

City of Wenatchee
Lodging Tax Advisory Committee Meeting
Wednesday, August 24, 2022 @ Noon
AGENDA

Meeting Location: Wenatchee City Hall, 301 Yakima Street, 2nd Floor, Wenatchee, WA

“We are here to guide the promotion, marketing and development of this unique community as a destination by distributing resources in a sustainable manner.”

1. Introductions
2. Approval of Minutes
3. Review of Financials (overview of hotel-motel tax receipts, STR reports, TPA ytd budget)
4. 2023 Budget Discussion
5. Public Comment
6. Close of Meeting

City of Wenatchee
Lodging Tax Advisory Committee Meeting
Wednesday, July 27, 2022 @ Noon
AGENDA

DRAFT

Meeting Location: Wenatchee Valley Chamber, 137 North Wenatchee Avenue, Wenatchee WA

“We are here to guide the promotion, marketing and development of this unique community as a destination by distributing resources in a sustainable manner.”

Present: Mark Kulaas (Chair), Linda Haglund, Kyle McCubbin, Cody Beeson, Darci Christoferson

Staff: Laura Gloria, Brad Posenjak, Steve Wilkinson, Niki Fascholtz

Guests: Freyda Stephens

1. Introductions. The meeting was held at the Wenatchee Valley Chamber of Commerce meeting room. Chair Mark Kulaas the meeting to order at 12:10 noon. A quorum was noted for the record.
2. Approval of Minutes
Motion by Linda Haglund to approve the 05/25/2022 Minutes. Motion seconded by Cody Beeson. Motion carried.
3. Review of Financials (overview of hotel-motel tax receipts, STR reports, LTAC ytd budget). Brad Posenjak reviewed the latest financial spreadsheets and stated that the LTAC collections trend continues to be positive; also noted that Chelan County has seen a significant reduction in LTAC funding due to restrictions on short term rentals.
4. LTAC Schedule to align with review of applications w/TPA
 - Jan – Feb – March applications to be reviewed in March
 - April – May – June applications to be reviewed in June
 - July – August – September applications to be reviewed in Sept
 - October – November – December applications to be reviewed in Dec

Laura Gloria presented a proposed meeting schedule to align with TPA for review of tourism funding applications, also discussed meeting topics for remaining meetings of the year. Committee will need time to review the 2023 budget and discuss the new application process and criteria; will also need time to implement before 2023. Staff will create a proposed schedule and send out updated calendar invites to Committee members.

5. Visit Wenatchee Report from the Chamber. Niki Fasholtz provided an update on activities to date (see attachment LTAC June 2022 Reporting 7.27.2022). Committee discussed the Datafy service, Committee would like to receive reporting on place of origin, duration of stay, and shopping habit. Datafy is currently unable to provide full scope of data, Chamber Staff is negotiating the terms with Datafy due to this decrease in service.

Linda Haglund inquired as to whether hotels were at capacity with Oktoberfest, also the same weekend as Revitalize WA; hoteliers will see if their booking structures can be revised to accommodate more reservations.

