

RESOLUTION NO. 2020-187


BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WACO, TEXAS:

That the format and terms of the proposed petition, Service and Assessment Plan, and assessment rate for the Waco Tourism Public Improvement District, as shown on the attached Exhibit 1, are approved.

That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by law.


PASSED AND APPROVED this 17th day of March, 2020.

DocuSigned by:


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Kyle Deaver, Mayor
City of Waco, Texas


ATTEST:

DocuSigned by:

37E1F459E032456...

Esmeralda Hudson, City Secretary



APPROVED AS TO FORM & LEGALITY:

DocuSigned by:

FEF91DC894424F4...

Jennifer Richie, City Attorney

EXHIBIT 1

DRAFT PETITION

Petitioners present the following information concerning the proposed creation of a Waco Tourism Public Improvement District:

1. **District Name.** The name of the district will be the Waco Tourism Public Improvement District (the "District.")
2. **District Location.** The District will be located wholly within the City of Waco, Texas (the "City"), a Texas home rule municipality. The proposed boundaries of the proposed assessment district are as shown on the attached map marked Exhibit "A" and shall solely include non-contiguous hotel properties with 75 or more rooms within the City of Waco as shown on the attached list marked Exhibit "A-1".
3. **Purpose of the District.** The purpose of the District will be to enhance services, undertake certain improvements, in particular, special supplemental services relating to the District limited to advertising and promotion activities and business recruitment activities that are authorized by the Act for improvement and promotion of the district, including the provision of incentives by the Waco Tourism Public Improvement District to organizations to encourage them to bring their large and city wide meetings to Waco and additional marketing by the Waco Tourism Public Improvement District to increase hotel stays within the City. The District will supplement and enhance the services provided by the Waco Convention and Visitors Bureau within the area of assessment.
4. **Method of Assessment.** The District assessment will be levied on hotels with 75 or more rooms located within the City of Waco. The proposed cost of the services and improvements to be provided shall be assessed in a manner that results in imposing equal shares of the cost of the services on hotels that are similarly benefitted. Under the Act, the apportionment of the cost of the services among property in the TPID territory must be made on the basis of special benefits accruing to the property because of the services and improvements provided. The total cost of the services and improvements to be provided shall be apportioned during the year based on a rate of 2 percent (2%) of taxable room-nights sold at qualifying hotels located within the District. Accordingly, those qualifying hotels that sell more rooms will pay a greater portion of the assessment since those properties benefit more from the incentives and the promotion and marketing services provided by the District. Room night sales that are not subject to the City's hotel occupancy tax shall not be subject to the District assessment. The total assessment must be reviewed and approved annually by the Waco City Council. The total assessment amount for the District term may be equal to or less than the amount budgeted in the service plan, but it shall not be more than the amount budgeted in the service plan approved by the petitioners, attached as Exhibit "B."
5. **Estimated Cost: No Bonded Indebtedness.** During the proposed ten (10) year period, the estimated annual cost of improvements and services provided by the District are

estimated to range from about \$1,576,067 to about \$5,139,239 dollars annually; however, in no event shall the assessment amount exceed two percent of the price paid to hotels for a room in a hotel. The District shall not incur bonded indebtedness. The service plan budget and assessment amount are subject to annual review by the tourism public improvement district board, and are subject to an annual public hearing and approval by the Waco City Council.

6. **Apportionment of Cost Between the District and the Municipality as a Whole.** The District shall pay the cost of the supplemental services described in this petition by assessment against the hotels with 75 or more rooms within the District.
7. **District Management.** The District shall be managed by a private nonprofit corporation created under the provisions of the Texas Business Organizations Code. The Waco City Council will review and approve annually the service plan and assessment plan, and determine and levy assessments. The Waco Tourism Public Improvement District Management Corporation will manage the operations of the District pursuant to a contract with the City. The Waco Tourism Public Improvement District service plan shall be subject to adjustment of up to 10 percent of the funds within approved budget categories.
8. **District Dissolution.** The District shall automatically dissolve in ten years unless renewed or dissolved through the petition and approval process as provided by the Act.
9. **Headings.** The headings of the paragraphs contained in this Petition are for the convenience of the reader and do not constitute a part of this Petition. This petition may be executed in multiple counterparts.
10. **Request for the Creation of the Waco Tourism Public Improvement District.** The persons signing the Petitions request or concur with the creation of the District and request that this Petition be considered at the earliest possible time and that the Waco City Council take the lawful steps necessary to approve the creation of the District, authorize the services and improvements described herein, levy the necessary assessments to pay for the improvements and services and take any additional actions by law for the benefit of the District.

