



CITY COUNCIL STAFF REPORT

DATE: October 7, 2015 NEW BUSINESS

SUBJECT: PROPOSED RESOLUTION APPROVING AN AMENDED AND RESTATED JOINT POWERS AGREEMENT FOR THE GREATER PALM SPRINGS CONVENTION AND VISITORS BUREAU

FROM: David H. Ready, City Manager

BY: Chief of Staff/City Clerk

SUMMARY

Since the formation of the Palm Springs Desert Resort Communities Convention and Visitors Authority in 1989, a number of amendments to the original agreement have been approved as requested by member agencies and as State law has changed over the years. The City Council will consider adopting a resolution approving an amended and restated Joint Powers Agreement, which make the agreement conform to current State law, clarifies the changes that have taken place over time, and implements additional changes.

RECOMMENDATION:

1. Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING THE GREATER PALM SPRINGS CONVENTION AND VISITORS BUREAU AMENDED AND RESTATED JOINT POWERS AGREEMENT."
2. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

The Palm Springs Desert Resort Communities Convention and Visitors Authority, now known as the "Greater Palm Springs Convention and Visitors Bureau" or "CVB" is a joint powers authority operating under the Joint Exercise of Powers Act (California Government Code § 6500 et seq.)

The CVB was formed in 1989. The operative legal document governing the CVB as a joint powers authority is the Joint Powers Agreement, originally executed in 1989 and subsequently amended on multiple occasions, most recently on or about June 18, 2002 ("2002 Agreement"). In order to remain current with applicable law and to maximize the CVB's ability to encourage, promote, and enhance all aspects of the hospitality, convention and tourism industry throughout all parts of the Coachella Valley, to the

benefit of the member organizations and their citizens, the CVB's Executive Committee has approved the attached Amended and Restated Joint Powers Agreement ("Amended Agreement"), and is recommending approval by the member agencies.

The cities of Rancho Mirage, La Quinta, Cathedral City and Desert Hot Springs have approved the Amended Agreement. Pending are the cities of Palm Springs, Indio, Palm Desert and Indian Wells.

The proposed Amended Agreement is attached and the major changes are annotated and highlighted in yellow. Additionally, the 2002 Agreement is attached for reference.

The Amended Agreement reflects current law and makes changes to the 2002 Agreement as recommended by the Hospitality Industry and Business Council (now known as the Board of Directors), the CVB's CEO/President and the CVB's General Legal Counsel. The draft of the Amended Agreement was circulated for review and input to members of the Technical Advisory Committee ("TAC") which consists of all the CVB members' city managers and an executive officer of the County. Several meetings were also held with several CVB members' staff members for their respective input. After extensive review and input from all interested parties, the Amended Agreement was presented to the CVB Executive Committee for its consideration and was adopted and approved by the CVB Executive Committee on March 20, 2015.

SUMMARY OF KEY PROVISIONS OF AMENDED AGREEMENT:

The Amended Agreement contains the following key provisions and modifications from the previous version of its JPA Agreement:

- The Amended Agreement contains a "Recitals" section, which was not included in the 2002 Agreement. Recitals are generally used for amended and restated agreements such as this in order to describe the background of the agreement and the intent of the parties in entering into the agreement. The recitals here state the members of the CVB and their intent that the Amended Agreement shall amend, restate, and supersede the prior agreement in its entirety. The Amended Agreement also contains a revised "Definitions" section in order to properly facilitate the operation of its substantive provisions.¹
- The official name of the CVB is now the "Greater Palm Springs Convention and Visitor Bureau, rather than the "Palm Springs Desert Resort Communities Convention and Visitors Authority" as stated in the 2002 Agreement.²

¹ Amended Agreement § 1.
² Amended Agreement § 4.

- The stated purpose of the CVB is to form a joint powers authority to jointly encourage, promote, and to do such other things as might be necessary to enhance, to the greatest extent possible, all aspects of the hospitality, convention and tourism industry in the Coachella Valley, and to attract visitors from markets, all to the benefit of the member organizations and their citizens. This provision is unchanged from the 2002 Agreement.
- The members of the CVB are Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage and the County of Riverside.³ Additional members may be added by two-thirds vote of the Executive Committee which must be approved by a unanimous vote of the CVB members' legislative bodies. The members remain unchanged.
- The governing body of the CVB is the Executive Committee, which is comprised of an elected official for each city member of the CVB and a County Senior Staff member appointed by the Riverside County Board of Supervisors to represent the County of Riverside. This provision remains unchanged, but the Amended Agreement expressly provides that only those members of the Executive Committee whose agencies pay the CVB its member contributions shall be entitled to vote.⁴
- The Amended Agreement sets forth a more detailed yet non-exhaustive list of the powers that the Executive Committee possesses pursuant to state law; the powers are similar to those stated in the 2002 Agreement, but also include the power to select staff members other than city managers to serve on the appointed technical advisory committee, and the power to retain legal counsel.⁵
- The Amended Agreement sets forth the territorial boundaries of the CVB, which remain unchanged from the 2002 Agreement. However, the Amended Agreement also includes a map of the boundaries attached as Exhibit A to the Amended Agreement. The boundaries may be changed by two-thirds vote of the Executive Committee which must be approved by a unanimous vote of the CVB members' legislative bodies.
- The Amended Agreement sets forth the precise formula for calculating members' contributions, specifically 0.15% gross room rental revenue for "Non-Convention Hotels" and 0.35% of gross room rental revenue for "Convention Hotels."⁶ The formula may be changed by two-thirds vote of the Executive Committee which must be approved by a unanimous vote of the CVB members' legislative bodies. The 2002 Agreement addressed contributions in an exhibit rather than in the agreement itself.

3 Amended Agreement § 7.

4 Amended Agreement § 9.

5 Amended Agreement § 10.

6 Amended Agreement §§ 1 (Definitions), 12 (Contributions).

- The Amended Agreement maintains the monetary conditions imposed upon members who wish to withdraw from the CVB largely intact, but does away with the requirement of thirteen months' notice of withdrawal as provided in the 2002 Agreement.⁷
- The Amended Agreement sets forth a detailed, non-exhaustive list of the powers that the CVB possesses as a joint powers authority pursuant to State law.⁸ The list includes all of the powers specified in the 2002 Agreement and also includes several others, such as the power to engage independent contractors and legal counsel; to acquire and dispose of real or personal property; to raise revenue for any public purpose that is consistent with the CVB's purpose; to form, renew and modify improvement districts such as the CVB's Tourism Marketing District; to form a non-profit corporation or other affiliated non-profit entities; to adopt and enforce rules, regulations, resolutions and ordinances to carry out the CVB's purposes; and to invest money from its treasury that is not required for immediate necessities.⁹
- The CVB's President/CEO, Finance Director and Treasurer are required by State law to file an official bond in an amount determined by the Executive Committee. The Amended Agreement sets forth this requirement expressly, whereas the 2002 Agreement did not.
- Without change from the 2002 Agreement, the Amended Agreement provides that the Executive Committee shall designate a treasurer and auditor.
- The Amended Agreement enumerates the Treasurer's duties, which are substantively similar to those duties enumerated in the 2002 Agreement. However, the Amended Agreement reflects the updated State law requirements.
- The Amended Agreement, like the 2002 Agreement, requires the Treasurer to arrange for independent audits, but the Amended Agreement refers to current State law on this issue. There is no substantive change in the enumerated duties of the auditor between the Amended Agreement and the 2002 Agreement.
- The Amended Agreement, like the 2002 Agreement, provides for California law as the law applicable to the agreement and for the County of Riverside to be the venue for any lawsuit arising out of the agreement.

⁷ Amended Agreement § 13.

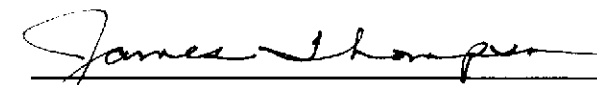
⁸ Amended Agreement § 15; Government Code § 6500 et seq.

⁹ Amended Agreement § 16; Government Code §§ 6505.5, 6509.5.

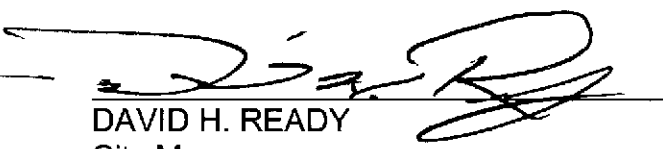
FISCAL IMPACT:

The 2015-2016 Budget includes \$500,000 in account 001-2102-43200 for the City's projected required JPA payments based upon the JPA agreement. The contribution formulas have not been change from the 2002 Agreement.

The JPA agreement includes a provision¹⁰ for those jurisdictions that provide incentive TOT incentive rebates, the amounts of the TOT rebates will not be included in the gross TOT receipts for both the Convention and Non-Convention Hotels.