6. Public Comment
7. Close of Meeting. With no further business the meeting adjourned at 1:07 p.m.

Lodging Tax Advisory Committee

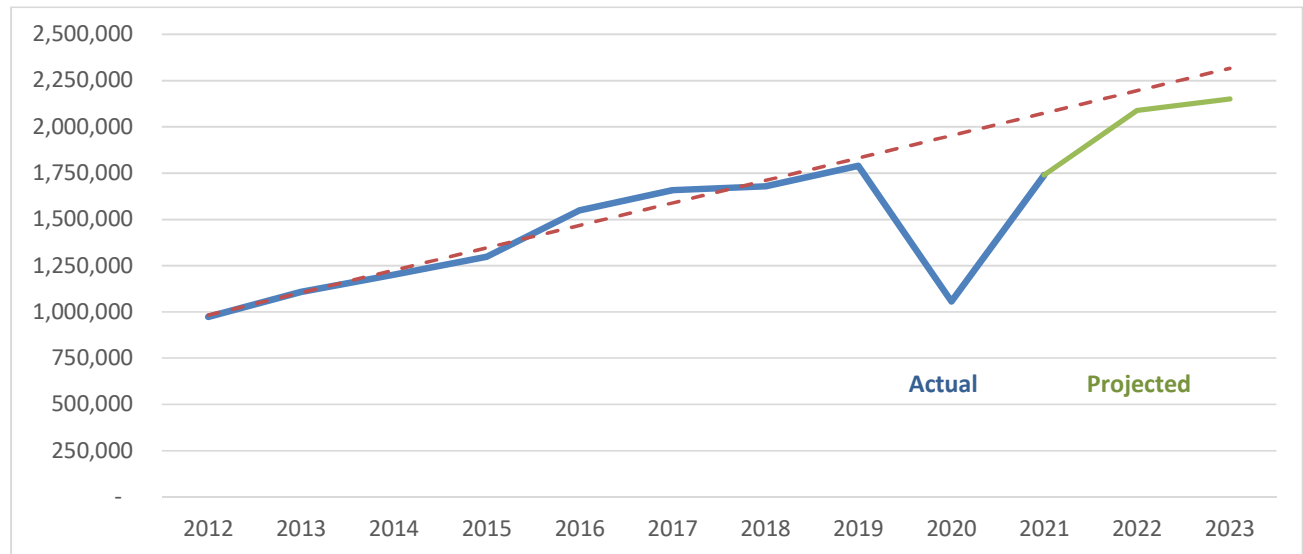
Actual Hotel/Motel Revenue Received - 10 Years

6% Tax authorized via Ord. #2160, #3137, #97-12 & #98-44

Month Collected	Month Received	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2022/2021 Difference	
January	March	103,743	91,273	97,994	106,682	87,518	90,616	76,746	65,016	59,079	54,117	12,469	13.7%
February	April	142,912	85,269	65,772	90,793	81,902	98,206	79,080	68,466	68,219	60,229	57,643	67.6%
March	May	137,289	102,006	54,640	116,308	120,894	123,395	97,828	97,258	86,598	78,282	35,283	34.6%
April	June	142,209	105,662	46,137	130,637	126,049	131,614	114,824	104,220	97,128	88,869	36,546	34.6%
May	July	187,874	143,137	53,795	166,294	146,323	147,620	125,398	128,979	116,960	100,521	44,737	31.3%
June	August		187,749	85,724	206,299	160,714	164,452	160,936	134,662	128,011	115,363		
July	September		209,995	125,025	209,636	188,033	189,102	178,517	139,593	134,845	124,865		
August	October		232,779	143,590	203,527	208,481	182,847	162,347	135,439	140,423	127,911		
September	November		173,871	114,035	150,073	155,973	154,296	168,483	127,446	109,621	108,084		
October	December		137,976	100,991	154,585	171,019	143,213	146,711	119,418	117,355	104,630		
November	January		104,058	68,489	102,056	96,464	91,415	92,185	68,846	59,754	56,965		
December	February		166,394	100,718	152,321	135,594	141,423	145,786	109,134	84,430	88,240		
Total Collections		714,026	1,740,170	1,056,911	1,789,211	1,678,965	1,658,198	1,548,840	1,298,476	1,202,423	1,108,075	186,679	35.4%

Budget	1,600,000	1,500,000	1,850,000	1,812,500	1,721,250	1,752,650	1,402,120	1,180,000	1,149,091	977,058
Change in YTD revenues	35.4%	64.6%	-40.9%	6.6%	1.3%	7.1%	19.3%	8.0%	8.5%	13.9%
% of budget collected	44.6%	116.0%	57.1%	98.7%	97.5%	94.6%	110.5%	110.0%	104.6%	113.4%

Note:
 Several months of collections from a hotel were delayed. This results in February 2022 revenues being overstated, and November 2021 through January 2022 being understated.



