AGENDA
Irving Convention and Visitors Bureau Board of Directors
Board and Business Development Committee
Friday, June 12, 2020 at 9:00 AM
Irving Convention Center
500 W. Las Colinas Blvd., 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.

Directors of the ICVB and the public may participate in the Board and Business Development meeting by telephone conference or videoconference call. Sign-in via telephone or online will be from 8:30 a.m. to 9:00 a.m. on June 12, 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://us02web.zoom.us/j/89222304036 Meeting ID: 892 2230 4036

1. Citizen Comments on Items Listed on the Agenda

2. Proposed Changes to the Hotel Tax Ordinance – Jeff Litchfield

3. Update on Short-Term Rentals and Hotel Occupancy Tax Collections – Jeff Litchfield

4. Update on Tourism Public Improvement District (TPID)

5. 2021 Legislative Session Planning

6. 2020 and 2021 Board Transitions Discussion

7. ICVB and ICC Financial Reporting for COVID-19 Response and Recovery

8. ICC Re-Opening Priorities and Customer Care Update

9. Approval of January 3, 2020 Minutes

10. Next Meeting – September 11, 2020 and Future Meeting Topics

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.

U.S. TRAVEL ASSOCIATION

LEGISLATIVE PRIORITIES TO PROTECT PUBLIC HEALTH AND REVIVE THE ECONOMY

UPDATED MAY 20, 2020

The next phase of coronavirus response legislation must extend and enhance CARES Act relief to the most severely impacted travel workers and businesses. The next bill must also prioritize funding and policies that both slow the spread of COVID-19 and enable a safe, phased reopening of the economy. This will allow Congress to target more limited Federal assistance towards the workers, businesses, States, and localities most in need of assistance.

TRAVEL INDUSTRY PRIORITIES:

1. **Extend and enhance CARES Act relief:** Enable destination marketing organizations (DMOs) to receive Small Business Administration (SBA) Paycheck Protection Program (PPP) loans, increase maximum loan amounts and flexibility, extend the covered period through 2020, and build on other critical provisions in the CARES Act.
2. **Incentivize a safe restart of the travel economy:** Create a temporary travel tax credit, allow businesses to fully deduct food and entertainment expenses, provide tax breaks for personal protective equipment (PPE) and sterilization of facilities, and enact tax measures to help revitalize U.S. trade shows and exhibitions.
3. **Support community-based economic recovery:** Provide $10 billion in Economic Development Administration grants for DMOs and small businesses to promote healthy travel practices and encourage visitation to businesses, attractions and communities where it's safe travel.
4. **Provide limited, temporary and immediate safe harbor for businesses that follow proper health and safety guidelines to protect against COVID-19:** This is a top priority for businesses to safely reopen in a way that protects the health of their employees and customers.
5. **Strengthen the Federal role in COVID-19 testing, production, research and contact tracing:** Provide additional federal funding to expand COVID-19 testing and laboratory capacity, and expand the Federal role in the White House "Testing Blueprint" to help states deploy consistent approaches to contact tracing, data collection and privacy protections.
6. **Provide a Federal Backstop for Pandemic Risk Insurance:** Provide Federal reinsurance for pandemic risk insurance to help businesses and organizations avoid going bankrupt in the wake of future pandemics.

TRAVEL INDUSTRY LEGISLATIVE PRIORITIES

1. **Extend and enhance CARES Act relief to travel employees and businesses hardest hit by the economic downturn.**

MODIFICATIONS TO THE SBA PPP

a. Include Destination Marketing Organizations (DMOs) in the PPP: DMOs, which are generally 501(c) nonprofits or quasi-governmental entities funded by local hotel taxes, provide critical economic development services for nearly every community across the U.S. DMOs are the engines of the travel economy and their collapse will slow the economic recovery of the entire travel industry.

b. Increase borrowing limits so businesses can withstand an extended period of lost revenues and operational disruption. At minimum, borrowers should be able to qualify for a loan that is equivalent to 8 times the average monthly sum of all covered expenses – including operating costs, up to $25 million. Borrowers are currently limited to loans that are only 2.5 times average monthly payroll costs alone, or $10 million, whichever is less. Businesses that have already been approved for a PPP loan should be able to apply for additional loans as needed up to the maximum amount.

c. Extend the covered period for loan forgiveness to December 31, 2020. PPP currently allows for only eight weeks of covered expenses to be forgiven, with a non-statutory hard cap of 25 percent on nonpayroll expenses imposed by SBA, making PPP of very limited use to businesses facing an extended period of cashflow problems. Loan forgiveness should instead be calculated as the sum of amounts paid for covered expenses during the 20 weeks after the loan commences or December 31, 2020. Congress should prevent the imposition of any non-statutory restriction on the forgiveness formula.

EXTEND APPROPRIATIONS TO SEVERELY IMPACTED STATE AND LOCAL ENTITIES

d. Enact tax measure to help revitalize U.S. Trade Shows, Meetings and Exhibitions. As businesses pull back on large meetings and trade show investments now and in the future, this important sector of the travel industry has been devastated. After 9/11, it took 4 years for spending to come back on U.S. trade shows. Without targeted tax breaks to help revitalize U.S. meetings, conventions, trade shows and exhibitions, the recovery time for this current crisis could be exponentially longer.

e. Provide additional support for airports and aviation businesses. As passenger levels remain at historic lows, airport, air traffic control, and aviation-dependent businesses will require additional supplemental appropriations to support essential employees, operations, and services.

ENHANCE THE EMPLOYEE RETENTION TAX CREDIT

f. Modify the refundable Employee Retention Tax Credit (ERTC) to increase the max credit to $10,000 per employee per quarter and allow employers (including quasi-governmental DMOs) to claim the credit against payroll tax deposits rather than payroll tax liability. Clarify that employers that offer their furloughed employees the option to receive paid time off wages while not working are eligible for the credit for these wages, and consider expanding the Work Opportunity Tax Credit to include employees rehired by employers reopening their businesses. Many communities are facing a sharp decline in economic activity due to the social distancing measures put into effect in response to the coronavirus, making it hard for employers to fund payroll without an expanded ERTC—particularly employers that don't have access to the Paycheck Protection Program.

2. **Incentivize a safe reopening of the travel economy by creating a temporary travel tax credit, allowing full deductibility of food and entertainment business expenses, providing tax breaks for sanitation and PPE, and enacting tax measures to help revitalize U.S. trade shows and exhibitions.**

a. Create a Temporary Travel Tax Credit. To reduce the time it takes to get to full recovery, Congress should create a new tax credit to encourage domestic business and leisure travelers to travel within a specified time frame, similar to what was done through the homebuyer tax credit in the wake of the housing crisis. Specifically, create a tax credit worth 50 percent of qualified travel expenses incurred in the U.S. between the date of enactment and December 31, 2021, up to a maximum tax credit of $4,000 per household. Qualified travel expenses should include any expense over $50 that is incurred while traveling away from home in the U.S., with explicit reference to the expense of meals, lodging, recreation, transportation, amusement or entertainment, business meetings or events, and gasoline.

b. Allow Full Deductibility of Food and Entertainment Business Expenses. To support recovery in the food service and entertainment sectors—both of which are critical to economic recovery and social stability in many parts of the country—Congress must restore the full deductibility of ordinary and necessary entertainment and food and beverage business expenses for at least 3 years, allowing the deduction to phase down to 50 percent thereafter.

c. Provide tax breaks to businesses to offset the cost of enhancing employee and consumer safety, including sterilizing facilities, PPE, and reconfiguration of faciliities. As reopening begins, travel businesses plan to enhance sanitation and provide PPE for their employees. Unfortunately, these additional investments come at time when businesses have historically low revenue and are struggling to maintain employment and pay basic utilities. Congress can help businesses reopen safely by providing tax credit for sanitation services necessary, COVID-related reconfiguration expenses and a 1:1 tax credit for PPE for their employees. Any tax credits should be refundable from 2019 and 2020 taxable income, as businesses will have very little revenue for which to apply the credits in 2020.

d. Enact tax measure to help revitalize U.S. Trade Shows, Meetings and Exhibitions. As businesses pull back on large meetings and trade show investments now and in the future, this important sector of the travel industry has been devastated. After 9/11, it took 4 years for spending to come back on U.S. trade shows. Without targeted tax breaks to help revitalize U.S. meetings, conventions, trade shows and exhibitions, the recovery time for this current crisis could be exponentially longer.

