

AGENDA
Irving Convention and Visitors Bureau Board of Directors
Board Development Committee
Friday, March 16, 2018 at 9:00 a.m.
Irving Convention Center – First Floor Boardroom
Irving, Texas 75039

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

1. 2018-21 Strategic Planning Process
2. Board Appointment Process
3. Update: Board Vacancies & Changes in Representation
4. New Board Member Orientation – April 5 at 8:30 a.m.
5. Legislative Update – Short-Term Rentals and Interim Charge #1: Hotel Occupancy Taxes
6. Approval of October 13, 2017 Minutes
7. Next Meeting – June 5, 2018

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.

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.

2018-2021 & Beyond

A Strategic Plan for the Irving Convention & Visitors Bureau Board of Directors

For nearly 30 years, various iterations of the ICVB Board Strategic Plan focused heavily on bricks-and-mortar issues. There's been the more visible and long-standing priorities like the Convention Center, its headquarter hotel and the pursuit of entertainment opportunities, particularly in the city's primary visitor district. There's been quality and quantity issues associated with bricks-and-mortar as well, with revised hotel development standards and policies that allow poor performers to be temporarily de-listed. There have been partnership priorities for the purposes of some bricks-and-mortar initiatives, including a consolidated museum plan, sports facilities such as Drive Nation and the potential with Spring Trail Park, and continued efforts to see the city's Heritage District grow in terms of visitor assets.

The Irving Music Factory is scheduled to be fully occupied this summer, with Water Street close behind. The Westin headquarters hotel will open its doors this December. The new Irving Arts & Culture Department has merged the city's arts and museums assets, and the Irving Archives & Museum will open to the public in early 2019. An MOU is in progress for a public-private partnership at Spring Trail Park to attract rugby and other field sport tournaments.

The question now becomes, from a CVB Board perspective, where do we want to go from here? What should be next?

And that's where the Destination NEXT survey comes in to play. The Scenario Model and Assessment Tool developed for the survey allow for a broad range of input into the destination's strengths and opportunities – including avenues not only for the board and elected officials to participate, but clients, industry partners, civic leaders, corporate residents and Irvingites at large to weigh in on the two critical success factors for every destination: the destination's strength and the level of community support and engagement for visitor-facing initiatives.

This assessment tool was built out of an international industry-wide taskforce that sought to identify the key issues and trends affecting our abilities to perform, and to look at how and where our focuses are to determine our capacity to thrive. The industry is continuing to evolve, and its successful evolution will depend on structure and strategy, as well as bricks-and-mortar.



The results from the D-NEXT survey will help us build a strategic roadmap for the next several years, for the next iteration of Irving, providing a scenario model seen through many lenses to help us identify the paths we need.



In order to make the survey as effective a tool as it can be, what we need most is participation. The survey is done electronically, so all that is necessary to complete it is an internet connection and a desktop, laptop or tablet. We will have time at the April 4 City Council Work Session to do an overview and invite the Council and community to participate. We'll be looking for board members to extend the message at service clubs and civic gatherings. We'll have postcards with an invitation to participate and the URL unique to the Irving survey on them for you to hand out to friends and neighbors, co-workers, church-goers, etc. Our staff will reach out to clients, prospective clients, and a wide range of industry partners for their input as well.

If someone wants to know WHY they should take the time (and it's probably a 20-30 minute ask), hopefully your role on our board has equipped you with the perspective to point out that the many things that make Irving strong as a visitor destination, have also made it strong as a place to live and work. With commercial property bearing nearly 75% of our city's property taxes, it's important that we keep those office buildings full. And part of what keeps those office buildings full, is making sure the amenities and assets surrounding them are what that workforce needs and wants, in addition to what our visitors need and want. Corporate travel drives most of our hotel traffic and we hope it always will. Corporate travel spending is good for our restaurants, and good for our hotels. And because it's good for our hotels, there are funds to support the Irving Arts Center, the city's museums, convention center and the Music Factory.



For assessing Destination Strength, the survey will ask respondents their perspectives on the following characteristics:



For assessing Community Support & Engagement, the survey will look at these characteristics:



We'll be able to slice and dice the data to see how our meeting planners see us on categories, versus our residents, or our partners, or our corporations. We'll get a look at Irving through the eyes of millennials, as well as everyone else. All the slicing and dicing will allow us to weight the responses accordingly, taking in all the data, without trying to interpret through a vacuum. Some of the responses may be bigger than Irving – after all, air access at either DFW Airport or Love Field are not necessarily in Irving's power to control BUT we can share any useful input with our partners at both and continue to work collectively to keep air access for the region the strong asset it has always been.

SCHEDULE/TIMING

March 16 – ICVB Board Development Committee Overview

March 26 – ICVB Board of Directors Overview

March 27 – Chamber of Commerce Board Meeting Overview

April 3 – ICVB Board Community Relations Committee Overview

April 4 – City Council Work Session Overview

April 4 – Survey launches; board & staff in-market with invitations to participate

April TBD – Hotel Association and/or Irving Meet The Bureau presentations

April 30 – Recap and reminder to ICVB Board

May 1 – Survey closes

May 21 – Survey results presented by Paul Ouimet, DestinationNEXT/NEXT Factor Inc.

