agrees to perform the following duties and activities through September 30, 2017 ("Program Period"):
- 7.1.1 Maintain an office for the DBA in the Core Study Area of the Downtown Bryan Master Plan.
- 7.1.2 Develop and maintain membership dues revenues.
- 7.1.3 Obtain in-kind and cash contributions, including volunteer hours for the next Texas Reds Festival.
- 7.1.4 Employ and retain an Executive Director for the DBA.

7.2 **First Fridays.** DBA agrees to operate First Fridays in Downtown Bryan on the first Friday of every month between the hours of 5pm and 10pm subject to the following terms:

7.2.1 Boundaries of First Fridays' events are:

North: MLK, Jr. Street

South: 30th Street

East: Texas Avenue

West: Sims Avenue

7.2.2 Review all complete applications and will approve or deny groups or individuals applying for vendor permits in a non-discriminatory manner.

7.2.3 City will rent Sale Park to DBA to use for First Friday events at the rate of \$25/evening. DBA may sublease Sale Park to groups or individuals for First Friday events only. DBA will remain responsible to City for rental payments and for any damage occurring to Sale Park resulting from this assignment. All groups or individuals granted use by DBA under this Agreement will be subject to oversight by DBA and not the City. At all other times, if DBA does not make use of the park, then City shall have the ability to rent the park to other parties as approved by DBA at standard rental rates.

7.2.4 Comply with City's standard process and procedures for obtaining an electric permit for electric service for First Friday events.

7.2.5 Comply with City's standard process and procedures for obtaining an alcohol permit to serve or sell alcohol for First Friday events.

7.2.6 Comply with all TABC rules and regulations for the sale of alcohol and acquire a Special Event permit from TABC, when applicable.

7.2.7 DBA does not have the authority to close any streets in Downtown Bryan.

7.2.8 Maintain a minimum of four (4) feet of pedestrian access on all sidewalks.

7.2.9 DBA shall conduct out-of-area and regional promotional advertising of First Friday events occurring during Texas A&M University home football game weekends.

7.3 **Texas Reds Festival.** DBA shall retain management responsibility for the Texas Reds Festival subject to the following terms:

7.3.1 DBA is responsible for planning and carrying out the production of the next Festival, including recruiting volunteers, vendors, sponsors, and community support and participation in the Festival as well as promoting the Festival through a variety of local, regional and statewide advertising with the goal of maximizing attendance by out-of-town visitors and tourists. DBA will communicate with and coordinate with downtown merchants and stakeholders on issues related to the next Festival. Representatives of the City and DBA shall hold coordination meetings at mutually agreeable places and times to

discuss scheduling, logistics, or other concerns. The City shall provide in-kind services as set forth in **Exhibit "G"**.

- 7.3.2 DBA shall be responsible for coordination with downtown businesses and shall provide informational documents identifying the DBA contact person, hours, closures, logistics, etc. DBA shall obtain written acknowledgements from the businesses in the event area, as is required by the Special Event Permit Application Information Sheet, available at www.bryantx.gov under the Parks Department.
- 7.3.3 DBA shall provide regional and state-wide marketing aimed at attracting out-of-town visitors and tourists to the Festival.
- 7.3.4 **Sponsorship.** The City shall be listed as a sponsor of the Festival in all promotional materials, at no additional cost to the City. The City will be entitled to have members of the City Council, the City Manager, or their designees attend DBA events or promotional programs as representatives of the City.
- 7.3.5 **Consideration and Payment.** For and in consideration of the activities to be performed by DBA with respect to the Festival, City agrees to pay DBA the first installment of FIFTY-FIVE THOUSAND DOLLARS (\$55,000.00) within thirty (30) days after receiving the fourth (4th) quarter final Financial Activity Report and final Program Report for the previous year's Festival as well as a preliminary budget for the coming year's Festival. The second installment of FIFTY-FIVE THOUSAND DOLLARS (\$55,000.00) will be paid to DBA upon approval of the Special Event Permit by City.
- 7.3.6 **Festival Budget.** DBA shall adhere to the 2017 Texas Reds Festival Budget, attached hereto as **Exhibit "F"**.
- 7.3.7 **Reallocation of Line Items.** Approval of the Festival Budget by the City Council shall not preclude DBA from reasonably reallocating funds within the Festival Budget among line items to meet changing conditions, nor will doing so require new approval by City Council. Approval of the Festival Budget creates a fiduciary duty with respect to the Hotel Tax Revenue and DBA may only use it in the manner and for the purposes, specified in the Approved Amended Budget, Texas Tax Code § 351.101(a), and this Agreement.
- 7.3.8 **Festival Recordkeeping.** DBA shall maintain complete and accurate Financial Records of each expenditure made with regards to the Festival. Expenditures of Hotel Tax Revenue shall be classified as restricted funds for audited financial purposes. Financial Records shall include invoices, receipts, bank statements, reconciliations, cleared checks, financial statements, and audit reports.
- 7.3.9 **Use of Festival Funds.** In consideration of the payment by City to DBA of the Hotel Tax Revenue described herein, DBA agrees to manage or supervise the use of such revenue for the Festival pursuant to Texas Tax Code §351.101(c). Use of the funds shall be limited to direct costs associated with the Festival. The City may withhold allocations if the City determines that DBA's expenditures of Hotel Tax Revenue deviate materially from the

approved budget, or if reports required under this Agreement are not submitted in a complete and timely manner. In the event that there are unused funds left after all obligations related to the current year's Festival have been paid, such funds are hereby allocated for the next year's Festival. In the event that this Agreement is not renewed or extended (or if it is modified so that DBA is no longer responsible for the management of the Festival) the Festival funds shall be forfeited to the City upon termination of this Agreement.

