

**DISCOVER  
DENTON TX**

# Transition of Discover Denton to an Independent DMMO

April 7, 2026



7/2025 ID 26-0418

# PURPOSE

- Provide an overview of the transition from Discover Denton to an independent DMMO
- Highlight key milestones and actions completed
- Outline final steps required for full independence
- Request Council authorization to execute the Acquisition Agreement

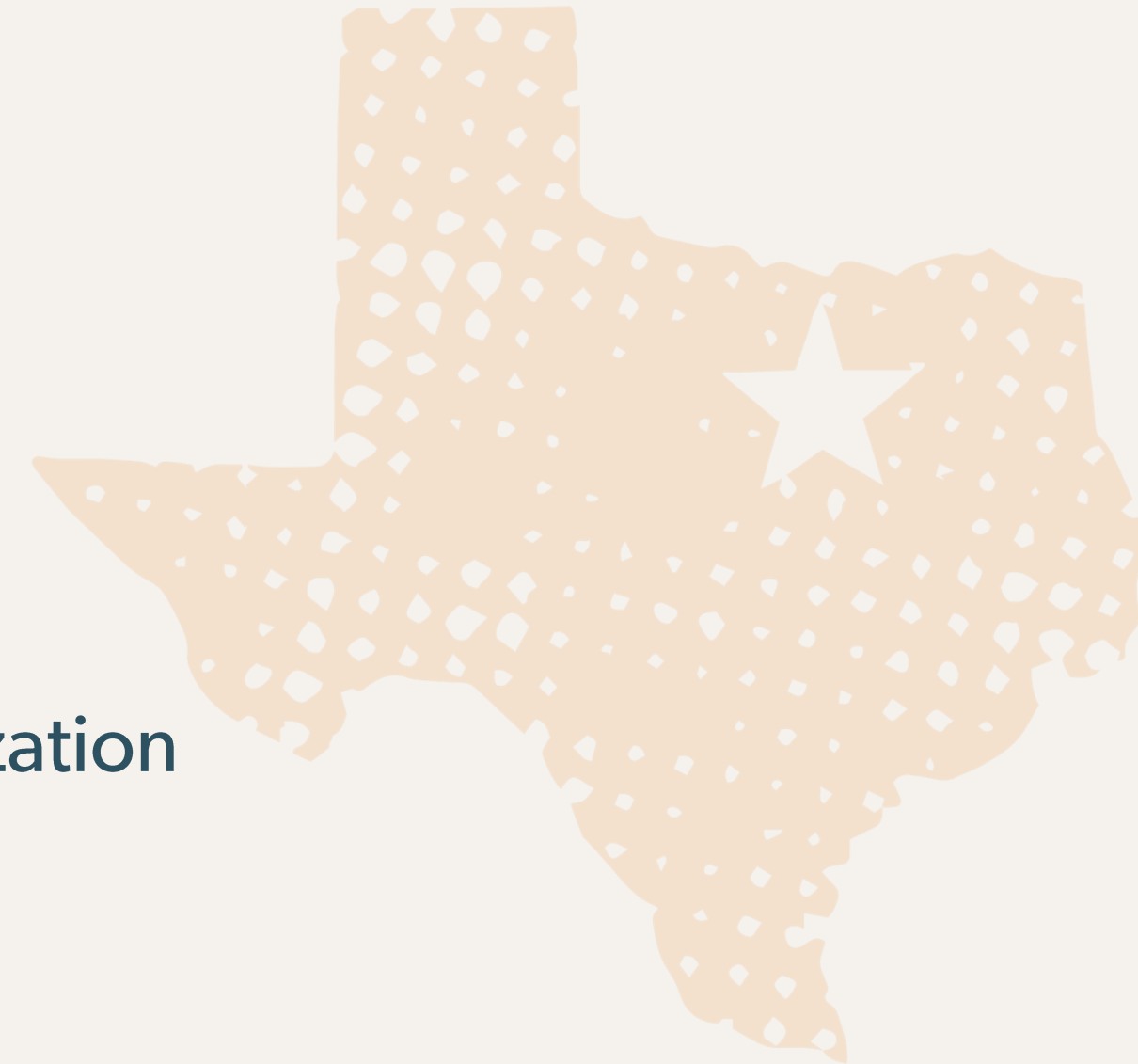
# BACKGROUND

December 17, 2024: City Council approved Ordinance No. 24-2486

## Authorized:

- Acquisition of Discover Denton assets from the Chamber
- Assumption of contracts by the City
- Amendment to lease agreement

Established long-term plan to transition to an independent organization



# TRANSITION VISION

- Establish a stand-alone Destination Management & Marketing Organization
- Increase operational flexibility and efficiency
- Align with best practices for DMO/DMMOs statewide and nationally
- Strengthen tourism's economic impact for Denton