STATE OF TEXAS §

CITY OF WACO §

TO: THE MAYOR AND CITY COUNCIL OF THE CITY OF WACO, TEXAS

APPROVAL OF PETITION AND VERIFICATION OF SIGNATORY AUTHORITY

Full Legal Name of Hotel: _____

Address of Hotel: _____

(County Appraisal District) Listing of Hotel Owner: _____

(County Appraisal District) Listing of Hotel Owner Address: _____

I, the undersigned, am a duly authorized representative of the Hotel identified above (hereinafter referred to as "Hotel") and acknowledge that the record owner of this Hotel would be liable for the assessment under the proposed City of Waco Tourism Public Improvement District.

By executing this **Approval of Petition and Verification of Signatory Authority**, I am requesting establishment and inclusion of the Hotel within the proposed Waco Tourism Public Improvement District (WTPID). I hereby certify on behalf of the Hotel that the individual and/or position identified below has the authority to legally bind the Hotel and to execute the Tourism Public Improvement District petition on the Hotel's behalf. I affirm that such binding authority has been granted by the Hotel's ownership group.

By virtue of the same (singular) signature below, I do request on behalf of the Hotel that the City Council of the City of Waco, Texas include the above noted hotel within the proposed Waco Tourism Public Improvement District (TPID) under the Public Improvement District Assessment Act, V.T.C.A. Local Government Code, Chapter 372 (The 'Act'), so that the powers granted under the Act may be exercised by the City of Waco.

Name: _____

Please print name of Owner/Authorized Representative of Hotel Ownership Group (May be Hotel GM if GM is authorized to sign on behalf of Hotel Ownership Group)

Signature of Owner/Authorized Representative of Hotel Ownership Group (May be Hotel GM if GM is authorized to sign on behalf of Hotel Ownership Group)

Title of above Signatory _____

Name of Entity Employing Above Signatory (e.g.; name of hotel ownership group, hotel, or management company, etc.)

Date: _____

Note: The Hotel signatory further represents, affirms, and certifies that, with respect to the creation and implementation of the Tourism Public Improvement District, the City is fully entitled to rely on the warranty and representation set forth in this form for purposes of creation of the proposed Waco Tourism Public Improvement District unless and until the City receives written notice from the Hotel of a change. The Hotel acknowledges that they are solely responsible for ensuring that the City is provided with an updated form within ten (10) business days of any change to the signatory authority.