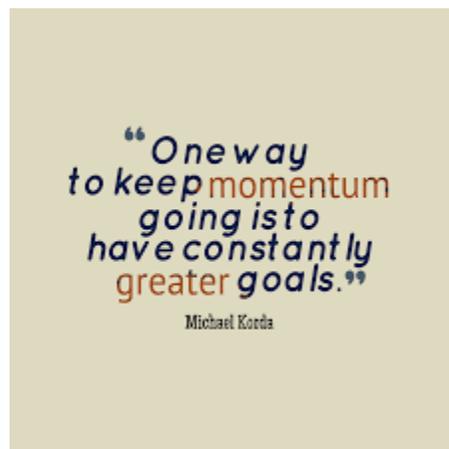
May 30 – Supplemental ICVB Board Member Survey (Zeitgeist Consulting)

June 5 – Board Development Committee

June 21-22 – Board Strategic Planning Retreat

THE ELEVATOR SPEECH

In the last few years, we've seen Irving change dramatically with the exciting additions of the Irving Convention Center, Music Factory, Water Street, and soon, the Westin headquarters hotel. A series of strategic plans put these into motion, all built on the input of our residents, customers, partners and corporations. As we start to think about Irving's next chapters as a destination, we need your input once again. Please be part of our DestinationNEXT survey by clicking [HERE \(URL to come\)](#).



Part I: Ranking Irving Strength Variables

D-NEXT developed 10 variables to determine the overall strength of a destination. Below are those 10 variables that carry varying degrees of importance depending on what destination is being discussed. On the survey, there will be specific items under each of these topics for respondents to consider.

Accommodations

How important to Irving's overall tourism picture is it that Irving provides a wide variety of different accommodation options?

Attractions & Entertainment

How important to Irving's overall tourism picture is it that the city provides diverse and appealing attractions that are authentic and unique to the Irving?

Convention & Meeting Facilities

How important to Irving's overall tourism picture is it that Irving has state-of-the-art convention, meeting, and trade show facilities?

Air Access

How important to Irving's overall tourism picture is it that the airports offers air service of high quality with availability both nationally and internationally?

Events

How important to Irving's overall tourism picture is it that Irving hosts a wide array of major fairs, expositions, concerts and cultural events?

Sports & Recreation Facilities

How important to Irving's overall tourism picture is it that Irving has the facilities and ability to attract and host sports and recreational events and activities?

Communication & Internet Infrastructure

How important to Irving's overall tourism picture is it that Irving offers high quality and availability of mobile and Internet networks?

Mobility & Access

How important to Irving's overall tourism picture is it that Irving is easy to navigate with adequate transit, signage and accessibility-friendly facilities for those with disabilities?

A Measurable Irving Performance

How important to Irving's overall tourism picture is it that the Irving CVB has the ability to measure Irving marketing and sales efforts to determine what programs succeed or fail?

Brand

How important to Irving's overall tourism picture is it that Irving has an established brand that is simple, memorable and market-tested?

Part II: Importance of Community Support & Engagement

D-NEXT developed 10 variables to determine the overall strength of a destination. Below are those 10 variables that carry varying degrees of importance depending on what destination is being discussed. On the survey, there will be specific items under each of these topics for respondents to consider.

Effective Governance Model

How important to Irving's overall tourism picture is it that there is appropriate and effective oversight and accountability for the Irving CVB, including engagement from local leaders?

Partnership Strength & Support

How important to Irving's overall tourism picture is it that there is a high level of engagement and support from the Irving CVB's partners?

Industry Support

How important to Irving's overall tourism picture is it that Irving's tourism industry has a high level of engagement and support from local businesses?

Local Community Support

How important to Irving's overall tourism picture is it that the perception of residents, local businesses (tourism and non-tourism) and the media is that tourism is important?

Effective Advocacy Program

How important to Irving's overall tourism picture is it that the Local and state government policy and regulations support the city's tourism industry?

Workforce

How important to Irving's overall tourism picture is it that Irving is able to attract and retain a high-quality hospitality industry workforce, as well as garner support from local education institutions?

Hospitality Culture

How important to Irving's overall tourism picture is it that there is a high level of involvement from residents and frontline employees to help promote the city and deliver a memorable travel experience?

Regional Cooperation

How important to Irving's overall tourism picture is it that there is a high level of collaboration and coordination among tourism partners in the region?

Funding Support & Certainty

How important to Irving's overall tourism picture is it that the Irving CVB has a stable and sufficient revenue source?

Economic Development

How important to Irving's overall tourism picture is it that there is a high level of collaboration between Irving CVB, local economic development agencies and local business groups?



CITY OF IRVING'S BOARDS AND COMMISSIONS APPLICATION

Home

GENERAL BOARDS/COMMISSIONS APPLICATION

*Title

- Ms.
- Mrs.
- Mr.

* = REQUIRED

* Last Name * First Name M.I.

* Home Address

* City * Zip

* Primary Phone Secondary Phone

* E-mail Address

Please indicate your first, second and third choice of boards you would like the City Council to consider you for.

*First Choice Select one ▼ Second Choice Select one ▼ Third Choice Select one ▼

*1. Are you registered to vote in Irving?

- YES
- NO

*2. How long have you been an Irving resident?

