



# Tourism Public Improvement District

Jesse Kent, Assistant to the City Manager

July 16, 2024

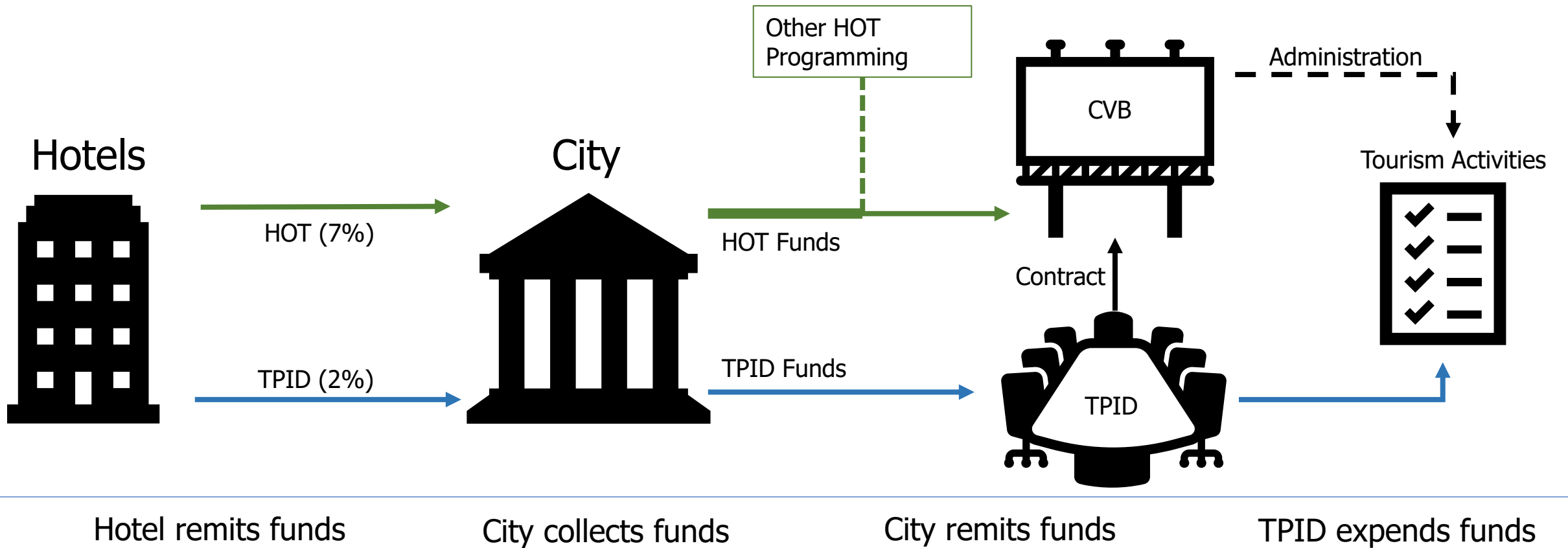
# Background

A Tourism Public Improvement District (TPID) is a tool used to create additional funding through an assessment to draw convention and group businesses to a city.

- In 2018 local hoteliers approached the City about the possibility of establishing a TPID (at the time, cities had to be authorized by the Texas State Legislature).
- On October 23, 2018, the Council provided consensus to proceed and include the TPID in the City's 2019 Legislative Program.
- In 2019 the legislature provided authority for Denton to form a TPID if initiated by over 60% of affected hotel owners.
- In 2023 local hoteliers approached City Management to revisit the creation of a TPID.
- On November 14, 2023, the Council provided consensus to proceed with the creation of the district.
- On June 18, 2024, the Council created the Denton Tourism Public Improvement District (DTPID).

- Hotels within Denton that have 75 rooms or more, assess a 2.0% fee on each taxable hotel stay.
- In Denton, 17 hotels have 75 rooms or more and comprise the District boundary.
- Any new hotels with 75 rooms or more constructed must petition the District to join in accordance with State law.
- The District Service Plan is for a 10-year period.
- Estimated to generate \$12.3 Million during the 10-year period.