7.3.10 **Council Presentation.** If requested, DBA shall make a pre-event and/or a post-event financial report presentation regarding the Festival to the City Council.

7.4 **Palace Theater.** DBA agrees to assume management control of the Palace Theater and shall receive the revenues from its operation, subject to the following terms:

7.4.1 DBA will schedule and solicit bookings for the use of the facility in accordance with appropriate limitations approved by the City.

7.4.2 DBA will use commercially reasonable efforts to attract and to book performances and special events that will draw out-of-town visitors to the Palace Theater.

7.4.3 DBA will assure that appropriate responsible staff for each particular event is on site during the usage of the facility.

7.4.4 DBA will maintain and clean the facility after each use to a condition that is ready for the next function while the facility is not in use.

7.4.5 DBA will exercise reasonable care to assure that the facility is secure during periods when it is not actively being used.

7.4.6 DBA will perform maintenance that does not require skilled labor to accomplish. City will conduct monthly inspections of the facility and share inspection reports with DBA identifying maintenance needs that do and do not require skilled labor to accomplish.

7.4.7 DBA will pay for all monthly utility costs in excess of \$170.00 consumed during the period that the DBA is responsible for managing the facility under the terms of this Agreement. DBA shall make this reimbursement payment to the City within ten (10) calendar days of receipt of an invoice from the City, which invoice shall be provided to DBA within thirty (30) days of the end of the term of this Agreement.

7.5 **Downtown Street and Art Fair.** DBA agrees to be responsible for the management and control of the Downtown Street & Art Fair, subject to the following terms:

7.5.1 DBA will be responsible for the planning, organization, management, control and implementation of the Downtown Street and Art Fair.

7.5.2 DBA will utilize commercially reasonable efforts to bring in artists and events that will draw out-of-town visitors.

- 7.5.3 DBA will be responsible for obtaining the necessary permits, licenses, and other permissions required for special events.
 - 7.5.4 DBA will review and approve vendor applications in a nondiscriminatory manner. The City will issue vendor permits at no charge to approved vendors. Artist demonstrations, entertainers, and other non-commercial activities are not required to obtain vendor permits for the Downtown Street and Art Fair.
 - 7.5.5 It will be the responsibility of DBA to promote and market the Downtown Street and Art Fair through regional and out-of-area advertising.
- 7.6 **Christmas Parade.** DBA agrees to be responsible for the management and control of the Downtown Christmas Parade, subject to the following terms:
- 7.6.1 DBA will be responsible for the planning, organization, management, control and implementation of the Downtown Christmas Parade, including the recruiting of volunteers, participants, and sponsors.
 - 7.6.2 DBA will register all parade participants and volunteers and shall obtain a release, hold harmless and indemnification agreement from each parade participant and volunteer on behalf of DBA and the City of Bryan and their respective elected officials, directors, officers, agents, and employees in a form approved by the City Attorney.
 - 7.6.3 DBA shall check all parade entries for compliance with the parade entry regulations and requirements approved by the City.
 - 7.6.4 DBA shall be responsible to obtain a valid Texas Driver's License and proof of liability insurance coverage from all parade participants operating a motor vehicle in the parade.
 - 7.6.5 It will be the responsibility of DBA to promote and market the Christmas Parade through local and out-of-area advertising.
 - 7.6.6 DBA shall be responsible for obtaining the necessary permits, licenses, and other permissions required for special events.
- 7.7 **Lights On!** DBA agrees to assume responsibility for the management and control of the Lights On! Program, subject to the following terms:
- 7.7.1 DBA will be responsible for providing the programming, entertainment, and refreshments for the event. The entertainment and programming shall be subject to approval by the City Manager.
 - 7.7.2 DBA will promote and market the "Lights On" event through local and out-of-area advertising.
- 7.8 **Firkin Fest.** DBA agrees to assume responsibility for the management and control of Firkinfest, a spring craft beer festival, subject to the following terms:

- 7.8.1 DBA will be responsible for providing the management and programming for Firkinfest.
- 7.8.2 DBA will promote and market Firkinfest through local and out-of-area advertising.
- 7.9 **Queen Theatre.** DBA is the owner of the Queen Theatre, which is being acquired and renovated with both public and private contributions. The City contributed funds for the restoration of the facade in 2011. DBA will continue to promote the Queen Theatre and the DBA's renovation efforts in both its local and out-of-area advertising and promotions of Historical Downtown Bryan and/or DBA related activities. DBA agrees to budget an amount sufficient to pay the annual mortgage payments for the Queen Theatre.

**ARTICLE VIII.
DBA OBLIGATIONS AND WARRANTIES**

DBA further agrees and warrants to City the following:

- 8.1 That the public purposes herein stated will be effectuated.
- 8.2 That it will provide, at a minimum, a reasonable quality of service.
- 8.3 That any charges made for services rendered by DBA will be reasonable and without discrimination. During the term of this Agreement, DBA will not discriminate against any employee, applicant for employment, vendor, sponsor, or participant because of race, color, religion, sex, national origin, age, or disability. DBA agrees that in all solicitations or advertisements for employees there will be a statement that all qualified applicants will receive consideration without regard to race, color, religion, sex, national origin, age, or disability.
- 8.4 That DBA will operate as a private nonprofit association for the benefit of the general public. DBA will follow conflict of interest requirements for Texas non-profit entities.
- 8.5 That DBA shall give the City Manager or his designate, reasonable advance notice of the time and place of all DBA Board of Director meetings during the Term of this Agreement.
- 8.6 That all meetings of the DBA Board of Directors will comply with all requirements of the Texas Open Meetings Act, currently codified in Chapter 551 of the Texas Government Code as amended, when conducting its meetings, and all DBA board members will complete TOMA training.
- 8.7 That all present and future rules, regulations, policies, bylaws, and amendments to its bylaws will be filed with the Bryan City Secretary.
- 8.8 That the funds provided by this Agreement shall be used by DBA in the manner and for the limited purposes described in this Agreement.