3. What district do you live in? Select one ▼

*4. Are you currently a member on a city board, committee or commission?

- YES
- NO

*5. Have you ever served as a member of any Irving boards, commissions or committees?

- YES
- NO

If yes, which boards and the approximate dates of service.

6. List any civic or community activities in which you have been involved.

* 7. List any experience that qualifies you to serve in the positions indicated.

8. List your educational background.

9. Place of employment or business affiliation. (Specify if you are self-employed, a homemaker, retired etc.)

* 10. What is your work experience?

Section 552.024 of the Texas Public Information Act provides that any appointed official of a government body shall choose whether to allow public access to the information in the custody of the governmental body that relates to the person's home address or telephone number.

*** Allow public access to my address and phone number:**

- YES
- NO

Section 552.137 provides that an e-mail address of a member of the public that is provided for the purpose of communication electronically with a governmental body is confidential and not subject to disclosure.

*** Allow public access to my E-mail:**

- YES
- NO

Your application will be kept on file with the City Secretary's Office for one year.
If you have any questions, please contact Shanae Jennings, City Secretary, at (972) 721-2493.

Submit

Place	Last	First	Appt. Date	1st Term	2nd Term	3rd Term	Final Term Expires	Requirements (if applicable)	Status/Notes
2	Mathai	Ron	2/7/13	2014-16	2016-18	2018-20	2020		Eligible for Reappointment
4	Philipp	Joe	11/13/14	2014-16	2016-18	2018-20	2020		Eligible for Reappointment
6	Bresowar	Jo-Ann	11/13/14	2014-16	2016-18	2018-20	2020		Eligible for Reappointment
8	Haacke	Debbi	1/10/13	2014-16	2016-18	2018-20	2020		Eligible for Reappointment
10	Burghardt	Dirk	TBD 2017	2017-19	2019-21	2021-23	2023	Voting, Hotelier	Replaced Bob Bula
12	Malcolm	Greg	11/8/12	2012-14	2014-16	2016-18	TBD	Hotel Association Chair	Term tied to chairmanship of Irving Hotel Association
NV	Bettis	Bob	11/16/16	2016-18	N/A	N/A	2018	Past ICVB Board member	One 2-year term by ordinance, although Board can recommend a second two-year term
1	Cooperstein	Karen	11/16/16	2017-19	2019-21	2021-23	2023		
3	Lear	Clem	11/13/14	2015-17	2017-19	2019-21	2021		
5	Bourgeois	Bob	11/9/17	2017-19	2019-21	2021-23	2023		
7	Lindsey	Rick	11/13/14	2015-17	2017-19	2019-21	2021		
9	Marshall	Joe	11/7/13	2013-15	2015-17	2017-19	2019		
11	Kang	Julia	11/9/17	2017-19	2019-21	2021-23	2023	Voting Industry At Large	Filled Robert Pierce slot (had served one term)
13	VACANT	VACANT						Restaurant Industry	Chelsey Fairless resignation, 12/17

ARTICLE I. - CONVENTION AND VISITORS BUREAU

Sec. 16B-1. - Irving Convention and Visitors Bureau—Created; membership; composition.

- (a) *Created.* There is hereby established the Irving Convention and Visitors Bureau, which shall have a twenty-five (25) member board of directors consisting of thirteen (13) voting members, and twelve (12) nonvoting members, three (3) of which are ex officio members.
- (b) *Composition.* The board shall be composed of nine (9) voting members who shall not be employed by, nor own an interest in, the hospitality or tourism industry; one (1) voting member who is the current chair of the Greater Irving-Las Colinas Hotel Association; one (1) voting member who shall be representative of the Irving hotel/motel industry; one (1) voting member who shall be representative of the hospitality industry at-large (although not restricted to the hotel/motel industry); one (1) voting member who shall be representative of the restaurant industry; two (2) nonvoting members who shall be representatives of the hospitality industry based upon the recommendation of the bureau board and the Greater Irving-Las Colinas Hotel Association; one (1) nonvoting member who shall be representative of the Dallas Cowboys Football Club; one (1) nonvoting member who shall be representative of The Las Colinas Association; one (1) nonvoting member who shall be representative of the University of Dallas; one (1) nonvoting member who is the current chair of Irving Tax Increment Reinvestment Zone No. 1 Board; one (1) nonvoting member who is the current chair of Dallas County Utility and Reclamation District Board or a designee of the chair; one (1) nonvoting member who shall be representative of the Salesmanship Club of Dallas Byron Nelson tournament; one (1) nonvoting member who is a past bureau board member based upon the recommendation of the bureau board; and three (3) ex officio, nonvoting members, which shall be the chief executive officer and the chair of the board of the Greater Irving-Las Colinas Chamber of Commerce and the city manager or designee of the city manager.

(Ord. No. 6146, § 1, 7-16-92; Ord. No. 6364, § 1, 1-20-94; Ord. No. 7217, § 1, 2-19-98; Ord. No. 8602, § 1, 1-26-06; Ord. No. 8913, § 1, 2-7-08; Ord. No. 2011-9299, § 1, 11-17-11; Ord. No. 2013-9421, § 1, 1-10-13)

Sec. 16B-2. - Same—Qualifications and appointment of members; term of office and removal from office of members of the board; filling vacancies.