# Funding Process



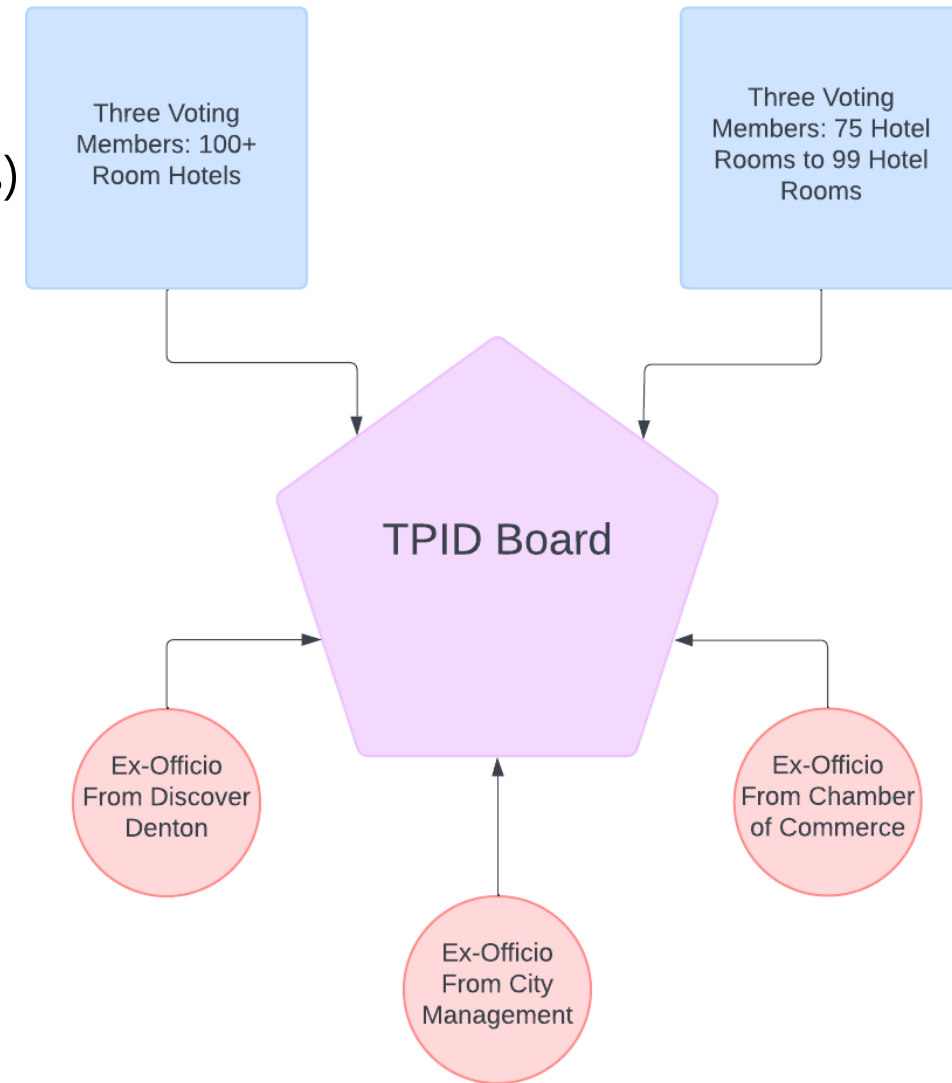
- A non-profit corporation created to direct the management of the district by Discover Denton. No employees.
- Led by a voting board of hoteliers and ex-officio staff from the City, Chamber of Commerce, and Discover Denton.
- Subject to Council oversight through the approval of the annual service plan.
- DTPIDC held first meeting on July 2, updated bylaws and service plan.