3. **Provide $10 billion in Economic Development Administration grants to DMOs to promote healthy travel.** To ensure Americans know when and how they can travel safely within the U.S. without posing a health risk to themselves or those around them, Congress should provide at least $10 billion in grants to eligible State tourism offices and local DMOs to promote travel and support economic recovery efforts in local tourism markets. Specifically, appropriate $10 billion in Economic Adjustment Assistance grants for the economic recovery of travel and tourism. Grants would be provided to State tourism offices and DMOs for the purposes of educating travelers on CDC and industry guidance for healthy and safe travel, and tourism promotion. This proposal:

    - **Utilizes existing Economic Development Administration (EDA) process to distribute grants:** EDA has the infrastructure to deliver grants in a timely fashion (versus starting up a new program).
    - **Ensures broad eligibility for all communities:** Funds would run through EDA's economic adjustment assistance and disaster assistance authorities, which would ensure broad eligibility for all communities.
    - **Award grants on a discretionary basis directly to DMOs:** Unlike Community Development Block Grants (CDBG), there would be no need for the Secretary of Commerce or EDA Administrator to establish a formula for distributing grants. There would also be no need for DMOs to rely on subgrants from CDBG grantees.
    - **Use of grants would be limited to recovery activities for travel and tourism:** This would ensure the funding can't be used for other EDA disaster activities. Tourism promotion is already an eligible use of funds under these programs.

4. **Provide targeted safe harbor for businesses that follow proper health and safety guidelines to protect against COVID-19.** Any business that remained open during social distancing or reopens based on state reopening plans and follows recommended guidance, in good faith, from public health officials to protect their employees and customers must be allowed limited safe harbor from litigation related to COVID-19. Providing temporary and targeted safe harbor from liability for companies that maintain a safety plan based on CDC or OSHA guidelines would provide greater certainty that businesses need to reopen, rehire and act in the interest of public health.

5. **Strengthen the Federal role in COVID-19 testing, production, research and contact tracing.** Congress must provide additional federal funding to expand COVID-19 testing and supplies, increase laboratory capacity, and accelerate breakthroughs in research and testing technology. The Federal government must also enhance its leadership and oversight role through the White House "Testing Blueprint" to help States deploy consistent approaches to contact tracing, syndrome tracking, and data collection.

6. **Provide a Federal Backstop for Pandemic Risk Insurance.** During the crisis, businesses were ordered to shut down, cancel events, or reduce operations—putting an increased strain on their finances. To protect the economy against future pandemic-related economic losses and stabilize the insurance market, Congress should create a Pandemic Risk Insurance program—similar to the Terrorism Risk Insurance Act—providing a backstop for insured losses related to any health emergency declared by the Secretary of Health and Human Services. The program should cover any commercial line of business interruption or event cancellation insurance that covers losses stemming from a public health emergency. This will help ensure pandemic risk insurance remains an affordable and effective option for travel businesses and organizations.

7. **Stabilize the Federal travel market with a two-Year freeze on minimum Federal Per Diem Rates.** The General Services Administration (GSA) sets per diem rates for Federal travel within the United States. All individuals traveling on behalf of the Federal government, including civilian government employees, Department of Defense (DoD) personnel, and persons on invitational travel orders must adhere to these rates, which cover lodging, meals and incidental expenses. GSA updates the rates annually according to average daily rate (ADR) data, less five percent. For the FY2020 per diem study, GSA used ADR data generated from April 2018 to March 2019. However, due to stay-at-home orders, mandatory shutdowns, and social distancing measures, any ADR data collected this year will likely produce depressed per diem rates year, which will make it harder for the travel industry to recover. Therefore, Federal per diem rates should be no less than the current per diem rates for the next two years.

TEXAS RESTAURANT SURVIVAL PLAN

Texas Restaurant Association

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www.txrestaurant.org

Background
The State of Texas closed restaurant dining spaces, bars, and other foodservice businesses for at least six weeks to flatten the curve of COVID-19. With a day's notice, over 53,000 food and beverage businesses across Texas saw their revenue disappear, their employees leave, and their supplies become waste through no fault of their own.

The scope of this loss is astronomical. In 2019, the restaurant industry was one of Texas' largest, employing about 1.3 million people, generating $70 billion in sales, and paying an estimated $4.6 billion in taxes. Now, restaurants have lost nearly three times more jobs than any other industry, which for Texas means 700,000 jobs and $4.2 billion in revenue are gone already. If the restaurant industry cannot recover, these losses will impact the entire Texas economy for years to come.

Restaurants are starting to reopen, but they cannot replace weeks of lost revenue and product in the current environment of reduced occupancy and new COVID-related costs. They expected help from Congress and the business interruption insurance policies they purchased, but for many, it hasn't arrived. As many as 10% of our state's restaurants have closed permanently, and that number will grow above 30% if Texas does not implement a comprehensive restaurant survival plan.

The Texas Restaurant Survival Plan leverages the billions of dollars in aid that our state will receive from the CARES Act with policy reforms to provide immediate and lasting relief to Texas' food and beverage businesses. This not only benefits the restaurant industry, but it benefits the entire State of Texas by investing in the front lines of our economy at a time when we need it most.

Agenda
1. Create and fund the Foodservice Industry Recovery Fund (FIRF).
2. Award a workforce development grant to deploy high-quality, COVID-19 health and sanitation training to restaurants, bars, and their employees.
3. Continue and expand the regulatory waivers that allow restaurants to sell retail bulk items, sealed containers of alcohol to-go with food orders, and prepared food in grocery stores.
4. Provide tax and fee relief to restaurants and bars that are negatively impacted by COVID-19 and government-mandated closures.
5. Enact liability protections for businesses, including foodservice businesses, that demonstrate reasonable, good-faith efforts to comply with COVID-19 protocols and industry-specific health and safety guidance.
6. Prohibit landlords from evicting or foreclosing restaurants or bars for non-payment of rent or mortgages during the COVID-19 crisis and recovery.
7. Suspend any new state or local government mandates set to come into effect for foodservice businesses over the next 120 days.
8. Prohibit third-party delivery companies from charging restaurants predatory fees.

This is Personal

"I had to use a printed-out script when we laid off our employees, and my hands were shaking so badly," said Jessica Delgado, a restaurant owner from the Rio Grande Valley. "I could barely get the words out through the tears."

Despite facing the most uncertain time the industry has ever seen, Texas' restaurants, bars, and other foodservice businesses continue to exhibit remarkable resiliency and dedication to their customers and employees.

