

**MEMORANDUM OF UNDERSTANDING BETWEEN MIDDLESEX COUNTY,
VIRGINIA AND ECONOMIC DEVELOPMENT AUTHORITY OF MIDDLESEX
COUNTY, VIRGINIA**

A Memorandum of Understanding (MOU) entered into this 5th day of May, 2021, by and between Middlesex County Board of Supervisors (BOS) and Economic Development Authority of Middlesex County, Virginia (EDA), sometimes collectively referred herein as “the parties”.

WHEREAS, the Middlesex County Board of Supervisors adopted a Transient Occupancy Tax on April 3, 2018 and amended the Ordinance on June 2, 2020 to increase the tax rate from 2% to 5%, effective June 1, 2020.

WHEREAS, pursuant to Virginia Code Section 58.1-3819, the excess 3% increase of the Transient Occupancy Tax is to be designated and spent solely for tourism and travel and marketing of tourism or initiatives that, as determined after consultation with the local tourism industry organizations, including representatives of lodging properties located in the County, will attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality; and

WHEREAS, the statutory requirements of Virginia Code Section 58.1-3819 could be satisfied by tourism programs operated by the Economic Development Authority of Middlesex (EDA); and

WHEREAS, the Board of Supervisors believe that the EDA has the resources and programs in place to meet the statutory requirements of Virginia Code Section 58.1-3819 and agrees to appropriate an amount of funding equal to the excess 3% of the County’s Transient Occupancy Tax to the EDA to promote tourism, economic growth, and support the lodging industry of Middlesex County.

NOW THEREFORE, in consideration of the foregoing recitals and mutual covenants set forth herein and other good and valuable consideration, the parties hereby agree as follows:

1. Board of Supervisors (BOS) will pay to EDA an amount of funding equal to the excess 3% of the County’s Transient Occupancy Tax to the EDA beginning July 1, 2021, subject

to appropriation; and will continue to pay such amount to EDA on a monthly basis. EDA shall use the Transient Occupancy Tax monies only for purposes outlined in Virginia Code Section 58.1-3819. EDA shall meet, at least annually, with the lodging industries representatives to receive feedback and recommendations from the lodging industry on how best to use the monies received from BOS to increase overnight tourism in Middlesex County. EDA shall provide an annual report to BOS on its projects and utilization of the Transient Occupancy Tax monies.

2. BOS shall continue to provide one full-time and one part time County employee, currently Michelle Brown and Holly Oliver, as support staff to EDA. These County employees will be subject to County personnel policies, but work for and report only to the EDA. In exchange for providing a full-time and a part time employee, EDA shall annually appropriate an amount of funding to Middlesex County in the amount of the employees' salary, which shall include any and all benefits received by the employees. The EDA shall be able to terminate these County employees. The BOS may do so only with the consent of the EDA.

3. BOS shall provide EDA with approximately 384 square feet of office space in a County owned facility, two computers, provide printer access, and provide IT support which will include email support.

4. BOS agrees to allow EDA adequate website access on the County's website to promote EDA projects and tourism in Middlesex County.

5. BOS agrees to continue to provide support services to EDA in the following ways: (1) accounts payable and receivable; (2) banking and treasury services as are currently being provided in April 2021; (3) receive, account for, segregate and maintain all revenue and all other money, grants, contributions, and other financial assistance received by EDA; (4) tracking the receipt of fees due (5) accept the EDA Director's approval for invoices that fall within EDA's approved annual budget; (6) obtain EDA approval for invoices not contained in the EDA's approved annual budget prior to processing payment; (7) provide timely monthly financial reports in a mutually agreeable format; (8) assure that its record-keeping and accounting practices are in accordance with Generally Accepted Governmental Accounting Standards and in accordance with

the EDA's procurement policy; (9) obtain W-9 forms and issue 1099 forms in accordance with IRS rules and regulations; and (10) provide legal counsel to EDA.

6. EDA shall continue to pay for its own audit. Both parties shall assist external auditors by provided required information and documents for the annual audits.

7. EDA shall have its own designated FOIA Officer.

8. EDA shall adopt its own procurement policies.

9. This MOU may be modified or amended only with the written agreement of both Parties, and all amendments shall be attached to this MOU.

10. It is understood and agreed between the parties herein that the County of Middlesex shall be bound hereunder only to the extent of the funds available or which may hereafter become available "subject to appropriation" by the Board of Supervisors of Middlesex County for the purpose of this agreement.

11. This MOU may be terminated by either party for convenience with 90 days written notice to the other party.

12. The parties hereby acknowledge and consent to the representation of BOS and EDA by Heather Lewis, as County Attorney and Authority Attorney, and waive any conflict of interests to her dual representation, if there should be any. The parties further understand that communications and information which might otherwise qualify as client-confidential as to one party may be shared by Ms. Lewis with the other party; and the parties waive any claim to the confidentiality of such communications and information.

Signatures:

Middlesex County Board of Supervisors

Economic Development Authority

Date: 5/5/21

Date: 4-20-21

By: Wayne H. Jessie Sr.

By: Gordon White

Name: Wayne Jessie, Sr.

Name: Gordon White

Title: Chairman of Middlesex County
Board of Supervisors

Title: Chairman of Economic
Development Authority of
Middlesex County

Approved as to form: Heather W. C.
County Attorney