EXHIBIT A Waco City Limits

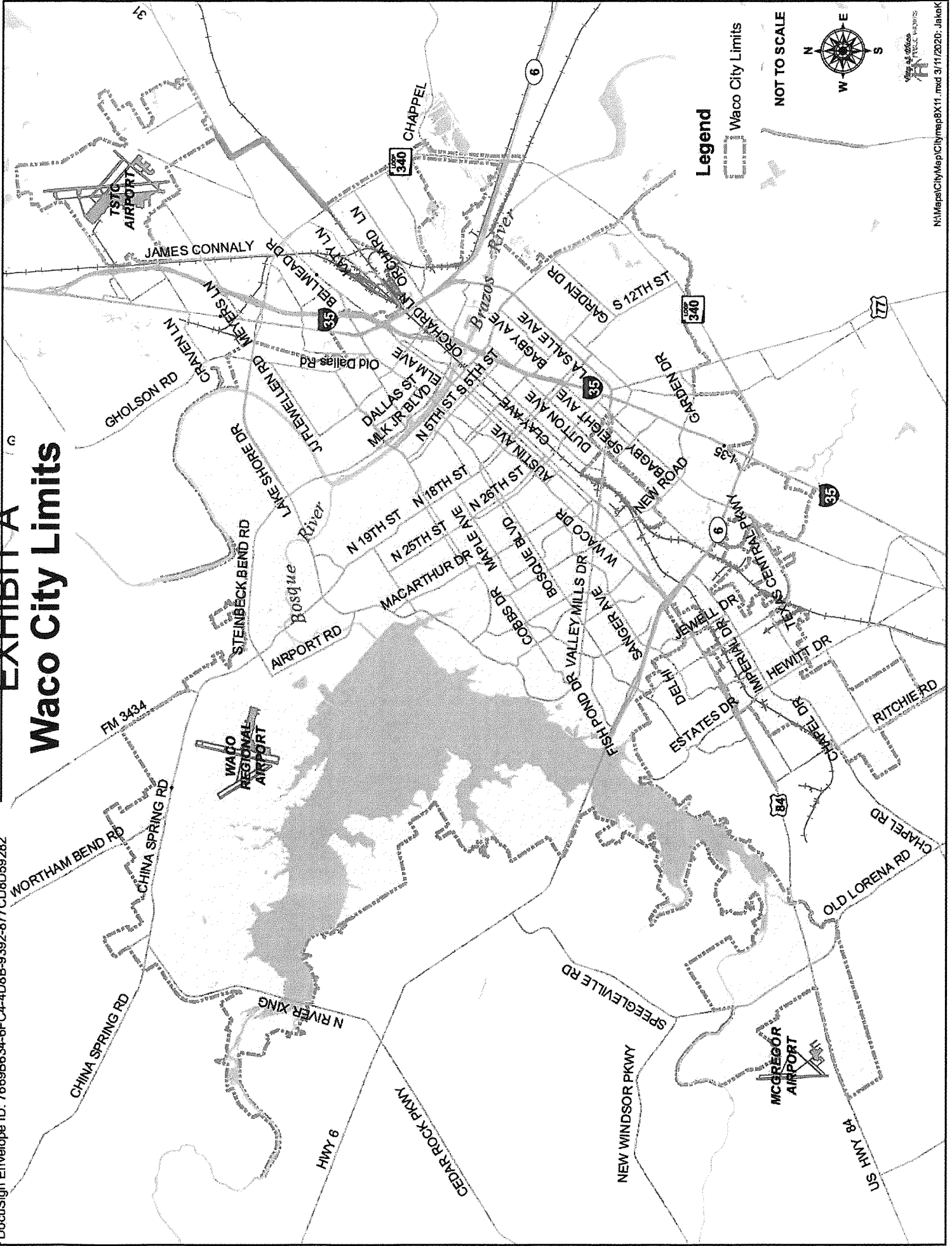


EXHIBIT A-1

TPID Hotel List

	Address	City	Zip	# Rms	#
Candlewood Suites	2700 S NEW ROAD	Waco	76711	99	1
Comfort Suites Waco North	810 N IH 35	Waco	76705	94	1
Courtyard by Marriott	101 WASHINGTON AVE	Waco	76701	153	1
Hampton Inn & Suites Waco South	2501 MARKETPLACE DR	Waco	76711	123	1
Hilton Garden Inn	5800 LEGENDLAKE PKWY	Waco	76712	111	1
Hilton Waco	113 S UNIVERSITY PARKS DR	Waco	76701	195	1
				120	1
Holiday Inn Express & Suites	5701 LEGENDLAKE PKWY	WOODWAY	76712		
Home2 Suites	2500 BAGBY AVE	Waco	76711	105	1
Homewood Suites	5620 LEGENDLAKE PKWY	WOODWAY	76712	88	1
Hotel Indigo	211 CLAY AVE	Waco	76706	111	1
La Quinta Inn & Suites	911 S 10th St	Waco	76706	101	1
Motel 6	3120 S IH-35	Waco	76706	110	1
Residence Inn	501 S UNIVERSITY PARKS DR	Waco	76706	78	1
Super 8 University	1320 S JACK KULTGEN EXPWY	Waco	76706	78	1
TownePlace Suites	5621 LEGENDLAKE PKWY	Woodway	76712	93	1
Aloft (Under Construction)	900 S 11TH ST -930	Waco	76706	115	1
Hyatt Place (Under Construction)	5400 BAGBY AVE	Waco	76711	125	1
Residence Inn (Under Construction)	2424 MARKETPLACE DR	Waco	76711	104	1
Springhill Suites by Marriott (Under Construction)	115 S JACK KULTGEN EXPWY	Waco	76706	125	1
Tru by Hilton (Under Construction)	2408 MARKETPLACE DR	Waco	76711	98	1
Cambria Suites (Proposed)	209 Bridge	Waco	76704	132	1
Element Hotel (Proposed)	2200 ROBINSON DR -2308	Waco	76706	105	1
EVEN Hotel (Proposed)	209 Bridge	Waco	76704	128	1
Staybridge Suites (in Plan Review)	702 S 06TH ST AND 705 S 05TH ST	Waco	76706	81	1
Holiday Inn Express (Proposed)	101 TAYLOR ST	WACO	76704	101	1
Hyatt Place Downtown Waco (Proposed)	301 S 03RD ST	Waco	76701	110	1
Embassy Suites (Proposed)	301 S 02ND ST	Waco	76701	168	1
AC Hotel by Marriott (Proposed)	301 S. 6th St & 325 S. 6th St	Waco	76701	182	1