- (a) *Qualifications.* All voting members must be residents of the City of Irving, eligible to vote in city elections, with the exception of the representatives of the hotel/motel industry, representative of the hospitality industry at-large, representative of the restaurant industry and the chair of the Greater Irving-Las Colinas Hotel Association.
- (b) *Appointment of members.*
- (1) All members of the board shall be appointed by the city council.
 - (2) Regular appointments shall be made on the date of the first official city council meeting in November, and the expiration date of each term of office shall fall on the date of the first official city council meeting in November during the year in which the term shall expire.
 - (3) Any member of the board may be removed from office by the city council for any cause deemed by the city council as sufficient for removal.
 - (4) Any vacancy in the membership of the board shall be filled by the city council for the unexpired term of the member whose place has, by removal or otherwise, become vacant.

(c) *Term of office.*

- (1) All voting members of the board shall serve for a period of two (2) years, unless sooner removed, with the exception of the voting member that is the chair of the Greater Irving-Las Colinas Hotel Association, whose term shall be defined by the term of service as its chair.
- (2) The thirteen (13) voting members shall occupy a place on the board, such places being numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13. The terms of office for places 1, 3, 5, 7, 9, 11 and 13 shall expire on odd-numbered years and the terms of office for places 2, 4, 6, 8, and 10 shall expire on even-numbered years; the term of office for place 12 is tied to the term of service as chair. The voting member representing the hotel/motel industry shall occupy place number 10; the voting member representing the hospitality industry at-large shall occupy place number 11; the voting member that is the chair of the Greater Irving-Las Colinas Hotel Association shall occupy place 12; and the voting member representing the restaurant industry shall occupy place number 13.
- (3) The terms of office for all nonvoting members of the board will be defined by their terms of service as chairs of their respective entities or as designated by their respective entities.
- (4) Terms of office shall commence and expire on the first official city council meeting in November. Members shall serve until their successor is appointed.
- (5) If any voting or nonvoting member is unable to complete his or her term, a successor will be appointed to that place to complete that term of office.
- (6) Voting members of the Irving Convention and Visitors Bureau Board shall serve no more than three (3) full consecutive terms. When a member is appointed to complete a partial term, that partial term shall not count in computing the three (3) full consecutive terms. Nonvoting and/or ex officio members may not be limited to three (3) consecutive terms, except that the one (1) nonvoting member who is a past bureau board member shall serve no more than one (1) full term. The bureau board may recommend to the city council that the one (1) nonvoting member who is a past bureau board member may serve a second full consecutive term.

(d) *Ex officio members.* Ex officio members shall not vote.

(Ord. No. 6146, § 1, 7-16-92; Ord. No. 7226, § 1, 3-5-98; Ord. No. 8602, § 2, 1-26-06; Ord. No. 8913, § 1, 2-7-08; Ord. No. 2011-9299, § 2, 11-17-11; Ord. No. 2013-9421, § 1, 1-10-13)

Sec. 16B-3. - Same—Powers, duties and responsibilities.

The board shall remain responsible only to the city council and shall have the following powers, duties, and responsibilities:

- (1) To make recommendations to the city council concerning the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both.
- (2) The furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants.
- (3) Advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity.
- (4) To employ an executive director who shall be the chief administrator of the Irving Convention and Visitors Bureau and responsible for carrying out the policies of the board. The executive director shall have the authority and responsibility to hire and supervise such other personnel as may be necessary to carry out the policies of the board. Said other personnel hired by the

executive director shall be governed by the rules, regulations, and policies governing non-civil service personnel, including, but not limited to, financial, salary, personnel, and other policies of the city. The board shall be responsible for appointing, removing, and supervising the Irving Convention and Visitors Bureau executive director. In the event of the temporary inability of the executive director to carry out his or her duties there shall be an acting executive director as specified in the organizational chart or in the adopted policies; this appointment will be made by the board of directors. The employment of the executive director and said other personnel shall be at will and said executive director shall be governed by the rules, regulations, and policies governing non-civil service personnel, including, but not limited to, financial, salary, personnel, and other policies.

- (5) The city manager shall not have independent power to appoint, remove, or supervise the executive director, and appeals of personnel actions in regard to the executive director shall be to the board and not to the city manager.
- (6) The board shall notify and involve the city attorney's office in any disciplinary actions against the executive director that could result in a loss of pay.
- (7) Any issues that cannot be resolved between the city manager and executive director may be brought to the attention of the board or city council.

(Ord. No. 6146, § 1, 7-16-92; Ord. No. 6459, § 1, 7-21-94; Ord. No. 7306, § 1, 8-6-98; Ord. No. 8602, § 3, 1-26-06)

Sec. 16B-4. - Budget appropriations to bureau; monthly statements, audit of expenditures; project approval.