**ARTICLE IX.
ANNUAL BUDGET SUBMITTALS**

- 9.1 **Proposed Budget.** That DBA, on an annual basis not later than May 31st of each year, shall submit its proposed budget, proposed service levels and performance measures to the City for review, including a list each scheduled activity, program, or event that is directly funded or has its administrative costs funded in whole or in part by the funds provided under this this Agreement; and that will directly enhance and promote tourism and the convention and hotel industry.
- 9.2 **Adopted Budget.** That DBA shall furnish a copy of the DBA's annual budget to the City Manager, or his designee, when the budget is adopted by the DBA Board of Directors.

**ARTICLE X.
GENERAL PROVISIONS**

- 10.1 **Subcontract for Performance of Services.** Nothing in this Agreement shall prohibit, nor be construed to prohibit, the agreement by DBA with another private entity, person, or organization for the performance of those duties and activities described herein. In the event that DBA enters into any arrangement, contractual or otherwise, with such other entity, person or organization, DBA shall cause such other entity, person, or organization to indemnify the City by way of an indemnification agreement in a form acceptable to the City Attorney, and to adhere to, conform to, and be subject to all provisions, terms, and conditions of this Agreement and to Texas Tax Code, Chapter 351, including reporting requirements, separate funds maintenance, and limitations and prohibitions pertaining to expenditure of the agreed payments and Hotel Tax Revenue. In the event any work is sublet, the DBA shall require the subcontractor similarly to provide the same insurance coverage required under Article XII, and shall himself acquire evidence of such coverage on behalf of the subcontractor.
- 10.2 **Independent Contractor.** DBA shall operate as an independent contractor as to all duties and activities to be performed under this Agreement and not as an officer, agent, servant, or employee of City. DBA shall have exclusive control of its operations and performance of its activities and services hereunder, and such persons, entities, or organizations performing the same and DBA shall be solely responsible for the acts and omissions of its directors, officers, employees, agents, and subcontractors. DBA shall not be considered a partner or joint venturer with City, nor shall DBA be considered nor in any manner hold itself out as an agent or official representative of City.

**ARTICLE XI.
INDEMNIFICATION AND RELEASE**

- 11.1 **Indemnification and Release.** DBA agrees to indemnify and hold harmless the City, its officers, agents, and employees from and against any and all loss, costs, or damage of any kind, nature, or description that may arise out of or in connection with this Agreement whether or not the claim or

cause of action results from any negligence of the City or any of its officers, agents, or employees. DBA assumes full responsibility for the work performed and services to be provided, and hereby releases, relinquishes and discharges the City, its officers, agents, and employees from any and all claims, demands, causes of action of every kind and character, including the cost of defense thereof, for any injury to, including death of, any person (whether employees or agents of either of the parties hereto or third persons) and any loss of or damage to property (whether the property is that of either of the parties hereto or of third parties) that is caused by or alleged to be caused by, arising out of, or in connection with the DBA's work or services provided hereunder whether or not said claims, demands, or causes of actions are covered in whole or part by insurance.

ARTICLE XII. INSURANCE

- 12.1 **Insurance.** The DBA agrees to maintain, on a primary basis, for the duration of this Agreement the insurance coverages and limits as described below. The DBA must deliver to City a certificate(s) of insurance evidencing that such policies are in full force and effect within 10 business days of execution of this Agreement. Failure to meet the insurance requirements and provide the required certificate(s) and any necessary endorsements within ten business days **may cause the Agreement to be terminated.** CITY reserves the right to obtain complete, certified copies of all required insurance policies at any time.
- 12.2 **Limits.** The requirements as to types and limits, as well as City's review or acceptance of insurance coverage to be maintained by DBA, is not intended to nor shall in any manner limit or qualify the liabilities and obligations assumed by the DBA under this Agreement. DBA will maintain Commercial General Liability Insurance with a minimum coverage of \$250,000 for each person and \$500,000 for each single occurrence for bodily injury or death and \$100,000 for each single occurrence for injury to or destruction of property during the term of this Agreement.
- 12.3 **DBA's Insurance to be Primary.** DBA 's. insurance shall be deemed primary with respect to any insurance or self-insurance program carried by the City.
- 12.4 **Waiver of Subrogation.** Waiver of subrogation in favor of the City for each required policy. When required by the insurer or should a policy condition not permit DBA to enter into a pre-loss agreement to waive subrogation without an endorsement, then DBA agrees to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should DBA enter into such an agreement on a pre-loss basis.
- 12.5 **Deductibles, Coinsurance Penalties & Self-Insured Retention.** DBA shall agree to be fully and solely responsible for any costs or expenses as a result of a coverage deductible, coinsurance penalty, or self-insured retention; including any loss not covered because of the operation of such deductible, coinsurance penalty, or self-insured retention.