JAMES THOMPSON
Chief of Staff / City Clerk



DAVID H. READY
City Manager

Attachment:

- Proposed Resolution
- Proposed CVB Joint Powers Agreement
- 2002 CVB Joint Powers Agreement

¹⁰ Amended Agreement §12(b)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING THE GREATER PALM SPRINGS CONVENTION & VISITORS BUREAU (CVB) AMENDED AND RESTATED JOINT POWERS AGREEMENT.

WHEREAS, the Greater Palm Springs Convention & Visitors Bureau ("CVB") is a joint powers authority operating under the Joint Exercise of Powers Act (California Government Code Section 6500 et seq.), located in the County of Riverside, State of California; and

WHEREAS, the CVB was formed in 1989 and the operative legal document governing the CVB as a joint powers authority is the Joint Powers Agreement, originally executed in 1989 and subsequently amended on multiple occasions, most recently on or about June 18, 2002 ("2002 Agreement"); and

WHEREAS, the purpose of the CVB, as set forth in the CVB Joint Powers Agreement, is to jointly encourage, promote, and to do such other things as might be necessary to enhance, to the greatest extent possible, all aspects of the hospitality, convention and tourism industry in the Coachella Valley and to attract visitors from national and international markets, all to the benefit of the member organizations and their constituents via the exercise of all the expressed and implied powers the CVB members have in common; and

WHEREAS, in order to remain current with applicable law and to maximize the CVB's ability to encourage, promote, and enhance all aspects of the hospitality, convention and tourism industry throughout all parts of the Coachella Valley, to the benefit of the member organizations and their citizens, the CVB's Executive Committee has approved the attached Amended and Restated Joint Powers Agreement ("Amended Agreement"); and

WHEREAS, the Amended Agreement reflects current law and makes changes to the 2002 Agreement as recommended by the Hospitality Industry and Business Council (now known as the Board of Directors), the CVB's CEO/President and the CVB's General Legal Counsel; and

WHEREAS, the draft of the Amended Agreement was circulated for review and input to members of the Technical Advisory Committee ("TAC") which consists of all the CVB members' city managers and an executive officer of the County and several meetings were also held with several CVB members' staff members for their respective input; and

WHEREAS, after extensive review and input from all interested parties, the attached draft was presented to the CVB Executive Committee for its consideration and was adopted and approved by the CVB Executive Committee on March 25, 2015.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA,
HEREBY RESOLVES, DETERMINES AND APPROVES AS FOLLOWS:

SECTION 1. RECITALS.

The recitals set forth herein are true and correct.

SECTION 2. The City Council hereby approves the Greater Palm Springs Convention & Visitors Bureau (CVB) Amended and Restated Joint Powers Agreement as attached hereto.

SECTION 3. REPEAL OF CONFLICTING PROVISIONS.

All provisions of any prior resolutions or agreements that are in conflict with the provisions of this Resolution are hereby repealed.

SECTION 4. EFFECTIVE DATE.

This resolution shall take effect immediately upon its adoption.

SECTION 5. CERTIFICATION.

The City Clerk shall certify the vote adopting this resolution.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY
COUNCIL THIS 7TH DAY OF OCTOBER, 2015.

DAVID H. READY, CITY MANAGER

ATTEST:

JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy as was duly adopted at a regular meeting of the City Council of the City of Palm Springs on October 7, 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON, CITY CLERK
City of Palm Springs, California

Greater Palm Springs Convention & Visitors Bureau

JOINT POWERS AGREEMENT
("Amended and Restated Agreement")

A California Joint Powers Authority
Created Pursuant to California Government Code Section 6500, et seq.

DATE

The JPA Agreement has been approved by the cities of Rancho Mirage, La Quinta,
Cathedral City, and Desert Hot Springs.

Pending

Palm Springs, Indio, Palm Desert, Indian Wells

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[TO BE COMPLETED UPON ADOPTION]

This Joint Powers Agreement is entered hereto by and between the cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs and Rancho Mirage, each an independent municipal corporation located in the County of Riverside, State of California, the County of Riverside, a political subdivision of the State of California, pursuant to the Joint Exercise of Powers Act, as set forth in section 6500, et seq. of the California Government Code. ("Agreement"). The parties to this Agreement are individually referred to herein as "CVB Member" and collectively as "CVB Members."

RECITALS (these are new and added - no material impact)

WHEREAS, pursuant to the Joint Exercise of Powers Act, if authorized by their legislative or other governing bodies, two or more public agencies which include, but are not limited to, a county or city, may jointly exercise any power common to the contracting parties via a Joint Powers Agreement creating a Joint Powers Authority ("JPA"); and

WHEREAS, the CVB Members entered into the original joint powers agreement on February 8, 1989, for the purpose to jointly encourage, promote, and to do such other things as might be necessary to enhance, to the greatest extent possible, all aspects of the hospitality, convention and tourism industry in the Coachella Valley and to attract visitors from a world-wide market, all to the benefit of the member organizations and their citizens via the exercise of all the expressed and implied powers the CVB Members have in common; and

WHEREAS, it is intended by the CVB Members that this Agreement shall be amendatory of the original joint powers agreement dated February 8, 1989, including any subsequent amendments ("Initial Agreement"), and shall restate, amend and supersede the Initial Agreement in its entirety as of the Effective Date; and

WHEREAS, the CVB Members, consisting of the cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs and Rancho Mirage and the County of Riverside have consented to renaming the JPA to the "Greater Palm Springs Convention & Visitors Bureau" ("CVB") for all purposes.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, and intending to be legally bound hereby, the CVB Members hereby covenant and agree as follows:

AGREEMENT

Section 1. Definitions (section expanded and clarified as requested during the JPA study sessions)

The following words, terms and phrases shall have the following meanings:

"Advisory Board" shall mean the board appointed by the JPA Executive Committee for the purposes described in paragraph (c) of Section 10.

“Additional Members” shall mean qualified organizations that may be added as members of CVB as described in Section 8.

“Convention Hotel” shall mean a hotel with 50 rooms or greater that provides facilities and services designed to host meetings or gatherings within or upon the same premises of the hotel or within a facility (for example: convention centers, auditoriums, outdoor venues, etc.) that is in close proximity of the hotel.

“CVB Fiscal Year” shall mean the period commencing July 1 of every year and ending June 30 of the following calendar year.

“CVB Member” shall mean an organization that is party to this Agreement.

“CVB Members” shall mean, collectively, the organizations that have entered into this Agreement.

“CVB Member Contributions” shall mean the annual contribution amounts duly established pursuant to Section 12.

“Greater Palm Springs Convention & Visitors Bureau” or “CVB” shall mean the Joint Powers Authority formed by the cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs and Rancho Mirage and the County of Riverside.

“Lodging Establishments,” as referenced in Section 10, Paragraph C, shall mean any structure, which is occupied or intended or designed for use or occupancy by transients, including but not limited to hotel, resort, motel, inn and individually owned structures; single family homes, duplexes, triplexes, mobile homes, or any private dwelling utilized for short term rental and subject to local transient occupancy tax.

“Joint Exercise of Powers Act” shall mean California Government Code sections 6500-6536.

“JPA Executive Committee” shall mean the CVB’s governing body formed for the purposes and having the powers and duties set forth in Section 10.

A “Non-Convention Hotel” shall mean any structure, with the exception of the previously defined “Convention Hotels,” or any portion of any structure which is occupied or intended or designed for use or occupancy by transients including, but not limited to, dwelling, lodging or sleeping purposes and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, campground, mobile home or house trailer at a fixed location, or other like structure or portion thereof. Non-Convention Hotel includes a recreational vehicle, as defined in Cal. Health & Safety Code § 18010 and campgrounds.

“Partner” shall mean a non-governmental entity whose business and activities are directly related to the convention or tourism industry and the purposes of this Agreement.

“President and Chief Executive Officer” shall mean the individual employed by CVB, who is responsible for professionally supervising, managing and administering CVB’s day-to-day affairs as described in paragraph (e) of Section 10 and elsewhere in this Agreement.

“Technical Advisory Committee” shall mean the committee which may be appointed by a majority vote of CVB’s JPA Executive Committee for the purposes described in paragraph (d) of Section 10.

“Treasurer” shall mean the individual appointed by CVB’s JPA Executive Committee to serve the functions described at Section 19 and may be the same individual appointed as Auditor.

Section 2. **Incorporation of Recitals**

The foregoing recitals are incorporated into this Agreement by this reference as though fully set forth herein.

Section 3. **Purpose**

The purpose of this Agreement is to form a joint powers authority to jointly encourage, promote, and to do such other things as might be necessary to enhance, to the greatest extent possible, all aspects of the hospitality, convention and tourism industry in the Coachella Valley and to attract visitors from national and international markets, all to the benefit of the CVB Members and their constituents.