Lodging Tax Advisory Committee
History, Current Budget, and Five Year Projection
As of 8/22/2022

	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Actual YTD	2023 Projection	2024 Projection	2025 Projection	2026 Projection	2027 Projection
Hotel/Motel Tax Revenues										
Convention Center Debt (20%)	357,763	211,380	347,814	320,000	142,805	430,170	443,075	456,367	470,058	484,160
Convention Center O&M (40%)	643,256	283,218	667,933	640,000	285,610	860,340	886,150	912,735	940,117	968,320
Conv. Center Debt Service Shortfall	72,349	139,543	27,915	-	-	-	-	-	-	-
Lodging Tax Advisory Committee (40%)	715,843	422,761	696,508	640,000	285,610	860,340	886,150	912,735	940,117	968,320
Total Hotel/Motel Tax Revenues	1,789,211	1,056,901	1,740,170	1,600,000	714,026	2,150,850	2,215,375	2,281,837	2,350,292	2,420,800
LTAC Expenses										
Addl. Debt Pmts - Approved 2015	50,000	50,000	50,000	50,000	29,167	50,000	50,000	-	-	-
Addl. Debt Pmts - Approved 2018	25,000	-	-	50,000	29,167	50,000	-	-	-	-
Wenatchee Valley Chamber	484,100	456,833	415,000	445,000	259,583	458,350	472,101	486,264	500,851	515,877
Fourth of July Fireworks	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Other Projects	165,672	-	15,482	-	-	-	-	-	-	-
Special Olympics	-	-	-	20,000	-	20,000	20,000	20,000	20,000	20,000
Total LTAC Expenses	754,772	536,833	510,482	595,000	347,917	608,350	572,101	536,264	550,851	565,877
Other LTAC Revenue (Interest)	4,914	1,862	671	100	413	500	500	500	500	500
Net LTAC Income	(34,015)	(112,210)	186,697	45,100	(61,893)	252,490	314,550	376,971	389,765	402,943
LTAC Beginning Fund Balance	296,884	262,869	150,659	337,356	337,356	382,456	634,946	634,946	949,496	1,011,917
LTAC Ending Fund Balance	262,869	150,659	337,356	382,456	275,463	634,946	949,496	1,011,917	1,339,261	1,414,861

Notes:

2022 Actual YTD - revenues report five months of collections while most expenses report seven months. This catches up at year-end.

2023-2027 Projection - assumes 2022 revenues increase by 20% and future years increase by 3%.

Revenue		Wenatchee LTAC	TPA	Total	
	LTAC	\$ 294,315	\$ 525,665	\$819,980	Total LTAC and TPA spend for 2023 including WVCC contract
Expenses					
	LTAC Funds for City of Wenatchee Events	\$100,000			Not included in Chamber's budget/contract but wanted to show the allocation from LTAC
5002	Media				
	Videos	\$0	\$45,000	\$45,000	
	Digital Media (Visit Wenatchee)	\$0	\$10,000	\$10,000	
	Total	\$0	\$55,000	\$55,000	
5003	Marketing				
	PR Firm		\$39,000	\$39,000	
	KW Media- TPA		\$12,350	\$12,350	
	Summer/Winter Guide		\$2,500	\$2,500	
	Ad buy- TPA		\$123,500	\$123,500	
	Total	\$0	\$177,350	\$177,350	
5004	Marketing Toolkit				
	Websites	\$0	\$28,000	\$28,000	
	Photography	\$0	\$8,000	\$8,000	
	AD Creative	\$0	\$7,500	\$7,500	
	Total	\$0	\$43,500	\$43,500	
5013	Tourism Promotion				
	Media Outreach/FAM-TPA	\$0	\$13,000	\$13,000	
	Promotional Items	\$0	\$2,500	\$2,500	
	Print Collateral	\$0	\$20,000	\$20,000	
	Event Support Advertising/Marketing		\$20,000	\$20,000	
	Total	\$0	\$55,500	\$55,500	
	Grand Total	\$0	\$331,350	\$331,350	
Additional Marketing related Expenses:					
5015	Dues, Subscriptions, & Reports				
	Washington Tourism Alliance	\$250	\$250	\$500	
	Cascade Loop	\$1,500	\$1,500	\$3,000	
	DMA West	\$440	\$440	\$880	
	WSDMO	\$750	\$750	\$1,500	
	Smith Travel Research Report	\$2,400	\$2,400	\$4,800	
	Datafy	\$11,250	\$11,250	\$22,500	
	Canva	\$2,475	\$2,475	\$4,950	
	Tasting Room Promotion	\$5,000	\$5,000	\$10,000	
	Total	\$24,065	\$24,065	\$48,130	
5019	Tourism Travel Related Expense	\$3,000	\$3,000	\$6,000	
5016/5017	Payroll, Benefits, Taxes	\$129,750	\$129,750	\$259,500	\$388,630 base fee for destination management & marketing operations
	Professional Services	\$2,500	\$2,500	\$5,000	
	Overhead	\$35,000	\$35,000	\$70,000	
5035	Other	\$0	\$0	\$0	
	Total Other Marketing	\$194,315	\$194,315	\$388,630	
	All Marketing	\$194,315	\$525,665	\$719,980	Total WVCC contract