- 12.6 **Certificate of Insurance.** DBA shall furnish the City with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements. The certificate must be from a company with an A.M. Best rating of "A-" or better and/or otherwise acceptable to the CITY. Certificates must be submitted using the ACORD form and all endorsements must be included with the submittal. DBA has the affirmative obligation to advise CITY at the address listed below within two (2) business days of the cancellation or substantive change of any required insurance policy, and failure to do so shall be construed as a breach of the Agreement.
- 12.7 **Cancellation.** In the event the City is notified that a required insurance coverage will cancel or non-renew during the Agreement period, the DBA shall agree to furnish prior to the expiration of such insurance, a new or revised certificate(s) as proof that equal and like coverage is in effect. City reserves the right, but not the obligation, to withhold payment to DBA until coverage is reinstated. If the DBA fails to maintain the required insurance, City shall have the right, but not the obligation, to purchase the required insurance at DBA's expense.

ARTICLE XIII. TERMINATION

- 13.1 **Noncompliance.** If DBA does not comply with any term or condition of this Agreement, City may provide written notice to the DBA specifically stating the noncompliance and the City may withhold any funding that would otherwise be paid: DBA shall have ten (10) business days to cure such noncompliance to the City's satisfaction. If such deficiencies are not cured within ten business (10) days, the City may terminate this Agreement and discontinue funding.
- 13.2 **Open Meetings.** If the DBA fails to comply with the requirement that the DBA Board of Directors conduct their business meetings in accordance with the requirements of the Texas Open Meetings Act, the City has the option to immediately terminate the Agreement.
- 13.3 **Reporting.** If the DBA fails to comply with reporting procedures required herein, the City has the option to immediately terminate the Agreement.
- 13.4 **Automatic Termination.** This Agreement shall automatically terminate upon the occurrence of any of the following events:
- (a) The termination of the legal existence of DBA;
 - (b) The insolvency of DBA, the filing of a petition in bankruptcy, either voluntarily or involuntarily, or an assignment by DBA for the benefit of creditors.
- 13.5 **Return of Hotel Tax Revenue.** Except as otherwise provided in Section 7.3.9 of this Agreement, any unused Hotel Tax Revenues remaining at the end of the term of this Agreement, and any Hotel Tax Revenues which the City determines have been used improperly, shall be returned by DBA to the City, within thirty (30) days after termination of this Agreement.

**ARTICLE XIV.
MISCELLANEOUS**

- 14.1 **Recitals Incorporated.** The Recitals set forth above are incorporated herein by reference as if fully set forth in the body of this Agreement.
- 14.2 **Authority.** Each party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective organizations.
- 14.3 **Entire Agreement.** It is understood that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between the parties relating to the subject matter. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally. No verbal agreement or conversation with any officer, agent, or employee of any party before or after the execution of this Agreement shall affect or modify any of the terms or obligations hereunder.
- 14.4 **Amendment.** No amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.
- 14.5 **Assignment.** DBA shall not assign this Agreement, and the rights and obligations contained herein, without the prior written approval of the City.
- 14.6 **Successor and Assigns.** This Agreement and each provision hereof, and each and every right, duty, obligation, and liability set forth herein shall be binding upon and inure to the benefit and obligation of City and DBA and their respective successors and permitted assigns.
- 14.7 **Applicable Law and Venue.** This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings shall lie in State courts located in Brazos County, Texas.
- 14.8 **Waiver.** Failure of any party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of either party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.
- 14.9 **Agreement Read.** The parties acknowledge that they have read, understand and intend to be bound by the terms and conditions of this Agreement.
- 14.10 **Invalidity.** If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable by a court or other tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties shall use

their best efforts to replace the respective provision or provisions of this Agreement with legal terms and conditions approximating the original intent of the parties.

- 14.11 **Notice.** Unless otherwise specified, written notice shall be deemed to have been duly served if delivered in person or sent by certified mail to the last business address as listed herein. Each party has the right to change its business address by giving at least thirty (30) days advance written notice of the change to the other party.

City: CITY OF BRYAN
Attn: City Manager
P.O. Box 1000
Bryan, Texas 77805-1000

DBA: DOWNTOWN BRYAN ASSOCIATION
Attn: Director
P.O. Box 233
Bryan, TX 77806-0233

- 14.12 **Duplicate Originals.** It is understood and agreed that this Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of the Bryan City Council and the Board of Directors of the Downtown Bryan Association, have caused this Agreement to be executed in duplicate originals, on this day ____ of _____, 2016.

CITY OF BRYAN

DOWNTOWN BRYAN ASSOCIATION ("DBA")

Jason P. Bienski, Mayor

Melba Tucker-Arden, Chair of DBA Board of Trustees

ATTEST:

ATTEST:

Mary Lynne Stratta, City Secretary

Sandy Farris, Executive Director of DBA

APPROVED AS TO FORM:

Janis K. Hampton, City Attorney

EXHIBIT "A"
DBA ANNUAL OPERATIONAL BUDGET

Downtown Bryan Association FY'17 Budget

Expenses	FY 2016 Budget	FY 2017 Budget
Employee Salaries	\$177,145.00	\$153,500.00
Contract Services	\$3,000.00	\$4,500.00
Queen Theatre Mortgage	\$21,420.00	\$21,420.00
Queen Construction	\$20,000.00	\$30,000.00
Utilities - Queen	\$2,000.00	\$1,200.00
Marketing/Promotion	\$20,000.00	\$15,000.00
Phone/Internet	\$1,500.00	\$1,500.00
Insurance premiums	\$3,200.00	\$3,200.00
Office supplies/equipment	\$1,000.00	\$1,000.00
Printing	\$1,500.00	\$1,500.00
Misc fees	\$300.00	\$300.00
Travel/conferences	\$2,000.00	\$2,000.00
Postage	\$350.00	\$350.00
Professional memberships	\$500.00	\$500.00
Misc/contingency	\$10,000.00	\$6,500.00
Office rental		\$6,000.00