In Houston, Ricardo Molina runs the two locations of Molina's Cantina along with his two brothers. A third location is still under construction, and right now he still plans to open it within six weeks.

"We're still here, even if we're limping along," Molina said with a laugh. "One day we're a full-service restaurant, the next day we're a ghost, just selling to-go."

Molina said he was able to keep nearly every staff member on board, but they are only working about 30% of the hours they were before. Waitstaff have been retrained to manage phone orders, to-go packaging, and curbside carry out.

"Our grandparents started this business in 1941, in the middle of a world war," said Molina. "I remember my grandpa telling us stories about having to ration everything and deal with price ceilings. We've definitely had crazy times before, but this is unimaginable. It's not just about profit, this just isn't a business model you'd ever want to deal with."

Molina points to the ability to sell cocktail kits as a life saver for his business and hopes to continue to do so in the future. However, now the rising costs of protein is a concern, and he's seen prices jump as much as 80% already. There's also the worry over rent, and an "unforgiving landlord," as he describes.

He also says he's concerned about his friends in the industry, knowing full well some of their businesses won't survive. "It's depressing to see friends in the industry not doing well, so we reach out and text each other," Molina said.

Despite the obstacles, the hospitality spirit and Houston pragmatism runs deep with the family. "Nobody's breaking down, we're just getting with it," he said. "Come hell or high water, we're not going to stop."

Down in McAllen, Larry and Jessica Delgado run the Delgado Collective, three highly acclaimed restaurants that stand out for their cuisine and service in the border city.

"This community embraced us from day one," said Chef Larry Delgado. "We were told that we couldn't make it, that no one would be able to afford to eat at our restaurants, and we trusted this community to lift us up. Going through this disaster together, even as we're losing money, we knew we had to keep lifting our community up, too."

The Delgados sprang into action after their dining rooms closed, implementing curbside ordering, doing their own delivery ("We can't afford the fees from GrubHub and those guys," said Delgado), selling cocktail kits, and even offering affordable family meals much lower than the cost of their normal entrees. Every package to go includes a handwritten thank you note.

"We are filled with gratitude every day," said Jessica Delgado. "We are alive, we are healthy, and our businesses are open. When people choose us, we have to share that gratitude."

Pre-pandemic, the Delgado Collective had 120 employees. Now they are down to just 43 to operate all three restaurants.

"This has been a punch to the gut. We didn't foresee a seven-week shutdown; we thought it would just be a couple weeks and we could figure it out," said Jessica Delgado. "This has been much longer and more difficult than any of us could have imagined."

Despite the hardships, the Delgados say they have been able to keep their spirits up. "God knows there have been dark days. But people see us as pioneers in this community. Eating food is one of the most intimate things you can share, and people trust us. There's an expectation that we are going to do it right. I'm not sure how we are going to survive this, but we'll do whatever it takes."

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As these examples show, restaurants have done what they always do in a crisis—they've rolled up their sleeves to help their communities. The difference with this crisis is that nearly every restaurant and foodservice business is struggling to survive as they continue to serve.

Texas' restaurants have always been there for us, and now they need us to be there for them.

Before COVID-19:

Texas

RESTAURANT INDUSTRY AT A GLANCE

Restaurants are a driving force in Texas's economy. They provide jobs and build careers for thousands of people, and play a vital role in local communities throughout the state.

49,666
Eating and drinking place locations in Texas in 2019

$70.6 billion
Estimated sales in Texas's restaurants in 2019

1,349,500
Restaurant and foodservice jobs in Texas in 2020 = 10% of employment in the state

AND BY 2030, THAT NUMBER IS PROJECTED TO GROW BY 16.9%

= 228,100 additional jobs, for a total of 1,577,600

Restaurant Industry's Share of the Food Dollar

Texas Restaurant Association

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AFTER COVID-19:

Texas Restaurant Association

NATIONAL RESTAURANT ASSOCIATION

COVID-19 UPDATE

The Texas Restaurant Industry will lose more than 688,000 JOBS and $4.2 BILLION IN SALES by the end of April.

A survey of 6,500 restaurant owners and operators reveals the devastating economic losses sustained by the industry since March.

BY THE END OF APRIL, the Texas restaurant & foodservice industry...

... will **LOSE $4.2 BILLION,** about a **70% DECLINE** in sales.

...will **LAY OFF MORE THAN 688,000** restaurant employees.

THE **IMPACT** IN **PERSPECTIVE**

The industry in Texas employs **1.12 MILLION PEOPLE.**

Because of COVID-19, **61% OF THE INDUSTRY IS NO LONGER WORKING.**

84% of restaurant operators have laid off employees and reduced the number of hours worked.

ROUGHLY 18% anticipate doing more of this (layoffs and hours reduction) during the next 30 days.

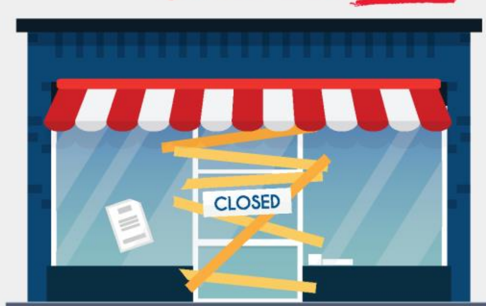
63% anticipate operating for off-premises traffic during the next 30 days.

2% of operators permanently closed their restaurant.

6% anticipate permanently closing within the next 30 days.

34% of operators have temporarily closed their restaurant.

RESTAURANTS & OUR EMPLOYEES are suffering



96% of restaurant operators say their total dollar sales volume during the period from April 1-10 was lower than it was during the same period in 2019.

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Priority 1: Create and fund the Foodservice Industry Recovery Fund (FIRF).

Background
Texas isn't a stranger to disasters, but this pandemic has been uniquely devastating for the restaurant industry for several reasons. First, government orders caused the losses. With little notice, restaurants had to close their dining spaces and bars had to close completely, resulting in spoiled inventory and over six weeks of lost revenue. Restaurants and bars complied with these orders to protect our entire state, and so it's only fair that the entire state compensate them for their losses. This will be critical for restaurants and bars to accumulate the capital they need to adapt to the post-COVID market and once again run a profitable business.

Second, federal disaster relief has been confusing and ineffective. Unlike with Hurricane Harvey and other natural disasters, the federal government has not provided the recovery aid that restaurants and other small businesses need to survive. Most of the federal money for business relief went into the Paycheck Protection Program, and SBA data shows that the foodservice industry only received about 5% of that money nationally. This is shocking considering that the foodservice industry was the nation's second largest private sector employer and lost nearly three times more jobs than any other industry. Even for those restaurants that were lucky enough to get a PPP loan, the guidance has been incredibly confusing and eligible expenditures are very limited.

Third, insurance claims were summarily denied. Restaurants and bars purchased expensive business interruption insurance policies to help in just this type of situation where they're forced to close. Shockingly, the COVID-19 claims have all been summarily denied, and even if foodservice businesses sought relief in the courts, they would not see insurance proceeds for years.

For these reasons, restaurants and bars have been left to deal with huge losses on their own in a way that makes this pandemic unique compared to previous disasters. If restaurants and bars do not receive help to cover these losses, many will close for good. Since the restaurant industry is one of Texas' largest in terms of employees, revenue, and tax contributions, this would have significant and long-lasting effects on our entire economy.