(a) *Budget process.*

- (1) The city manager serves as the budget officer for the City of Irving.
 - (2) In order to aid the city manager in his or her statutory duty to prepare a budget and to present the budget to the city council, the city manager may require the board of directors of the Irving Convention and Visitors Bureau to furnish information necessary for the city manager to properly prepare the budget. The board shall prepare and submit an annual budget to the city manager in the format directed by the city manager or designee.
 - (3) A budget presentation to the city council may also be done by the board chair or designee.
 - (4) The final budget for the Irving Convention and Visitors Bureau will be approved by the city council. The city council may amend said budget at any time by its own actions.
- (b) The city council in the regular budget of the city may provide operating funds from the collection of the hotel occupancy tax to the Irving Convention and Visitors Bureau.
- (c) All contracts recommended by the board must be approved by the city council or meet the requirements of section 16-27 of The Code of Civil and Criminal Ordinances of the City of Irving, Texas, to be effective. The city council may decline to approve a contract, in which case the contract will not be effective.
- (d) The bureau shall submit monthly statements to the city showing all expenditures and balances. The financial records of the board are subject to audit as required by law, the city council, the city treasurer, the city auditor, the chief financial officer, or designee.

(Ord. No. 6146, § 1, 7-16-92; Ord. No. 8602, § 4, 1-26-06)

Sec. 16B-5. - Reports by bureau; all funds to be deposited in city depository.

- (a) The Irving Convention and Visitors Bureau shall make financial reports as directed by either the city council or the chief financial officer, in the format set forth by the chief financial officer.
- (b) All hotel occupancy tax funds and other funds within the control of the Irving Convention and Visitors Bureau shall be deposited in the city depository bank and invested pursuant to the terms of the city investment policy.

(Ord. No. 6146, § 1, 7-16-92; Ord. No. 8602, § 5, 1-26-06)

Sec. 16B-6. - Title to property purchase with funds.

The title to all property purchased with hotel occupancy funds shall be in the city.

(Ord. No. 6146, § 1, 7-16-92; Ord. No. 8602, § 6, 1-26-06)

Sec. 16B-6.1. - Council review.

The board will report its activities to the city council as requested. The board's actions may only be overruled by the city council.

(Ord. No. 8602, § 7, 1-26-06)

Editor's note— Ord. No. 8602, § 7, adopted Jan. 26, 2006, supplied provisions to be added to this Code as § 16B-7. In order to preserve the style of the Code, at the discretion of the editor, these provisions have been redesignated as § 16B-6.1.

Interim Charge #1: Hotel Occupancy Taxes: Study and make recommendations regarding the collection and use of hotel occupancy taxes to increase transparency in the imposition, rate, and use of such taxes.

Donald Dillard, Texas Comptroller's Office

- Gave brief history of the State Hotel Occupancy Tax (Hot Tax)
 - Legislature first imposed tax in 1959 at rate of 3%
 - Current rate is 6%
 - Municipalities were authorized to impose a HOT in 1971
 - Certain counties were authorized in 1981
 - Municipalities are generally authorized to impose tax of up to 7%, with certain cities authorized at 9%
 - Counties are generally authorized to impose tax of 7% but most are restricted to 2-4%
- Cities and counties can create a sports community venue project
 - Funded through various taxes including HOT up to 2%
- Combined state and local hotel tax rate cannot exceed 17%
- Differences between state and local hotel tax:
- Jurisdiction
 - Local taxing jurisdiction administers its own hotel tax
 - Comptroller's office administers the state HOT
- Qualifying rooms
 - State HOT imposed on the rental of a room or space in a hotel costing \$15 a day or more
 - Local HOT imposed on a room normally used for sleeping costing \$2 or more per day
- Use of revenue
 - State tax revenue is deposited into the general revenue fund
 - ½% earmarked for tourism advertising
 - 2% of HOT in certain coastal cities is returned to maintain beaches
 - municipal tax can only be used to promote tourism and the hotel & convention industry
 - county tax usage differs from county to county and can be difficult to determine proper use based on statute

Greg Conte, Texas Comptroller's Office

- Implementation of (85th) SB 1221- Relating to an annual report submitted to the comptroller by a municipality that imposes certain HOTs.
 - How a municipality will use the funds must be disclosed
 - If municipality implements sports complex tax, must be reported
 - Reports can be submitted manually/directly or by posting to website and reporting the URL
- Reporting period: January 1- January 20
 - currently 165 reports

- no requirement under SB 1221 for what the Comptroller's office does with the data, but planning on making it available to the public as the period closes
- Sen. Huffines- do you have any suggestions on how to make the tax more transparent?
 - Donald Dillard- not at present, although better ways of identifying counties and municipalities that have been bracketed in statute would be beneficial
- Huffines- what about transparency for the consumer to know what taxes they are paying and where those funds will go?
 - Donald Dillard- if a city is imposing a community venue tax is supposed to be separately stated
- Huffines- is there any requirement to show itemized list of the taxes and where it goes on the bill upon checkout of a hotel?
 - Donald Dillard- will provide that information
- Huffines- why did the 83rd Legislature pick 17% as the cap?
 - Donald Dillard- Not advised
- Sen Hancock- what was the original intent of the HOT and how did the courts determine the funds were supposed to be used? (court case 1993)
 - Donald Dillard- Not familiar with the court case
- Hancock- courts determined funds were to, "be specifically used only to promote tourism, convention and hotel industry."
 - Donald Dillard- That is the intent for the local HOTs
- Hancock- what is the list of things that the funds are being used for?
 - Donald Dillard- Sports events, sports fields, colosseums and multi-use facilities (portion of statute that authorizing municipalities to use HOTs for those activities are bracketed to certain cities)
 - What they are reporting is not bracketed information
- Hancock- originally the intent was very clear and overtime we have ventured out of the original intent of the tax, is that an accurate statement?
 - Donald Dillard- cannot answer that
- Hancock- the uses must have a "direct connection" according to the court case, and later legislation have added things outside of that, is that an accurate statement?
 - Donald Dillard- cannot answer that