GRAND TOTAL

3,233 28

EXHIBIT B

Waco Tourism Public Improvement District (WTPID)

FINAL Draft Service & Assessment Plan

As of March 10, 2020

PROJECTED EXPENDITURES

The WTPID budget will be allocated on a percentage basis as shown in the table below.

SERVICE	%	\$
Marketing (Advertising & Promotion)	45%	\$ 15,423,285
Sales (Business Recruitment)	40%	\$ 13,709,587
Tourism Research	8%	\$ 2,741,917
Administration	7%	\$ 2,399,177
TOTAL	100%	\$ 34,273,967

The estimated budget for the years 2020-2030 is shown in the table below. The estimated budget is forecast to increase by ten percent (10%) per year. Expenditures of the TPID are limited to actual collections, which cannot exceed the 2 percent (2%) fee on each occupied room as defined in the petition. If actual receipts exceed estimates, those dollars will still be transferred to the TPID for use in the subsequent year of the service plan according to the established Service Plan allocations. The TPID will follow established statutory procedures for the addition of newly built eligible hotels into the Waco TPID.

Year	Marketing (Advertising & Promotion)	Sales (Business Recruitment)	Tourism Research	Administration	Total
	45%	40%	8%	7%	100%
2020*	\$237,458	\$211,074	\$42,215	\$36,938	\$ 527,685
2021	\$709,230	\$630,427	\$126,085	\$110,325	\$ 1,576,067
2022	\$904,955	\$804,404	\$160,881	\$140,771	\$ 2,011,010
2023	\$1,186,759	\$1,054,897	\$210,979	\$184,607	\$ 2,637,242
2024	\$1,305,435	\$1,160,386	\$232,077	\$203,068	\$ 2,900,966
2025	\$1,435,978	\$1,276,425	\$255,285	\$223,374	\$ 3,191,063
2026	\$1,579,576	\$1,404,068	\$280,814	\$245,712	\$ 3,510,169
2027	\$1,737,534	\$1,544,474	\$308,895	\$270,283	\$ 3,861,186
2028	\$1,911,287	\$1,698,922	\$339,784	\$297,311	\$ 4,247,305

2029	\$2,102,416	\$1,868,814	\$373,763	\$327,042	\$ 4,672,035
2030	\$2,312,657	\$2,055,695	\$411,139	\$359,747	\$ 5,139,239
Total	\$15,423,285	\$13,709,587	\$2,741,917	\$2,399,178	\$34,273,967

**2020 receipts will depend on exact start date of assessment*

PROJECTED WACO TOURISM PUBLIC IMPROVEMENT DISTRICT SERVICES

Increased Marketing (Advertising and Promotion) Initiatives: 45% - \$15,423,285

Forty-five percent (45%) of the annual budget shall be targeted for increased marketing (advertising and promotion) initiatives to drive more hotel activity to Waco. Up to 10% variance can be allowed in the amount to be allocated under this category. Amounts within this category that are not used by the end of the fiscal year may be rolled over within the same budget category in the following year's budget.

The Marketing (Advertising and Promotion) program will promote hotel activity within the District for increased business travel, leisure, meeting, and event business at District hotels. The program will set out to increase room night sales and may include, but is not limited to, the following activities.