Solution
Texas should create and fund the FIRF to compensate foodservice businesses for their losses and help this critical industry succeed in a post-COVID environment. The FIRF can be housed in and administered by the Governor's Office, and it should fund grants to restaurants and other food and beverage businesses that demonstrate a reduction in sales revenue of at least 50% due to COVID-19. Funds should be administered in phases based on a lottery system to ensure small and independent businesses are not unfairly disadvantaged.

Grants should be capped at either the sum of lost revenue plus reopening costs or $25,000, whichever is less. Accountability metrics should ensure funds are only used for eligible expenses that are not covered by other COVID-19 aid. Eligible expenses should focus on helping restaurants and bars invest in the future of the industry and our economy and include:

- Operating costs including mortgages, rent, utilities, and outstanding debt;
- Reopening costs including reconfiguring the restaurant space, restocking inventory, and purchasing personal protective equipment or sanitation products;

- Rehiring, retaining, or training employees; or
- Updating the business model to adapt to the post-COVID market. Examples of these investments include transitioning to cashless payment models, creating a delivery zone, and integrating technology or a new layout to help with social distancing.

In this way, permissible uses of the FIRF ensure the money is reinvested in our economy and workforce so that every dollar of aid generates many dollars in economic benefit for all taxpayers.

Funding

At least $390 million should be allocated to the FIRF from the $6.18 billion the State will receive from the federal government under the CARES Act. This will allow at least 15,000 restaurants and other foodservice businesses to receive a grant, with $15 million set aside to cover administration. Importantly, Treasury guidance confirms that providing grants to businesses interrupted by COVID-19 is a permissible use of this CARES Act aid.

By passing this recovery aid back to the businesses that suffered significant financial losses due to government orders, we not only compensate them, but we also get Texans back to work and generate far more tax revenue than the State would otherwise see from this funding. In this way, every recovery dollar can simultaneously benefit the State, businesses, and our workers—creating an investment in our economic future.

Priority 2: Award a workforce development grant to deploy high-quality, COVID-19 health and sanitation training to restaurants, bars, and their employees.

Background

Businesses that are beginning to reopen to the public must implement a long list of new, detailed health and sanitation protocols to keep their employees and customers safe. This poses a significant challenge for restaurants in particular because they're seeing such high rates of employee turnover. The foodservice industry lost nearly three times as many employees as any other industry. Many of these employees are now on unemployment, and for some, they're making more from unemployment benefits than they received from their job due to the extra pandemic benefit that Congress funded through July. Restaurants are having a difficult time recruiting employees to come back to work, given these economics.

Despite the staffing challenges, restaurants and bars need to implement the new health and sanitation protocols immediately and consistently in order to protect the public. This will also help revive the economy, since customers will return once they trust that food and beverage businesses are following the necessary protocols to keep them safe. Finally, increased training will also result in greater customer cooperation, which will produce better health outcomes.

Solution

The Texas Restaurant Association Education Fund (TRAEF) is a 501(c)(3), industry leader in restaurant workforce development, training, and safety. TRAEF is partnering with the Dallas County Community College District, another expert in this space, to develop and deploy high-quality, online health and safety training that's specific to the new COVID-19 best practices, including Texas' Minimum Standard Health Protocols. TRAEF and the Dallas County Community College District are seeking a grant from the

State to quickly deploy this training to restaurants and other foodservice businesses throughout Texas.

Funding

TRAEF and Dallas County Community College District seek a $1 million grant from the approximately $307 million in discretionary education funding the Governor's Office is receiving from the CARES Act. Alternatively, funding for this grant could come from the $6.18 billion in CARES Act recovery aid the State will receive, or from existing workforce development funding.

Priority 3: Continue and expand the regulatory waivers that allow restaurants to sell retail bulk items, sealed containers of alcohol to-go with food orders, and prepared food in grocery stores.

The regulatory waiver allowing restaurants to sell retail bulk items like bags of beans and rice, toilet paper, and other essential goods, is helping to relieve the pressure on an overburdened supply chain. The waiver is working well, but restaurants are at a disadvantage because the sales tax applies to the same items that are sold tax-free in grocery stores. Creating parity for restaurants and grocery stores on this point is a straightforward way to provide further assistance to restaurants and their customers.

The alcohol to-go waiver is also proving to be very popular, effective, and safe. To expand its benefits without compromising safety, Texas restaurants recommend expanding the waiver to include:

- Alcoholic beverages that are mixed by a restaurant or other TABC-licensed business, sealed, and transported so they are not easily accessible to the vehicle driver;
- Growlers of beer that are filled and capped by a restaurant or brewery; and
- Distilled spirits in manufacturer-sealed containers that are 750 mL or less. The current limit is 375 mL or less, but the vast majority of spirits are bottled in 750 mL containers.

Restaurants also have received a waiver allowing them to sell prepared food in grocery stores. This is another great partnership that allows restaurants to relieve the supply chain and serve their customers, and so it should be extended throughout the duration of the recovery.

Priority 4: Provide tax and fee relief to restaurants and bars that are negatively impacted by COVID-19 and government-mandated closures.

Restaurants and bars are losing months of revenue due to government-required closures and restrictions, and yet their franchise, mixed beverage, sales, and property tax bills are still due. Restaurants, bars, breweries, and similar businesses also have to pay their TABC license fees in full when they're due for renewal, even if the business is or was closed due to the COVID-19 crisis. Restaurants and other foodservice businesses need relief in the form of tax credits, long-term deferrals, and freezes so they can invest their limited resources staying in business and paying their employees and suppliers. Tax credits could be a particularly effective way to encourage the restaurant industry to make the investments we need to stimulate the economy and see long-term gains.

Along with tax and fee relief, Texas restaurants and bars respectfully request that Texas avoid raising taxes or fees, including for unemployment taxes. Texas' food and beverage businesses simply cannot afford additional taxes on top of their losses and reopening expenses.

Priority 5: Enact liability protections for businesses, including foodservice businesses, that demonstrate reasonable, good-faith efforts to comply with COVID-19 protocols and industry-specific health and safety guidance.

Many restaurants and bars are concerned about the uncertain liability landscape because this is an unprecedented disaster. Even if a lawsuit is unlikely to be successful, most restaurants simply cannot afford to defend themselves while they struggle to recover from government-mandated closures. To encourage businesses to reopen during this time of uncertainty so we can restart our economy, a reasonable safe harbor should be offered. At the same time, the safe harbor should be targeted to those businesses that make reasonable, good-faith efforts to comply with COVID-19 protocols and industry-specific health and safety guidance to ensure businesses prioritize safety.

Priority 6: Prohibit landlords from evicting or foreclosing restaurants or bars for non-payment of rent or mortgages during the COVID-19 crisis and recovery.

Texas extended eviction and foreclosure protections to residents, but businesses also need this relief. For many restaurants and bars, their mortgage or lease payment is their largest expense. Further exacerbating this problem, provisions in the Paycheck Protection Program make it difficult for the lucky few who obtained a PPP loan to use that money for their mortgage or lease expenses. Restaurants and bars need eviction and foreclosure protection, so they have time to rebuild their business.

Priority 7: Suspend any new state or local government mandates set to come into effect for foodservice businesses over the next 120 days.

Restaurants and bars must be able to focus on reopening safely, implementing the new health and sanitation protocols, and rebuilding their business over the next 120 days. New mandates, particularly those that vary at the local level, will greatly frustrate this effort at a time when small businesses in particular are already struggling to survive.

Priority 8: Prohibit third-party delivery companies from charging restaurants predatory fees.

