

AGENDA
Irving Convention and Visitors Bureau Board of Directors
Executive Committee
Monday, April 13, 2020 at 8:30 AM

NOTE: A possible quorum of the Irving Convention and Visitors Bureau (ICVB) Board of Directors may be present at this committee meeting.

Directors of the ICVB and the public may participate in the Executive Committee meeting by telephone conference or videoconference call. Sign-in via telephone or online will be from 8:00 a.m. to 8:30 a.m. on April 13, 2020. All participants by telephone conference or videoconference will be able to speak when called upon; however, video images of the citizen participants will not be available. The phone numbers to sign-in and participate are 1-888-788-0099 (Toll Free) or 1-877-853-5247 (Toll Free) or online at <https://zoom.us/j/977543666> Meeting ID: 977 543 666.

1. Citizen Comments on Items Listed on the Agenda
2. Review of COVID-19 Irving Visitor Economy Situation Analysis
3. ICVB/ICC Priorities and Budget Adjustment Recommendations
4. Next Steps in Response to COVID-19
5. Approving February 21, 2020 Minutes
6. Next meeting – TBD

CERTIFICATION

I, the undersigned authority, do hereby certify that this notice of meeting was posted on the kiosk at City Hall of the City of Irving, Texas, a place readily accessible to the general public at all times, and said notice was posted by the following date and time:

_____ at _____ and remained so posted at least 72 hours before said meeting convened.

Deputy Clerk, City Secretary's Office

This meeting can be adjourned and reconvened, if necessary, the following regular business day.

Any item on this posted agenda could be discussed in executive session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and section 551.087 of the Texas Government Code.

A member of the public may address the governing body regarding an item on the agenda either before or during the body's consideration of the item, upon being recognized by the presiding officer or the consent of the body.

This facility is physically accessible and parking spaces for the disabled are available. Accommodations for people with disabilities are available upon request. Requests for accommodations must be made 48 hours prior to the meeting. Contact the City Secretary's Office at 972-721-2493 or Relay Texas at 7-1-1 or 1-800-735-2988.

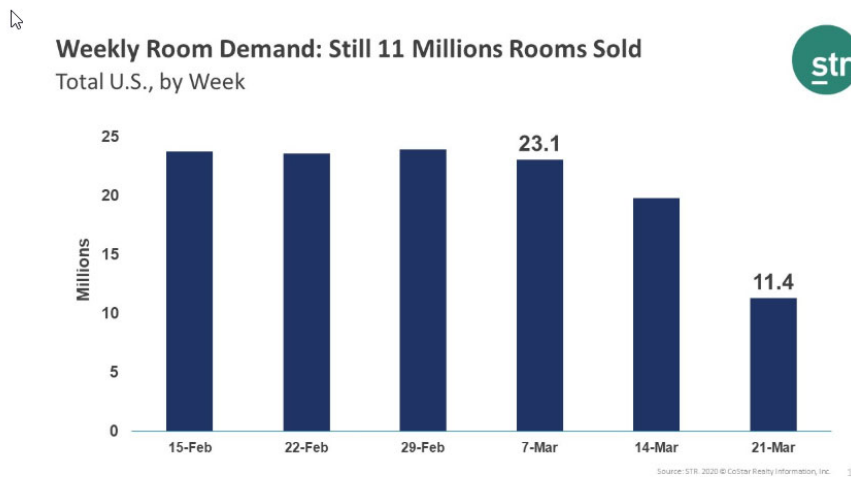
COVID-19 Visitor Economy Update

Irving City Council
3/31/2020

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US Snapshot



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“The industry was already set for a non-growth year, now throw in this ultimate ‘black swan’ event, and we’re set to see occupancy drop to an unprecedented low,” said Jan Freitag, STR’s senior VP of lodging insights. “Our historical database extends back to 1987, and the worst we have ever seen for absolute occupancy was 54.6% during the financial crisis in 2009. With roughly six of 10 rooms on average empty, already wavering pricing confidence will take a significant hit and drop ADR to a six-year low.”

SOURCE: STR

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Travel industry losses will far exceed that of any other sector. This is 7 times the impact of 9/11

A \$400 billion decline in travel spending in the US this year will translate into a total economic loss of \$910 billion in economic output. This is more than seven times the impact of 9/11 on travel sector revenue.

In the second quarter, travel-related jobs will fall by 4.7 million and result in a total employment loss of 5.9 million jobs in the US (including indirect impacts).

A decline of \$62 billion in taxes will be realized as a result of travel declines in 2020.

This equates to a 34% decline in travel economic impacts for the entire year.

| Oxford Economics

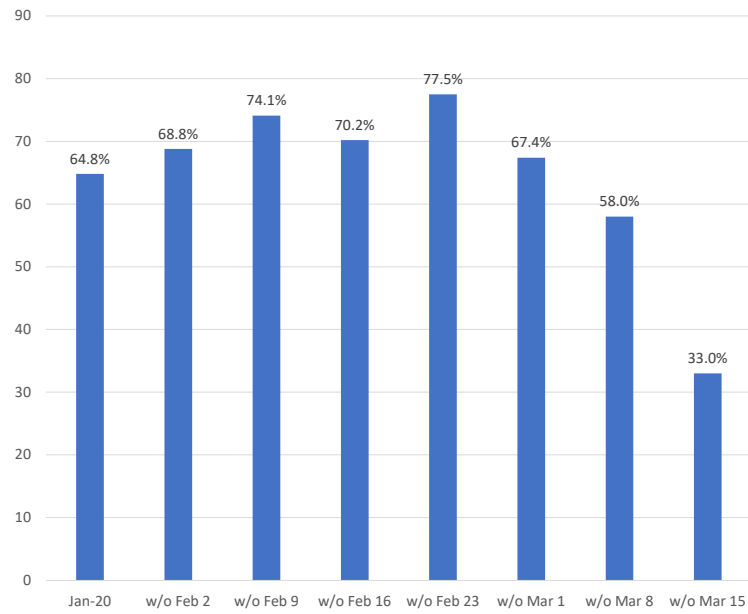
Expected Travel-Related Losses in 2020

	Direct travel industry	Total impact
Lost spending (\$ billions)	-\$400	-\$910
Air transportation	-\$75	
Other Transportation	-\$60	
Lodging	-\$86	
Recreation & Amusement	-\$42	
Retail	-\$38	
Food Services	-\$99	
GDP Impact (\$ billions)	-\$220	-\$502
Jobs (thousands)	-4,746	-5,868
Air transportation	-273	
Other Transportation	-326	
Lodging	-870	
Recreation & Amusement	-624	
Retail	-279	
Food Services	-1,908	
Travel Planning	-96	
Lost taxes (\$ billions)	-\$27.2	-\$61.9
Federal	-\$14.7	-\$33.4
State	-\$7.7	-\$17.5
Local	-\$4.8	-\$11.0