Section 4. **Name (this was the original reason for the new agreement – our legal name change from Palm Springs Desert Resorts Communities Convention and Visitors Authority – very confusing name and not very friendly)**

The name of the JPA shall be the “Greater Palm Springs Convention & Visitors Bureau” (“CVB”) or such other name that may be changed at any time by a resolution approved and adopted by a two-thirds vote of the entire JPA Executive Committee.

Section 5. **Initial Agreement Superseded – Effective Date**

It is intended by the CVB Members that this Agreement shall be amendatory of the Initial Agreement and shall restate, amend and supersede the Initial Agreement. Upon its Effective Date, this Agreement shall govern the relationship of the CVB Members. This Agreement shall become effective on the date this Agreement is approved by a two-thirds vote of the entire membership of the JPA Executive Committee and a two-thirds vote of the CVB Members’ legislative bodies (“Effective Date”).

Section 6. **Termination**

(a) This Agreement may be terminated by unanimous vote of all the CVB Members' legislative bodies provided, however, the foregoing shall not be construed as limiting the rights of a CVB Member to withdraw its membership in the JPA, and thus terminate this Agreement with respect to such withdrawing CVB Member as described in Section 13; and

(b) Pursuant to section 6512 of the Government Code, upon termination of this Agreement and dissolution of the JPA, any surplus money on hand with the JPA shall be returned to the CVB Members' treasuries in proportion to the CVB Member Contributions made by the respective CVB Member to the JPA.

Section 7. CVB Members

The members of the JPA shall consist of the parties to this Agreement which include the cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs and Rancho Mirage and the County of Riverside.

Section 8. Additional Members

Additional CVB Members that qualify to join a joint powers authority under the Joint Exercise of Powers Act may be added as CVB Members at any time by a two-thirds vote of the entire JPA Executive Committee and a unanimous vote of the CVB Members' legislative bodies in compliance with all applicable provisions of the Joint Exercise of Powers Act and all other applicable laws.

Section 9. Governing Body (JPA study session wanted this to be clear, only members can vote)

(a) The governing body of the JPA shall be known as the JPA Executive Committee and it shall be comprised of: (i) a duly elected or appointed council member of each city CVB Member; and (ii) a member of the Riverside County Board of Supervisors.

(b) Only those members of the JPA Executive Committee, whose agencies pay the CVB Member Contributions, as set forth in this Agreement, shall be entitled to vote.

Section 10. JPA Executive Committee – Powers and Duties

The JPA Executive Committee, consistent with this Agreement and all applicable laws, shall exercise all the powers and perform all duties necessary to conduct the business of the JPA, either directly or by delegation of its authority, as the JPA Executive Committee deems appropriate, which shall include but not be limited to the following:

(a) Adopt bylaws or rules of procedure to provide for the organization and administration of the JPA, as the JPA Executive Committee deems appropriate by a majority vote of the JPA Executive Committee;

(b) Approve and adopt a budget for the JPA prior to the commencement of the JPA's subsequent fiscal year, the term of which shall be set by a majority vote of the JPA Executive Committee;

(c) Appoint an advisory board consisting of any number of persons associated with the local hospitality industry, which may include, but not be limited to, those who own, manage, govern or serve in senior staff positions for Lodging Establishments or businesses, eateries, public and private regional sports facilities, public and private museums, public and private convention and conference facilities, commercial air transport facilities, commercial ground transportation businesses, plus any other persons from any other industry deemed appropriate by the JPA Executive Committee;

(Revised to give the cities the flexibility to appoint any representative to a TAC, in the past it was only the City Managers)



(d) Appoint from time to time, if deemed necessary by a majority vote of the JPA Executive Committee, a Technical Advisory Committee (TAC) consisting of a staff member employed by each CVB Member as designated by the respective JPA Executive Committee member, for purposes of advising the JPA Executive Committee on any technical issues of the JPA that the JPA Executive Committee may need advice on;

(e) Employ an individual who shall serve as the President and Chief Executive Officer of the JPA, who shall be responsible for professionally supervising, managing and administering the day-to-day affairs of the JPA, hire and fire JPA employees, retain consultants and independent contractors and perform such other functions as the JPA Executive Committee may designate;

(f) Retain an individual licensed to practice law in the State of California who shall serve as General Legal Counsel for the JPA and who shall assist the JPA with any legal assistance as may be requested by the JPA Executive Committee or President/Chief Executive Officer or their authorized designees; and

(g) Create any committees, sub-committees, advisory committees and advisory boards, as deemed necessary by a majority vote of the JPA Executive Committee, to advance and/or achieve the purposes set forth in this Agreement.

(h) Pursuant to Section 6509 of the Government Code, the powers set forth in this Agreement shall be subject to the restrictions upon the manner of exercising such similar powers as are imposed on the City of Rancho Mirage in the exercise of similar powers.

Section 11. Territorial Boundaries (revised to say any boundaries must be approved by all legislative bodies)

The JPA's territorial boundaries include the lands situated within the unincorporated areas of the Coachella Valley situated in the County of Riverside and the lands situated within the jurisdictional boundaries of the cities of Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Springs, Palm Desert and Rancho Mirage, as depicted in Exhibit A of this Agreement. The territorial boundaries of the CVB may only be changed by a two-thirds vote of the JPA Executive Committee and a unanimous vote of the CVB Members' legislative bodies.

Section 12. Contributions (contribution formula is not changed, JPA study session asked for unanimous approval by legislative bodies to change the formula in the future. A two-thirds vote is needed by the JPA for us to take any proposed change back to the cities. The rebate language was also added.)

(a) Each CVB Member shall pay to the JPA the applicable contribution amounts as set forth in the formula below, which may only be modified by a two-thirds vote of the entire JPA Executive Committee and a unanimous vote of the CVB Members' legislative bodies. The provisions of this section may only be changed or amended with a unanimous vote of the JPA Executive Committee and a unanimous vote of the CVB Members' legislative bodies.

A contribution from each of the CVB Members is a funding mechanism equal to:
.0015 x Gross Room Rental Revenue for Non-Convention Hotels and
.0035 x Gross Room Rental Revenue for Convention Hotels

(b) The Gross Hotel Room Rental Revenue described herein shall not include any transient occupancy tax rebate incentives provided by the CVB Members.

Section 13. Withdrawal (did not change, better clarification as requested during the JPA study session – for example the hold agreement indicated 13 months impacts line (b) and (c) – group felt this was easier to understand)

Any Party may withdraw as a CVB Member and the obligations under this Agreement subject to the following conditions:

(a) The withdrawing CVB Member's legislative body submits a duly adopted resolution to the JPA Executive Committee providing Notice of Withdrawal.

(b) The effective date of withdrawal shall always be the last day of the CVB's Fiscal Year.

(c) All CVB Member Contributions must be paid in full by the withdrawing CVB Member through the end of the current CVB Fiscal Year of the year when the withdrawing CVB Member provides its Notice of Withdrawal as well as the following CVB Fiscal Year.

(d) After giving notice of withdrawal, a withdrawing CVB Member shall not have voting privileges on the JPA Executive Committee except for operating budget items through the effective date of withdrawal.

(e) A withdrawing CVB Member may again become a party to this Agreement on condition that it pays to the treasury of the CVB an amount equal to all CVB Member Contributions which the withdrawing CVB Member would have been required to pay if it had not withdrawn from participation.

(f) Partners within the territorial boundaries of the CVB may remain active Partners as long as their respective government entity is a CVB Member and during the period of their CVB Member's withdrawal from the Joint Powers Agreement.

(g) **Section 14. Separate Entity**

Pursuant to section 6507 of the Government Code, this JPA shall at all times be an independent public entity separate from the parties to this Agreement, and the debts, liabilities and obligations of the JPA shall be its sole responsibility and shall not become the debts, liabilities, or obligations of any one CVB Member except that any CVB Member may separately contract for, or assume responsibility for specific debts, liabilities, or obligations of the JPA.