- Increased internet marketing (advertising and promotion) efforts such as email blasts, digital ads, programmatic placements, to grow awareness and drive higher overnight visitation and room sales to assessed hotels within the District;
- Additional print ads in magazines and newspapers targeted at potential visitors to drive increased overnight visitation to assessed hotels within the District;
- Increased television ads targeted at potential visitors to drive greater overnight visitation to assessed hotels within the District;
- Additional radio ads targeted at potential visitors to drive increased overnight visitation and room sales to assessed hotel properties within the District;
- Preparation and production of new collateral and promotional materials such as brochures, flyers and maps to increase room night activity;
- Development and implementation of an enhanced and new public relations and communications strategy, designed to increase overnight visitation at assessed hotels within the District;
- Development and implementation of an enhanced travel writer/social media influencer program designed to increase overnight visitation at assessed hotels within the District;

- Implementation of new economic development partnerships to increase overnight visitation at assessed hotels within the District.
- Marketing (Advertising and Promotion) fees for listings on various websites to drive increased hotel revenue production.

DRAFT

Increased Sales Initiatives: 40% - \$ 13,709,587

Forty percent (40%) of the annual budget shall be targeted for increased Sales (Business Recruitment) initiatives. Up to 10% variance can be allowed in the amount to be allocated under this category. Amounts not used within this category by the end of the fiscal year may be rolled over into the same budget category in the following year's budget. The Sales (Business Recruitment) initiatives will be designed to increase room night sales for assessed hotel properties within the District and may include but are not limited to the following activities:

- Provide additional sales (business recruitment) incentives to maintain and attract new meetings, conventions, events and business travel that will have a significant impact on demand for hotel activity for assessed hotels within the District;
 - Requests for incentives from individuals or groups should be presented to the Waco Convention & Visitors Bureau for vetting;
 - Requests for "rebates," defined as a set dollar payment per room night generated, should be presented as an incentive request for a single dollar amount and presented to the Waco Convention & Visitors Bureau for vetting;
- Increased sales and services (business recruitment) staff deployed in key regions to supplement the selling of Waco as a premier destination;
- Increased attendance at professional industry conferences and events to promote increased business for assessed hotels within the District;
- Additional lead generation activities designed to attract increased tourist and group business to assessed hotels within the District;
- Attendance of additional trade shows to promote increased leads for assessed hotels within the District;
- Additional sales (business recruitment) blitzes featuring assessed hotels within the District; and
- Additional familiarization tours showcasing assessed hotels within the District.
- Sales (Business Recruitment) initiatives must meet an ROI threshold of 7:1, based on expected room revenues. The ROI for all Sales (Business Recruitment) initiatives will be measured based on increased room revenue production. With input and approval from the WTPID Board, individual exceptions may be made to the 7:1 ROI.
- Sales (Business Recruitment) efforts may include programs such as an individual hotel incentive program, with approval of the WTPID Board and within limits and criteria set by the WTPID Board.

Tourism Research: 8% - \$ 2,741,917

Research costs may include, but are not limited to, the following:

- Conduct tourism research using industry tools which may include economic impact calculators, software to gauge the effectiveness of advertising and/or sales (business recruitment) efforts.
- Development of Return on Investment (ROI) analysis on the effectiveness of WTPID expenditures and programs to increase overnight visitation at assessed hotels within the District.
- If dollars are left unspent in the Research/Administration budget at the end of the year, they may be divided among Marketing (Advertising and Promotion) and Sales (Business Recruitment) using the following ratios: 53% to Marketing (Advertising and Promotion), 47% to Sales (Business Recruitment).

Administration: 7% - \$ 2,399,177

Administration costs may include, but are not limited to, the following:

- Startup costs to cover creation of the TPID, and costs to revise the hotel tax collection software.
- Administrative fees such as bank fees, fees charged by the City of Waco for hotel tax collection and administration, bookkeeping, auditing, financial reporting, legal fees, etc.
- If dollars are left unspent in the Administration budget at the end of the year, they may be divided among Marketing (Advertising and Promotion) and Sales (Business Recruitment) using the following ratios: 53% to Marketing (Advertising and Promotion), 47% to Sales (Business Recruitment).