- Initial voting directors:

- Emily Wright (Chairperson; Homewood Suites)
- Verdie McVea (Vice-Chair/Treasurer; Hampton Inn & Suites)
- Jay Darsie (Secretary; Hilton Garden Inn)
- Jeff Pritts (Embassy Suites)
- Julia Frias (Holiday Inn Express Denton South)
- Nick Patel (Studio 6)

- Initial ex-officio members:

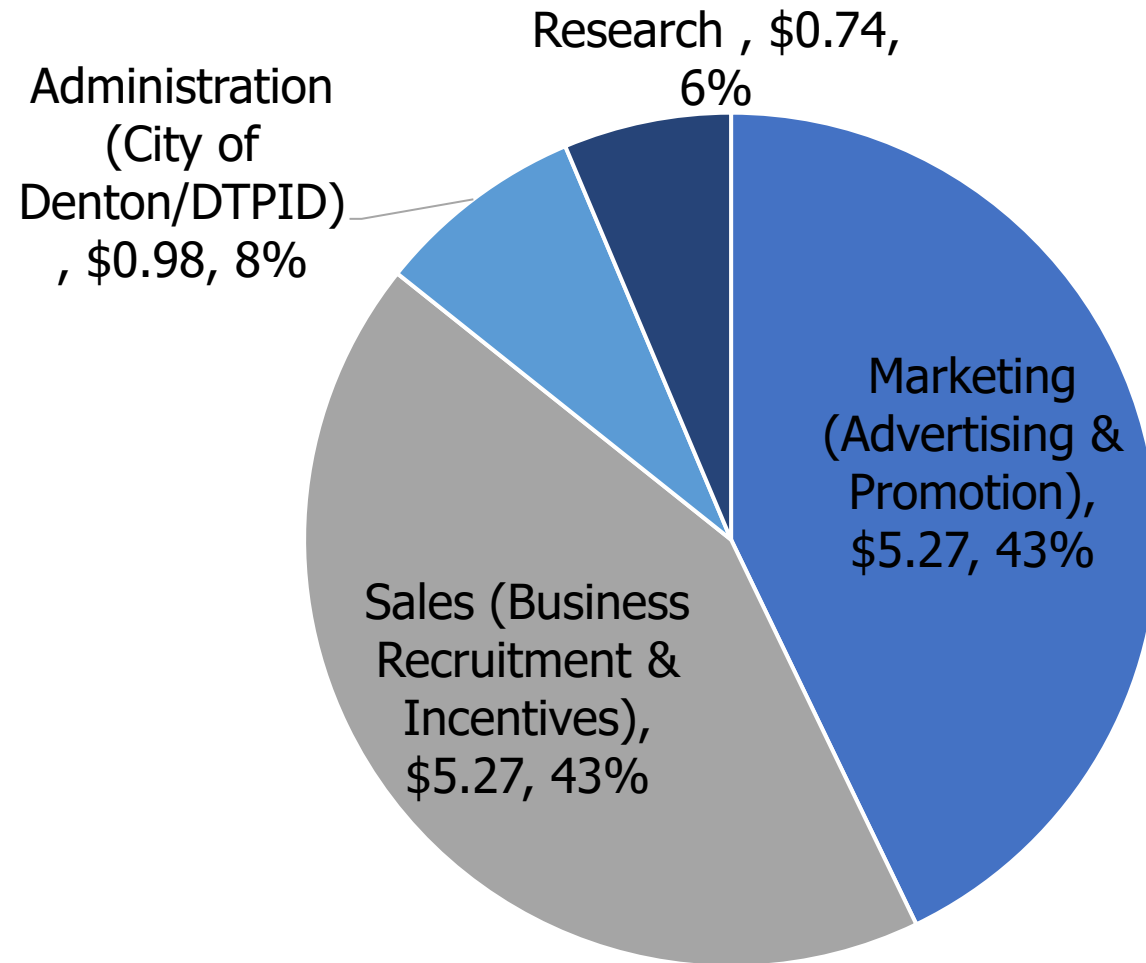
- Christine Taylor, Assistant City Manager
- Erin Carter, President, Denton Chamber of Commerce
- Sunnye Knight, Interim Director, Discover Denton