MUNICIPAL SERVICES AGREEMENT

2023 - 2025 CITY/CONTRACTOR AGREEMENT FOR USE OF LODGING TAX AND TOURISM PROMOTION AREA FUNDING

THIS AGREEMENT is made and entered into on the date last shown below by and between the CITY OF WENATCHEE, a municipal corporation (hereinafter "CITY"), and the WENATCHEE VALLEY CHAMBER OF COMMERCE, a non-profit corporation (hereinafter "CONTRACTOR"), the address of whom is 137 N. Wenatchee Avenue, Wenatchee WA 98801.

RECITALS

- A. WHEREAS; The CITY is authorized to levy a lodging excise tax with the funds being used for tourist marketing; marketing and operation of special events; supporting tourism related facilities; or tourism promotion;
- B. WHEREAS; The CITY is authorized to collect nightly room fees to be used for tourism promotion to benefit lodging business and local tourism; marketing of convention and trade shows that benefit local lodging business and local tourism; and marketing of the area to the travel industry and to recruit sporting events that benefit the lodging businesses and local tourism;
- C. WHEREAS, CONTRACTOR has successfully completed service from prior contracts and has the qualifications, skills and capabilities to implement tourism strategies and activities that support destination development, financial vitality, and a shared community value that Visit Wenatchee should provide real value to the residents of the community

Now, Therefore, in consideration of the covenants contained herein, the CITY and the CONTRACTOR agree as follows:

- D. The term of this agreement shall be for three years and shall commence on January 1, 2023 and shall be in effect until December 31, 2025.
- E. The CONTRACTOR shall provide a written annual budget and an annual tourism workplan (Plan) to the CITY no later than September of each proceeding budget year allocating the expenditure of the lodging tax funds and tourism area promotion funds for the upcoming year. The proposed annual budget shall provide a line item detail including positions supported for proposed expenditures denoting funding provided by any other contracts or funding sources when there is a shared expense. The CONTRACTOR is required to comply with all applicable laws of the State of Washington and City of Wenatchee with the use of these funds.

a. **Tourism Promotion Area Use of Revenue**

- 1. **State Law: RCW 35.101.130 - Legislative authority has sole discretion concerning use for tourism promotion—Contracts for operation of area—Lodging charge removal.**
- 2. The legislative authority imposing the charge shall have sole discretion as to how the revenue derived from the charge is to be used to promote tourism that increases the number of tourists to the area. However, the legislative authority may appoint existing advisory boards or commissions to make recommendations as to its use, or the legislative authority may create a new advisory board or commission for that purpose.

3. The legislative authority may contract with tourism destination marketing organizations or other similar organizations to administer the operation of the area, so long as the administration complies with all applicable provisions of law, including this chapter, and with all county, city, or town resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.
4. *RCW 35.101.010 – Definitions* (4) "Tourism promotion" means activities and expenditures designed to increase tourism and convention business, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.

b. City Code WCC 1.108.030 - Use of assessment revenue

1. The revenue from the tourism promotion area assessment shall be used as follows:
 2. (1) The general promotion of tourism that benefits the lodging businesses and local tourism specified in the tourism promotion area business plan to be adopted annually;
 3. (2) The marketing of convention and trade shows that benefit local lodging businesses and local tourism;
 4. (3) The marketing of the tourism promotion area community to the travel industry in order to benefit the lodging businesses and local tourism; and
 5. (4) The marketing of the tourism promotion area community to recruit sporting events in order to benefit the lodging businesses and local tourism.

