

DENTON TOURISM PUBLIC IMPROVEMENT DISTRICT (DTPID) – SERVICE AND ASSESSMENT PLAN

PROJECTED EXPENDITURES

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

SERVICE	%	\$
Marketing (Advertising & Promotion)	45%	\$5,692,081
Sales (Business Recruitment & Incentives)	40%	\$5,059,628
Tourism Research	8%	\$ 1,011,926
Administration	7%	\$ 885,435
TOTAL	100%	\$12,649,069

The estimated budget for the years 2024-2033 is shown in the table below. The estimated budget is forecast to increase by three percent (3%) 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 Denton TPID.

Fiscal Year	Marketing 45%	Sales 40%	Tourism Research 8%	Administration 7%	Total 100%
<i>FY 2024</i>	\$496,523	\$441,354	\$88,271	\$77,237	\$1,103,385
<i>FY 2025</i>	\$511,419	\$454,595	\$90,919	\$79,554	\$ 2,575,235
<i>FY 2026</i>	\$526,761	\$468,232	\$93,646	\$81,941	\$ 2,832,758
<i>FY 2027</i>	\$542,564	\$482,279	\$96,456	\$84,399	\$ 3,116,034
<i>FY 2028</i>	\$558,841	\$496,748	\$99,350	\$86,931	\$ 3,427,637
<i>FY 2029</i>	\$575,606	\$511,650	\$102,330	\$89,539	\$ 3,770,401
<i>FY 2030</i>	\$592,875	\$527,000	\$105,400	\$92,225	\$ 4,147,441
<i>FY 2031</i>	\$610,661	\$542,810	\$108,562	\$94,992	\$ 4,562,185
<i>FY 2032</i>	\$628,981	\$559,094	\$111,819	\$97,841	\$ 5,018,404
<i>FY 2033</i>	\$647,850	\$575,867	\$115,173	\$100,777	\$ 5,018,404
Totals	\$5,692,081	\$5,059,628	\$1,011,926	\$885,435	\$12,649,069

PROJECTED DENTON TOURISM PUBLIC IMPROVEMENT DISTRICT SERVICES

Increased Marketing (Advertising and Promotion) Initiatives: 45% - \$5,692,081

Forty-five percent (45%) of the annual budget shall be targeted for increased marketing (advertising and promotion) initiatives to drive more hotel activity to Denton. 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, convention, 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 digital marketing (advertising and promotion) efforts such as digital ads, email blasts, 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;
- Develop radio and television ads targeted at potential visitors to drive greater overnight visitation to assessed hotels within the District;
- Additional static and digital billboard 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 travel websites to drive increased hotel revenue production.

Increased Sales Initiatives: 40% - \$ 5,059,628

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 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 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 Discover Denton 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 Discover Denton for vetting;
- 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 blitzes featuring assessed hotels within the District;and
- Additional familiarization tours showcasing assessed hotels within the District.
- Sales initiatives must meet an ROI threshold of 5:1, based on expected room revenues. The ROI for all Sales initiatives will be measured based on increased room revenue production. With input and approval from the DTPID Board, individual exceptions may be made to the 5:1 ROI.
- Sales efforts may include programs such as an individual hotel incentive program, with approval of the DTPID Board and within limits and criteria set by the DTPID Board.

Tourism Research: 8% - \$ 1,011,926

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, and visitor intelligence platforms that use geo-fencing technologies to track visitor attendance and movements.
- Development of Return on Investment (ROI) analysis on the effectiveness of DTPID 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 and Sales using the following ratios: 50% to Marketing, 50% to Sales.

Administration: 7% - \$ 885,435

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

- Startup costs to cover creation of the DTPID, and costs to revise the hotel tax collection software.
- Administrative fees such as bank fees, fees charged by the City of Denton 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 and Sales using the following ratios: 50% to Marketing, 50% to Sales.

EXHIBIT B

DENTON TOURISM PUBLIC IMPROVEMENT DISTRICT ASSESSMENT ROLL

Hotel Name	Hotel Address	City	Zip	No of Rooms
Embassy Suites by Hilton Denton Convention Center	3100 Town Center Trail	Denton	76201	318
Budget Host Inn & Suites	1500 Dallas Dr.	Denton	76205	135
Springhill Suites by Marriott	1434 Centre Place Dr.	Denton	76205	129
WoodSpring Suites	4505 North Interstate 35	Denton	76207	121
Quality Inn Denton	4211 North Interstate 35	Denton	76207	107
Homewood Suites by Hilton	2907 Shoreline Dr.	Denton	76201	107
Hilton Garden Inn	3110 Colorado Blvd.	Denton	76210	101
Studio 6	700 Fort Worth Dr.	Denton	76205	96
Residence Inn by Marriott	3761 South Interstate 35 East	Denton	76210	94
Holiday Inn Express & Suites Denton UNT TWU	4465 North Interstate 35	Denton	76207	92
Courtyard Denton by Marriott	2800 Colorado Blvd.	Denton	76210	92
La Quinta Inn & Suites by Wyndham	4465 North Interstate 35	Denton	76207	88
Holiday Inn Express & Suites Denton South	3180 South Interstate 35 East	Denton	76210	87
Hampton Inn & Suites	1513 Centre Place	Denton	76205	85
Motel 6 Denton	4125 Interstate 35 North	Denton	76207	81
Staybridge Suites	2204 San Jacinto Blvd.	Denton	76205	80
Fairfield Inn & Suites	2900 West University Dr.	Denton	76201	75
TOTAL				1,888