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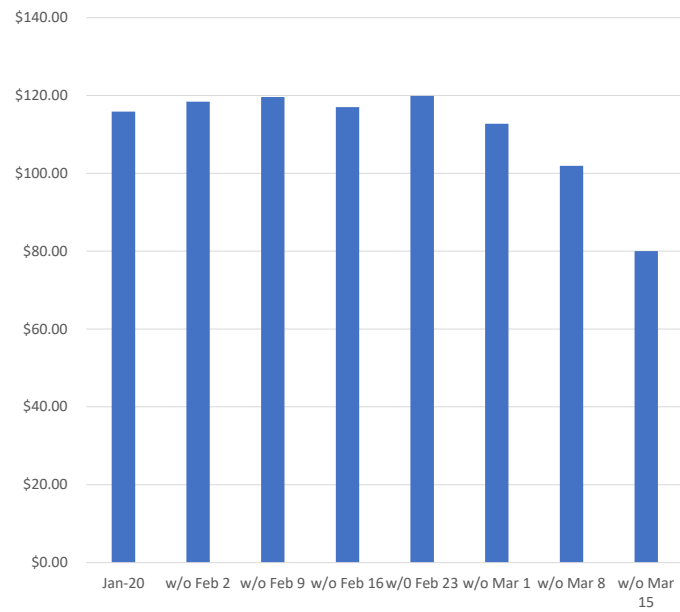
Irving Occupancy Changes By Week



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Irving ADR Changes By Week



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Cancellation Impacts



Some cancellations took place before Force Majeure kicked in

Without Force Majeure, cancellation fees apply

ICC allowing deposits to apply to future events when possible



Most groups appear to be waiting for local Orders to change in order to allow Force Majeure to apply

Cancellation fees no longer apply and refunds are due for any deposits received

96+ groups/23K TRNs (\$8million eco impact) cancelled or lost



ICC events are cancelling for spring and summer, with some fall

Some looking for new dates later in the calendar year, others into 2021

Some events simply can't be rescheduled

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Closures & Other Challenges

- Four Seasons Resort & Club – through May 1
 - Skeleton staff remains on site
- Omni Mandalay – through June 1
 - Skeleton staff remains on site, renovations are continuing
- Cool River Café – permanently
- Other hotel and restaurant closings will continue to happen
- Challenges as bad elements realize hotels operating with thin staffs
 - Late night calls to front desks complaining of leak in a room, or a gunshot heard
 - Agent leaves front desk unoccupied, bad guys sneak in and rob the cash drawer

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Industry-Supporting Activities

- Sales & Services - Focused on longer-term business opportunities and re-booking for the short-term wherever possible, while respecting crises across the industry; hotels have been polled for emergency response needs
- Marketing & Communications - Changed messaging primarily to focus on supporting remaining industry and its workforce in Irving, primarily restaurants, through social media channels
- Resources have also been developed on websites for all things COVID-19 that may be helpful to visitors, industry, etc., including CARES Act, SBA, Workforce, links to resources within IHLA/THLA, TRA, US Travel/Destinations International, etc.
 - Nearly 13,000 page visits to date, with average time on the page of over 12 minutes

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ICVB & ICC Operations

- Expenditures have been identified that can be stopped/pushed/postponed
- Will bring forward budget adjustment to utilize what remains of reserve funds
 - Anticipating reduced collections for January-March quarter (March impact)
 - Anticipating minimal revenues for April-June quarter
 - Revenue gains that had been made by ICC have been eliminated
 - We anticipate we will still need some short-term financial assistance and ability to secure CARES resources
- Some CARES Act components are expected to be available for tourism promotion/recovery (including for municipal/gov't CVBs), but details/fund availability timing TBD – Emergency Stabilization Fund & CDBG Grants

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\$454Billion Emergency Stabilization Fund

WHO IS ELIGIBLE

- ★ **ANY U.S. BUSINESS REGARDLESS OF SIZE**, which may include any nonprofit that is tax exempt under 501(c) of the tax code, including 501(c)(4) and 501(c)(6) organizations. Businesses must also meet certain criteria.
- ★ **STATES**, including the District of Columbia; territories; any bi-state or multi-state entity; and any Indian Tribe.
- ★ **MUNICIPALITIES**, including a political subdivision of a state, such as **State Tourism Office**; an instrumentality of a municipality, state or a political subdivision of a state; such as a **Destination Marketing Organization** classified as a political subdivision; a city or county; an airport authority; or a convention authority.

ADDITIONAL ELIGIBILITY:

The Treasury and Federal Reserve have broad authority to determine the eligibility requirements for any loans, loan guarantees or financial assistance enabled through these funds.

Programs directed by the Treasury Dept through the Federal Reserve – municipal bonds and commercial paper funding facility among the assumptions

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Federal Grants for Airports & CDBG

WHO IS ELIGIBLE?

★ PUBLIC or PRIVATE OWNERS of PUBLIC-USE AIRPORTS

At least \$7.4 billion in funding will be distributed according to the following formula:

50% will be allocated among all commercial airports based on an airport's 2018 enplanements.

50% will be targeted to help airports with larger debt based on an airport's FY 2018 debt service and its unrestricted capital reserves.