Some third-party delivery companies have taken advantage of restaurants during the COVID-19 pandemic, and since restaurants must rely on to-go orders right now, they have very little bargaining power to prevent this. The abuses have been well-documented and include third-party delivery companies charging outrageous fees, charging hidden fees, and putting restaurants on their website or app without receiving any approval from the restaurant.

Options for reform include:

- Prohibiting third-party delivery companies from charging a restaurant fees that are not explicitly agreed to by the restaurant in advance.
- Requiring third-party delivery companies to disclose to customers restaurant fees and when they will pass advertised discounts on to the restaurant.
- Prohibiting third-party delivery companies from charging a restaurant fees and commissions that total more than 15% of the food bill.

COVID-19 UPDATE

The Restaurant Industry CONTINUED IMPACT

Published May 8, 2020

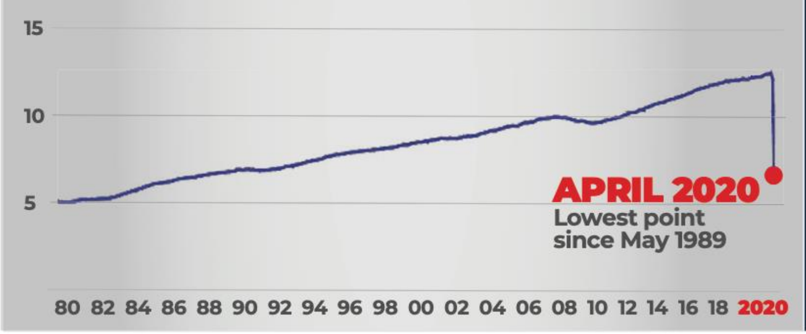
The devastating impact of the coronavirus pandemic on the U.S. labor market continues to come into focus. The below illustrates the current landscape according to preliminary data from the Bureau of Labor Statistics.

A historic & grim LOW

OVER 3 DECADES of restaurant jobs were lost during the last 2 months

Restaurants have **lost nearly 3x more jobs** than any other industry

Number of jobs at eating and drinking places (in millions)



The **6.4 million** eating and drinking place **employees on payroll** in April was **the lowest since May 1989**

Texas Restaurant Association

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The Potential Impact of a Comprehensive Non-Discrimination Act on Business Activity in Texas

May 2020

Presented as a Public Service by

The Perryman Group

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Summary of Key Results

Discrimination in employment, housing, and access to public places such as restaurants, hotels, and shops leads not only a loss of dignity and opportunity for those on the receiving end of such treatment, but also involves significant economic costs stemming from both a diminished ability to attract knowledge workers and reduced opportunities for tourism, conventions, and related activity. The Perryman Group (TPG) recently examined the potential economic benefits of passing a comprehensive non-discrimination act (CNDA) as well as the associated increase in tax receipts to the State and local governments.

- The Perryman Group estimates that if Texas passes a CNDA in 2021, it would lead to increases in
    - technology-oriented business activity in the state of **$11.6 billion** in annual gross product and approximately **103,800** jobs as of 2025, with gains rising to **$89.5 billion** in annual gross product and nearly **594,100** jobs by 2045;
    - tourism-related business activity of **$8.2 billion** in annual gross product and **76,424** jobs by 2025, with benefits increasing to **$14.8 billion** in annual gross product and approximately **107,900** jobs by 2045; and
    - total business activity (from both technology and tourism effects) of **$19.8 billion** in annual gross product and over **180,200** jobs in 2025 rising to nearly **$104.3 billion** in annual gross product and **702,000** jobs by 2045.
- Metropolitan areas and regions with greater concentrations of knowledge workers and greater opportunities for tourism and convention activity tend to be most significantly affected.
- As of 2045, these effects represent more than **3.6%** of anticipated aggregate employment, many of them in high value-added technology related sectors.
- Cumulatively over the 2021-45 period, a CNDA passed in 2021 could be expected to lead to total gains in Texas gross product of more than **$1.3 trillion** as well as almost **9.1 million** job-years of employment.
- The Perryman Group estimates that annual **fiscal benefits** of passing a CNDA in 2021 would be **$1.2 billion** to the State and **$0.9 billion** to local

government entities by 2025, with gains of **$5.7 billion** to the State and **$4.5 billion** to local entities by 2045. Cumulatively over the 2021-45 period, the total increase in tax receipts to the State associated with passage of an CNDA in 2021 is estimated to be **$73.6 billion**, with **$56.4 billion** to local entities.

In summary, assuring that Texas creates an environment that is welcoming to all workers and visitors is a key to sustained and accelerated growth in several sectors that are crucial to the future economic performance and prosperity of the state.

Introduction

Discrimination in employment, housing, and access to public places such as restaurants, hotels, and shops leads not only a loss of dignity and opportunity for those on the receiving end of such treatment, but also involves significant economic costs stemming from both a diminished ability to attract knowledge workers and reduced opportunities for tourism, conventions, and related activity. In the aftermath of the COVID-19 pandemic, these issues become even more important. Competition for quality development will markedly intensify as various states and countries seek to revitalize their economies, and firms employing highly trained workers will expand their emphasis on social governance and community environments. Similarly, as the tourism and hospitality sector seeks to rebound from the massive losses from recent restrictions, the efforts to attract major events and promote local venues will escalate notably. Comprehensive Non-Discrimination Acts (CNDAs) can help reduce discrimination and send a definitive signal that an area will not tolerate such practices in the workplace, public venues, and other settings.

Discrimination in employment, housing, and access to public places leads not only a loss of dignity and opportunity for those on the receiving end of such treatment, but also involves significant economic costs stemming from both a diminished ability to attract knowledge workers and reduced opportunities for tourism, conventions, and related activity.

In particular, the LGBTQ community has been a focus of discriminatory concerns. There have been high profile instances of bias in employment, housing, and access to public places. Moreover, this group has not specifically been identified in national non-discrimination legislation. While an overall employment non-discrimination act has been proposed in Congress in all but one legislative session since 1994, it has yet to be enacted. As a result, protections have largely fallen to states to implement.

According to a study conducted by Freedom for All Americans, approximately 20 states have enacted legislation to protect LGBTQ individuals from workplace discrimination. Nonetheless, UCLA's Williams institute estimates that half of all LGBTQ workers in the United States live without specific employment protections, more than four million people. Similarly, several states have enacted specific limitations on the use of public places, and housing access remains an issue.

Texas has not yet passed a CNDA to protect the LGBTQ community. The Perryman Group (TPG) recently examined the potential economic benefits of passing a non-discrimination in employment, housing, and public places access act, as well as the associated increase in tax receipts to the State and local governments. Economic benefits were measured for the state and all Texas Metropolitan Statistical Areas (MSAs) and regions. This report and the accompanying Appendices describe The Perryman Group's results as well as the methods and assumptions used in this assessment. While the information underlying this analysis reflects the period prior to the health crisis and resulting economic downturn, it is likely that the effects are even more pronounced in the aftermath.

Potential Economic Benefits of a Comprehensive Non-Discrimination Act

Empirical studies indicate that non-discrimination protections encourage the location of knowledge workers and young workers in an area, thus contributing to the attraction and retention of high-growth industries conducive to long-term economic growth. The Perryman Group engaged in an extensive research and modeling effort to estimate the magnitude of incremental gains in business activity which could reasonably be expected with passage of a CNDA. Specifically, research has demonstrated that non-discriminatory employment policies foster enhanced growth in technology enterprises. These positive effects would likely be magnified by policies assuring access to housing and public places.

