



# Discover Denton Transition

Discover Denton  
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Director

# INTRODUCTION



Purpose: Provide background and update on the evolution of Discover Denton and the transition to an independent Destination Management and Marketing Organization (DMMO).



## OVERVIEW

Established in 1976

Historically overseen by the Denton Chamber of Commerce as a line of business

Current transition toward creating an independent 501 (c)(6) organization to support Denton's growth

# Significant Growth Driving Structural Reassessment

- City of Denton experienced rapid population and economic growth
- Tourism activity increased significantly.
- Revenue Growth:
  - Increased HOT Collections
  - Establishment of Denton Tourism Public Improvement District (TPID)
  - Growth triggered need to evaluate a scalable, future-focused DMMO Model



# Evaluation of DMO Structure 2024

- The City of Denton initiated an evaluation of the three primary organizational models for Convention and Visitors Bureaus (CVBs)/Destination Marketing Organization (DMOs)/Destination Management and Marketing (DMMOs) to determine the structure best suited to support the community's growing tourism needs.



Independent Organization



City Division



Chamber of Commerce  
Division

# Formation of Cross-Sector Evaluation Team (March 2024)

Charged with analyzing structure options, national and Texas DMO benchmarks, and anticipated growth impacts

- City of Denton
- Denton Chamber of Commerce
- Local Hotel Representatives



# Joint Presentation Summary – August 2, 2024

## Collaborative Recommendation

- Transition Path  
Chamber -> City (**temporary**) -> Independent DMO
- Original Target: Independence by June 2025
  - Hiring new Executive Director did not occur until June 2025, delaying initial implementation milestone.
- New Target: April 2026



# Compare/Contrast City of Denton Oversight

## PREVIOUS MODEL

- Community Partnership Community Allocates Hotel Occupancy Tax (HOT) Funds - Discover Denton Operations
- Under Chamber of Commerce
  - *Denton Chamber of Commerce Board of Directors* was the governing/voting body with formal authority and fiduciary responsibilities
    - *Discover Denton Advisory Board* provided recommendations to the Denton Chamber of Commerce Board of Directors with no governance authority
    - 2 City Council Members

## INDEPENDENT MODEL

- Community Partnership Committee Allocates Hotel Occupancy Tax (HOT) Funds – Discover Denton Operations
- Denton Destination Management and Marketing Organization – D.B.A Discover Denton
  - *Discover Denton Board of Directors* will be the governing body with formal authority and fiduciary responsibilities
    - City of Denton Gains One Voting Seat on Board of Directors
    - City of Denton Gains One Ex-Officio Member of the Board of Directors

# Progress Towards Independence (2026)

- Draft Bylaws created for new Denton Management and Marketing Organization Board of Directors
  - Bylaws were modeled after the Denton Tourism Public Improvement District's Bylaws that were *approved* by *City Council* in 2024
  - Approved by *Discover Denton Advisory Board* on October 29, 2025
  - Transition Executive Committee Elected
    - Chair – Glenn Carlton (North Texas Fair and Rodeo)
    - Vice-Chair/Treasurer – Seth Morgan (Denton County Brewing Company)
    - Secretary – Emily Wright (TPID Board Chair & General Manager Homewood Suites)
  - *Discover Denton Advisory Board* recommends the *Denton City Council* to formally approve these bylaws (attached to presentation for review)

# Bylaws for Consideration

- Official Destination Management and Marketing Organization for the City of Denton, TX
- Board of Directors - serving a Three (3) Year Terms Staggered Terms
  - Eleven (11) Voting Directors
    - Four Hotels – One (1) nominee from the Denton Tourism Public Improvement Board, One (1) nominee from the Denton Convention Center/Embassy Suites, and Two (2) nominees from Hotels Located in the City of Denton, TX
    - Two (2) nominees from Attractions/Events/Venues
    - One (1) nominee from the Denton City Council
    - One (1) nominee from the Leadership of the Denton Chamber of Commerce
    - One (1) nominee from a Dining and Drinking Establishment
    - One (1) nominee from the Denton Main Street
    - One (1) nominee from the Greater Denton Arts Council

# Bylaws for Consideration Continued

- Board of Directors
  - Four (4) Ex-Officio Members
    - Two (2) representatives At-Large
    - One (1) nominee from the Denton City Council
    - One (1) nominee from the Denton City Staff
- Meetings – Meet Monthly
- Executive Committee – Will Appoint Remainder of the Board of Directors
  - Chairperson
  - Vice-Chairperson/Treasurer
  - Secretary
  - CEO/Executive Director – Employed by Denton Destination Management Marketing Organization to Manage Day to Day Operations & Implement Policies and Procedures established by the Board of Directors
- Fiscal Year – January 1 – December 31<sup>st</sup> (Same as HOT Fund Program Year)

# Steps Requested



APPROVE THE BYLAWS FOR THE NEW INDEPENDENT  
DENTON DESTINATION MANAGEMENT AND  
MARKETING ORGANIZATION (DMMO)



INSTRUCT THE CITY'S REPRESENTATIVE TO FILE THE  
CERTIFICATE OF FORMATION, FORMALLY  
ESTABLISHING THE NEW DMMO UNDER TEXAS LAW

# Legal Formation of the DMMO

## City Staff Files Certificate of Formation with the Secretary of State

- City Staff Submits Certificate of Formation with the Texas Secretary of State
- Once formation has been completed, file for 501 (c)(6) organization
- Dissolution of the Discover Denton Advisory Board

## Organizational Meeting of the DMMO Board

- Initial DMMO Board Meeting Holds Organizational Meeting
  - Adopts Bylaws Formally
  - Appoint Full Board of Directors as Defined of Bylaws
  - Elect Officers
    - Chairperson
    - Vice Chairperson/Treasurer
    - Secretary

# Operational Readiness & Business Services

- Working in Partnership with the Denton Chamber of Commerce, identified the following local business services:
  - Banking
  - Business Insurance
  - Employee Benefits – No Lapse in Employment, Benefits or Coverages
    - Health & Wellness
      - Benefit Packages Equal to or Better than Current City Offerings
      - Costs Equal to or Better than Current City Offerings
    - Retirement
  - HR Systems and Administration
  - Accounting, Financial, and Payroll Systems Identified

# Development and Approval of Agreements By City Council

- Review and Approve the Following Agreements
  - Asset Transfer Agreement (equipment, files, records)
  - Hotel Occupancy Tax (HOT) Agreement
  - Intellectual Property (IP) License
  - Development Services Center (DSC) Lease
  - Visitor Center Lease Assignment



# **DMMO Board Approval and Execution of Agreements**

Review and Approve All  
Agreements as Approved in  
form by City Council

# Transition of Staff and Operations

Discover Denton Staff Transition from City to DMMO  
Employment



Terminate City Employment and Begin Employment to DMMO  
Employment



Ensure Continuity of Benefits, Retirement Plans, and Payroll Processes