Section 15. Powers of the JPA (JPA study session wanted a line to ensure we cannot levy a tax or assessment beyond our current scope)

Pursuant to the Joint Exercise of Powers Act, as set forth in section 6500, et seq. of the California Government Code, this JPA shall have the authority to exercise any power common to the contracting parties, including without limitation any of the following:

- (a) The power to make, enter into and perform all necessary contracts;
- (b) The power to engage necessary employees, to define their qualifications and duties and to provide a schedule of compensation for performance of their duties;
- (c) The power to retain agents, independent contractors and consultants, including without limitation the power to engage legal counsel and other professional services;
- (d) The power to acquire, construct, manage, maintain or operate any building, works or improvements;
- (e) The power to acquire by purchase, grant, gift, lease or other lawful means any real property or any personal property that may be necessary or proper to carry out the purposes and intent of the JPA;

(f) The power to hold any real property or any personal property that may be necessary or proper to carry out the purposes and intent of the JPA;

(g) The power to sell, lease or otherwise dispose of any real or personal property including exchanging equivalent properties if it is deemed to be in the best interests of the JPA;

(h) The power to donate any surplus real or personal property to any public agency or nonprofit organization;

(i) The power to incur debts, liabilities or obligations, including without limitation the power to borrow money, give security therefore, and purchase on contract;

(j) The power to raise revenue for any public purpose consistent with the JPA's purposes, as set forth in this Agreement, through any legal and appropriate means **other than levying a tax or assessment beyond the scope** of those assessments which may be established and levied pursuant to the Parking and Business Improvement Area Law of 1989, Streets & Highways Code §36500 et seq., and the Property and Business Improvement District Law of 1994, Streets & Highways Code §36600 et seq.;

This section clarifies that we cannot raise the existing assessment on the large hotels beyond 3% without coming back to the cities for unanimous approval and in the event the small hotels and vacation rentals decide to join the Tourism Improvement District, the maximum assessment cannot exceed 1%. This was requested during the JPA study sessions

(k) The power to form, renew, and modify improvement districts including all Lodging Establishments, as defined in Section 1, pursuant to the Parking and Business Improvement Area Law of 1989, Streets & Highways Code §36500 et seq., and the Property and Business Improvement District Law of 1994, Streets & Highways Code §36600 et seq., which authorizes joint powers agencies to establish parking and business improvement areas and property and business improvement districts for the purpose of tourism promotion. Approval of this agreement by the CVB Members constitutes consent: (i) to the formation of the Greater Palm Springs Convention & Visitors Bureau Tourism Marketing District adopted pursuant to Ordinance No. 2013-001, including all proceedings and actions previously taken by the CVB in connection with formation of the said district ("2013 TMD"); (ii) to form an improvement district not to exceed an assessment rate of one percent (1%) on Lodging Establishments not currently being assessed under the 2013 TMD or the Palm Springs Desert Resort Communities Tourism Business Improvement District established by Ordinance No. 883 of the County of Riverside ("Tourism BID"); and (iii) to consolidate the 2013 TMD and Tourism BID as long as the overall assessment rate does not exceed three percent (3%) on the entities currently being assessed therein;

(l) The power to adopt rules, regulations, resolutions and ordinances that may be necessary or proper to carry out the purposes and intent of the JPA;

(m) The power to enforce rules, regulations, resolutions and ordinances for the administration, maintenance and operation of the JPA;

(n) The power to enter into joint powers agreements pursuant to the Joint Exercise of Powers Act, as set forth in section 6500, et seq. of the Government Code;

(o) The power to provide insurance pursuant to section 989 of the Government Code, et seq.;

(p) The power to sue and be sued in the name of the JPA;

(q) The power to conduct certain activities of the JPA in any state or territory of the United States of America or in any foreign country, related to promoting and marketing all aspects of the hospitality, convention and tourism industry in the Coachella Valley for the purpose of attracting visitors from national and international markets, as permitted pursuant to Government Code section 37110;

(r) The power to travel domestically and internationally that is necessary or proper to carrying out the purposes and intent of the JPA;

(s) The power to provide staff and resource support, financial assistance and subsidies to other public agencies, non-profit organizations and the private sector for purposes consistent with the purpose and intent of the JPA;

(t) The power to lobby on behalf of travel and tourism;

(u) The power to form a non-profit corporation or other affiliated non-profit entities for the purpose of promoting and enhancing all aspects of the hospitality, convention and tourism industry; and

(v) The power to take any and all actions necessary for, or incidental to, the powers expressed or implied by this Agreement and all applicable laws.

Section 16. Power to Invest

Pursuant to Government Code section 6509.5, the JPA shall have the power to invest any money in its treasury pursuant to the provisions set forth in Government Code section 6505.5 that is not required for the immediate necessities of the JPA, as the JPA may determine from time to time is advisable, in the same manner and upon the same conditions as local agencies pursuant to Government Code section 53601.

Section 17. Bonding

Pursuant to Government Code section 6505.1, individuals occupying the following positions shall file an official bond in an amount deemed sufficient by the JPA Executive Committee:

- (a) President/Chief Executive Officer;
- (b) Director of Finance; and
- (c) Treasurer.

Section 18. Treasurer and Auditor – Designations

Pursuant to Government Code section 6505.6, the JPA Executive Committee shall designate by resolution an officer or employee of the JPA to fill the functions of Treasurer and Auditor of the JPA, and the JPA Executive Committee may appoint one qualified person to serve as both Treasurer and Auditor or two qualified persons to serve as each separately.

Section 19. Treasurer – Duties and Responsibilities

Pursuant to section 6505.5 Government Code, the Treasurer shall do all of the following:

- (a) Receive and receipt (account) for all money of the JPA and place it in the treasury of the Treasurer so designated to the credit of the JPA;
- (b) Be responsible, upon his or her official bond, for the safekeeping and disbursement of all JPA money so held by the Treasurer;
- (c) Pay, when due, out of money of the JPA held by the Treasurer, all sums payable on outstanding bonds and coupons of the JPA;
- (d) Pay any other sums due from the JPA from JPA money, or any portion thereof, only upon warrants of the public officer performing the functions of auditor or controller who has been designated by this Agreement; and
- (e) Verify and report in writing on the first day of July, October, January and April of each year to the President/Chief Executive Officer, the JPA Executive Committee and to all Parties the amount of money the Treasurer holds for the JPA, the amount of receipts since the Treasurer's last report, and the amount paid out since the Treasurer's last report.

Section 20. Independent Audit

Pursuant to section 6505.6 of the Government Code, the Treasurer shall cause an independent audit to be made by a certified public accountant or public accountant, in compliance with section 6505 of the Government Code.

Section 21. Auditor's Duties

The Auditor shall perform the following duties:

- (a) Review and recommend to the JPA Executive Committee accounting procedures and policies governing the JPA;
- (b) Review and approve all demands listed on the Warrant Registers prior to submittal to the JPA Executive Committee;
- (c) Review payroll registers at least monthly;
- (d) Review all financial reports being submitted to the JPA Executive Committee and make the JPA Executive Committee aware of any discrepancies or potential problems in the reports;
- (e) Review investments made by the President or Treasurer;
- (f) Review the audit report prepared by a Certified Public Accounting firm prior to finalization of the report and submittal to the JPA Executive Committee; and
- (g) Assist staff in the selection of the Certified Public Accounting firm.

Section 22. Severability

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions, if any, of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

Section 23. Waiver

All waivers must be in writing to be effective or binding upon the waiving Party, and no waiver shall be implied from any omission by a Party to take any action.

Section 24. Amendments

This Agreement may be amended from time to time by a two-thirds vote of the entire JPA Executive Committee and a unanimous vote of the CVB Members' legislative bodies in compliance with all applicable provisions of the Joint Exercise of Powers Act and all other applicable laws.

Section 25. Ambiguities or Uncertainties

The CVB Members have mutually negotiated the terms and conditions of this Agreement and each CVB Member received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions contained herein. As such, this Agreement is a product of the joint drafting efforts of all CVB Members and none of the CVB Members shall be deemed to have solely or independently prepared or framed this

Agreement. Therefore, any ambiguities or uncertainties are not to be construed against or in favor of any CVB Member.

Section 26. Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 27. Venue

In the event that suit is brought by any party to this Agreement, the parties agree that venue shall be exclusively vested in the State courts of the County of Riverside, California or where appropriate, in the United States District Court, Southern District of California, Riverside, California.

Section 28. Notices

Any notice or communication required hereunder between the JPA and the CVB Members shall be in writing, and may be given either personally or by registered mail, return-receipt requested. Notice, whether given by registered mail or personal delivery, shall be deemed to have been given and received on the actual receipt by any of the addresses designated below as the party to whom notices are to be sent. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

City of Cathedral City 68700 Avenida Lalo Guerrero Cathedral City, CA 92234 Attention: City Manager	City of Desert Hot Springs 11711 West Drive Desert Hot Springs, CA 92240 Attention: City Manager
City of Indian Wells 44950 El Dorado Indian Wells, CA 92210 Attention: City Manager	City of Indio 100 Civic Center Mall Indio, CA 92201 Attention: City Manager
City of La Quinta 8495 Calle Tampico La Quinta, CA 92253 Attention: City Manager	City of Palm Desert 73510 Fred Waring Drive Palm Desert, CA 92260 Attention: City Manager
City of Palm Springs 3200 East Tahquitz Canyon Way Palm Springs, CA 92262 Attention: City Manager	City of Rancho Mirage 69-825 Highway 111 Rancho Mirage, CA 92270 Attention: City Manager

County of Riverside County Administration Center 4080 Lemon Street Riverside, California 92501 Attention: County Clerk	
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Section 29. Counterparts

This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

Section 30. Privileges and Immunities

Pursuant to section 6513 of the Government Code, all of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, workmen's compensation, and other benefits which apply to the activity of officers, agents or employees of any the Parties when performing their respective functions within the territorial limits of their respective public agencies, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties performed extraterritorially under the provisions of this Agreement.