Similarly, surveys of travelers and convention professionals demonstrate that full access is increasingly necessary for an active tourism market. Social policies which are perceived to be discriminatory can have a detrimental effect on travel and tourism by decreasing the attractiveness of an area to event planners and potential visitors. Controversial laws can reduce numbers of attendees, for instance, which can cause professionals who organize conferences and events to avoid such locations. In addition, scheduling an event in a location with a law that is considered to be harmful by some groups can be interpreted as support for the policy, and some organizations will choose to avoid locations with controversial laws in order to avoid the appearance of approval of the public policy. Passage of a CNDA can ensure that the vibrant Texas tourism sector is protected and enhanced as more normal patterns resume.

The Perryman Group measured the impact of enacting a CNDA in Texas in the 2021 legislative session on business activity in 2025, 2030, 2035, 2040, 2045, and cumulatively for the 2021-45 time period. Although empirical evidence suggests that the benefits occur within the span of a few years, a 10-year ramp up period was assumed in the interest of conservatism with regard to the technology-based segment of the analysis. A brief overview of the major models and methods used to measure economic impacts and a definition of terms is provided on the following page, with further detail in Appendix A.

Measuring Economic and Fiscal Impacts

Any economic stimulus, whether positive or negative, generates multiplier effects throughout the economy. In this instance, passage of a CNDA would increase innovation, generating multiplier effects and dynamic responses rippling through the economy and increasing economic growth.

The Perryman Group's dynamic input-output assessment system (the US Multi-Regional Impact Assessment System, which is described in further detail in the Appendices to this report) was developed by the firm about 40 years ago and has been consistently maintained and updated since that time. The model has been used in hundreds of analyses for clients ranging from major corporations to government agencies and has been peer reviewed on multiple occasions. The impact system uses a variety of data (from surveys, industry information, and other sources) to describe the various goods and services (known as resources or inputs) required to produce another good/service. This process allows for estimation of the total economic impacts of a CNDA. The models used in the current analysis reflect the specific industrial composition and characteristics of the economies of Texas, each Metropolitan Statistical Area (MSA), and each region studied.

Total economic effects are quantified for key measures of business activity:

- **Total expenditures** (or total spending) measure the dollars changing hands as a result of the economic stimulus.
- **Gross product** (or output) is production of goods and services that will come about in each area as a result of the activity. This measure is parallel to the gross domestic product numbers commonly reported by various media outlets and is a subset of total expenditures.
- **Personal income** is dollars that end up in the hands of people in the area; the vast majority of this aggregate derives from the earnings of employees, but payments such as interest and rents are also included.
- **Job gains** are expressed as job-years of employment for multi-year, cumulative effects or jobs for annual or ongoing effects. A job-year is one person working for one year, though it could be multiple people working partial years.

An increase in business activity associated with a CNDA also has the potential to generate incremental taxes to the State and local governments which were also estimated. Monetary values were quantified on a constant (2019) basis to eliminate the effects of inflation. See the Appendices for additional information regarding the methods and assumptions used in this analysis.

Texas Benefits

The Perryman Group estimates that passing a CNDA in 2021 would lead to a total increase in business activity in the state by 2025 of an estimated **$19.8 billion** in annual gross product and **180,226** jobs. By 2045, the economic benefits of a CNDA rise to a projected **$104.3 billion** in annual gross product and **701,990** jobs. Cumulatively over the 2021-45 period, a CNDA passed in 2021 could be expected to lead to total gains in gross product of **$1.3 trillion** as well as more than **9.0 million** job-years of employment.

Of this amount, technology-oriented gains comprise an estimated **$11.6 billion** in annual gross product and approximately **103,800** jobs as of 2025, with gains rising to **$89.5 billion** in annual gross product and nearly **594,100** jobs by 2045. Cumulatively over the 2021-45 period, a CNDA passed in 2021 could be expected to lead to gains in gross product of more than **$1.0 trillion** as well as **6.8 million** job-years of employment from enhanced innovation.

The tourism-related component of the total increase includes a projected **$8.2 billion** in annual gross product and **76,424** jobs in 2025, **$14.8 billion** in annual gross product and **107,902** jobs in 2045, and nearly **$271.0 billion** in gross product and over **2.2 million** job-years of employment over the 2021-2045 period.

The following table illustrates effects for other years and measures of economic activity, with results by industry provided in Appendix B.

Economic Benefits of Passing a Comprehensive Non-Discrimination Act in the 2021 Texas Legislative Session					
ANNUALLY AS OF:		**Total Expenditures** (Billions of 2019 Dollars)	**Gross Product** (Billions of 2019 Dollars)	**Personal Income** (Billions of 2019 Dollars)	**Employment** (Permanent Jobs)
2025	Technology	$24.249	$11.572	$7.138	103,801
	Tourism	$15.716	$8.216	$5.070	76,424
	TOTAL	**$39.966**	**$19.788**	**$12.209**	**180,226**
2030	Technology	$59.416	$28.354	$17.490	234,335
	Tourism	$18.814	$9.835	$6.070	85,134
	TOTAL	**$78.231**	**$38.189**	**$23.560**	**319,469**
2035	Technology	$98.800	$47.149	$29.083	360,649
	Tourism	$21.992	$11.496	$7.095	93,319
	TOTAL	**$120.792**	**$58.645**	**$36.178**	**453,968**
2040	Technology	$140.830	$67.206	$41.455	477,819
	Tourism	$25.102	$13.122	$8.098	100,648
	TOTAL	**$165.932**	**$80.328**	**$49.554**	**578,468**
2045	Technology	$187.535	$89.494	$55.204	594,088
	Tourism	$28.264	$14.775	$9.119	107,902
	TOTAL	**$215.800**	**$104.270**	**$64.322**	**701,990**
CUMULATIVELY (2021-2045):		**Total Expenditures** (Billions of 2019 Dollars)	**Gross Product** (Billions of 2019 Dollars)	**Personal Income** (Billions of 2019 Dollars)	**Employment** (Job-Years)
2021-2045	Technology	$2,158.985	$1,030.298	$635.529	6,839,394
	Tourism	$518.370	$270.980	$167.238	2,236,959
	TOTAL	**$2,677.356**	**$1,301.278**	**$802.766**	**9,076,353**

Note: Based on research and modeling of the increase in innovation and tourism which could be expected with passage of a CNDA in 2021 and The Perryman Group's estimates of related gains in business activity. See Appendix A for additional information regarding methods used and definitions of terms and Appendix B for industry detail. A job-year is one person working for one year, though it could be multiple people working partial years.
Source: US Multi-Regional Impact Assessment System, The Perryman Group

