

CITY OF DEL RIO

FY 2022-2023 Annual

Hotel Occupancy Tax (HOT) Funds

By ordinance, the City of Del Rio approves a local hotel occupancy tax with portions of the fund to be dedicated to support convention and tourism centers, promotional and tourist advertising of the City, promotion of the arts, historical preservation and program support for events and activities that attract tourists to the City of Del Rio.

I. Use of HOT Funds

Municipal hotel occupancy taxes are primarily governed by Chapter 351 of the Texas Tax Code. The HOT funds are generated as a result of a person paying for the use or possession, or for the right to the use or possession, of a room in a hotel, motel or bed and breakfast, with a cost of \$2 or more each day, that is ordinarily used for sleeping, not on a permanent basis.

There is a **two-part test** for every expenditure of local Hotel Occupancy Taxes.

Criteria # 1 Every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.

“Tourism” is defined under Texas law as guiding or managing individuals who are traveling to a different, city, county, state or country. A “direct” promotion of the convention and hotel industry has been consistently interpreted by the Texas Attorney General as a program, event, or facility likely to cause increased hotel or convention activity. This activity may result from hotel or convention guests that are already in town and choose to attend the hotel tax funded facility or arts or historical event, or it may result from individuals who come from another city or county to stay in an area lodging property at least in part to attend the hotel tax funded event or facility.

Criteria # 2 Every expenditure of the hotel occupancy tax MUST clearly fit into one of nine statutorily provided categories for expenditure of local occupancy tax revenues.

The nine categories for expenditure of the hotel occupancy tax are as follows:

1. Funding the establishment, improvement or maintenance of a convention center or visitor information center.
2. Paying the administrative costs for facilitating convention registration.
3. Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity. (1/7 of total funds must be spent on advertising and promoting the city and its vicinity to attract tourist and hotel/convention activity)
4. Expenditures that promote the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields,

painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution and exhibition of these major art forms. Texas law requires that the arts related expenditure also directly promote tourism and the hotel and convention industry.

5. Funding historical restoration or preservation programs. This funding may be used in primarily two ways. First, to enhance historical restoration and preservation projects. Second, for activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums. Either of those uses must be for activities, programs or events that are likely to attract tourists and hotel guests.
6. Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million. This sporting event must include mostly participants from out of town.
7. Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities. (THIS DOES NOT APPLY TO DEL RIO).
8. Funding transportation systems for tourists.
9. Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

II. Review Process

All applications must be delivered to the City Secretary's Office no later than end of business May 16, 2022.

An Internal Review Committee made up of City Staff and two City Councilmembers will review all acceptable applications from individuals, groups and organizations applying for the FY 2022-2023 HOT funding. An acceptable application is one that is complete and meets the deadline requirements.

Each group, with an acceptable application, will be scheduled for a date and time to present their request to the Committee. At the presentation, the Review Committee may ask questions and seek clarifications. A formal presentation is encouraged, however not required. Applicant(s) will be notified of either an in-person or virtual presentation.

After presentations are made, the Review Committee will make initial funding recommendations. Notification of the initial funding recommendations will be emailed to all applicants. Funding recommendations made to Council may differ from the amount requested in the application.

An applicant may submit a written appeal with the City Secretary's Office to the initial funding recommendation. The City Council will receive formal recommendations by the Internal Review Committee at a regularly scheduled Council meeting. All applications, supporting data, and written appeals will be included in the City Council's packets delivered 72 hours prior to the scheduled meeting. At that time, the City Council will make the final decision on the allocation of funds.

After Council approval, The City Secretary’s Office will make arrangements to distribute and sign contracts with successful applicants where applicable.

Any organization that owes the City of Del Rio money or required reports will not receive funds until their debt is paid.

III. Dates for 2022

Friday	April 29	Applications Available Online
Friday	May 6	Application Orientation Virtual Instructions provided
Friday	May 16	Deadline for Application Submittals
Wednesday	May 18	Application Presentations
Friday	May 20	Application Presentations
Friday	May 27	Notification of Initial Recommendations
Friday	June 3	Deadline for Appeals
Tuesday	June 28	Final HOT Fund Allocation by City Council

Hotel Occupancy Tax Fund Application for Annual Support

I. Submitting an Application

Application forms will be available online at www.cityofdelrio.com. After clicking on the City website, go to *Business, Hotel Occupancy Tax Application for Annual Support*. Applicants must submit a completed application and provide required documentation. Completed applications will be accepted online.

Email is the preferred method of receiving the application and required documents, however applications will also be accepted at City Hall, City Secretary Office, 109 West Broadway, Del Rio, TX 78840.

Multiple applications from a group will be accepted. Each event/program must have a separate application. Additional supporting materials may be brought to the HOT presentation.

Notification of dates and times of presentations, appeals or any changes that may occur, will be made by email and/or phone. Applicants are responsible for providing email addresses / phone numbers that will allow them to be contacted expediently.

II. Organization Information

Legal name of Organization requesting funds:

Organization Mailing Address:

Primary E-Mail:

Phone #:

Name of Primary Contact:

Title of Primary Contact:

Primary Contact # (If different from above):

Mailing Address of Primary Contact (If different from above):

E-Mail (If different from above):

Phone # (If different from above):

III. Organization Type

This Organization Is: Private Non-Profit/Tax Exempt Other

Tax ID#

Type of Organization (IRS Code):

Phone #:

Name of Primary Contact:

Title of Primary Contact:

What is the Mission of your Organization?