Total Expenses **\$263,915.00** **\$248,470.00**

Income	FY 2016 Budget	FY 2017 Budget
City of Bryan - HOT	\$120,000.00	\$120,000.00
City of Bryan - General Revenue	\$45,000.00	\$45,000.00
Memberships	\$20,000.00	\$15,000.00
Event Proceeds	\$9,615.00	\$10,000.00
Palace Theater Rental	\$9,000.00	\$9,000.00
Queen Marquee Rental	\$4,000.00	\$4,000.00
Queen Misc Donations	\$31,500.00	\$30,000.00
Advertising Co-op	\$14,800.00	\$18,000.00
Misc Grants/Income	\$3,000.00	\$1,000.00
Arts Council Grant	\$7,000.00	
Total Income	\$263,915.00	\$252,000.00

EXHIBIT "B"
GENERAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Income Statement Quarterly

Agency Name:

Quarter:

Revenue Source	Agency Actual (Non-Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Quarterly Total
Income			
Fees			
Net Sales			
Contributions			
Individual			
Board			
Foundations/Trusts			
Special Events			
Organizations			
Civic			
Corporate			
Government Revenue			
City of Bryan			
Brazos County			
Federal			
State			
School District			
Other Local Sources			
Investment Income (div., int., cap gains)			
Other			
In-kind Contributions			
Total Income			

EXHIBIT "B"
GENERAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Income Statement Year-to-Date

Agency Name:

Revenue Source	Agency Actual (Non-Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Quarterly Total	Annual Budget
Income				
Fees				
Net Sales				
Contributions				
Individual				
Board				
Foundations/Trusts				
Special Events				
Organizations				
Civic				
Corporate				
Government Revenue				
City of Bryan				
Brazos County				
Federal				
State				
School District				
Other Local Sources				
Investment Income				
Other				
In-kind Contributions				
Total Income				

EXHIBIT "B"
GENERAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Expense Report Quarterly

Agency Name:

Quarter:

Expense Account	Agency Actual (Non-Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Total
Salaries			
Benefits			
Supplies			
Maintenance			
Purchased Services			
Capital Outlay			
Other:			
In-kind Expenses			
*Total Operating Expenses			
Surplus (Deficit)			

Please explain any income statement deficits on an attached sheet.

*Total includes marketing and promotions as follows:

EXHIBIT "B"
GENERAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Expense Report Year-to-Date

Agency Name:

Expense Account	Agency Actual (Non-Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	
Salaries			
Benefits			
Supplies			
Maintenance			
Purchased Supplies			
Capital Outlay			
Other:			
In-kind Expenses			
*Total Operating Expenses			
Surplus (Deficit)			

Please explain any income statement deficits on an attached sheet.

*Total includes marketing and promotions as follows:

EXHIBIT "B"
GENERAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Assets Quarter Ended

Agency Name:

Quarter:

	(Current quarter as of)	(Prior quarter as of)
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents		
Investments		
Receivables		
Prepaid Expenses		
TOTAL CURRENT ASSETS		
Property and Equipment		
Accumulated Depreciation		
TOTAL PROPERTY AND EQUIPMENT		
OTHER ASSETS		
TOTAL ASSETS		

EXHIBIT "B"
GENERAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Liabilities Quarter Ended

Agency Name:

Quarter:

LIABILITIES AND FUND BLANCE		
	(current quarter as of)	(prior quarter as of)
Current liabilities		
Accounts Payable		
Current portion of long-term debt		
Deferred Revenue		
<i>Total Current Liabilities</i>		
Long-Term Debt; less current		
<i>Total Liabilities</i>		
Fund Balance		
Unrestricted		
Temporarily Restricted		
Permanently Restricted		
<i>Total Fund Balance</i>		
<i>Total Liabilities and Fund</i>		

("TOTAL ASSETS" MUST EQUAL "TOTAL LIABILITIES AND FUND BALANCE")

EXHIBIT "C"
DBA TEXAS REDS FESTIVAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Income Statement Quarterly

Agency Name:

Quarter:

Revenue Source	Agency Actual (Non-Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Quarterly Total
Income			
Fees			
Net Sales			
Contributions			
Individual			
Board			
Foundations/Trusts			
Special Events			
Organizations			
Civic			
Corporate			
Government Revenue			
City of College Station			
City of Bryan			
Brazos County			
Federal			
State			
School District			
Other Local Sources			
Investment Income (div., int., cap gains)			
Other			
In-kind Contributions			
Total Income			

EXHIBIT "C"
DBA TEXAS REDS FESTIVAL FINANCIAL ACTIVITY REPORT
Texas Reds Festival
Financial Activity Report - Income Statement Year-to-Date

Agency Name:

Revenue Source	Agency Actual (Non-Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Quarterly Total	Annual Budget
Income				
Fees				
Net Sales				
Contributions				
Individual				
Board				
Foundations/Trusts				
Special Events				
Organizations				
Civic				
Corporate				
Government Revenue				
City of College Station				
City of Bryan				
Brazos County				
Federal				
State				
School District				
Other Local Sources				
Investment Income (div., int., cap gains)				
Other				
In-kind Contributions				
Total Income				

EXHIBIT "C"
DBA TEXAS REDS FESTIVAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Expense Report Quarterly

Agency Name:

Quarter:

Expense Account	Agency Actual (Non-Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Total
Salaries			
Benefits			
Supplies			
Maintenance			
Purchased Services			
Capital Outlay			
Other			
In-kind Expenses			
Total Operating Expenses			
Surplus (Deficit)			

Please explain any income statement deficits on an attached sheet.