c. Lodging Tax Advisory Committee Use of Revenue

1. **State Law** *RCW 67.28.1816 - Lodging tax—Tourism promotion.*
2. (1) Lodging tax revenues under this chapter may be used, directly by any municipality or indirectly through a convention and visitors bureau or destination marketing organization for:
 3. (a) Tourism marketing;
 4. (b) The marketing and operations of special events and festivals designed to attract tourists;
 5. (c) Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district...
or
 6. (d) Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations.
7. *RCW 67.28.080 - Definitions.*(6) "Tourism promotion" means activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists.

d. City Code WCC 5.99.050 - Fund created.

1. There is created a special fund in the treasury of the city and all taxes collected under this chapter shall be placed in this special fund to be used

solely for the purpose of paying all or any part of the cost of tourist promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authorized in Chapter 67.28 RCW as now or hereafter amended; provided, however, that 20 percent of the tax levied and collected under WCC 5.99.010 (*the 4% tax*) shall be used for the purpose of advertising and marketing tourism for the greater Wenatchee area and 30 percent of the tax levied and collected under WCC 5.99.010 shall be used for the purpose of analysis, planning, engineering, and/or for the design, expansion and construction of public facilities relating to tourism promotion. It is further provided that 80 percent of the tax levied and collected under WCC 5.99.020 (*the 2% tax*) be used solely for tourist promotion.

- F. The CONTRACTOR shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the CONTRACTOR shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The CONTRACTOR shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the CONTRACTOR shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.
- G. The CONTRACTOR agrees that this Agreement and records related to the performance of the Agreement are with limited exception, public records subject to disclosure under the Public Records Act RCW 42.56. Further, in the event of a Public Records Request to the City, the City may provide the CONTRACTOR with a copy of the Public Records Request and the CONTRACTOR shall provide copies of any City and/or CONTRACTOR'S records in the CONTRACTOR's possession, necessary to fulfill that Public Records Request. If the Public Records Request is large the CONTRACTOR will provide the City with an estimate of reasonable time needed to fulfill the records request.
- H. Failure of the CONTRACTOR to comply with the provisions of this Agreement and/or Washington State Law will require the repayment of all funds to the CITY by the CONTRACTOR plus twelve (12%) percent interest. In addition, the CITY may determine that the CONTRACTOR may be excluded from receiving future funding as a result of the failure to comply with this Agreement.
- I. The CONTRACTOR shall be considered an independent contractor with respect to the use and expenditures of the funds under this Agreement and will not be considered an employee or agent of the CITY for any purposes.

- J. The CONTRACTOR and the CITY agree to hold each other harmless and indemnify each other for any liability, cost, claim, or demand or cause of action arising out of such party's performance under this Agreement.
- K. This Agreement constitutes the entire Agreement of the parties with respect to the subject matter hereof and may only be amended in writing by the approval of all parties hereto.
- L. Either party may terminate this agreement on 90 day written notice to the other party.
- M. Services/Deliverables. The Contractor shall perform the services identified and provide all staffing, materials and supplies in order to carry out the annual tourism workplan (Plan) on behalf of the City of Wenatchee's Visit Wenatchee brand.
 - a. Gather feedback from the LTAC and TPA Committees (Committees) to inform the Plan. Attend and participate at the quarterly Joint Committee meetings including receiving feedback and adjusting Plan based on Committee requests related to tourism or marketing.
 - b. Operate and manage a mobile-friendly Visit Wenatchee website and website maintenance including community calendar updated with local events and activities;
 - c. Operate and manage Visit Wenatchee social media channels;
 - d. Operate and manage a Wenatchee Visitor's Center including programming the center to support local events and activities with operating hours that are conducive to travelers and local tourism, and create and distribute materials that provide information for visitors to the community.
 - e. Provide Weekly Fresh Newsletter to hospitality, tourism and other local supporting sectors.
 - f. Focus efforts of marketing of the assets and amenities of the City of Wenatchee;
 - g. Work with local and out-of-town groups to provide information about the facilities available to host conventions and meetings and coordinate with events occurring to ensure a positive visitor experience.
 - h. Work with community groups and organizations such as the Performing Arts Center, Town Toyota Center, Wenatchee Valley Museum and other local assets to assist the with coordination and planning of activities or events that serve the broader community and benefit Wenatchee through increased visitors, hotel room stays, and general economic contributions to the community.
 - i. Develop programming and activities to enhance and support tourism during the off and shoulder seasons.
 - j. Engage in cooperative tourism opportunities by partnering with other Local, Regional, and State Visitor's Organizations.
 - k. Support the application process for use of LTAC and TPA funds by managing online information about the City of Wenatchee's funds available for tourism opportunities, purpose and guidelines on Contractor website or other location as mutually agreed to by the City and Contractor.
 - l. Any and all activities, programs, materials, and other resources funded with City tourism funds will include appropriate messaging acknowledging the use of tourism funds and use Visit Wenatchee branded materials.