★ COMMUNITY DEVELOPMENT BLOCK GRANTS

\$5 billion in additional funding for the (CDBG) program to help states and local governments

Up to **\$2 billion** will be allocated to FY 2020 CDBG grant recipients. These funds will be disbursed within 30 days of the law's enactment.

\$1 billion will be granted to states. These funds will be disbursed within 45 days of enactment. States and localities may use funds to cover coronavirus-related costs regardless of when those costs were incurred.

At least 70% of CDBG funds must be used for activities that **benefit low- and moderate-income people.**

Rules for CDBG eligibility are expected to be adapted as they were for Puerto Rico and USVI post-Hurricane Maria to specifically allow for grants for tourism promotion.

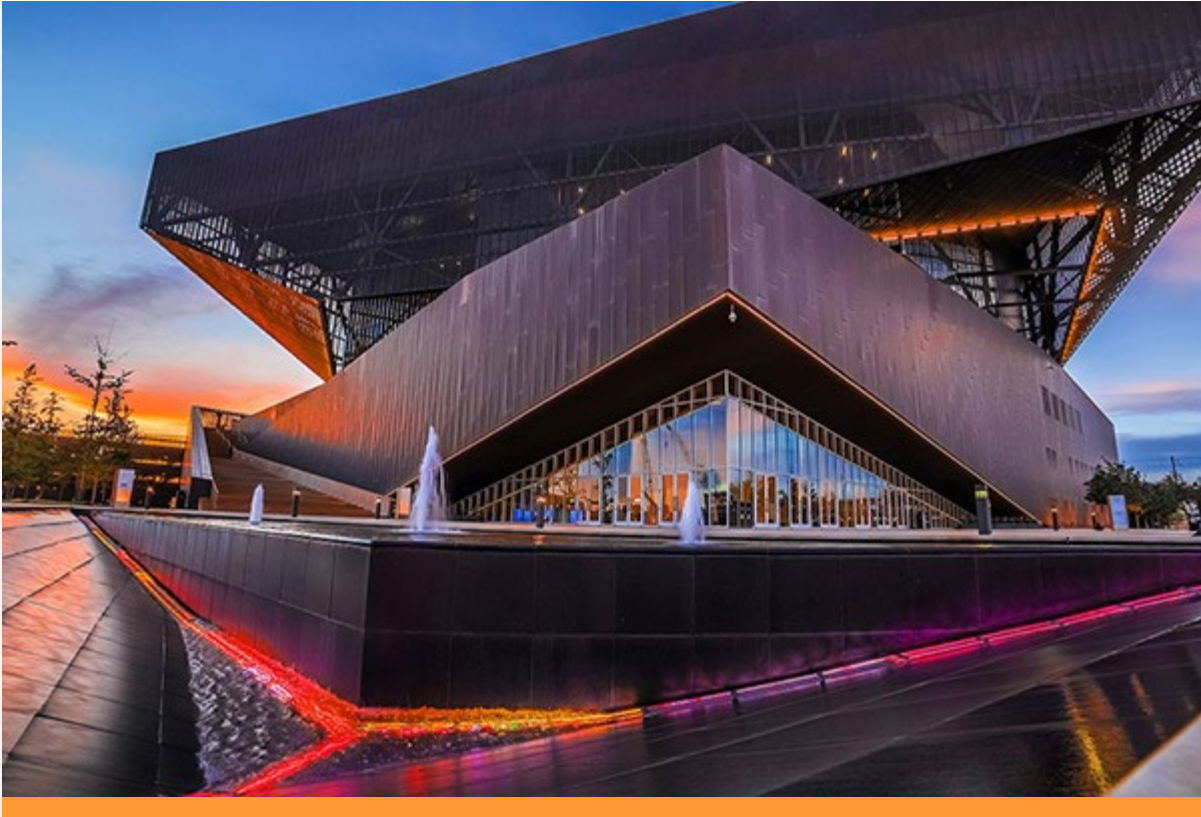
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Our Current Assumptions

- Best Case Scenario – June Recovery, No China Relapse
 - 10% Occupancy for April and May
 - 25% Occupancy for June
 - 30% Occupancy for July
 - 40% Occupancy for August
 - 55% Occupancy for September
 - 60% Occupancy for October
 - Occupancies restored to typical levels by year-end due to pent-up business demand
 - Average daily rate will take 12 months minimum to catch up (recovery may be compressed due to rapid decline of remaining business – rate war timing could potentially be limited)

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On behalf of all our team at the Irving Convention and Visitors Bureau and the Irving Convention Center at Las Colinas, I wanted to reach out and check in with you. This COVID-19 pandemic has presented a challenge unlike any we have ever seen in our industry and our communities. The phrase we keep turning to – “unprecedented” – simply doesn’t do enough to explain what we are all trying to find our way through.

State of the Hospitality Industry

The latest Smith Travel Research report for the week of March 29 through April 4, 2020, confirms what many of us already suspected. Irving’s occupancy for the week averaged 22.5% and the average daily rate has dropped to \$67.68 with the group business segment being the hardest hit.

Our partners at Simpleview Inc. have aggregated data from 250 of the top U.S. meetings destination marketing organizations (DMOs) and are reporting that there are 5.7 million fewer room nights on the books vs. the same time last year. Unfortunately, the majority of lost business we’re experiencing is business that has been canceled rather than postponed.

While the situation in the near-term is unprecedented, there are silver linings to look forward to as we move into the second half of the year. The aggregated data from the top 250 U.S. meetings DMOs indicate that in just the last 30 days, 464,000 room nights have already been pushed to future dates creating compression later this year as rescheduled groups are competing for dates with those already on the books. Destinations International recently surveyed meeting planner sentiment and reported that their confidence in hosting events consistently builds in Q3, Q4, and into 2021.

What We're Doing to Support You

Our team is passionate about our mission to support and sustain Irving through the strengths of the engine that has been our visitor economy. Although we are all sheltering in place and working remotely these days, please know that we are hard at work developing strategies that will position Irving for the strong rebound that we know is coming.