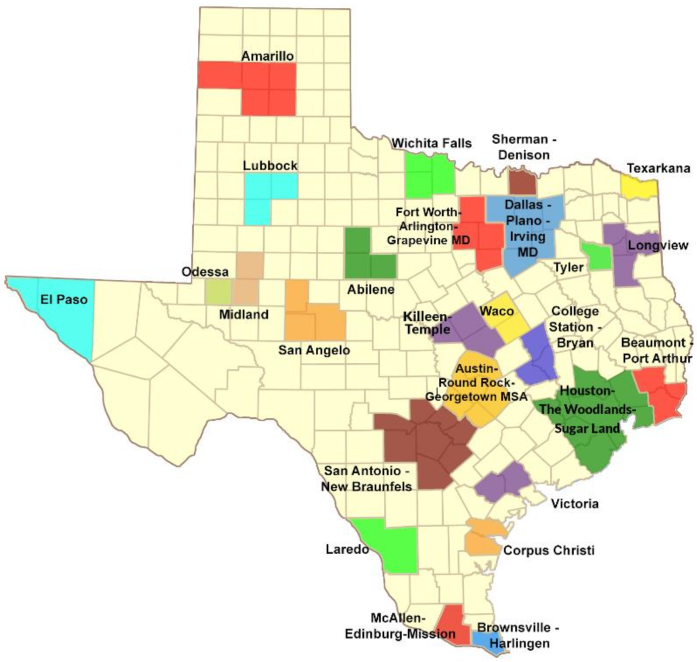
Metropolitan Area and Regional Benefits

Note that areas with greater concentrations of knowledge workers and greater opportunities for tourism and convention activity tend to be most significantly affected. For example, technology benefits are highest in Dallas-Plano-Irving (with 36.5% of total employment gains as of 2045), Houston-The Woodlands-Sugar Land (24.41%), and Austin-Round Rock (18.97%), with Fort Worth-Arlington-Grapevine and San Antonio-New Braunfels each comprising just under 5% of the total. For tourism, effects are somewhat more widely dispersed across the state, with Dallas-Plano-Irving the location of 26.9% of gains, followed by Houston-The Woodlands-Sugar Land with 23.9%, Austin-Round Rock with 9.9%, San Antonio-New Braunfels with 9.4%, and Fort Worth-Arlington-Grapevine with 9.0% of the projected 2045 employment increase.

All metropolitan areas and the rural segments of Texas would be expected to see increased employment with a CNDA. Effects on employment in 2025 and 2045 are described in the following tables, with additional detail including estimated effects for other measures of business activity and time periods provided in Appendix B.

Economic Benefits if Texas Passes a CNDA in 2021

Increase in Employment Over Baseline Projected Levels
by Metropolitan Statistical Area



Effect on Employment		
	As of 2025	As of 2045
Abilene	486	1,194
Amarillo	994	2,935
Austin-Round Rock-Georgetown	27,042	123,422
Beaumont-Port Arthur	1,356	5,079
Brownsville-Harlingen	831	1,941
College Station-Bryan	1,092	2,849
Corpus Christi	1,619	4,291
Dallas-Plano-Irving	57,327	245,627
El Paso	1,962	5,096
Fort Worth-Arlington-Grapevine	12,104	38,690
Houston-The Woodlands-Sugar Land	43,618	170,820
Killeen-Temple	875	2,343
Laredo	640	1,386
Longview	880	3,330
Lubbock	1,286	3,593
McAllen-Edinburg-Mission	1,547	3,724
Midland	2,549	12,370
Odessa	686	2,345
San Angelo	393	1,160
San Antonio-New Braunfels	12,288	38,694
Sherman-Denison	622	2,583
Texarkana	254	605
Tyler	1,080	3,979
Victoria	284	837
Waco	1,013	3,546
Wichita Falls	437	1,401
Rural Areas	6,961	18,149
TOTAL	**180,226**	**701,990**
Source: The Perryman Group		

Economic Benefits if Texas Passes a CNDA in 2021

Increase in Employment Over Baseline Projected Levels by Region

Effect on Employment		
	As of 2025	As of 2045
Panhandle	1,525	4,726
South Plains	1,511	4,182
Nortex	597	1,933
North Central Texas	69,772	287,224
Ark-Tex	652	1,975
East Texas	2,624	9,225
West Central Texas	916	2,673
Rio Grande	2,076	5,184
Permian Basin	3,767	16,415
Concho Valley	500	1,455
Heart of Texas	1,158	3,857
Capital Area	27,430	123,139
Brazos Valley	1,323	3,548
Deep East Texas	654	1,644
South East Texas	1,355	5,016
Houston-Galveston Area	43,901	169,407
Golden Crescent	579	2,118
Alamo Area	12,758	39,309
South Texas	741	1,686
Coastal Bend	1,899	5,024
Lower Rio Grande Valley	2,396	5,657
Texoma	818	3,313
Central Texas	930	2,460
Middle Rio Grande	343	823
TOTAL STATE	**180,226**	**701,990**
Source: The Perryman Group		

Fiscal Effects

Business activity generates tax revenue. The economic stimulus associated with passage of a CNDA generates a notable increase in tax receipts to the State and local government entities including cities, counties, schools, and special districts. Taxes are generated through the economic effects measured in the preceding sections. For example, retail sales associated with the economic stimulus measured in this study were quantified (results appear in Appendix B). A portion of these retail sales are taxable and lead to increased receipts to local taxing entities. Similarly, visitor outlays can lead to gains in occupancy tax revenues. Economic benefits also affect demand for housing and commercial real estate and, hence, property tax values. When the total economic effects are considered (such as those measured in this study), the gains in taxes from these sources are significant.

Cumulatively over the 2021-45 period, the total increase in tax receipts to the State associated with passage of a CNDA in 2021 is estimated to be $73.6 billion, with $56.4 billion to local entities.

The Perryman Group estimates that the total annual fiscal benefits of passing a CNDA in 2021 associated with enhanced innovation and tourism would be **$1.2 billion** to the State and nearly **$0.9 billion** to local government entities by 2025, rising to over **$5.7 billion** to the State and **$4.5 billion** to local entities by 2045. Cumulatively over the 2021-45 period, the total increase in tax receipts to the State from technology-oriented and tourism effects is estimated to be **$73.6 billion**, with **$56.4 billion** to local entities.

Additional detail is presented in the following table.

Fiscal Benefits of Passing a Comprehensive Non-Discrimination Act in the 2021 Texas Legislative Session			
ANNUALLY AS OF:		**State of Texas** (Billions of 2019 Dollars)	**Local Taxing Entities Across the State** (Billions of 2019 Dollars)
2025	Technology	$0.593	$0.489
	Tourism	$0.631	$0.392
	TOTAL	**$1.224**	**$0.881**
2030	Technology	$1.453	$1.197
	Tourism	$0.755	$0.469
	TOTAL	**$2.208**	**$1.666**
2035	Technology	$2.416	$1.991
	Tourism	$0.882	$0.549
	TOTAL	**$3.299**	**$2.539**
2040	Technology	$3.444	$2.837
	Tourism	$1.007	$0.626
	TOTAL	**$4.451**	**$3.464**
2045	Technology	$4.587	$3.778
	Tourism	$1.134	$0.705
	TOTAL	**$5.721**	**$4.484**
CUMULATIVELY (2021-2045):		**State of Texas** (Billions of 2019 Dollars)	**Local Taxing Entities Across the State** (Billions of 2019 Dollars)
2021-2045	Technology	$52.803	$43.499
	Tourism	$20.798	$12.932
	TOTAL	**$73.601**	**$56.432**

Note: Based on research and modeling of the increase in innovation and tourism which could be expected with passage of a CNDA in 2021 and The Perryman Group's estimates of related gains in business activity. See Appendix A for additional information regarding methods used and definitions of terms and Appendix B for industry detail. A job-year is the equivalent of one person working for one year, though it could be multiple people working partial years.
Source: US Multi-Regional Impact Assessment System, The Perryman Group

Conclusion

Discrimination in the workplace, housing, and public places is harmful to the dignity and opportunity of those who are victims of improper treatment. It is also harmful to the economy through multiple direct and indirect channels. These patterns will be accelerated in the wake of the disruptions associated with the COVID-19 pandemic and corresponding economic downturn. Passing a comprehensive non-discrimination act has the potential to lead to a notable increase in innovation and tourism and, therefore, economic growth.