Jennifer Brown, City of Sugar Land

- Reviewed written testimony regarding City of Sugar Land FY 2017 budget regarding use of HOT
- Local tax rate of 7%, implemented in 1995
- In 2000 Sugar Land had 4 hotels with roughly 400 rooms
 - Currently has 9 hotels with nearly 1400 rooms
- FY 2017, collected \$2.3 million in tax revenue from HOT
- Strictly limited on the use of funds, expressly prohibited from using funds on general city expenditures (police, public safety, etc.)
- Public/private investment of HOT revenue toward building conference center and associated parking garage
 - Operated by hotel
 - Addition revenue from hotel tax than debt for construction of facility

- Additional tax revenue goes toward promoting tourism
 - Discussed other tax revenue project for promotion of tourism
- Expecting to spend over \$558 thousand on tourism promotions in 2018
 - \$330 thousand is required by law (1% of collected tax revenue must be spent on tourism promotions)
- Discussed expenditures related to tourism and events
- Chair- asked for clarification related to dragon boat races held in Sugar Land
 - Held in October
 - Will be relocating to Brazos River Park upon completion

Justin Bragiel, Texas Hotel and Lodging Association

- Tax code dictates revenue is to be used to promote tourism
- 2-part test to determine if tax funds can be used
 - Puts “heads in beds”
 - Fits within 9 statutorily authorized categories
- Referenced 1992 court case, which upholds the 2-part test
- Legislature has expanded permissive uses of hotel tax
- Stressed every expenditure must promote hotel & convention industry
- Briefly discussed attempted abuse of tax revenue
- Suggestions moving forward
 - Creating omnibus bill for local bills by design
 - Maximize on investment for each bill
- Hancock- has your group looked at any analysis regarding expenditures tied directly to “heads in beds”
 - Have asked the legislature to tie “heads in beds” to hotel revenue to maximize return on investment
- Hancock- imperative to make sure that we are not swapping dollars between counties and cities with Texas, but bringing in tourism from outside of the state so it will be a state economic development tool
- Huffines- how many members are in your organization
 - About 4,000 members
- Huffines- what percentage of hotel industry joined your organization?
 - About 65%
- Huffines- do you know of any rules regarding disclosure of taxes and their uses to hotel patrons?
 - Typically, there are two line-items on the bill: state 6% occupancy tax and the local occupancy taxes
 - Some of these taxes are frequently combined on the bill
 - Venue tax must be individually line itemed on the bill
 - Not necessary to identify where the revenue goes
- Huffines- does that information disclosed in the advertised rate?
 - Not typically, but the information is made available through the process

- Huffines- what does your industry think about the potential to surprise people with the 17% in taxes?
 - The hotel industry identifies these rates similar to how any other industry identifies “taxes and additional fees”
- Huffines- do you have any suggestions regarding better transparency with these taxes?
 - More transparency on the expenditure of HOTs is where improvement could be made
 - Reporting requirements should be expanded to include all the 9 categories and to include how counties are using those taxes
- Huffines- what about on the consumer side?
 - People have access to the tax information already
- Huffines- do you think most of your members are in favor of the hotel tax?
 - Many of the members would be happier if the rates were lower
 - On the other side, those taxes go toward promoting the hotel industry
- Huffines- what cap would your industry be happy with?
 - It depends on the community
 - People expect to pay higher rates in larger cities across the country
 - 17% rate is very high in smaller towns in Texas
- Huffines- there is a point where the rate can get too high and out of control. Do you have any data regarding how much of the revenue is paid by in-state vs. out of state residents?
 - Not at present, will provide that information
 - Most travel is from within the state
- Sen. Garcia- is a venue tax a sports tax?
 - It is referred to that in Harris County
 - In other areas in is referred to as a venue tax
- Garcia- most frequent complaint is not knowing the total price after taxes when booking a room. Would you be opposed to a clear statement upfront of price including taxes?
 - FTC has not made determination on additional rules regarding this
 - If every operator is doing this the same way there is not a competitive advantage
 - If rates change from town to town, which they do, there could be a perceived competitive advantage
- Garcia- is there anything that would prohibit a law like that from being passed?
 - The legislature can pass a bill regarding that
- Garcia- is there any federal limitations to Texas passing legislation of this nature?
 - Not to his knowledge
- Garcia- do you have a breakdown of cities which impose each of the tax rates?
 - Can provide that information
- Sen. Rodriguez- you have several proposed guidelines for legislation in your written testimony, legislation should include transparency in how the local hotel tax is used, we would need to pass new legislation to do that?
 - SB 1221 to a first stab at this issue
 - SB 1221 creates structure for transparency in reporting
 - There could be more information included in the report
- Rodriguez- you also reference defining the return on investment, which is already required for sports facilities, do you think that should be expanded to include any investment made?