- We have added an excellent [resource page](#) that is updated daily, with the latest COVID-19 information, travel and hospitality industry guidance, and community and small business resources to help all our clients and community navigate these uncharted waters.
- Our sales team is working hard with clients whose events now need rescheduling and to book new business for the future, but also making sure they know we're here for them in this extraordinarily unsettling time.
- We will begin sending out a weekly email update with insights on the state of the industry, relevant news and information about COVID-19 and its impact on our local industry, and industry resources and information that you can use.
- Through [our Blog](#), we have been supporting our local businesses with posts like [Eat Locally While Distancing Socially](#), [Takeout Tuesday](#), [Foodie Friday](#), and, most recently, [Dine Around Bingo](#). These popular stay-at-home posts have been visited nearly 4,000 times.
- Through social media, we'll continue to share positive messages to support our local hospitality businesses, including attractions and restaurants. Please connect with us via [Facebook](#), [Twitter](#) and [Instagram](#). If your business is doing something out of the ordinary (such as meal delivery, gift card specials, survival packages, etc.), we ask that you share this with our team so we may share it with our community.
- When the shelter-in-place order was issued, Visit Irving was in the midst of a project to film 360-degree virtual tours of many of Irving's restaurants, hotels, and local attractions. While the filming has been put on hold, we did capture over 180 Irving locations and we're happy to share those links with you to post on your website or social media. If you were among those locations filmed and

want us to send you the link, or if you would like to make sure you're included when filming resumes, please reach out to our Marketing Director Monty White at mwhite@irvingtexas.com.

How You Can Help

During these trying times, we have all had to switch gears and come together in support, and you may be wondering how you can support our community. Irving Cares has seen a 35% increase in need, largely due to those in our own hospitality community being out of work. For more information, [click here](#) or contact Kyle Taylor at ktaylor@irvingcares.org. If you'd like a more personalized approach to help our hospitals or first responders directly, contact Diana Pfaff, our Vice President of Marketing, at dpfaff@irvingtexas.com and she'll point you in the right direction.

If your organization has volunteered, donated or found a creative approach or marketing effort to sustain your organization during shelter-in-place, we want to know about it so we can promote your efforts. Please share those stories with our communications team at dpfaff@irvingtexas.com.

Final Thoughts

While there is no manual for navigating a pandemic like this, I am confident that we will rebound. Person-to-person, face-to-face connection is in our DNA, and that's never going to disappear. As we get through this crisis – and every day that goes by marks one more day closer to recovery – we'll see the need for connection return, possibly even with larger demand, as we make up for lost time by establishing deeper relationships with our colleagues, partners and clients.

In the meantime, let's make sure we all take time to take care of each other so that we can continue to take care of each other when we get to the other side of this.



Maura Gast, FCDME
Executive Director
Irving Convention & Visitors Bureau

A GUIDE TO CARES ACT ELIGIBILITY

OVERVIEW

There are many ways that the travel industry can tap into federal assistance through the CARES Act. It is important to note that while we will be urging the federal agencies to expedite their regulations to ensure impacted businesses can access loans immediately, processes will evolve. **The menu below should be considered a guide to help direct you to the type of assistance for which your organization may be eligible. More detailed documents seek to help give you as much information as we can at this time.** Through the regulatory process, we will seek more specific information and provide it as it becomes available.

Additional CARES Act Provisions:

- Debt Relief to Existing SBA loans: View summary and eligibility [here](#).
- Business Tax Provisions: View summary and eligibility [here](#).

Note: Though you may be eligible to apply for more than one loan type, you should review each carefully to select the option that best suits your financial needs.

ELIGIBILITY DETAILS

- **IF YOU ARE A: Small Business that meets [SBA size standards](#)** (generally any businesses that has 500 or less employees, including tribe-owned businesses)
 - Paycheck Protection Program (Business Interruption Loans)
 - SBA Coronavirus Economic Injury Disaster Loans
 - SBA Express Loans
 - Relief on Existing SBA Loans
 - Exchange Stabilization Fund
 - Employee Retention Tax Credit
 - Payroll Tax Deferral
- **IF YOU ARE A: Mid-sized Business or Nonprofit** (generally 500-10,000 employees)
 - Emergency Stabilization Fund (see specifically Loans for Mid-Sized Businesses)
 - Employee Retention Tax Credit
 - Payroll Tax Deferral

A GUIDE TO CARES ACT ELIGIBILITY

• IF YOU ARE A: 501(c)(3) Nonprofit

- Paycheck Protection Program (Business Interruption Loans)
- SBA Coronavirus Economic Injury Disaster Loans
- Exchange Stabilization Fund
- Employee Retention Tax Credit
- Payroll Tax Deferral
- Community Development Block Grant Subgrants (Subject to local discretion)
- Economic Development Administration Grants Subgrants (Subject to federal discretion)

• IF YOU ARE A: 501(c)(4) Nonprofit

- SBA Coronavirus Economic Injury Disaster Loans
- Exchange Stabilization Fund
- Employee Retention Tax Credit
- Payroll Tax Deferral
- Community Development Block Grant Subgrants (Subject to local discretion)
- Economic Development Administration Grants Subgrants (Subject to federal discretion)

• IF YOU ARE A: 501(c)(6) Nonprofit

- SBA Coronavirus Economic Injury Disaster Loans
- Exchange Stabilization Fund
- Employee Retention Tax Credit
- Payroll Tax Deferral
- Community Development Block Grant Subgrants (Subject to local discretion)
- Economic Development Administration Grants Subgrants (Subject to federal discretion)
- [**CLICK HERE for additional 501\(c\)\(6\) resources**](#)

• IF YOU ARE A: 501(c)(7) Nonprofit

- SBA Coronavirus Economic Injury Disaster Loans
- Exchange Stabilization Fund
- Employee Retention Tax Credit
- Payroll Tax Deferral
- Community Development Block Grant Subgrants (Subject to local discretion)
- Economic Development Administration Grants Subgrants (Subject to federal discretion)

A GUIDE TO CARES ACT ELIGIBILITY

- **IF YOU ARE A: 501(c)(19) Nonprofit**

- Paycheck Protection Program (Business Interruption Loans)
- SBA Coronavirus Economic Injury Disaster Loans
- Exchange Stabilization Fund
- Employee Retention Tax Credit
- Payroll Tax Deferral