EXHIBIT "C"
DBA TEXAS REDS FESTIVAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Expense Report Year-to-Date

Agency Name:

Expense Account	Agency Actual (Non-Hotel Tax Revenue)	Agency Actual (Hotel Tax Revenue)	Total	Annual Budget
Salaries				
Benefits				
Supplies				
Maintenance				
Purchased Services				
Capital Outlay				
Other:				
In-kind Expenses				
Total Operating Expenses				
Surplus (Deficit)				

Please explain any income statement deficits on an attached sheet.

EXHIBIT "C"
DBA TEXAS REDS FESTIVAL FINANCIAL ACTIVITY REPORT
 Financial Activity Report - Assets Quarter Ended

Agency Name:

Quarter:

	(Current quarter as of)	(Prior quarter as of)
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents		
Investments		
Receivables		
Prepaid Expenses		
TOTAL CURRENT ASSETS		
Property and Equipment		
Accumulated Depreciation		
TOTAL PROPERTY AND EQUIPMENT		
OTHER ASSETS		
TOTAL ASSETS		

EXHIBIT "C"
DBA TEXAS REDS FESTIVAL FINANCIAL ACTIVITY REPORT
 Liabilities Quarter Ended

Agency Name:

Quarter:

LIABILITIES AND FUND BLANCE		
	(current quarter as of)	(prior quarter as of)
Current liabilities		
Accounts Payable		
Current portion of long-term debt		
Deferred Revenue		
<i>Total Current Liabilities</i>		
Long-Term Debt; less current portion		
<i>Total Liabilities</i>		
Fund Balance		
Unrestricted		
Temporarily Restricted		
Permanently Restricted		
<i>Total Fund Balance</i>		
<i>Total Liabilities and Fund</i>		

("TOTAL ASSETS" must equal "TOTAL LIABILITIES AND FUND BALANCE")

EXHIBIT "D"
DBA GENERAL QUARTERLY PROGRAM REPORT

PART 1

Please list all activities, programs or events directly funded by City of Bryan Hotel Tax Revenue during this fiscal year, with the following information for each activity:

- (1) How the scheduled activity, program, or event is directly enhancing and promoting (a) tourism and (b) the convention and hotel industry in the City of Bryan; and
- (2) Itemized funds associated with the particular activity, program, or event directly funded by City of Bryan Hotel Tax Revenue.

Please feel free to include any additional information and additional pages may be attached as necessary to provide the information.

PART 2

Please list all activities and efforts to revitalize and maintain the commercial and aesthetic viability of the Historic Downtown Bryan business district (the "Core Study Area"), including, but not limited to, the following information: listed quarterly and year-to-date.

- (1) The number of new businesses;
- (2) The number of relocating businesses;
- (3) The number of businesses closing or relocating out of the Core Study Area;
- (4) DBA membership dues revenues, in-kind and cash contributions, and grants received by DBA; and
- (5) The aggregate of volunteer hours

EXHIBIT "E"
DBA TEXAS REDS QUARTERLY PROGRAM REPORT

Please list all activities, programs or events directly funded by City of Bryan Hotel Tax Revenue during this fiscal year, with the following information for each activity:

- (1) Administrative costs (if any) which will be funded in whole or in part by City of Bryan Hotel Tax Revenue;
- (2) How the scheduled activity, program, or event is directly enhancing and promoting (a) tourism and (b) the convention and hotel industry in the City of Bryan; and
- (3) Itemized funds associated with the particular activity, program, or event directly funded by City of Bryan Hotel Tax Revenue.

Please feel free to include any additional information pages.