- I think that is a helpful criterion for any proposed new tax or use of the hotel tax
 - Specifically related a story regarding Marfa, TX and a proposed airport to help bring in additional tourists
- Huffines- it seems like the HOT tax, is an industry that is promoting a tax to promote itself
 - The hotel tax revenue brought in is determined how to be spent by the local government
 - The tax is required to benefit from the tax
- Huffines- the industry is benefiting from this tax to make more money, but they do not want to disclose the dollar amount of the tax in relation to posting the room rate so it doesn't make the room rate look higher, is that fair?
 - Not entirely, we support that the revenue be dedicated
 - We have never offered a bill which would raise the tax rate
- Huffines- would you be in favor of getting rid of the tax?
 - eliminating the tax... not prepared to answer that
 - There is already a lot of infrastructure being built that would requires that tax to be in place and it would be detrimental to eliminate the tax altogether at this point
- Huffines- how about making it a level playing field, every jurisdiction has the same tax rate?
 - You may find a negative impact for large communities which are competing with other large cities across the country for conferences and conventions

Ann Graham, Texans for the Arts

- Represents 300 members
- Many members distribute HOT funds
- Goal is to grow tourism through the arts
- HOT is the most economically significant source of funding for the arts in the Texas
- Arts were added to the HOT tax in 1977
- Study was completed by Americans for the Arts in the Houston area
 - For every \$2 that a local individual spent, a tourist spent \$7
- SB 1221 was initiated by Texans for the Arts
 - Working to increase transparency moving forward
- Chair- described a personal experience with the historical tourism and arts tourism in Texas
- Rodriguez- appreciates the work her organization is doing for the arts in Texas

Bill Longley, Texas Municipal League

- Frequently receives questions from municipalities regarding how the HOT tax revenue can be spent, each situation can be viewed differently
- Policy perspective:
 - Local HOT is a dedicated tax for economic development related to tourism
 - Unique source of revenue for municipalities
- Statute has evolved in last decade due to city specific needs in tourism
 - Piecemeal approach to community specific needs

- Cities under 125 thousand, statue caps promotion of the arts spending at 15%
- Sports facilities statute is written out as bracketed language with more cities wanting bills to be bracketed
- Transparency
 - Over 100 entities reported so far
 - Sharing information to get as much information as possible

Sally Bakko, City of Galveston, TX

- Tourism is critical industry in Galveston
- Hosted 6.5 million tourists in 2016
 - Spent \$780 million
 - Generated \$1.1 billion in business sales, including indirect business impacts
- 34.8% of all jobs are related to tourism
- 4th largest cruise line port in the US
- HOT Revenues goes to park board
 - In charge of working with conference and tourism center
 - Tourism advertising, including major events
 - Key component of advertising and keeping the beaches attractive
- 9% local hotel tax
 - 7% city HOT
 - 2% is venue HOT for the conference center
- Receive 2% back from the state for beach re nourishment
- Have seen noticeable growth in tourism with beach cleanup activities
- Post Harvey- some drop in tourism
 - Assumption was Galveston was equally devastated as Houston
 - HOT Advertising dollars were very important in beginning to bring back tourism
 - Loss in HOT revenue was estimated \$1.5 million
- Tourism is key to Galveston Island

Wende Ragonis, City of Brenham

- 17,000 residents
- **HOT rate 17%**, collected from 19 hotels and B&Bs, 680 rooms; Tourism is 4th leading industry
- HOT funds distributed through advisory council
 - Attractions
 - Festivals
 - Events
 - Independence historical society, Washington on the Brazos State Park, Chapel Hill historical society
 - Washington county chamber- oversees SBB
- Completed analysis regarding impact of HOT funds, looked toward building off-peak times
- Utilize HOT funds for
 - Maintaining parks for events

- Historic Simon Theater
 - Many others
- HOT fund is very important to the city and community
 - Devastating if HOT fund was lost

Robert Jackson, Houston First Corporation (HFC)

- Briefly described the history of the Houston First Corporation
 - 2000 Houston Convention Center Hotel Corporation was formed
 - 2011 Houston Convention Facilities Department merged with the Houston Convention Center Hotel Corporation to form the Houston First Corporation
 - 2014 Houston First Corporation and Greater Houston Convention and Visitors Bureau partnered to promote tourism
- Delegated management of many venues, facilities and parking facilities to HFC
- HFC delegated to collect and administer HOT funds
- 1 million guests at convention center hotel last year
- HFC is responsible for creating and posting the report to the Comptroller's Office
- HOT funds are not intended to gain profits for hotels in the area but is intended and being used to better the experience for those visiting the area as well as those who live in the area

IRVING CONVENTION AND VISITORS BUREAU
MINUTES – BOARD DEVELOPMENT COMMITTEE

THE LAS COLINAS ASSOCIATION

Friday, October 13, 2017

Those present for the meeting were: Clem Lear, Committee Chair; David Cole, Committee Vice Chair; Jack Spurlock, Board Chair; Karen Cooperstein, Mark Cronenwett, Debbi Haacke, Rick Lindsey, and Joe Philipp - members of the Board; and Maura Gast and Mike Zumbaugh – ICVB staff.

Committee Chair Clem Lear called the meeting to order at 9:00 a.m. and welcomed those in attendance.