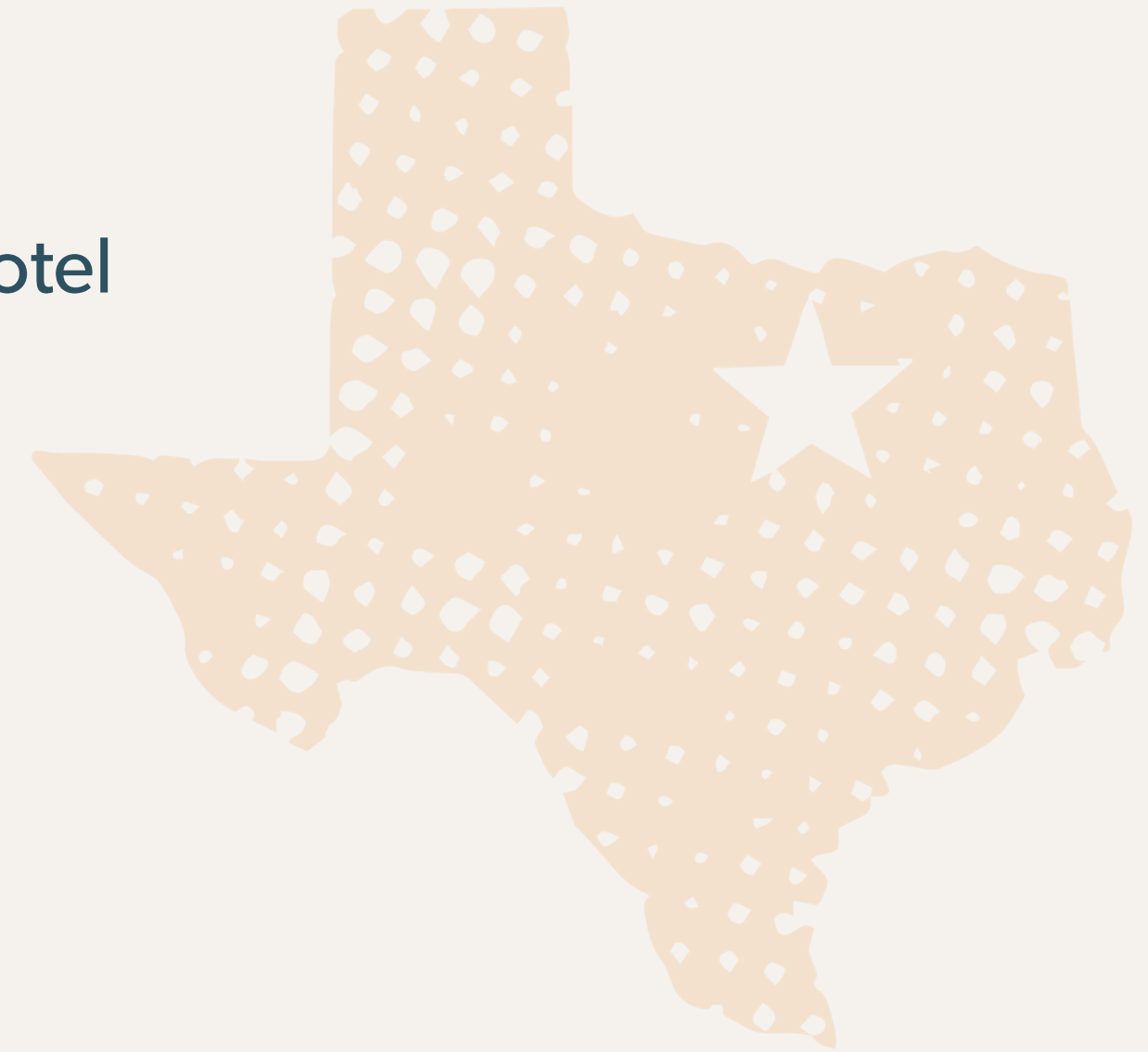
# LEGAL FORMATION MILESTONES

- **February 3, 2026:**
  - Proposed Bylaws presented to City Council during Work Session for review and feedback
- **February 17, 2026:**
  - City Council approved bylaws
  - Authorized filing of Articles of Incorporation
- **February 18, 2026:**
  - Articles filed with the State of Texas
- **March 3, 2026:**
  - EIN issued by IRS
  - Official formation as a 501(c)(6)



# FUNDING TRANSITION

- March 20, 2026:
  - Application submitted to Community Partnership Committee
  - Request to transfer remaining FY 2025–26 HOT funds
  - Committee reviewed and provided direction to award Hotel Occupancy Tax (HOT) funds to the Denton DMMO for Program Year 2026



# WHERE WE ARE TODAY

- ✓ Legal entity established
- ✓ Governance structure in place
- ✓ Funding pathway approved
- ✓ Pathway for operational independence established

April 7, 2026: ID 26-0418



# CURRENT STEP – ACQUISITION AGREEMENT

The first phase of transition requires execution of an Acquisition Agreement between:

- City of Denton
- Denton DMMO

Establishing a Formal Licensing Agreement Between the City and the DMMO for the Continued Use of the 'Discover Denton' Intellectual Property

# ASSET TRANSFERS

- Transferring Related Assets from the City to the DMMO
  - All Inventory
  - Tangible Personal Property
  - Contracts
  - Intellectual Property License



# COMING SOON:

- **LEASE ASSIGNMENT & FACILITY USAGE**

- Lease agreement transfer of current lease for the Visitors Center Space, located at 111 W. Hickory Street from the City to Denton DMMO
- Establishing a lease agreement with the City for the office space currently occupied by the DMMO within the Development Services Center

- **HOT FUND AGREEMENT**

- Agreement to transfer remaining HOT funds allocated to Discover Denton to the Denton DMMO

# STAFFING TRANSITION

- Current Discover Denton staff will:
  - Be offered employment with the Denton DMMO
  - Receive comparable compensation and benefits