IN WITNESS WHEREOF, the duly authorized representatives of the CVB Members have each executed this Agreement.

<p>CITY OF CATHEDRAL CITY</p> <p>_____ Stan Henry, Mayor</p> <p>_____ Charles McClendon, City Manager</p> <p>ATTEST:</p> <p>_____ Gary F. Howell, City Clerk</p> <p>APPROVED AS TO FORM:</p> <p>_____ Charles R. Green, City Attorney</p> <p>CITY OF INDIAN WELLS</p>	<p>CITY OF DESERT HOT SPRINGS</p> <p>_____ Adam Sanchez Jr., Mayor</p> <p>_____ Martin Magana, City Manager</p> <p>ATTEST:</p> <p>_____ Jerryl Soriano, City Clerk</p> <p>APPROVED AS TO FORM:</p> <p>_____ Steven B. Quintanilla, City Attorney</p> <p>CITY OF INDIO</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>_____ Ty Peabody, Mayor</p>	<p>_____ Lupe Ramos Watson, Mayor</p>
<p>_____ Wade McKinney, City Manager</p>	<p>_____ Dan Martinez, City Manager</p>
<p>ATTEST:</p>	<p>ATTEST:</p>
<p>_____ Anna Grandys, City Clerk</p>	<p>_____ Cynthia Hernandez, City Clerk</p>
<p>APPROVED AS TO FORM:</p>	<p>APPROVED AS TO FORM:</p>
<p>_____ Stephen P. Deitsch, City Attorney</p>	<p>_____ Roxanne Diaz, City Attorney</p>

<p>CITY OF LA QUINTA</p> <hr/> <p>Linda Evans, Mayor</p> <hr/> <p>Frank J. Spevacek, City Manager</p> <p>ATTEST:</p> <hr/> <p>Susan Maysels, City Clerk</p> <p>APPROVED AS TO FORM:</p> <hr/> <p>M. Katherine Jenson, City Attorney</p>	<p>CITY OF PALM DESERT</p> <hr/> <p>Susan Marie Weber, Mayor</p> <hr/> <p>John M. Wohlmuth, City Manager</p> <p>ATTEST:</p> <hr/> <p>Rachelle D. Klassen, City Clerk</p> <p>APPROVED AS TO FORM:</p> <hr/> <p>David J. Erwin, City Attorney</p>
<p>CITY OF PALM SPRINGS</p> <hr/> <p>Stephen Pougnet, Mayor</p> <hr/> <p>David H. Ready, City Manager</p> <p>ATTEST:</p> <hr/> <p>James Thompson, City Clerk</p> <p>APPROVED AS TO FORM:</p> <hr/> <p>Douglas Holland, City Attorney</p>	<p>CITY OF RANCHO MIRAGE</p> <hr/> <p>G. Dana Hobart, Mayor</p> <hr/> <p>Randal Bynder, City Manager</p> <p>ATTEST:</p> <hr/> <p>Cynthia Scott, City Clerk</p> <p>APPROVED AS TO FORM:</p> <hr/> <p>Steven B. Quintanilla, City Attorney</p>

COUNTY OF RIVERSIDE

Marion Ashley, Chairman

Jay Orr, County Executive Officer

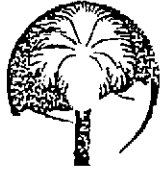
ATTEST:

Kecia Harper-Ihem, Clerk of the Board

APPROVED AS TO FORM:

Gregory P. Priamos, County Counsel

EXHIBIT A
TERRITORIAL BOUNDARIES



Palm Springs Desert Resorts
CONVENTION AND VISITORS AUTHORITY

PALM SPRINGS DESERT RESORTS
CONVENTION AND VISITORS AUTHORITY

JOINT POWERS AGREEMENT

Last Amended June 18, 2002

Serving the Desert Resort Communities of Riverside County

Cathedral City • Desert Hot Springs • Indian Wells • Indio • La Quinta • Palm Desert • Palm Springs • Rancho Mirage

1000 Highway 78 • Rancho Mirage, CA 92270 • 760-313-6600 • 760-313-6601 • palm Springs 953.com
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3 JOINT POWERS AUTHORITY
4 CREATING THE PALM SPRINGS DESERT RESORTS CONVENTION AND VISITORS
5 AUTHORITY
6

7 Acting pursuant to Article I, Chapter 5, Division 7, Title 1 of the California Government Code
8 (Section 6500 et seq.), the parties signatory to this agreement, as listed in Appendix A attached
9 hereto, hereby join together and agree as follows:
10

11 ARTICLE I
12 DEFINITIONS

13 Active Member. A member organization as defined below.

14 Associate Member. Associate Members shall be a non-governmental entity whose business and
15 activities are related to the convention or tourism industry, for the purposes of this agreement, but
16 whose place of business is not within the boundaries of a governmental agency which is eligible
17 to become a member or an inactive member of the Authority.

18 Executive Committee. The governing body of the Palm Springs Desert Resorts Convention and
19 Visitors Authority formed pursuant to Article VIII of this Joint Powers Agreement.

20 Calendar Year. The Calendar year for the Palm Springs Desert Resorts Convention and Visitors
21 Authority shall commence January 1 of every year and end December 31 of the same year.

22 Funding Formula. A method of computing revenues to be paid to the Authority by member
23 organizations based on gross hotel room sales generated, as stated in Article XI, and as illustrated
24 in Exhibit A. The definition of a "Convention Meeting Hotel" is contained in Exhibit B.

25 Hospitality Industry and Business Council. An advisory body comprised of 17 private or
6

1 associate members appointed by the Executive Committee.

2 Inactive Member. A member organization, which has given notice of withdrawal pursuant to
3 Article XIII of this agreement and thereafter is not eligible for continued representation on the
4 Executive Committee.

5 Member Organization. A city in the Coachella Valley or Riverside County Government, which
6 has signed the Joint Powers Agreement, has made the prescribed contribution to the Authority
7 and has not given notice of withdrawal all references to "member" (unless otherwise modified),
8 "active member" or "active city member" shall mean a member organization.

9 Private Member. A private member shall be a non-governmental entity whose place of business
10 is within the jurisdiction of an active governmental member organization and whose business and
11 activities are directly related to the convention or tourism industry and the purposes of this
12 agreement.

13 Technical Advisory Committee. A committee comprised of one city manager/administrator from
14 each member organization, with the function of advising on all matters, which come before the
15 Executive Committee.

16 ARTICLE II

17 PURPOSE

18 This Agreement is entered into by the public member organizations, as parties hereto, to
19 jointly encourage, promote, and to do such other things as might be necessary to enhance, to the
20 greatest extent possible, all aspects of the hospitality, convention and tourism industry in the
21 Coachella Valley and to attract visitors to the area from a world-wide market, all to the benefit of
22 the member organizations and their citizens.

1 ARTICLE III

2 PARTIES TO AGREEMENT

3 Each member organization, as a party to this Agreement, hereby agrees and contracts with each
4 and every other member organization as parties to this Agreement, together with such other
5 organizations as may hereafter be added as parties to this agreement, to abide by the terms of this
6 agreement as hereinafter set forth. Each member organization also agrees that withdrawal of any
7 party from this Agreement shall not affect this Agreement as to those member organizations then
8 remaining.

9 ARTICLE IV

10 TERM

11 This Agreement shall become effective February 1, 1989, or as soon thereafter as it is approved
12 and executed by three or more member organizations, and shall continue to full force and effect
13 until terminated as herein provided.

14 ARTICLE V

15 CREATION OF CONVENTION AND VISITORS AUTHORITY

16 In order to most effectively achieve the purposes and goals of this Agreement, there is hereby
17 created a public entity, separate and apart from the parties hereto, to be known as the Palm
18 Springs Desert Resorts Convention and Visitors Authority.
19

20 ARTICLE VI

21 POWERS OF THE AUTHORITY

22 The Authority shall have all of the powers common to its member organizations and is
23 authorized, in its own name, to make and enter contracts, to employ agents and employees, to
24 acquire, construct, manage, maintain or operate any building, works or improvements, to acquire,
25

1 hold, or dispose of property, and to incur debts, liabilities, or obligations. The Authority shall
2 have the power to sue and be sued in its own name. The Authority may receive and use
3 contributions and advances from member organizations pursuant to Government Code Section
4 6504, including contributions or advances of personnel, equipment, or property. It may invest
5 any money in its treasury, not required for its immediate necessities, pursuant to Government
6 Code Section 6509.5. The Authority may do such other things as are necessary to carry out the
7 purposes and achieve the objectives of this Agreement. These powers shall be exercised by the
8 Authority pursuant to the terms hereof and as provided by law.