Year Organization was established:

Number of full-time staff:

Number of part time staff:

Number of volunteers:

IV. Required Information to be submitted with Application

- Up to Date Monthly Report
- Budget for the proposed event/programming, including ALL revenue sources and expenditures
- Organization financial statements from previous two years
- Articles of Incorporation
- By-laws
- Board Members - names and titles

V. Previous HOT Funding

Has the Organization previously received HOT funding from the City of Del Rio?

Yes or No

If Yes, please give us a 5-year history.

	<u>Year</u>	<u>%</u>	<u>Actual \$</u>
1.	2016-17		
2.	2017-18		
3.	2018-19		
4.	2019-20		
5.	2020-21		

VI. Previous Events/Programs Organized

Provide a list of major events/programs that this Organization or Applicant has organized and/or hosted. Additional information such as schedules, financial statements, articles or other relevant information regarding these events/programs may be provided during the Board presentation.

VII. Criteria #2 of qualifying HOT fund expenditures.

Please fill out or provide separately a detailed report on your HOT Fund budget.

Which Category or Categories Apply to Funding Request, and Amount Requested Under Each Category:

- a) Convention Center or Visitor Information Center:** construction, improvement, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both. Amount requested under this category: \$ _____
- b) Registration of Convention Delegates:** furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants. Amount requested under this category: \$ _____
- c) Advertising, Solicitations, Promotional programs to attract tourists and convention delegates** or registrants to the municipality or its vicinity. Amount requested under this category: \$ _____
- d) Promotion of the Arts that Directly Enhance Tourism and the Hotel & Convention Industry:** the encouragement, promotion, improvement, and application of the arts that can be shown to have some direct impact on tourism and the hotel/convention industry. The impact may be that the art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend the arts event. Eligible forms of art include instrumental and vocal music, dance, drama,

folk art, creative writing, architecture, design and allied fields, painting, sculpture photography, graphic and craft arts, motion picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms: \$ _____

- e) Historical restoration and preservation projects or activities or advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.** Amount requested under this category: \$ _____

- f) Expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists. The event must substantially increase economic activity at hotels within the city or its vicinity.** Amount requested under this category: \$ _____

VIII. Direct Hotel/ Tourism Impact

Please describe how the funding of your organization generates overnight stays in Del Rio lodging and/or impacts tourism.

Please provide examples and details on how this data is collected.
(i.e. Sign in Sheets, Post Event Reports, Online Registrations)

Please provide examples and details on collected Data.

What new marketing initiatives will you utilize to promote hotel and convention activity for this event(s)/request?

How many people do you estimate actually attended the event/activity/facility in the past three years?

Last Year? _____

Two Years Ago? _____

Three Years Ago? _____

If this event/activity/facility has been funded by HOT Funds in the last three (3) years, how many room nights were generated at Del Rio hotels/motels, inns, and bed-and-breakfast establishments by attendees of this event/activity/facility?

Last Year? _____

Two Years Ago? _____

Three Years Ago? _____

IX. Marketing & Media Coverage

Please be prepared to describe the marketing plan for this project. Include information on print ads, radio, television, distribution of posters, brochures, flyers, etc. Samples may be brought to the presentation but are not required with the application. City of Del Rio Logo and support acknowledgements such as "This event (project) is supported by City of Del Rio Hotel Occupancy Tax fund reserves" are **required** where appropriate. If HOT funds are awarded, organization must use preapproved collateral provided at <https://www.cityofdelrio.com/home/showpublisheddocument/3796/637100398146330000> (logos and approved text) on any marketing material of the events/programs.

X. 2022-2023 Request.

Please provide details on your request for funding for fiscal year 2022-2023. This amount may be a request for an annual percentage allocation or for a specific budgeted amount. However, this is **ONLY** for review and to develop a committee recommendation. Any change from previous year's allocation must be justified to the best of your ability. Please do not present arbitrary numbers. As previously noted, the final approval on amount is at the discretion of City Council.

Amount Requested:

XI. Comments

XII. Monthly/Annual Report

A monthly report is required to be submitted to the Assistant City Manager at manuel.chavez@cityofdelrio.com before 15 days of the preceding month. An Annual Report is required to be submitted to City Council during the last quarter of the Fiscal Budget Year (Jul-Sept 2023). The completed Annual Report may be emailed to manuel.chavez@cityofdelrio.com, maria.acosta@cityofdelrio.com or delivered to the City Secretary's Office located at 109 West Broadway, Del Rio, Texas, 78840. In addition, an organization representative must present the organization's report at a future meeting date. Failure to submit an Annual Report or monthly report could affect future funding recommendations for Hotel Occupancy Tax Funds.

XIII. Acknowledgement

I understand the Texas State limitations placed on use of Hotel Occupancy Tax funds and certify that the requested funds will be used only for purposes described in this application or as approved by the Del Rio City Council. I understand the use of HOT funds is subject to audit and any misuse of funds could prevent any future consideration for assistance. Additionally, the Del Rio City Council reserves the right to impose civil/ criminal penalties on any abuse of funds.

Signature: _____

Printed Name _____

Date _____

Title _____