- **IF YOU ARE A: Political Subdivision, State or Municipality**

- Exchange Stabilization Fund
- Payroll Tax Deferral
- Community Development Block Grant Subgrants (Subject to local discretion)
- Economic Development Administration Grants Subgrants (Subject to federal discretion)

- **IF YOU ARE A: Franchise or Small Business with Multiple Locations**

- Paycheck Protection Program (Business Interruption Loans)
- SBA Coronavirus Economic Injury Disaster Loans
- Relief on Existing SBA Loans
- SBA Express Loan
- Exchange Stabilization Fund
- Employee Retention Tax Credit
- Payroll Tax Deferral

- **IF YOU ARE A: Business or Corporation with more than 500 employees¹**

- Exchange Stabilization Fund
- Employee Retention Tax Credit
- Payroll Tax Deferral

- **IF YOU ARE A: Large business or corporation**

- Exchange Stabilization Fund
- Employee Retention Tax Credit
- Payroll Tax Deferral

1. For Businesses that do not meet an SBA Size Standard.

A GUIDE TO CARES ACT ELIGIBILITY

- **IF YOU ARE AN: Airport**

- Grants and Loans via the Separate Appropriations
- Exchange Stabilization Fund
- Payroll Tax Deferral

- **IF YOU ARE A: Self-employed individual**

- Paycheck Protection Program (Business Interruption Loans)
- SBA Coronavirus Economic Injury Disaster Loans
- Payroll Tax Deferral

1. For Businesses that do not meet an SBA Size Standard.

U.S. TRAVEL ASSOCIATION*

The Honorable Mitch McConnell

Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi

Speaker of the House of Representatives
United States House of Representatives
Washington, DC 20510

The Honorable Charles Schumer

Minority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy

Minority Leader
United States House of Representatives
Washington, DC 20510

April 8, 2020

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

Thank you for your leadership in enacting the Coronavirus Aid, Relief and Economic Security (CARES) Act. While the CARES Act is a start, it is critical to provide relief to sectors of the travel industry that were not adequately covered under the Act—particularly for 501(c) organizations and local travel-related quasi-governmental organizations, which are the engines of the travel economy. We are asking that you prioritize these businesses and amend the CARES Act quickly to ensure that all 501(c) organizations are eligible under the Paycheck Protection Program (PPP) and receive adequate relief in the next coronavirus relief package being discussed now.

The travel industry provides 15.8 million jobs across the country, fuels \$1.1 trillion in traveler spending and generates \$2.6 trillion in economic output annually. Destination Marketing Organizations (DMOs), conventions and visitors' bureaus and state tourism offices are some of the primary drivers of these economic benefits, enhancing brand awareness and promoting sales and marketing efforts both domestically and internationally that inspire travel. Many of these statewide and regional DMOs are small, 501(c)(6) or 501(c)(4), nonprofit organizations that provide marketing and critical economic support for both the travel industry and the communities they serve. Their efforts drive customers to local small businesses and supports local jobs—placing them at the forefront of economic development for communities nationwide. Their work will be especially critical when we look toward recovery from the coronavirus pandemic.

As of now, DMOs and other 501(c) (4) and (6) nonprofits and local travel-related quasi governmental organizations are ineligible for much of the relief offered in the CARES Act, most notably the loan forgiveness available under the PPP. Without access to this program, DMOs across the country—which are among the hardest hit by the significant declines in travel spending—are being forced to lay off thousands of employees, which will only lengthen our country's recovery from this crisis. As civic-oriented nonprofits, it will be difficult for them to qualify for other types of SBA loans, and this will only reduce what they can reinvest back into their community's economic recovery. Without these DMOs, recovery will inevitably take a much longer time. We must secure the immediate relief they so desperately need to ensure they can continue to deliver for our communities.

Without additional assistance, millions more workers across the country will be impacted by these layoffs. We know you are working around the clock, as we all are, to support the travel workforce and businesses who are among the most severely impacted by the crisis. We are grateful for your continued support of our industry and urge you to act quickly to rectify this issue for all DMOs of all structures.

Signed,

TECHNICAL CORRECTIONS AND ENHANCEMENTS TO THE CARES ACT

U.S. TRAVEL
ASSOCIATION®



TITLE I: ENHANCE AND EXTEND SUPPORT FOR EMPLOYEES OF SMALL BUSINESSES

Paycheck Protection Program (PPP)

While public health measures require the travel industry's customers to stay at home and businesses to close, the PPP is intended to provide short-term bridge funding to help small businesses cover basic payroll costs and expenses. However, amendments and technical corrections to the PPP are needed to expand eligibility to severely impacted small businesses and to provide adequate economic relief for the unique and unprecedented challenges of this pandemic.

- **Extend PPP and Increase Appropriations:**

- **Extend PPP to cover the worst months of the economic slowdown:** The PPP is expected to run out of funding within the next several weeks and the covered period for the program ends on June 30, 2020. It's clear that extended public health restrictions and a slow return to normal work, public gathering and travel patterns will result in small businesses having limited customers and revenue far beyond June 30.
- **Appropriate an additional \$600 billion for PPP.** This will ensure the program is sufficiently funded through December 2020.
- **Extend PPP through December 2020.** This will ensure the PPP provides support through the worst of the economic slowdown.
- **Allow small businesses to receive up to three PPP loans.** Permit small businesses that have already received a PPP loan to apply for up to two additional PPP loans if the business interest can prove that proceeds from previous loans have been expended. Ensure the eligibility for multiple loans applies to businesses concerns with multiple locations and waives franchise rules, as provided under the CARES Act.