10 ARTICLE VII

11 OBLIGATIONS OF THE AUTHORITY

12 The debts, liabilities, and obligations of the Authority shall be the sole responsibility of the
13 Authority and shall not become the debts, liabilities, or obligations of the member organizations
14 or any one of them except that a member organization may separately contract for, or assume
15 responsibility for specific debts, liabilities, or obligations of the Authority.

17 ARTICLE VIII

18 EXECUTIVE COMMITTEE

19 The Authority shall be governed by an Executive Committee comprised of elected officials from
20 each active public member organization. Each member organization shall appoint a member of
21 its governing body as member of the Executive Committee, and a second member of its
22 governing body as an alternate member of the Executive Committee. The County of Riverside
23 may appoint a County Senior Staff member with full voting rights as the alternate member of the
24 Executive committee. Each member of the Committee shall serve at the pleasure of the
25 appointing member organization. When a committee member or alternate committee member is

1 no longer a member of the governing body of the appointing organization, membership on the
2 Executive Committee shall automatically terminate. Any vacancy on the Executive Committee
3 shall be promptly filled by the appointing member organization.

4 ARTICLE IX

5 POWERS AND DUTIES OF EXECUTIVE COMMITTEE

6 The Executive Committee shall exercise all the powers and conduct all the business of the
7 Authority, either directly or by delegation of authority, as the Executive Committee deems
8 appropriate. The Executive Committee shall adopt bylaws to provide for the organization and
9 administration of the Authority. The bylaws shall be adopted by a majority vote of all the
10 members of the Executive Committee and may thereafter be amended in like manner, except as
11 more restrictive requirements may appear in said bylaws. The Executive Committee shall
12 approve and adopt a budget for the Authority by November 30th of each year for the Calendar
13 year beginning January 1st of each year. The Executive Committee shall appoint a Hospitality
14 Industry and Business Council comprised of 17 private and associate members for three year
15 staggered terms.

16 The Executive Committee shall be advised on all matters by a Technical Advisory Committee
17 comprised of one city manager/administrator from each member organization. The Executive
18 Committee shall hire a President who shall be a professional manager to organize all affairs of
19 the Authority. The Executive Committee may create such other committees, as it deems
20 necessary to achieve the purposes and intent of this Agreement as required by law.

21 ARTICLE X

22 DESIGNATION OF TREASURER AND AUDITOR

23 The Executive Committee shall designate a Treasurer and one or more Deputy Treasurers. The
24 Office of Treasurer may be held by President.
25

1 The Treasurer shall:

- 2 1. Receive and receipt for, all money of the Authority and place it in the treasury of the
3 Authority;
- 4 2. Be responsible, upon his official bond, for the safekeeping and disbursement of all Authority
5 money so held by him;
- 6 3. Pay, when due, out of money of the Authority so held by him, all sums due from the
7 Authority, or any portion thereof; submit Warrant Registers to Auditor for review and
8 approval prior to submittal to Executive Committee; submit to auditor payroll registers for
9 monthly review;
- 10 4. On a monthly basis, verify and report, in writing to the Executive Committee, the amount of
11 money he holds for the Authority, the amount of receipts since his last report and the amount
12 paid out since his last report;
- 13 5. Pursuant to Government code 53646, the Treasurer shall submit monthly and annual reports to
14 the Executive Committee. The Treasurer shall invest idle funds to conform to the provisions
15 of Government Code 53651;
- 16 6. Develop and submit for Executive Committee approval, annually, investment policies
17 governing the management of the Authority's idle funds.
- 18 7. Develop and adhere to Policy and Procedures Manual as approved by Auditor and Executive
19 Committee;

20
21 The Treasurer and such other persons who shall have charge of, handle, or have access to any
22 property of the Authority shall file an official bond in an amount to be determined by the
23 Executive Committee and sufficient to secure the assets of the Authority.

24
25 At the close of each Calendar year, the Treasurer shall contract with a Certified Public

1 Accountant or Public Accountant to make an annual audit of the accounts and records the
2 Authority. The minimum requirements of such audits shall be those prescribed by the State
3 Controller for special districts under Section 26909 of the Government Code and shall conform
4 to generally accepted auditing standards. A report of such audit shall be filed as a public record
5 with each member organization and with the County Auditor for the County of Riverside. Such
6 report shall be filed within six months of the end of the Calendar year under examination. The
7 cost of such audit shall be borne by the Authority.

8
9 All funds of the Authority shall be strictly accounted. A member organization may request a
10 report of all receipts and disbursements at any time.

11
12 The Executive Committee shall designate appropriate officers of one of its member organizations
13 to be the Auditor.

14
15 The Auditor shall:

- 16 1. Review and recommend to Executive Committee accounting procedures and policies
17 governing the Joint Powers Authority;
- 18 2. Review and approve all demands listed on the Warrant Registers prior to submittal to
19 Executive Committee; Review payroll registers monthly;
- 20 3. Review all the financial reports being submitted to Executive Committee and make Executive
21 Committee aware of any discrepancies or potential problems in the reports;
- 22 4. Review investments made by President; or Treasurer;
- 23 5. Review audit report prepared by Certified Public Accounting firm prior to finalization of
24 report and submittal to Executive Committee;
- 25 6. Assist staff in selection of Certified Public Accounting firm;

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ARTICLE XI
CONTRIBUTIONS

Each member organization shall pay into the treasury of the Authority, the sum of \$2,500, or if it is greater, a sum determined according to a formula determined by the Executive Committee. Such formula shall be reviewed annually and adopted in accordance with Article XVI. The initial formula determined by the Executive Committee is set forth in Exhibit C.

ARTICLE XII
PRIVATE MEMBERSHIP AND ASSOCIATE MEMBERSHIP

There is hereby established a class of membership designated "Private Member". Private members shall be subject to approval of the Executive Committee, which shall set the fee for such member. There is hereby established a class of membership designated "Associate Member". Any business entity that promotes visitors out of the member city jurisdiction can not be an "Associate Member". This includes lodging providers, attractions, restaurants and retail establishments. The rights, duties and obligations of Private Members and Associate Members shall be provided in the bylaws.

ARTICLE XIII
WITHDRAWAL OF MEMBER ORGANIZATION

A member organization may withdraw from participation in this Joint Powers Agreement subject to the following conditions:

1. The effective date of withdrawal shall always be the last day of a Calendar Year;
2. Current annual contribution to the Authority must be paid in full;
3. Annual contribution for the next following calendar year must be paid in the usual manner for such payment. If an "Active Public Member" withdraws during the 1995-1996 fiscal year,

1 prior to June 1, 1996, the annual contribution for the next following fiscal year must be paid in
2 the usual manner for such payments.

3 4. Notice of withdrawal must be given not less than thirteen months prior to the effective date of
4 withdrawal. For example, notice must be given prior to January 1 to effect withdrawal at the
5 end of the next following Calendar Year. Notice given between January 1 and December 31
6 shall be effective at the end of the second following calendar year.

7 5. After giving notice of withdrawal, a withdrawing member shall not have voting privileges on
8 the Executive Committee except for operating budget items during the next thirteen months.

9 6. A withdrawing member organization may again become a participating member of this Joint
10 Powers Agreement on condition that it pay to the treasury of the Authority an amount equal to
11 all contributions which the member organization would have paid if it had not withdrawn
12 from participation. Private members may remain active members as long as the government
13 entity is a member and during the period of withdrawal from the Joint Powers Agreement.

14 15 ARTICLE XIV

16 APPROVAL OF NEW MEMBER ORGANIZATION

17 A new member organization must be approved by vote of two-thirds of the entire membership of
18 the Executive Committee and subsequent ratification by the governing bodies of two-thirds of the
19 member organizations, provided that a Resolution outlining the jurisdiction, initial contribution
20 and continuing contribution be approved by both the applicant and two-thirds of the Executive
21 Committee.

22 APPROVAL OF "INACTIVE MEMBER" ORGANIZATION

23 The City of Desert Hot Springs, as an inactive member organization since July 1, 1992, must be
24 approved by unanimous vote of the entire membership of the Executive Committee and
25 subsequent unanimous ratification by the governing bodies of the member organization, provided
26

1 that a Resolution be approved, outlining the payment schedule for all contributions which the
2 member organization would have paid if it had not withdrawn from participation, current
3 contribution and continuing contribution be approved by both the applicant and by a unanimous
4 vote of the Executive Committee. This provision will ONLY be extended to the City of Desert
5 Hot Springs for a "one-time-only" request for re-admission during the 1995-1996 fiscal year as
6 outlined in Resolution No. 5 authorizing said re-admission of the City of Desert Hot Springs.

