



Tourism Public Improvement District

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November 14, 2023

Agenda

- Background
- Proposed Parameters
- Proposed Service Plan
- Process to establish a TPID and Next Steps
- Discussion & Questions



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

- There are currently seven cities in Texas with a TPID: **San Antonio, Dallas, Arlington, Fort Worth, Corpus Christi, Waco, and Frisco**
- 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, Council provided consensus to proceed and participate in the 2019 legislative session
- In 2019 the legislation provided authority for all Texas communities 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

- Hotels within Denton that have 75+ rooms, assess a 2.0% fee on each taxable hotel room
- Denton currently has 17 out of 27 hotels that have 75+ rooms
- Any new hotels with 75 rooms will automatically be added to the district
- The District Service Plan is for a 10-year period
- Estimated to generate \$12.6 Million during the 10-year period

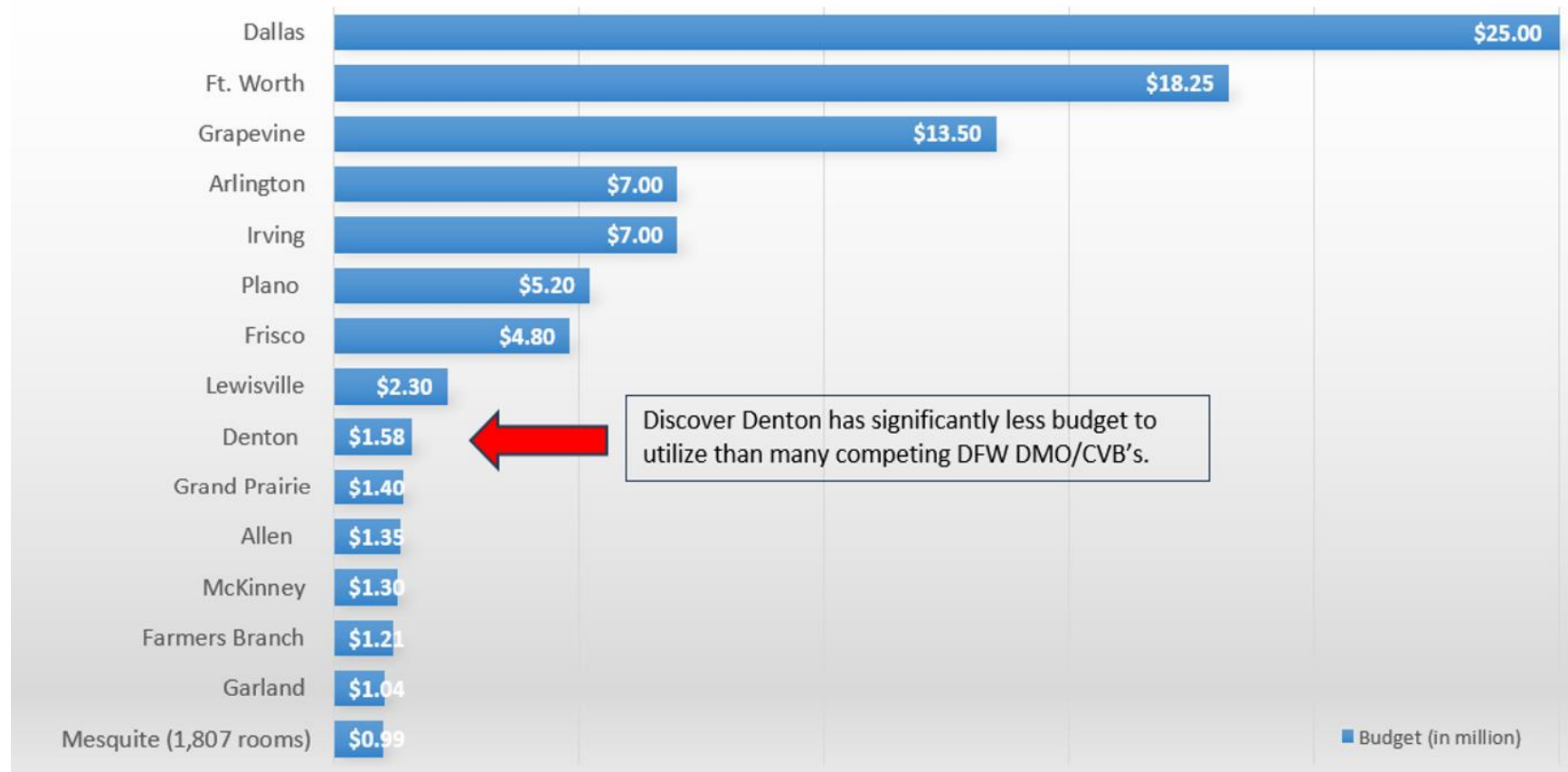
- The TPID Board will be composed of hoteliers within the district
- Discover Denton (CVB) will serve as the administrative entity responsible for implementing the decisions and recommendations of the Denton TPID Board
- The TPID assessment is collected under the same schedule and process now in place for local hotel tax collections
- Quarterly reporting and remittance from hoteliers to the City
- An annual budget and service plan will be implemented by Discover Denton under the oversight of the Denton TPID Board

Hotels in Denton with at least 75 rooms

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

Hotel Occupancy Funds

DFW Area DMO/CVB Budget Comparison FY 2023 (in millions)



Proposed Service Plan

The district is estimated to generate \$12.6 Million over the 10-year service period

The primary goal is to increase targeted sales and marketing efforts to generate additional demand for local hotel activity. Revenue will be utilized to provide more resources to compete with hotels in other geographic markets by increasing marketing, advertising and PR initiatives and funding customized incentives to encourage organizations to bring conferences, conventions and events to Denton.

Category	10-Year Service Period Budget Estimate (in millions)	% of Total Budget
Marketing (Advertising & Promotion)	\$5.4	43%
Sales (Business Recruitment & Incentives)	\$5.4	43%
Administration (City of Denton/DTPID)	\$1.0	8%
Tourism Research	\$ 0.8	6%
Total	\$12.6	100%

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

Establishing a TPID

State law requires petition signatures requesting the creation of the district by more than 60% of the appraised value of district properties, and one of the two following criteria:

- 60+% of the surface area of hotels within the district; OR
- 60+% of the number of hotels within the district

Steps	Task	Estimated 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	Not Started
Notification to Hoteliers	Draft a letter (creation of district) to hoteliers and send via certified mail	November 2023	Not Started
Petition Process	Obtain signatures	December 2023	Not Started
Submit Petition	Present to the City for validation	December 2023	Not Started
City takes responsibility	Public Notice	January 2024	Not Started
	Public Hearings	February 2024	Not Started
	Provide notice to hotels within the district	February 2024	Not Started
	TPID collection begins	March 2024	Not Started

- Discussion and feedback for hoteliers on the proposed service plan
- Questions
 - Mike Pistana, Discover Denton
 - Erin Carter, Chamber of Commerce
 - Scott Joslove, Texas Hotel and Lodging Association
 - Emily Wright, General Manager of the Homewood Suites
 - Jeff Pritts, General Manager of the Embassy Suites