Lear introduced the Strategic Plan Governance Review to the Committee and reminded all that this was a topic that was identified as part of the 2015-18 Board Strategic Plan. Executive Director Maura Gast explained additional feedback is needed for what the board would like to evaluate during this process. Board Member Rick Lindsey asked if there are any other cities with the same style of governance as the Irving CVB. Gast replied that the ICVB is fairly unique in its structure as a governmental agency that does not report through the local government, but instead to a City Council-appointed Board of Directors. An ICVB Governance Review Checklist was distributed and discussion was held on human and structure implications. Gast reiterated salaries were not why the governance structure is being reevaluated, nor have they been the reason for prior considerations. Gast commented this is a good time to have the conversation regarding governance, as past discussions on the subject have all been reactive to various situations. Providing detailed, thoughtful assessment of the options proactively and without a crisis forcing the conversation is key.

Board Member Joe Philipp suggested addressing governance rules and the operation of the Board, and legal representation, within whatever structure is agreed to. It was agreed to add this point to the Governance Review Checklist. It was also agreed to address any ongoing responsibility associated with the Convention Center debt. Gast noted it would be added to the checklist, along with capital and subsidy issues. Lear commented this is the start of the process and it will take a lot of planning and work with attorneys to make any changes, if any are recommended.

Membership-based structures as an alternative were discussed and Gast indicated she did not recommend it as it could put the CVB in direct competition with the Chamber for what are likely very finite member investments.

Board officer elections were discussed and it was noted that Board Chair Jack Spurlock has termed out of his position, as well as Board Member David Cole – Restaurant Industry seat. Board Member Robert Pierce has resigned his industry-at-large position. There is also a non-voting open hotelier position. City Council interviews are occurring now with 20-21 applicants for the one citizen position (Spurlock's). It is important to the Board that appointees are connected and informed within the community. It is also important for the restaurant position, that applicants be able to make the time to attend the Board

meetings, which are during lunch time hours, and can be difficult for some restaurateurs to be away from their businesses.

The Irving-Las Colinas Hotel Association has recommended Holly Turner from the Omni Mandalay for the open hotelier position. Gast noted that the City Secretary's Office coordinates all the interviews and the entire applicant process for all the City's Boards and Commissions; staff does not know who has applied and/or who has interviewed. The City Secretary's Office also tracks Board member attendance and if issues arise with appointees they will bring attendance issues to the Council's attention at the time of reappointments. Philipp noted there should be a notation in the attendance roster for absences caused by meeting dates changing and a Board member cannot attend due to the date change. Currently, the City Secretary's Office does not request Committee meeting attendance tracking, but it is an important part of Board participation for the ICVB and it should not be overlooked.

Lear mentioned that Gast had previously asked Councilman Gerald Farris to stress during interviews that community engagement and attendance are important, particularly with the nature and responsibilities of the CVB Board and its policy-making role. It was noted that the November City Council meeting is when Council approves new Board members.

The Committee reviewed the Live Nation Seat Use Policy. Philipp stated there needed to be clarity about the policy and use of the food and beverage credit. Gast shared updates regarding setting up tabs and working through various issues. She noted that until an established service level is set, the existing entertainment policy will be followed. She commented that to date customers have had good experiences.

Lear gave a brief overview of the Chamber's legislative session recap meeting. All state representatives and elected officials were in attendance. She reported everyone supported the enterprise fund and there were mixed feelings on how the Bathroom Bill could affect the Amazon headquarters deal. She reported everyone acknowledged support of House Speaker Joe Straus in the fight to put together a committee to make sure Texas can continue to chase new companies and not have the same backlash. Taxes and security were also topics that were discussed.

The July 7, 2017 minutes were unanimously approved on a motion from Board Member Karen Cooperstein and a second from Philipp.

A review of the Board Member Annual Self-Evaluation Form was distributed and Lear noted it is a requirement for the ICVB's continued accreditation through the Destination Marketing Accreditation Program. She encouraged everyone to complete it. Board Member David Cole commented it is a good tool to use when speaking to anyone who would like to be on the Board. It was suggested Lear share the form with City Council to pass along to Board candidates. New appointees may not be able to check all the boxes at the beginning of their term, but it is something they should grow into. Gast stated new Committee meeting dates will be distributed after the new Board Chair and Vice Chair are elected. She also commented that the Committee will be notified once a Board Orientation meeting has been scheduled for the new appointees.

It was decided to add communications to House Speaker Straus and the Council's inclusion of the Self-Evaluation Form to future meeting agenda items.

Gast gave an overview of the Crisis and Emergency Management Communications plan, which addresses how to equip Board members to be prepared if they are approached by the media. Board Member Rick Lindsey asked if Live Nation has considered potential issues like the recent shooting in Las Vegas at an outdoor concert and how they would address the media. Gast indicated that Live Nation takes safety and security very seriously and that their corporate structure has a number of systems and protocols in place to respond to various situations; the entire industry is continuing to update and refine these as various incidents occur and difficult learnings take place. She noted that a discussion regarding ICC facility safety and security will be coming forward to the Destination Development Committee soon.

The October Board meeting is the performance review for the Executive Director. It was noted the November 20, 2017 Board meeting will be held at the Pavilion at Toyota Music Factory.

There being no further business, the meeting was adjourned by Lear at 10:15 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director