7
8 ARTICLE XV

9 CONTRACT SERVICES

10 Nothing in this Agreement shall be deemed to prohibit a member organization from expending
11 additional efforts and resources or contracting with the Authority or other entities for additional
12 services and benefits similar to those realized from participation in this Agreement. The
13 Convention and Visitors Authority is authorized to seek, if necessary, and after careful review of
14 available funds, specialized outside legal counsel and/or assistance depending upon
15 circumstances and/or conditions regarding pending litigation, personnel or any other type of issue
16 where legal assistance and/or counsel is necessary.

17
18 ARTICLE XVI

19 AMENDMENTS TO JOINT POWERS AGREEMENT

20 This Joint Powers Agreement may not be amended except by a vote of two-thirds of the entire
21 membership of the Executive Committee AND subsequent ratification by the governing bodies
22 of two-thirds of the member organizations, provided further that any amendment of the amount
23 of member contributions, as stated in Article XI, shall require the unanimous vote of the entire
24 active membership of the Executive Committee and subsequent ratification by the governing
25 bodies of all active member organizations.

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ARTICLE XVII

TERMINATION AND DISTRIBUTION OF ASSETS

This Agreement may be terminated at any time upon election to terminate by the governing bodies of not less than three-fourths of the member organizations, provided, however, that this Agreement and the Authority shall continue to exist after such termination for the purpose of disposing of all claims, distributing all assets, and performing all other acts necessary to conclude the affairs of the Authority.

Upon termination, all assets of the Authority shall be distributed among the member organizations in proportion to their contribution during the term of this Agreement with an offset for any monies owed to the Authority.

ARTICLE XVIII

FILING WITH SECRETARY OF STATE

Notice of this Agreement, or any amendments to it, shall be filed with the Office of the California Secretary of State within thirty days of its effective date pursuant to Government Codes Section 6503.5.

Exhibit A

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1989-1990
PROPOSED FUNDING FORMULA
CALENDAR 1989

	Projected	Fiscal Year 1989-1990
CITY	Gross Sales	X .55%
Desert Hot Springs	Not a member at this time	
Cathedral City	\$10,242,000	\$56,331
Indian Wells	15,214,182	83,678
Indio	3,910,000	21,505
La Quinta	15,788,909	86,839
Palm Desert	59,403,090	326,717
Palm Springs	70,193,455	386,064
Rancho Mirage	27,598,000	151,789
	<u> </u>	<u> </u>
	TOTAL	\$1,112,923

Note: Projection from City Finance Departments

EXHIBIT A

1990-1991

PROPOSED FUNDING FORMULA

CALENDAR 1990

	Projected	Fiscal Year 1990-1991
CITY	Gross Sales	X .6%
Desert Hot Springs	\$4,625,000	\$27,750
(Desert Hot Springs joined 7/6/90)		
Cathedral City	10,555,556	63,333
Indian Wells	19,195,514	115,173
Indio	5,900,000	35,400
La Quinta	21,000,000	126,000
Palm Desert	46,250,000	277,500
Palm Springs	74,444,444	446,667
Rancho Mirage	27,777,778	166,667
	<u> </u>	<u> </u>
TOTAL	\$209,748,292	\$1,258,490

Note: Projection from City Finance Departments

EXHIBIT A-1

1991-1992

PROPOSED FUNDING FORMULA

CALENDAR 1991

CITY	Projected	Fiscal Year 1991-1992	
	Gross Sales	X	.6%
Desert Hot Springs	\$3,439,000		\$20,634
Cathedral City	9,895,000		59,370
Indian Wells	29,666,667		178,000
Indio	5,500,000		33,000
La Quinta	22,166,667		133,000
Palm Desert	52,000,000		312,000
Palm Springs	87,000,000		522,000
Rancho Mirage	27,777,833		166,667
	<u> </u>		<u> </u>
TOTAL	\$237,445,167		\$1,424,671

Note: Projection from City Finance Departments

EXHIBIT A-2

1 1992-1993

2 PROPOSED FUNDING FORMULA

3 Calendar 1992

4		Projected	FY 1992-93	FY 1992-93	
5	CITY	Gross Sales	X .6%	X 1.4%	TOTAL
6	Desert Hot Springs	\$3,687,926	\$22,128	-0-	\$22,128
7	Cathedral City	10,998,141	31,075	80,066	111,141
8	Indian Wells	28,050,000	-0-	392,700	392,700
9	Indio	6,330,740	37,984	-0-	37,984
10	La Quinta	19,337,845	-0-	270,730	270,730
11	Palm Desert	53,264,338	66,560	590,394	656,954
12	Palm Springs	72,062,921	195,738	552,158	747,896
13	Rancho Mirage	32,000,000	26,880	385,280	412,160
4		<u> </u>	<u> </u>	<u> </u>	<u> </u>
15	TOTAL	\$225,631,911	\$380,365	\$2,271,328	\$2,651,693

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20 Note: Sources: City Finance Departments

21 1991 Year-end Gross Sales; City of Indian Wells Projection - Down Trend

22 City of Rancho Mirage - Westin Mission Hills

23
24 EXHIBIT A-3

1993-1994

PROPOSED FUNDING FORMULA

CITY	Fiscal Year			TOTAL
	Actual	FY 1993-94	FY 1993-94	
	Gross Sales	X .6%	X 1.4%	
Desert Hot Springs		Inactive member		
Cathedral City	\$9,185,163	\$26,292	\$67,244	\$93,536
Indian Wells	29,352,553	3,911	401,810	405,721
Indio	5,437,041	32,622	-0-	32,622
La Quinta	20,404,525	11,502	258,826	270,328
Palm Desert	53,128,056	60,896	601,701	662,597
Palm Springs	68,964,193	170,366	567,978	738,344
Rancho Mirage	37,454,580	10,385	500,133	510,518
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$223,926,111	\$315,974	\$2,397,692	\$2,713,666

Note: Sources: City Finance Departments

EXHIBIT A-4

1994-1995

PROPOSED FUNDING FORMULA

CITY	Fiscal Year			TOTAL
	Actual	FY 1994-95	FY 1994-95	
	Gross Sales	X .6%	X 1.4%	
Desert Hot Springs		Inactive member		
Cathedral City	\$9,500,000	\$25,200	\$74,200	\$99,400
Indian Wells	27,777,778	3,333	381,111	384,444
Indio	5,250,000	31,500	-0-	31,500
La Quinta	19,482,273	10,830	247,482	258,312
Palm Desert	48,042,432	60,480	531,474	591,954
Palm Springs	68,100,439	191,700	506,106	697,806
Rancho Mirage	36,000,000	9,072	482,832	491,904
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$214,152,921	\$332,115	\$2,223,205	\$2,555,320

Note: Sources: City Finance Departments

EXHIBIT A-5

1995-1996

PROPOSED FUNDING FORMULA

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	Fiscal Year			
	Projected	FY 1995-96	FY 1995-96	
CITY	Gross Sales	X .6%	X 1.4%	TOTAL
Cathedral City	\$9,300,000	\$25,800	\$70,000	\$95,800
Desert Hot Springs	4,950,833	29,705	-0-	29,705
(Re-joined the Authority 7/1/95)				
Indian Wells	30,810,786	3,243	423,784	427,027
Indio	5,410,000	32,460	-0-	32,460
La Quinta	21,366,357	12,180	270,709	282,889
Palm Desert	50,555,571	60,000	567,778	627,778
Palm Springs	76,444,429	192,000	622,222	814,222
Rancho Mirage	37,166,667	10,000	497,000	507,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$236,004,643	\$365,388	\$2,451,493	\$2,816,881
Riverside County (annual contribution)		-0-	-0-	31,500
			TOTAL	\$2,848,381

Note: Sources: City Finance Departments

EXHIBIT A-6

1995

ACTUAL FUNDING FORMULA

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CITY	Actual Gross Sales	1995 X .6%	1995 X 1.4%	TOTAL
Cathedral City	\$8,480,124	\$19,027	\$74,325	\$93,352
Desert Hot Springs	2,158,960	12,954		12,954
Indian Wells	33,905,975	4,569	464,023	468,592
Indio	6,345,485	38,073		38,073
La Quinta	23,270,753	13,135	295,143	308,277
Palm Desert	52,750,567	80,946	549,634	630,580
Palm Springs	74,792,529	178,270	631,131	809,402
Rancho Mirage	40,212,860	9,897	539,887	549,784
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$205,350,612	\$356,871	\$2,554,143	\$2,911,014
Riverside County (annual contribution)		-0-	-0-	31,500
			TOTAL	\$2,942,514