- N. Ongoing and Annual Reporting:
- a. Obtain local hotel industry data to measure market-level performance.
 - b. Collect visitor's travel data and how they learned of Wenatchee;
 - c. Collect other information as requested by the City.
 - d. Provide visitor and tourism information to the City no later than May 1st of each year.
 1. JLARC reporting requirements for LTAC include:
 1. All lodging tax revenues received;
 2. All lodging tax revenues distributed and/or expended;
 3. All recipients of lodging tax monies, including the city itself, that may have directly used lodging tax funds for qualifying facilities, tourist events, or tourism administration; and
 4. For all recipients, the actual number of people traveling for business or pleasure on an overnight trip in paid accommodations, traveling 50 or more miles away from their business or place of residence for the day or overnight, or traveling from another country or state.
 - e. The Contractor shall document how any City funds designated as Lodging Excise Tax funds are spent towards tourism promotion as defined in RCW 67.28.080 through monthly itemized lists of expenditures provided to the city's Finance Department. The City shall have the right to review the documentation upon request at any time. In order to perform this function, the Contractor shall purchase or obtain data required for reporting including monthly Smith Travel reports and annual Dean Runyon reports, as well as additional mechanisms deemed needed by which travel data can be gathered.
- O. The Contractor shall provide an annual report to the Committees and City Council no later than June 30th on previous year's activities. The report should include:
- a. Statistical reporting on all efforts paid;
 - b. A summary and analysis of the specific steps taken to perform the tasks in this contract;
 - c. A report on the variety of specific promotion activities executed for the purpose of attracting visitors to Wenatchee. The report should include a description of the specific promotion activities targeted at attracting visitors to Wenatchee during the fall, winter and spring and include samples of advertising.
 - d. A report and analysis of the viability of new festivals and events for supporting additional tourism, including efforts the Contractor made to coordinate with other community groups on existing events.
 - e. A summary report of outreach efforts made by the Contractor to other organizations, businesses, and people to support the work of this contract.
- P. Funding
- a. The City shall pay to the Contractor a base fee for the destination management and marketing services to be provided under this Agreement a sum equal to \$388,630, for year one. In years two through three of the contract, the maximum payment amount shall be adjusted by 3%, contingent on commensurate growth in the City's hotel-motel tax and tourism promotion area receipts. All contract amounts are subject to appropriation based on funding being available. Payments made pursuant to this paragraph shall be the total compensation by the City for the services to be performed by Contractor. The payments to the Contractor shall be paid in 12 equal monthly installments.
 - b. Funding for activities and services to be supported by the Contractor will be reviewed on an annual basis considering the Plan and feedback from the Committee and approved by

the City Council. Exhibit A shall be updated annually to reflect the approved funding for destination management and marketing activities.