- **Expand Eligibility:**

- **501(c)(6) nonprofits:** Destination Marketing Organizations (DMO), which are often classified as 501(c)(6) organizations, provide critical economic development support for local travel markets through tourism management and convention and meeting sales. Nonprofit DMO's are typically funded through a combination of local hotel room taxes and private sector contributions. But the economic shutdown and steep decline in hotel occupancy have wiped out their funding, forcing them to lay off thousands of workers and threatening to slow the economic recovery.
- **Clarify that 501(c)(6) nonprofits are eligible to participate in PPP.** Amend Section 7(a)(36)(A)(vii) of Title 15 U.S.C. to include 501(c)(6) in the definition of an eligible nonprofit under the Paycheck Protection Program.
- **Small businesses with multiple locations:** Under the CARES Act, certain business concerns with more than 500 employees spread over multiple locations are

TECHNICAL CORRECTIONS AND ENHANCEMENTS TO THE CARES ACT

prohibited from receiving a PPP loan, with the exception of business concerns in the lodging and restaurant industries. This limited exemption should be expanded to cover other severely impacted industries, including retail, entertainment, and other service industries, such as salons and health clubs.

- **Expand multiple location waivers to entertainment and retail.** Amend Sec.1102(a)(D)(iv) of the CARES Act to allow businesses in severely impacted industries, including arts, gyms, amusement parks, theme parks, family fun centers, and entertainment (NAICS 71), retail trades (NAICS 44-45), janitorial services (NAICS 56), and beauty salons (NAICS 81) with multiple physical locations, but less than 500 employees per location, to receive PPP loans.
- **Political Subdivisions:** Destination Marketing Organizations (DMOs) classified as political subdivisions of a State or local government are ineligible to receive PPP loans. Similar to 501(c)(6) DMOs, these critical economic engines receive both tax-derived funding and private sector contributions, which are severely constrained as a result of the economic shutdown.
 - **Expand PPP eligibility to include political subdivisions of a State or municipal government.**
- **Clarify eligibility for the franchising sector:** In the CARES Act, Congress intended to maximize franchise eligibility in the PPP by waiving the affiliation rules, but agency guidance for the sector has been lacking and franchise owners, brands, and operators are being denied eligibility in the program. Clarifying Congressional intent and maximizing eligibility will ensure the workforce can stay connected to their employers. Pre-COVID, there were over 733,000 franchise units, supporting nearly 8 million jobs.
 - Franchisors or franchisees that meet the definition of a business format franchise under part 436 of title 16, Code of Federal Regulations should be eligible for a PPP loan, so long as any single location has less than 500 employees per location.
 - All franchisors with franchise systems registered in the SBA's Franchise Directory should be eligible for PPP loans.
 - All "business concerns" that are registered in the SBA's Franchise Directory should be eligible for a covered loan without regard to the number of employees, even if the single franchisee entity employs more than 500 people.
 - Given the fact that franchise systems registered in the SBA's Franchise Directory are determined to not violate the SBA's customary affiliation rules, as they are applied between a franchisor and franchisee, clause (36)(D)(iv)(II)'s waiver language should be interpreted to ensure that "business concerns" operating as a franchise are eligible for covered loans regardless of the number of affiliated entities it has. This should be true even if traditional SBA lending rules would disqualify the business concern.
 - Clause (36)(D)(iii)'s use of business concern should be interpreted to not limit any single entity that employs their employees throughout multiple locations to a \$10 million loan cap for all employees at all locations.
 - Due to clause (36)(D)(i)'s clear language, the term "any business concern" should be interpreted to mean that each franchise establishment that has less than 500 employees, but are not currently on the SBA's Franchise Directory as an approved "small business concern," is eligible for a PPP loan.
 - Clause (36)(D)(iv)(II)'s affiliation-waiver provision should be interpreted to allow for franchise systems that have previously been denied access to the SBA's Franchise Directory (due to affiliations with franchisors) to immediately apply and gain listing on the SBA's Franchise Directory for the duration of the COVID-19 crisis.

TECHNICAL CORRECTIONS AND ENHANCEMENTS TO THE CARES ACT

- **Ensure Loan Amounts and Loan Forgiveness Match Small Business Needs:**

- **PPP loans should reasonably cover BOTH payroll and nonpayroll expenses:** The current calculation for maximum PPP loans is just 2.5x the average monthly payroll for 2019 and is inadequate to help small businesses cover both payroll AND expenses during the covered period.
- **Calculate maximum loans at 8x the average monthly cost of all expenses.** Revise how the loan amount is calculated to include the average payroll, mortgage interest, qualified rent, and utilities for 2019, up to a maximum of \$10 million. This revised calculation will provide small businesses with more flexibility to cover both basic employee costs and necessary expenses, while businesses are limited or closed in the interest of public health.
 - 8x represents the number of months between the exhaustion of funds in the current PPP through December 2020. Travel was the first industry to fall at the beginning of this crisis as events were cancelled, and it will be the last to recover. The uncertainty of the virus and its possible resurgence even after it is contained will discourage travel. Additionally, lost jobs for individuals and families, and lost revenues for businesses will deter a return to normal travel patterns. Moreover, travel-dependent businesses rely on a peak season from April-September to carry their businesses through the entire year. Without travelers during those months, businesses will not survive through December.
- **Allow eligible expenses to include initial franchise fees and royalties** paid by a franchise owner to a franchisor as defined by part 436 of title 16, Code of Federal Regulations.
- **Protect employee management contract workers under PPP:** Under the CARES Act, small businesses that have workers supplied through contracts with employee management companies, where the management company is the employer of record, cannot include the costs of those contracts in calculating maximum loan amounts or in loan forgiveness for employee retention. This leaves workers of employee management firms unprotected under the PPP, since those firms often serve many different businesses and exceed the 500-employee limit when viewed on a consolidated basis.
 - **Include employee management contracts in maximum loan calculations.**
 - **Ensure labor-related expenses incurred through employee management contracts are eligible for loan forgiveness.**
- **Allow flexible loan forgiveness for small businesses with few or no customers.** Necessary public health measures have caused small businesses to lose most of their customers or close entirely. In addition to payroll, these businesses must also pay rent, mortgages, utilities and other basic costs during the shutdown and beyond. Unfortunately, the PPP forces small businesses to rehire workers to normal levels, even without customers, and discourages them from using loan proceeds to cover basic expenses. For example, PPP calculates loan forgiveness based on rehiring to normal business levels and requires that 75% of loan proceeds be used on payroll costs in order to be forgiven. This makes the PPP impractical for helping businesses stay afloat while they are closed or have very few customers in the interest of public health.
 - **Require the SBA to allow small businesses that are closed or have very few customers compared to 2019 to use loan proceeds on payroll, rent, utilities, debt obligations, regardless of the percentage.**
 - **Require the SBA to allow full loan forgiveness on any amount used to cover eligible payroll and nonpayroll expenses.**
 - **Provide flexibility on the timing of the PPP so funding coincides with needs of the businesses.** Allow companies to maximize loan forgiveness for payroll when reopening is scheduled.