Note: Sources: City Finance Departments

EXHIBIT A-7

1996

ACTUAL FUNDING FORMULA

CITY	Actual Gross Sales	1996 X .6%	1996 X 1.4%	TOTAL
Cathedral City	\$8,038,544	\$19,754	\$66,448	\$86,202
Desert Hot Springs	5,117,831	30,707	15,149	45,856
Indian Wells	37,189,611	4,696	509,697	514,393
Indio	6,349,063	38,094		38,094
La Quinta	25,998,636	15,625	327,522	343,147
Palm Desert	56,188,100	85,750	586,550	672,300
Palm Springs	80,570,513	205,050	649,538	854,588
Rancho Mirage	43,740,480	10,619	587,589	598,208
TOTAL	\$263,192,778	\$410,295	\$2,742,493	\$3,152,788
Riverside County (annual contribution)		-0-	-0-	31,500
			TOTAL	\$3,184,288

Note: Sources: City Finance Departments

EXHIBIT A-8

1997

FUNDING FORMULA

	Actual Gross	1997	1997	
CITY	Hotel Sales	X .6%	X 1.4%	TOTAL
Cathedral City	\$8,106,256	\$21,778	\$62,672	\$84,450
Desert Hot Springs	\$5,181,743	\$31,090	0	\$31,090
Indian Wells	\$39,160,033	\$5,255	\$535,980	\$541,235
Indio	\$6,750,742	\$40,504	0	\$40,504
La Quinta	\$28,776,060	\$17,937	\$361,013	\$378,950
Palm Desert	\$60,082,623	\$98,834	\$610,543	\$709,377
Palm Springs	\$90,436,119	\$228,488	\$732,967	\$961,455
Rancho Mirage	\$46,479,736	\$11,623	\$623,597	\$635,220
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$284,973,312	\$455,509	\$2,926,772	\$3,382,281
Riverside County Annual Contribution				\$33,000
			TOTAL	\$3,415,281

Note Sources: City Finance Departments

EXHIBIT A-9

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1998

FUNDING FORMULA

CITY	Actual Gross Hotel Sales	1998 X .6%	1998 X 1.4%	TOTAL
Cathedral City	\$9,665,707	\$24,037	\$79,233	\$103,270
Desert Hot Springs	\$6,263,382	\$31,088	\$15,149	\$46,237
Indian Wells	\$44,368,886	\$4,096	\$611,606	\$615,702
Indio	\$7,428,589	\$44,572	0	\$44,572
La Quinta	\$30,850,080	\$20,916	\$383,097	\$404,013
Palm Desert	\$69,507,942	\$113,712	\$707,784	\$821,496
Palm Springs	\$96,461,293	\$249,076	\$769,280	\$1,018,356
Rancho Mirage	\$48,505,884	\$11,432	\$652,408	\$663,840
TOTAL	\$313,051,763	\$498,929	\$3,218,557	\$3,717,486
Riverside County Annual Contribution				\$34,729
			TOTAL	\$3,752,215

Note: Sources: City Finance Departments

EXHIBIT A-10

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1999

FUNDING FORMULA

CITY	Actual Gross Hotel Sales	1999 X .6%	1999 X 1.4%	TOTAL
Cathedral City	\$11,398,820	\$26,852	\$96,929	\$123,781
Desert Hot Springs	7,216,613	31,968	26,440	58,408
Indian Wells	46,815,903	1,578	651,741	653,319
Indio	8,802,462	52,815	-0-	52,815
La Quinta	33,843,166	22,453	421,414	443,867
Palm Desert	84,470,536	149,718	833,245	982,963
Palm Springs	107,415,950	281,640	846,662	1,128,303
Rancho Mirage	50,795,509	12,914	681,004	693,918
TOTAL	\$350,758,958	\$579,939	\$3,557,435	\$4,137,374
Riverside County Annual Contribution				\$36,465
			TOTAL	\$4,173,839

Note Source: City Finance Departments

EXHIBIT A-11

2000

FUNDING FORMULA

CITY	Actual Gross Hotel Sales	2000 X .6%	2000 X 1.4%	TOTAL
Cathedral City	\$10,744,357	\$25,059	\$91,950	\$117,009
Desert Hot Springs	8,055,190	35,318	30,364	65,682
Indian Wells	47,719,310	1,627	664,274	665,901
Indio	9,575,833	57,455		57,455
La Quinta	39,485,905	26,456	491,072	517,528
Palm Desert	81,315,714	133,860	826,080	959,940
Palm Springs	114,261,929	296,862	906,989	1,203,851
Rancho Mirage	54,025,119	15,764	719,569	735,333
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$365,183,357	\$592,401	\$3,730,298	\$4,322,699
Riverside County Annual Contribution				\$38,288
			TOTAL	\$4,360,987

Note Source: City Finance Departments

EXHIBIT A-12

2001

FUNDING FORMULA

	Actual Gross	2001	2001	
CITY	Hotel Sales	X .6%	X 1.4%	TOTAL
Cathedral City	\$10,959,099	\$30,412	\$82,466	\$112,878
Desert Hot Springs	8,353,548	35,804	33,407	69,211
Indian Wells	42,054,842	1,416	585,465	586,880
Indio	9,584,977	57,510		57,510
La Quinta	37,049,684	24,192	462,248	486,440
Palm Desert	79,878,327	131,193	812,180	943,373
Palm Springs	108,735,173	288,350	849,476	1,137,826
Rancho Mirage	52,613,806	19,196	691,802	710,998
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$349,229,456	\$588,072	\$3,517,044	\$4,105,116
Riverside County Annual Contribution				\$40,202
			TOTAL	\$4,145,318

Note Source: City Finance Departments

EXHIBIT A-13

2002

FUNDING FORMULA

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	Actual Gross	2002	2002	
CITY	Hotel Sales	X .6%	X 1.4%	TOTAL
Cathedral City	\$11,545,062	\$32,309	\$86,242	\$118,552
Desert Hot Springs	7,561,030	31,159	33,150	64,309
Indian Wells	33,163,232	1,263	461,339	462,602
Indio	10,409,432	62,457		62,457
La Quinta	37,800,640	25,290	470,199	495,489
Palm Desert	77,816,218	129,279	787,776	917,055
Palm Springs	105,988,438	284,318	820,430	1,104,748
Rancho Mirage	51,186,622	24,609	659,192	683,801
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$335,470,674	\$590,683	\$3,318,329	\$3,909,012
Riverside County Annual Contribution				\$42,216
			TOTAL	\$3,951,228

Note Source: City Finance Departments - unaudited

EXHIBIT A-14

2003

FUNDING FORMULA

	Actual Gross	2003	2003	
CITY	Hotel Sales	X .6%	X 1.4%	TOTAL
Cathedral City	\$12,143,364	\$33,972	\$90,738	\$124,711
Desert Hot Springs	7,546,972	30,979	33,373	64,352
Indian Wells	43,456,199	895	606,296	607,192
Indio	10,512,604	63,076		63,076
La Quinta	36,827,119	25,750	455,497	481,247
Palm Desert	80,331,558	171,511	724,450	895,961
Palm Springs	101,454,735	302,475	714,591	1,017,066
Rancho Mirage	51,044,067	21,820	663,712	685,532
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$343,317,078	\$650,477	\$3,288,659	\$3,939,136
Riverside Courty Annual Contribution				\$44,323
			TOTAL	\$3,983,459

Note Source: City Finance Departments - unaudited

EXHIBIT A-15

1 CONTRIBUTIONS

2 The formula shall be equal to six-tenths of one percent (.6%) of all taxable gross hotel room
3 rentals and an amount equal to eight tenths of one percent (.8%) of the taxable gross hotel room
4 rentals of Convention Meeting Hotels; provided, that if a member city prior to June 1, 1993, shall
5 give notice of withdrawal from membership, that city shall pay during the 1993-1994 fiscal year
6 a contribution equal to six tenths of one percent (.6%) of all taxable gross hotel room rentals.

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21 Footnote: Provided that any changes to the foregoing Exhibit conform with Article XVI of the
22 JPA Agreement.

23
24 EXHIBIT C

Exhibit B

1 DEFINITIONS

2 "Convention Meeting Hotel". A Convention Meeting Hotel as defined in this agreement shall
3 have the same meaning as "Group Meeting Hotel" to wit":

4 A hotel meeting the following criteria:

5 A) A minimum of 125 rooms,

6 B) Meeting space for 125 people, and

7 C) Has personnel specifically employed, other than the general manager or director, whose
8 primary job responsibility is group sales.

9 Provided that a member city, for good cause, may exclude a hotel from or include a hotel in the
10 category of Convention Meeting Hotel upon a showing that such hotel does or does not receive
11 services from the Authority.

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20 Footnote: Provided that any changes to the foregoing Exhibit conform with Article XVI of the
21 JPA Agreement.

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25 EXHIBIT B
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Exhibit C