- Q. Indemnification. Contractor shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of resulting from the acts, errors or omissions of the Contractor in the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.
- R. Insurance. Contractor shall obtain and keep in force during the terms of the agreement the following insurance with companies or through sources approved by the State Insurance Commissioner pursuant to R.C.W. Title 48:
- a. Worker's compensation and employer's liability insurance as required by the State of Washington.
 - b. General commercial liability insurance in an amount not less than a single limit of \$1,000,000 for bodily injury, including death and property damage per occurrence. Excepting the worker's compensation insurance secured by Contractor, the City will be named on all certificates of insurance as an additional insured. Contractor shall furnish the City with verification of insurance and endorsements required by this agreement. The City reserves the right to require complete, certified copies of all required insurance policies at any time.
 - c. All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. Contractor shall submit a verification of insurance as outlined above within 14 days of the execution of this agreement to the City.
 - d. No cancellation of the foregoing policies shall be effective without 30 days prior notice to the City.
 - e. The City will pay no progress payments under Section 2 of this agreement until Contractor has fully complied with this Section. This remedy is not exclusive, and the City may take such other action as is available to them under other provisions of this agreement, or otherwise in law."
- S. No Discrimination. Contractor shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 40.60.215 or other applicable law prohibiting discrimination.
- T. Dispute Resolution. Any dispute concerning questions of fact in connection with the work not disposed of by agreement between Contractor and the City shall be referred for determination to the City's Mayor, whose decision in the matter shall be final and binding on the parties of this agreement, provided, however, that if an action is brought challenging the Mayor's decision, that decision shall be subject to de novo judicial review.
- U. Termination

- a. Termination for Convenience. This Contract may be terminated by either party by giving 90 days' prior written notice of intent to terminate. Upon termination under this paragraph, Contractor shall be entitled to payment in accordance with the terms of this Contract for Contract work completed and accepted before termination less previous amounts paid and any claim(s) City has against Contractor. Pursuant to this paragraph, Contractor shall submit an invoice for all unreimbursed Contract work completed before termination and all Contract closeout costs actually incurred by Contractor. City shall not be liable for any costs invoiced later than thirty (30) days after termination unless Contractor can show good cause beyond its control for the delay.
- b. Termination for Cause. City may terminate this Contract effective upon delivery of written notice to Contractor, or at such later date as may be established by City, under any of the following conditions:
 1. If City funding is not obtained and continued at levels sufficient to allow for purchases of the indicated quantity of services. The Contract may be modified to accommodate a reduction in funds.
 2. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract.
 3. If any license or certificate required by law or regulation to be held by Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed.
- c. Termination for Default. Either City or Contractor may terminate this Contract in the event of a breach of the Contract by the other. Prior to such termination, the party seeking termination shall give to the other party written notice of the breach and intent to terminate. If the party committing the breach has not entirely cured the breach within fifteen (15) days of the date of the notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination. If Contractor fails to perform in the manner called for in this Contract or if Contractor fails to comply with any other provisions of the Contract, City may terminate this Contract for default. Termination shall be affected by serving a notice of termination on Contractor setting forth the manner in which Contractor is in default. Contractor shall be paid the Contract price only for equipment installed and services performed in accordance with the manner of performance as set forth in this Contract.
 1. Remedies. In the event of breach of this Contract, the parties shall have the following remedies:
 2. If terminated under paragraph 7 by City due to a breach by Contractor, City may complete the work either itself, by agreement with another contractor, or by a combination thereof. If the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then Contractor shall pay to City the amount of the reasonable excess.
 3. In addition to the above remedies for a breach by Contractor, City also shall be entitled to any other equitable and legal remedies that are available.
 4. If City breaches this Contract, Contractor's remedy shall be limited to termination of the Contract and receipt of Contract payments to which Contractor is entitled.

5. City shall not be liable for any indirect, incidental, consequential, or special damages under the Contract or any damages arising solely from terminating the Contract in accordance with its terms.
6. Upon receiving a notice of termination, and except as otherwise directed in writing by City, Contractor shall immediately cease all activities related to the services and work under this Contract.

V. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally-recognized private express courier:

CITY:

City of Wenatchee
ATTN: City Clerk
301 Yakima Street
Wenatchee, WA 98801

CONTRACTOR:

Wenatchee Valley Chamber of Commerce
137 N. Wenatchee Avenue
Wenatchee, WA 98801

ADD SIGNATURE BLOCK
ADD EXHIBIT A