The Perryman Group estimates that passing a CNDA in 2021 would lead to a total gain in Texas business activity from increased innovation and tourism of a projected **$104.3 billion** in annual gross product and nearly **701,990** jobs by 2045, with cumulative gains over the 2021 to 2045 period of more than **$1.3 trillion** in gross product. As of 2045, these effects represent more than **3.6%** of anticipated aggregate employment, with many of these positions being in high value-added technology related sectors.

As of 2045, these effects represent more than 3.6% of anticipated aggregate employment, many of them in high value-added technology related sectors.

This economic activity would also lead to increases in tax revenues of a projected **$5.7 billion** to the State and **$4.5 billion** to local entities by 2045, with cumulative increases between 2021 and 2045 of **$73.6 billion** to the State and **$56.4 billion** to local entities.

In summary, assuring that Texas creates an environment that is welcoming to all workers and visitors is a key to sustained and accelerated growth in several sectors that are crucial to the future economic performance and prosperity of the state in an increasingly competitive environment.

ICVB Board Appointment Schedule

Place	Last	First	Appt. Date	1st Term	2nd Term	3rd Term	Final Term Expires	Requirements (if applicable)	Status/Notes
1	Cooperstein	Karen	11/16/16	2017-19	2019-21	2021-23	2023	Resident; non-industry	
2	Mathai	Ron	2/7/13	2014-16	2016-18	2018-20	2020	Resident; non-industry	
3	Lear	Clem	11/13/14	2015-17	2017-19	2019-21	2021	Resident; non-industry	
4	Philipp	Joe	11/13/14	2014-16	2016-18	2018-20	2020	Resident; non-industry	
5	Bourgeois	Bob	11/9/17	2017-19	2019-21	2021-23	2023	Resident; non-industry	
6	Bresowar	Jo-Ann	11/13/14	2014-16	2016-18	2018-20	2020	Resident; non-industry	
7	Lindsey	Rick	11/13/14	2015-17	2017-19	2019-21	2021	Resident; non-industry	
8	Haacke	Debbi	1/10/13	2014-16	2016-18	2018-20	2020	Resident; non-industry	
9	Gears	Herbert	11/2019	2019-21	2021-23	2023-25	2025	Resident; non-industry	
10	Burghartz	Dirk	TBD 2017	2017-19	2019-21	2021-23	2023	Voting Hotelier	
11	Kang	Julia	11/9/17	2017-19	2019-21	2021-23	2023	Voting Industry At Large	
12	Malcolm	Greg	11/8/12	2012-14	2014-16	2016-18	TBD	Hotel Association Chair	Term tied to chair of Irving Hotel Association
13	Cole	David		2018-20	2020-22	2022-24	2024	Restaurant Industry	
NV	Bettis	Bob	11/16/16	2016-18	2018-20	N/A	2020	Past ICVB Board member	One 2-year term by ordinance, with one 2-year extension

<u>MINUTES – BOARD AND BUSINESS DEVELOPMENT COMMITTEE</u>

IRVING CONVENTION CENTER

Friday, January 3, 2020

Those in attendance: Committee Chair Debbie Haacke, Committee Vice Chair Bob Bourgeois, Bob Bettis, David Cole, Karen Cooperstein, Julia Kang, Rick Lindsey, and Joe Philipp – Committee; Maura Gast and Susan Rose – ICVB Staff.

Committee Chair Debbi Haacke called the meeting to order at 9:00 a.m. Haacke noted there are no citizen comments.

Committee Chair Debbi Haacke suggested going through four points on the bylaws that she thought required some clarity. One of the questions asked was do ex-officio members or non-voting members have the ability to vote in committee settings. Gast stated the legal response is no; however, these committees are only making recommendations and therefore, there are not "true" votes being taken. The ordinance prohibits ex-officio members from voting and by definition a non-voting member does not have voting rights. Therefore, because the committees don't have a function other than a consensus or a recommendation, it technically can go either way. What you want from any and all committee members is their input and ultimately a consensus from a committee's discussions that can then come forward to the board with a recommendation for action.

Karen Cooperstein asked if that applied to the executive committee as well. Gast responded yes and it needs to be universally applied to all committees; as with the others, the executive committee only makes recommendations. Gast also stated the full board setting is the only place where a "legal vote" can take place. That is the only body that can take formal action from a semantics standpoint. Actions in committees are for consensus or acceptance of a decision, but only in a full board meeting is there an actual "vote" and that vote may be cast by voting members only.

Joe Philipp expressed concern about the performance evaluation process potentially appearing prejudiced; we need to make sure the Board Chair actively solicits input and that Board Members are given the chance to provide that input.

The question was asked whether an ex-officio or non-voting member could be a chair of a committee. There is nothing that prohibits it, but it may be perceived as impractical, since that member is not a voting member. However, as noted earlier, committees are only recommending bodies and the full board takes any final/voting action. Committee actions are not binding and serve as a recommendation to the full body; therefore, a non-voting or ex-officio member can be the chair or vice chair of a committee.

David Cole asked for clarification about a non-voting individual serving on the executive committee, if they are the chair of a committee. The person can weigh in with an opinion, indicate consensus or opposition because they are on the committee, but not be part of the formal vote when the committee's recommendation comes to the full board for action.

Philipp stated that we are subject to the perception of prejudice if some people provide input during the performance review and we don't actively solicit input from all. We need to have a clean process so people know they will be heard. Cooperstein asked are we talking about everyone that sits around the table or the 13 voting board members. Philipp is referring to the executive committee, if that is who is conducting the performance evaluation. If we don't have a clean process, people who are not on the committee want to know when they will be heard.

After further discussion about the overall performance evaluation process, and the desire to see it made consistent from year-to-year, it was recommended that the bylaws be revised so that the purview of the process is with the full board in a specially called board meeting each year. Responsibility for soliciting input from all in attendance will fall to the Chair and will be added to the Chair's responsibilities in the bylaws.

Haacke commented this begins with the new board orientation process so individual board members will know their specific role and responsibility and where they can provide input.

Discussion took place regarding when an executive session is allowed and not allowed, and who is allowed to attend. Because all members of the board, voting and non-voting, are members of the board, all are allowed to attend an Executive Session unless there is a specific legal reason why someone should not be in attendance.

Haacke mentioned language from Article 7 Section 1 had been moved to Article 3 Section 2. She noted that language had been added that requires the board to have a long-term strategic plan and that requests the council liaison to the board serve on the executive committee. Haacke verified that the only reference to the proposed Tourism Public Improvement District included in the bylaws is the reference to it in this committee's responsibilities.

To move forward with this revision going to the full board in January, the recommended revisions need to go out on Monday. Gast will update the bylaws based on the committee's consensus and send them out to the full board on Monday.

Haacke entertained further questions from the committee and expressed her appreciation for reviewing and editing the bylaws.

On a motion by Karen Cooperstein, and a second by Bob Bettis, the changes with the bylaws as discussed unanimously were approved.

On a motion from David Cole, and a second by Bob Bettis, the December 6, 2019 Board and Business Development Committee Meeting minutes unanimously were approved.

Rick Lindsey gave accolades for the committee's accomplishment with the revisions to the bylaws and appreciates the attention to detail.

Haacke adjourned the meeting at 9:38 a.m.

Respectfully submitted,

Maura Allen Gast

Maura Allen Gast, FCDME
Executive Director