

Convention and Visitors Bureau Allocation

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Background: In 2024, a Council Work Session was held regarding the organizational structure and reporting entity for Discover Denton. Staff received direction at a subsequent meeting to move Discover Denton under the City as a temporary stop, with the goal to create a stand-alone Destination Marketing Organization with an estimated completion of one year.

The work session also included a number of additional recommendations:

- Explore set percentage or allocation to the CVB from HOT Funds
- Review the Makeup & Roles for Chamber and CVB Board: Increased Hotel Representation, such as, but not limited to: Entertainment, Transportation, etc.
- Explore Creative Compensation - ensure ability to connect compensation with actualized sales
- Develop a CVB Strategic Plan
- Research what additional Key Performance Indicators could be introduced and tracked to compliment a strategic plan
- Strengthen Communication and Collaboration

Current Conditions

Discover Denton completes an annual funding application request along with all HOT funds recipients and the Community Partnership Committee reviews and provides an approved allocation.

Based on historical data, Discover Denton has been funded at an average rate of 52% of the HOT Funds Revenue over the last 5 years.

Year	2021	2022	2023	2024	2025
Allocation	\$1,253,855	\$1,396,655	\$1,582,000	\$1,657,000	\$1,710,600
% of Rev	55.1%	54.0%	52.6%	48.9%	49.4%

CVB Funding Allocations in Texas FY 2024-25

City	Hotel Tax Revenue	CVB Allocation	% of Revenue	Note
Waco	\$ 7,190,846	\$ 7,190,846	100%	The CVB operates the Convention Center
San Marcos	3,085,401	2,779,661	90.1%	
McKinney	2,975,000	1,452,000	48.8%	
Frisco	13,276,938	5,712,185	43.0%	
Round Rock	8,030,400	1,866,900	23.2%	

**All cities listed have a CVB structured as part of the municipality*

Direction

Option 1 – Maintain current process

Evaluate annually alongside all HOT fund applications.

- Benefits: Annual review of performance measures, request, and allocation as part of the overall HOT budget.

Option 2 – Set a certain percent of the HOT revenue that will automatically be allocated to CVB annually.

- Benefits: Consistent budgeting and improved forecasting of programs by CVB.

**Both options are dependent on actual hotel tax revenues*

FY 24-25 HOT Funds Budget & Contract Timeline