TECHNICAL CORRECTIONS AND ENHANCEMENTS TO THE CARES ACT

Economic Injury Disaster Loans

Since Economic Injury Disaster Loans (EIDLs) constitute the primary form of assistance for the many small businesses and organizations struggling to survive, it's important to get it right and ensure the economic problems created by the virus are not allowed to wipe out huge swaths of the economy. It's critical that the next phase of relief:

- **Increase EIDL funding to \$50 billion:** This will help small businesses access EIDL loans throughout the full length of the outbreak.
- **Enable businesses to access a second EIDL:** Allow eligible entities to take out a second loan if they are still unable to meet their ordinary expenses and they exhaust funds from the first loan.
- **Increase the second EIDL cap to \$10 million:** Increase the loan cap to \$10 million for second loans, with an emergency cash advance of \$500,000, using the same process provided under Section 1110(e) of the CARES Act.
- **Waive all personal guarantees and collateral requirements:** These requirements are not feasible during a protracted and severe economic shutdown.
- **Waive affiliation rules for EIDLs to mirror affiliation waivers for PPP loans**

TITLE II, SUBTITLE C: ENHANCE TAX RELIEF FOR BUSINESSES OF ALL SIZES

Employee Retention Tax Credit

Employers are desperate to keep their workers, but with no revenue coming in due to mandated shutdowns and other social distancing measures, it's critical that the Employee Retention Credit be enhanced to help employers keep workers on the payroll, especially those not eligible for any other form of relief in the CARES Act—including Destination Marketing Organizations that function as independent governmental entities, but have experienced severe funding shortages due to travel-related tax revenue losses. To prevent further job loss, the next phase of relief must—

- **Increase the max wages taken into account for the credit,** under Section 2301(b)(1) of the CARES Act, to \$20,000 per quarter.
- **Allow taxpayers to claim the credit against payroll tax deposits** rather than payroll tax liability, to ensure cash-strapped employers can keep their employees on the payroll for as long as possible, particularly when used with the deferral of payroll taxes.
- **Allow governmental entities to claim the credit** if they experience more than a 40 percent drop in quarterly receipts due to COVID-19, compared to last year.

Deferral of Payroll Taxes

Since economic activity is entirely frozen and inaccessible to many travel businesses, many of them who use the Paycheck Protection Program to cover employee compensation will not have enough cash on hand to pay the federal payroll taxes connect to that compensation. Therefore, it's important that they can also defer payroll taxes for any compensation provided through the Paycheck Protection Program, without undermining the main benefit of the program, namely loan forgiveness. Therefore, we request the deferral of payroll taxes be modified to—

- **Allow taxpayers that receive loan forgiveness under the Paycheck Protection Program to defer payroll taxes owed this year to the next two years, as provided under Section 2302 of the CARES Act.**

TECHNICAL CORRECTIONS AND ENHANCEMENTS TO THE CARES ACT

TITLE IV: ENHANCE AND EXTEND SUPPORT FOR EMPLOYEES OF LARGER BUSINESSES

Exchange Stabilization Fund

The Exchange Stabilization Fund (ESF) is intended to help larger businesses retain employees and remain solvent during the protracted economic shutdown. Unfortunately, the ESF only provides severely distressed businesses with additional debt at a time when their finances are already stressed, which prevents borrowers from rehiring and powering the economic recovery. To enhance the ESF, the CARES Act should be amended to:

- **Provide loan forgiveness that mirrors PPP loan forgiveness.** Enable mid- to large size businesses to obtain up to 3 months of loan forgiveness for employee retention and basic expenses.
- **Authorize the Treasury Department to make direct loans to severely impacted travel-dependent businesses:** Clarify that Treasury Department may serve as the facility for direct lending to severely impacted businesses, similar to the direct loans that the Treasury Department is authorized to make to airlines and aviation businesses. Currently, the CARES Act only allows the Federal Reserve to make direct loans on a widely available basis with strict credit and financial solvency requirements, which is prohibitive toward the most severely impacted businesses, since many don't meet the financial conditions required to access the loans.
- **Clarify that all 501(c) nonprofits are eligible to receive lending through the ESF.** Under the current CARES Act, 501(c) nonprofit may be eligible to receive lending, but are not specifically stated as an eligible category. Further, under the Mid-Sized Business Lending Program, only nonprofits with between 500 to 10,000 employees are considered eligible.
- **Establish specific programs for State and local governments, and political subdivisions.** Direct the Treasury Department and Federal Reserve to establish a municipal bond facility to help States, local governments, and other political subdivisions or instruments of government with bonding authority (such as destination marketing organizations, State tourism offices or airports) raise funding to cover employee retention, operating expenses and economic recovery efforts, by buying revenue-backed bonds through a quick and streamlined process.

DIVISION B: EXTEND EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Airport Grants

Provide an additional \$20 billion in Airport Improvement Grants to help airports cover losses in airport concessionaire and business revenue contracts, maintain employees, and keep airports running during the protracted shutdown.

Provide Travel Businesses with liquidity through bulk federal purchases of future travel allowances:

The Federal government is one of the largest single purchasers of travel goods and services. To support travel businesses that have been severely impacted, establish a vehicle through the Department of Treasury, with support from the General Services Administration, to purchase bulk Federal contracts for lodging, airfare, conferences, car rentals, and other travel-related services and products over the next 10 years. The cash advances from bulk federal contracts would ensure travel businesses have enough receivables to pay their employees and to borrow against. Advances could be based on current per diems to save the government money over the long run.