*Ensures continuity of operations and team stability*



# CONCLUSION

## **Today's Request:**

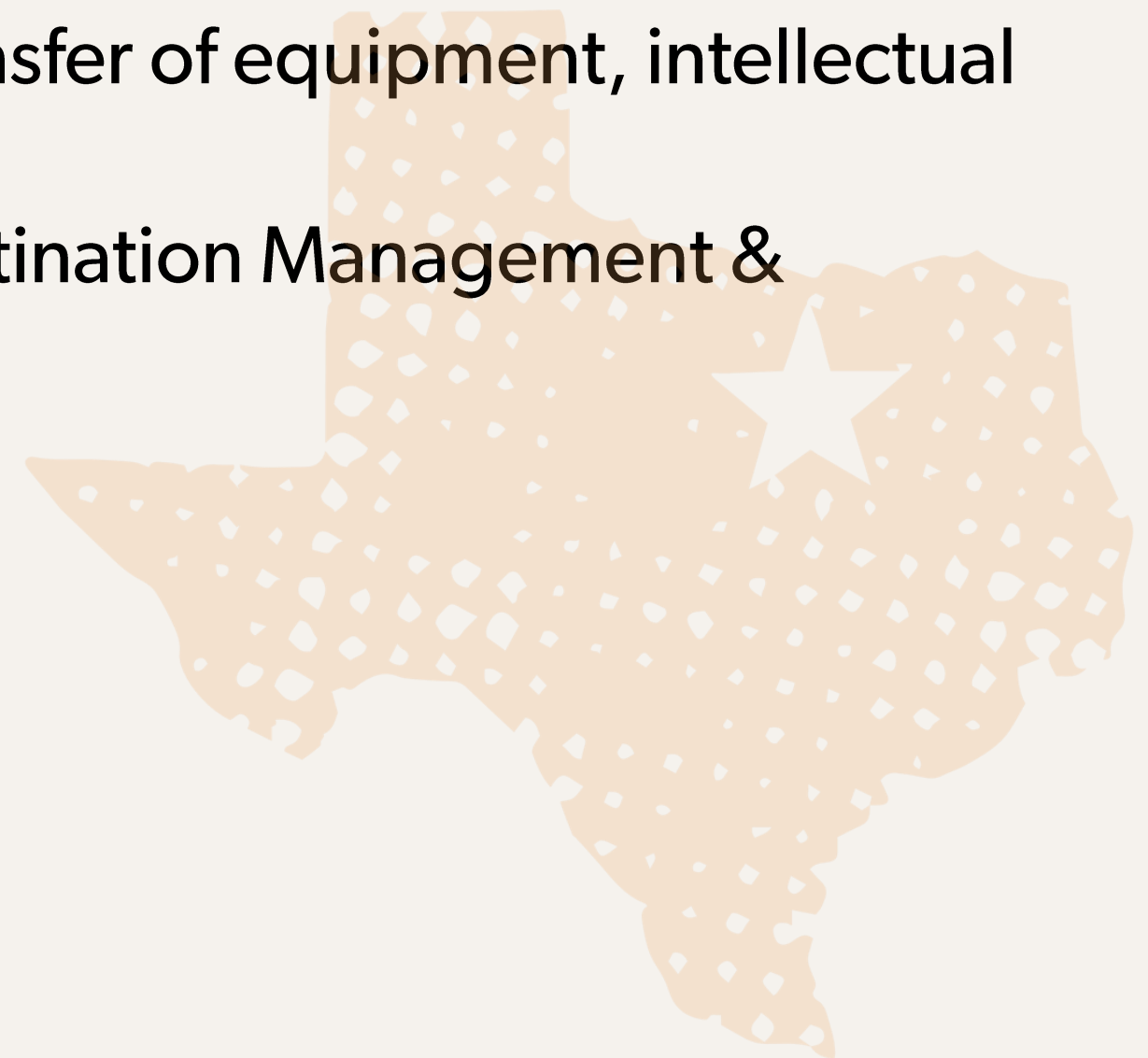
- Council approval to for staff to execute the Acquisition Agreement with Denton DMMO
  - Approval of the Acquisition Agreement allows City to take steps necessary for Denton DMMO to have operational Independence

## **Coming Soon:**

- Council approval for staff to execute the HOT Fund Transfer Agreement to Denton DMMO
- Council approval for staff to execute the Lease Transfer Agreements to Denton DMMO

# Recommendation

Staff Recommendation: Adopt an Ordinance authorizing the Interim City Manager to execute the Acquisition Agreement and Ancillary Agreements for the transfer of equipment, intellectual property and other assets of Discover Denton to the Denton Destination Management & Marketing Organization.



**QUESTIONS?**



**THANK YOU**

