TOURISM BUREAU AGREEMENT

THIS AGREEMENT is made between the City of Inver Grove Heights, a Minnesota Municipal Corporation (hereinafter "the City"), and the River Heights Chamber of Commerce, a Minnesota Non-Profit Corporation (hereinafter "the Chamber").

WHEREAS, pursuant to Minn. Stat. §469.190, the City has enacted an ordinance imposing a lodging tax in order to fund a Tourism Bureau for the purpose of marketing and promoting the City as a tourist destination; and

WHEREAS, the Chamber has resolved to establish and maintain a Tourism Bureau with sufficient facility and staff to carry out the objectives of promoting the City as a tourist destination.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Tourism Bureau.** The Chamber agrees to create and maintain the Inver Grove Heights Convention and Visitors Bureau, otherwise known as Visit IGH, (hereinafter "the Bureau") as a division of the Chamber.

   The work of the Bureau shall be guided by a volunteer Board of Advisors, which shall consist of seven (7) members as follows:

   - Two individuals appointed by the City Council, to include one elected official and one City staff person;
   - Five members appointed by the Chamber's Board of Directors, including:
     - At least one member of the Chamber's executive board.
     - At least two individuals who are affiliated with the lodging industry in the city.

   The term of all Board members shall be for two (2) years, beginning February 1. The Board of Advisors shall adopt written bylaws and operating procedures to govern its meetings and Bureau activities.

   After consulting with the Board of Advisors, the Chamber may hire staff, contract for services, purchase supplies, and lease, rent or purchase equipment or space as required for the Bureau to carry out its obligations under this Agreement. Employees of the Chamber and/or Bureau shall not be considered employees of the City.

2. **Services to be Provided.** The Bureau shall develop and administer programs to advance the economic impact of tourism in the City by attracting visitors, conventions, meetings, trade shows and other similar events and such other activities to market and promote the City as a tourist destination.

   Annually, by the end of October, the Bureau shall present to the City Council an overview

of the past year's work which includes a marketing recap with information such as website traffic and social media analytics, as well as a proposed marketing plan for the upcoming year.

Once the marketing plan for the upcoming year has been reviewed and approved by the City Council, the Bureau shall carry out those marketing initiatives and/or other substantially similar activities to those described in the approved marketing plan.

Participation in marketing campaigns and other activities funded by the Bureau shall not be limited to Chamber members, nor shall Chamber members be treated preferentially by the Bureau.

3. **Funding.** On a monthly basis, the City shall remit to the Chamber ninety-five percent (95%) of the gross proceeds received by the City from the lodging tax imposed under City ordinance. Payments shall be remitted to the Chamber approximately 45 days after the close of the calendar month. (For example, lodging tax revenues for the month of January shall be remitted to the Chamber on or about March 15.)

   The Bureau may also apply for grants and seek out other relevant sources of funding to support the marketing and promotion of Inver Grove Heights as a tourist destination.

   The Chamber shall place all funds received from the City into a separate, dedicated account to be used solely by the Bureau for the purposes authorized under this Agreement.

4. **Budget.** The Chamber shall submit the Bureau's proposed annual operating budget for the upcoming calendar year to the City by the fifteenth of September of each year for review and approval by the City Council. The proposed budget shall be in a format prescribed by the City and detail the uses for which funds shall be spent. Proposed expenditures shall be divided into administrative expenses and marketing expenses, as further outlined in Appendix A of this Agreement.

5. **Expenditures.** Funds received by the Bureau are to be expended for the sole purpose of providing the services described in Section 2 of this Agreement. Funds unspent as of the end of a calendar year shall be retained for use in a future calendar year, in accordance with approved budgets.

   No more than 50% of the lodging tax revenue received by the Bureau annually may be utilized for administrative expenses, as defined in Appendix A.

6. **Reporting.** The Chamber shall provide the City with written quarterly budget reports within thirty (30) days of the close of the quarter, in a format acceptable to the City's Finance Director. The City shall have the right to access the books and records of the Bureau at any time during normal business hours, in order to audit any item of revenue or

expenditure.

7. **Audit.** If requested by the City Council, the Chamber shall arrange for a financial audit of the Bureau's finances performed by an independent certified public accounting firm or other qualified auditor mutually agreed upon by the City and the Chamber. The Chamber shall furnish a copy of the financial audit to the City at no cost to the City.

8. **Indemnification.** The Chamber agrees to indemnify, defend and hold the City and its employees, agents, and council members harmless from any claims, demands, actions or causes of action arising out of any act or omission on the part of the Chamber, its agents, or its employees in the performance of, or with relation to, any of the work or services performed or furnished by the Chamber or the Bureau under this Agreement.

9. **Insurance.** The Chamber shall carry appropriate insurance to cover its employees and agents while performing services for the Bureau pursuant to this Agreement. Such insurance shall provide comprehensive general liability and property damage coverage in such amounts as are comparable with the applicable limits of liability to which the City may be held pursuant to Minnesota Statutes as the same may be amended from time to time. The Chamber shall also carry workers' compensation coverage as required under Minn. Stat. Chapter 176.

10. **Compliance with Laws.** The Chamber shall comply with all applicable federal, state, and local laws in the performance of its obligations under this Agreement.

11. **Term of Agreement.** The Term of this Agreement shall begin on June 1, 2026and shall continue until December 31, 2028. Either party may terminate the agreement following six months advance written notice given by either party to the other party of their intent to terminate this Agreement.

12. **Modifications to Agreement**. Any modifications or amendments to this Agreement shall be in writing and signed by both parties. This Agreement constitutes the entire agreement between the parties and supersedes all prior oral or written agreements relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates below given.

CITY OF INVER GROVE HEIGHTS

John Murphy, Acting Mayor

Rebecca Kiernan, City Clerk

Date: March 9, 2026

RIVER HEIGHTS CHAMBER OF COMMERCE

Its Chair

Its President

Date: 5/18/2026

Appendix A

"Administrative Expenses" shall include, but are not limited to:
Wages and benefits for Chamber or Bureau staff
Office rent or lease payments
Staff training and travel, including meals, lodging and mileage
Phone & Computer Expenses
Office supplies and equipment
Accounting, legal and insurance services and products

"Marketing Expenses" shall include, but are not limited to:
Print and online marketing content and materials
Website design, hosting, content management, etc.
Paid advertisements, sponsorships, billboards, etc.
Professional services such as photographers, graphic designers, content creators, etc.
Brochures, tourist guidebooks, signs, banners, etc.
Exhibitor booths and/or displays
Contest prizes or giveaways
Branded materials or "swag"