- The Convention and Visitors Bureau (Discover Denton), a business line of the Denton Chamber of Commerce, is the administrative entity responsible for implementing the direction of the Denton TPIDC Board.
- The TPID assessment is collected under the same schedule and process now in place for local hotel occupancy tax (HOT) collections. Anything exempt from HOT is exempt from the TPID fee. Assessment to begin August 1, 2024, if approved.
- Monthly reporting and remittance from hoteliers to the City using the same form as HOT. Training conducted in May with hoteliers and will be available online.
- An annual budget and service plan will be implemented by Discover Denton under the oversight of the Denton TPID Board.
- All improvement costs are to be paid from district assessments, none by City funds.

# Proposed Service Plan

The district is estimated to generate \$12.3 Million over the 10-year service period to make Denton hotels more competitive when attracting and securing business.



10-Year Service Plan (in millions)



# Service Categories

## **Marketing Activities**

43% of the Budget

- Expand Reach of Denton Brand Marketing with Targeted Advertisements
  - Digital and Print
  - Radio and Television Ads/Sizzle Reels
  - Static and Digital Billboards
- New Collateral & Promotional Materials
- Public Relations Communication Strategy
- Social Media Influencer Program
- Economic Development Partnerships

## **Administrative Activities**

8% of the Budget

- Startup costs to cover creation of TPID
- Contract expenses for support activities related to the TPID
- Additional administrative staff to manage financials and reporting
- Bank Fees and other fees charged by the City for collection/administration:
  - Record keeping
  - Audits
  - Financial Reporting

## **Sales Activities**

43% of the Budget

- Offer Sales Rebates & Incentives
- Increased Attendance at Professional Industry Conferences & Events
- Larger Destination Presence at National Trade Shows
- Additional Sales Blitzes and Familiarization Tours showcasing hotels in the district

## **Tourism Research Activities**

6% of the Budget

- Visitor Economic Impact Tools
  - Tourism Research Calculators
  - Software
  - Destination Data Analytics
  - ROI Analysis

# Hotels in the Denton Tourism Public Improvement District

Hotel	Number of Rooms
Embassy Suites	318
Budget Host Inn & Suites	135
Springhill Suites by Marriott	129
WoodSpring Suites	121
Quality Inn	107
Homewood Suites by Hilton	107
Hilton Garden Inn	101
Studio 6	96
Residence Inn by Marriott	94
Holiday Inn Express & Suites – TWU/UNT	92
Courtyard by Marriott	92
La Quinta Inn & Suites	88
Holiday Inn Express and Suites- Denton South	87
Hampton Inn & Suites	85
Motel 6	81
Staybridge Suites	80
Fairfield Inn & Suites	75

# Establishing a TPID

Steps	Task	Timeline	Status
Industry Consensus Building	Create a committee of hoteliers to draft service plan and petition letter		Complete
Document Production	10-year Service Plan Draft Petition and Backup Info		Complete
Council Work Session	Hold a WS for Council feedback on the service plan	November 2023	Completed
Notification to Hoteliers	Draft a letter (creation of district) to hoteliers and send via certified mail	November 2023	Completed
Petition Process	Obtain signatures	December 2023	Completed
Submit Petition	Present to the City for validation	May 2024	Completed
Training	Collection and Remittance Training	May 2024	Completed
Public Notice	For public hearings	June 2024	Completed
Public Hearings	Public hearings (2) creation of the district; <b>district management, assessment rate &amp; roll, and service plan.</b>	June/July 2024	Ongoing
Provide notice to hotels within the district	Implementation process overview	June/July 2024	Ongoing
TPID collection begins		August 1, 2024	Not Started

City took responsibility

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# Questions?