EXHIBIT "F"
2017 TEXAS REDS FESTIVAL BUDGET

Texas Reds Steak and Grape Festival

Expenses	FY 2014 Actual	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Budgeted
Advertising/Marketing	\$40,354.89	\$54,011.59	\$57,000.00	\$60,000.00
Cook-off Expenses	\$3,324.16	\$3,495.21	\$3,500.00	\$3,500.00
Entertainment	\$46,981.62	\$76,326.84	\$80,000.00	\$82,000.00
Festival Survey	\$2,350.00			
Glassware (Wine & Beer)	\$5,720.12	\$5,747.50	\$6,000.00	\$6,000.00
Grape Stomp		\$1,502.08		
Insurance	\$6,319.00	\$5,469.76	\$6,000.00	\$6,500.00
Kick-off Party (Sponsorship/VIP)	\$2,525.19	\$2,659.24	\$3,500.00	\$3,800.00
Kids Zone	\$7,828.56	\$5,624.55	\$6,000.00	\$6,300.00
Labor	\$14,567.48	\$14,491.17	\$18,000.00	\$18,250.00
Logistics (Cleaning, Golf Carts, Portapotties, Tents, Tickets)	\$33,324.15	\$30,743.79	\$33,000.00	\$35,000.00
Meetings		\$33.88	\$200.00	\$200.00
Memberships	\$100.00	\$100.00	\$200.00	\$200.00
Merchandise (T-Shirts)	\$576.00	\$530.00	\$630.00	\$700.00
Misc	\$5.00	\$10.00		
Postage	\$68.30	\$78.82	\$100.00	\$100.00
Processing Fees	\$2,548.49	\$5,888.20	\$6,500.00	\$7,000.00
Salary				\$24,677.76
Saturday Night Event			\$7,480.00	\$8,500.00
Scholarship Fund	\$1,000.00	\$1,500.00	\$2,500.00	\$3,000.00
Services		\$360.00		
Sponsor Appreciation	\$693.67	\$103.55	\$500.00	\$700.00
Steak Dinner		\$24,864.90	\$27,000.00	\$29,000.00
Sunday Brunch			\$5,000.00	\$5,500.00
Supplies	\$3,691.69	\$8,271.66	\$8,500.00	\$8,700.00
Permits	\$231.00	\$1,848.00	\$1,500.00	\$1,500.00
Training		\$2,156.33	\$2,500.00	\$2,800.00
Transportation	\$9,625.00	\$10,385.75	\$10,500.00	\$11,000.00
Volunteers	\$18,678.64	\$14,995.07	\$18,000.00	\$19,000.00
Wholesale Beer	\$10,239.98	\$12,919.36	\$15,000.00	\$17,000.00
Wholesale Wine	\$40,778.50	\$45,229.86	\$50,000.00	\$55,000.00
Wireless Internet	\$1,200.00			
Total Expenses	\$252,711.24	\$329,347.11	\$369,110.00	\$415,927.76
Income	FY 2014 Actual	FY 2015 Actual	FY 2016 Budgeted	FY 2017 Budgeted
Direct Support	\$127,000.00	\$111,197.80	\$110,000.00	\$110,000.00
Equipment Rental		\$300.00		
Festival Sales	\$148,339.53	\$191,406.30	\$239,257.88	\$275,146.56
Grants	\$9,571.00	\$7,000.00	\$7,000.00	\$7,000.00
Grape Stomp		\$737.00		
Merchandise	\$448.00	\$469.44	\$700.00	\$900.00
Reimbursements/Refunds	\$512.05			
Sponsorships	\$18,100.00	\$19,250.00	\$20,895.00	\$22,000.00
Vendor Permits	\$16,150.00	\$16,065.00	\$17,000.00	\$18,000.00
Previous Year Fund Balance		\$67,409.34	\$17,078.43	\$25,742.88
Total Income	\$320,120.58	\$346,425.54	\$394,852.88	\$433,046.56
Total Income Plus Previous Year's Fund Balance		\$413,834.88	\$411,931.31	\$458,789.44

EXHIBIT "G"
2017 TEXAS REDS FESTIVAL
CITY OF BRYAN IN-KIND SERVICES & COSTS

DBA Texas Reds COB In-Kind Costs
 Draft Date: August 29, 2016

Services	2014 Actual Costs (1)	2015 Actual Costs(1)	2016 Projected Costs(1)(2)	2017 Projected Costs(1)(2)
Fire Department (EMS)	\$4,200	\$2,208	\$2,500	\$2,500
Police Department	\$15,890	\$21,769	\$22,550	\$22,550
Electrician	\$3,996	\$3,800	\$4,000	\$4,000
Electricity	\$229	\$500	\$500	\$500
Ticket Booths (Prep/Delivery)	\$1,738	\$800	\$800	\$800
Grape Stomp Trailer (Prep/Delivery)	\$1,300	\$1,615	\$2,000	\$2,000
Traffic Labor	\$0	\$1,691	\$1,700	\$1,700
Barricades	\$0	\$3,210	\$3,300	\$3,300
Solid Waste	\$22,833	\$26,755	\$27,000	\$27,000
Water Department (sinks, fans, etc.)	\$0	\$690	\$700	\$700
Mapping Services (IT/GIS)	\$2,500	\$660	\$700	\$700
Website Maintenance	\$1,800	\$0	\$0	\$0
IT Staff at CEOC	\$1,000	\$0	\$0	\$0
ATM Machines (2 locations)	\$200	\$0	\$0	\$0
Permit Fees (waived)	\$0	\$0	\$0	\$0
Total	\$55,686	\$63,698	\$65,750	\$65,750

Key/Notes:

(1) Costs may include estimates and may <u>not</u> capture all costs (e.g., salaried)
(2) Projections based on historical information
Yellow Highlight: cost not calculated
Green Highlight: DBA responsibility/expense



DOWNTOWN
BRYAN
— Association —

May 31, 2016

City of Bryan
Joey Dunn, Deputy City Manager
300 S. Texas Ave
Bryan, TX 77805

Dear Joey,

Attached are the FY17 budgets for the Downtown Bryan Association and Texas Reds 2017, as approved by the Downtown Bryan Association Board of Directors on May 19, 2016, as well as a summary report of service levels and performance measures.

The Downtown Bryan Association is requesting FY17 funding of \$185,000 (HOT \$140,000; General \$45,000). This amount reflects an increase of \$20,000 in HOT funds over the previous two fiscal years. As the activities and events administered by the DBA to promote travel and tourism to Downtown Bryan have increased, so, too, have the hard costs associated with these events. In particular, the Football Friday events required per our contract with the city have added a substantial burden to the budget. Additionally, marketing outside of the Bryan/College Station area is vital, but costs substantially more than inner market advertising. Of the 33 events in FY16, only 5 are ticketed events. This means that 28 events were offered free of charge. The DBA remains committed to showcasing Downtown Bryan and providing a high quality of life for citizens and tourists, and we believe free events are part of that effort.

The Texas Reds budget also includes a modest increase of \$10,000, bringing the total requested to \$120,000. Each year, we are trying to add events and programming to the festival to attract more regional guests. Our goal is to become the premiere steak and wine festival in the state, so raising the quality of entertainment and offerings is important to position Texas Reds above all other festivals. 2017 is also the 10th anniversary of the festival, and we plan to increase marketing to attract new visitors from a wider area of Texas.