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
BOARD OF DIRECTORS – EXECUTIVE COMMITTEE MEETING
IRVING CONVENTION CENTER
FEBRUARY 21, 2020

Attendance: Rick Lindsey – Board Chair; Karen Cooperstein – Board Vice Chair, Bob Bourgeois, Debbi Haacke, Greg Malcolm – Committee Members; Bob Bettis - Board member; Tom Meehan, Verenis Pedraza, and Matt Tungett – SMG/ICC; Maura Gast, Carol Boyer, Marianne Lauda, and Susan Rose - ICVB; Councilman Al Zapanta – Guest.

Board Chair Rick Lindsey called the meeting to order at 9:00 a.m. and inquired if there were any citizen comments. There were none.

Director of Accounting Marianne Lauda
January 2020 ICVB financial reports:

- Formatting of the new report was discussed, and it was noted the format shows totals by Category as the City has classified accounts differently now.
- Lauda is working to provide the same information as previously reported to the Executive Committee and will work with the Munis trainers when they return to the City in April to develop that report.
- Transfer/Adjustments column shows encumbrances, in addition to \$314,042 transfer out from subsidy savings last year.
- Expenditures are in line at 35% expended year-to-date, including encumbrances.
- The majority of Purchase Orders are:
 - Advertising
 - Simpleview database software
 - Maloney Advertising Agency
- Lauda reported next month revenues will include the Hotel Occupancy Tax collections for the second quarter 2019-20.
- Action item: Lauda to work with Munis trainers to have report title show “ICVB,” instead of City of Irving.
- CAFR (Comprehensive Annual Financial Report) was explained by Lauda.
- Miscellaneous column includes: Business Development Incentive Program; local programs; sponsorships; specialty items; Visitor Information Volunteer Program; etc.
- Action item: Lauda to create a spreadsheet with each category with a legend of what is categorized in each account.

Check Register highlights for January 2020:

- A review of the Check Register was given by Lauda.
- Detail explanations for each check will be captured in the new format.

Lindsey requested a motion to accept the ICVB financials for January 2020. On a motion from Board member Greg Malcolm and a second from Board member Bob Bourgeois, the motion was unanimously approved.

Hotel Occupancy Tax Collections for First Quarter 2019-20:

- It was noted collections have been received from each entity.
- Westin Irving Convention Center Hotel pays 9% tax, which is applied to bond payments for headquarter hotel, Irving Convention Center (ICC) and Entertainment Venue.
- Action item: Lauda to create a year-to-year comparison report on each hotel.
- Tax was collected prior to demolition of Fairfield Inn – DFW North.
- All hotels are showing increases of over 2%, with the exception of the Budget Inn which is closed during renovations.
- There are more listings for All Suite Extended Stay properties; one is being reported as an AirBNB aggregated listing.

General Manager Tom Meehan

January 2020 ICC financial report:

- January ended \$285,607 better than budget for the month and \$423,588 for the year
- Income Statement shows F&B Catering net amount of \$794,222, and gross of \$1,256,000, which is the highest to date.
- Rental Income was \$80,100 for the month.
- Expenses are over budget \$120,906. There are several large maintenance and repair projects being done.
- Year-Over-Year Comparison shows F&B Catering well ahead of the last four years, and Rental Income is the highest in last four years.
- Meehan congratulated Chef Eduardo Alvarez and the F&B team.
- Alvarez and Meehan, along with a few others from the F&B team, are attending Cater Source tradeshow in Las Vegas in March.
- The Forecast Report shows a return of \$120,000 at month four.
- Forecast numbers will continue to grow and it is a great position to be in at month four in the year.
- Everything looks solid, bookings are great and teams are working hard.
- The Committee congratulated Meehan and the ICC team on the success of the month and year-to-date.

Lindsey requested a motion to accept the Irving Convention Center Financial Report for January 2020. On a motion from Malcolm and a second from Board member Debbi Haacke, the motion was unanimously approved.

With no changes and no further discussion, Lindsey requested a motion to approve the Executive Committee meeting minutes from January 24, 2020. Gast noted the minutes will be in a different and more concise format moving forward. Haacke made a motion to approve; with a second from Malcolm, the motion was unanimously approved.

Chairman/Executive Director Reports:

- Lindsey reviewed the ICVB Board of Directors meeting agenda for February 24, 2020
 - The location of the Board meeting will be at the Hilton Garden Inn DFW South.
 - Annual meeting review will be given.

- Committee reviews and recaps.
- Live Nation Economic Impact Analysis Update will be presented by Mike Riley.
- Gast to give an update on the Byron Nelson Championship if any new information is available.
- Jason Wu Trujillo is new representative from University of Dallas to join the Board.

City Council update:

- Bond propositions for total of \$570-\$573M on May ballot. Lindsey thanked Bourgeois for his hard work on the bond program and representing the ICVB.
- Mayor Pro Tem Oscar Ward is running unopposed for his seat on the Council.
- Councilman Dennis Webb has three opponents.
- Mayor Rick Stopfer has one opponent.
- Gast was asked by Council to go back to hotels and request input on proposed changes to the Hotel Development Standards. Gast is developing an electronic survey and will ask property General Managers to forward to their owners for their input as well.

Discussion was held on a Dallas Morning News article on AirBNBs. Dallas is attempting to resolve short term rental issues and has set up a taskforce. There are regulations that some AirBNB owners did not know about and now Dallas is collecting taxes and back taxes, which is causing problems and distress. The article underscores this continues to be a challenge that every city is struggling with. Gast noted different markets have different approaches and issues. Dallas has a neighborhood issue. Irving City staff is creating a Request for Proposal (RFP) for a revenue collection service. The advantage to this approach is to get reports in detail of short-term rental properties and collect more data. Board Vice Chair Karen Cooperstein encouraged the idea of going back to the City with an educational campaign to City residents.

Action item: Assistant Executive Director of Administration/Finance Susan Rose to include a map of AirDNA properties in the Board packet.

Lindsey noted the next Executive Committee meeting will be held on March 20, 2020 (noting correction of agenda stating March 20, 2019) and adjourned the meeting at 9:55 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director