We are proposing a few small changes to the annual Contract for Services. These are detailed below:

7.2 First Fridays

7.2.2 Review all complete applications and will approve or deny groups or individuals applying for vendor permits in a non-discriminatory manner. ~~The City will issue vendor permits for Downtown First Friday's events at no charge to approved vendors. Artist demonstrations, entertainers and other non-commercial activities are not required to obtain vendor permits for First Fridays.~~

Removing these sentences from 7.2.2 will bring policy in line with current practice. We currently issue all permits for First Friday with no involvement by the City.



DOWNTOWN
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— Association —

Additionally, we request that Firkinfest be added as an annual event to be included in the contract, along with the others currently listed. This will insure uniform procedures with regard to street closures and other permit issues. It can be added after 7.7 Lights On!

7.8 Firkinfest DBA agrees to assume responsibility for the management and control of Firkinfest, a spring craft beer festival, subject to the following terms:

- 7.8.1 DBA will be responsible for providing the management and programming for Firkinfest.
- 7.8.2 DBA will promote and market Firkinfest through local and out-of-area advertising.

Sincerely,

Sandy Farris

Executive Director, Downtown Bryan Association



DOWNTOWN
BRYAN
— Association —

Planned Programs & Activities FY17

The Downtown Bryan Association (DBA) oversees more than 30 activities and events each year designed to directly enhance and promote tourism to Bryan, particularly to the Historic Downtown area. The DBA also manages the Palace Theater which is used for entertainment during each First Friday. The Palace is also rented out to community groups throughout the year. The DBA owns the Queen Theatre, which is undergoing renovation to be opened as a visitor's center and multi-purpose event venue. By contract with the City of Bryan, the DBA is responsible for the coordination and management of First Friday, Football Fridays, the Downtown Bryan Lighted Christmas Parade, Lights On! and Texas Reds Steak & Grape Festival.

List of Activities/Events by Month FY17

October, 2016 – First Friday; Football Fridays; *Fright Nights Haunted House

November, 2016 – First Friday; Football Fridays; Lights On! Ceremony; Wine & Wassail Walk

December, 2016 – First Friday; Downtown Christmas Parade; Holiday Shopping Promotion

January, 2017 – First Friday

February, 2017 – First Friday; *Mardi Gras;

March, 2017 – First Friday; Youth Art Month

April, 2017 – First Friday; Downtown Street & Art Fair; Firkinfest

May, 2017 – First Friday; *Rock Away Cystic Fibrosis Benefit Concert; Sip & Shop wine tasting event;

*Viz-a-Go-Go

June, 2017 – First Friday; Summer Sunset Concert Series at the Palace each Thursday (5 concerts);

*Blues Festival

July, 2017 – First Friday; Craft Beer tasting event

August, 2017 – First Friday; Summer Sunset Concert Series encore (2 concerts)

September, 2017 – First Friday; Football Fridays; Texas Reds Steak & Grape Festival

*Denotes activities receiving marketing/planning assistance from DBA, but are managed by other entities.

The DBA employs four full-time staff: Executive Director; Programs/Events Manager; Graphic Designer/Programs Assistant; Office Manager. The DBA office is located in the Federal Building and serves as a visitor's center for Downtown Bryan.

Professional memberships: Texas Downtown Association; B/CS Chamber of Commerce; Texas Association of Fairs and Events; League of Historic American Theaters



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— Association —

Performance Measures

The Downtown Bryan Association is a non-profit organization whose mission is to create, cultivate, and showcase the commerce, culture, and community of our Downtown District by preserving the past and building a vibrant future. Downtown Bryan is a recognized Texas Cultural District, a coveted distinction given to just 28 cities in Texas by the Texas Commission on the Arts.

In November, 2015, two downtown businesses were nominated by the DBA for the Texas Downtown Association annual President's Awards. Bird's Nest received finalist status for Best Commercial Interior and Arsenal Tattoo and Design won Best Renovation.

An active merchant base participated in all DBA-organized activities during FY16. To date, there are 82 paid members of the DBA, representing merchants, individuals and organizations. This represents a 6% increase in membership since May, 2015.

Since Oct. 1, 2015, the Palace Theater has been rented for a total of 18 days for public events. Confirmed rentals for the remainder of FY16 currently stands at 19. Additionally, the Palace is utilized for every First Friday to provide 4 hours of free entertainment for the community during the evening.

First Friday attendance and community engagement continues to rise. An average of 3000 people attend First Friday each month. The October, 2015 attendance approached 7,000, as estimated by Bryan PD personnel in attendance. The number of musicians and non-profit groups who contact the DBA for a presence at First Friday has also risen in the past 12 months. More than 50 locations throughout downtown host these musicians and non-profits each month.

The DBA tracks major events to determine attendance and effectiveness by monitoring media, conducting surveys and gathering feedback.

The DBA has a healthy presence on social media, managing Facebook pages for Historic Downtown Bryan (9,356 followers), Downtown Bryan Cultural District (1,347 fans), The Queen Theatre (1,137 fans), Sip & Shop (441 fans), Downtown Street & Art Fair (959 fans), Texas Reds Steak & Grape Festival (3,948 fans) and event pages. Other social media accounts include Twitter, Instagram, Youtube and Pinterest.

Analytics show a high degree of post reach and engagement on all pages, with the highest numbers on the Historic Downtown Bryan page. The DBA maintains a traditional website, as well, with analytics showing the highest traffic around First Fridays and other major events.

The DBA utilizes local media for publicity of ongoing and special events. DBA staff has a standing, quarterly appearance on the KBTX-TV morning show, as well as additional appearances for special events. A monthly interview on WTAW radio precedes each First Friday, with additional interviews for special events. All special events have been publicized by all print, TV and radio outlets.