

AGENDA

**Irving Convention and Visitors Bureau Board of Directors
Board and Business Development Committee
Friday, December 8, 2023 at 9:00 a.m.
Irving Convention Center - First Floor Boardroom
500 W. Las Colinas Blvd.
Irving, Texas 75039**

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

1. Citizen Comments on Items Listed on the Agenda
2. Approval of September 8, 2023, Meeting Minutes
3. New Board Member Orientation Planning
4. Former Board Member Luncheon Recap and Plans for 2024
5. Strategic Plan Review and Committee Next Steps
 - a. Relationship-Building Discussion
6. City Council Report
7. Committee Chair Report and Staff Comments
8. Next meeting TBD

CERTIFICATION

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

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

Deputy Clerk, City Secretary's Office

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

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

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

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

**MINUTES – BOARD AND BUSINESS DEVELOPMENT COMMITTEE
IRVING CONVENTION CENTER
Friday, September 8, 2023**

Those in attendance: Committee Chair Herb Gears, Committee Vice Chair Sam Reed, Beth Bowman, David Cole, Julia Kang, and Joe Philipp– Committee; Carol Boyer, Maura Gast, and Susan Rose – ICVB Staff.

Committee Chair Herb Gears called the meeting to order at 9:02 a.m. Gears asked for any citizen comments and there were none.

Gears asked for a motion to approve the Committee meeting minutes from June 9, 2023. With a motion from Board member Beth Bowman, and a second from Committee Vice Chair Sam Reed, the motion unanimously was approved.

NOMINATING TASK FORCE REPORT AND RECOMMENDATIONS

Board Chair Bob Bourgeois read a memorandum from the Board Nominating Task Force recommending Board Vice Chair Richard Stewart, Jr. for Chair and Board member Herb Gears for Vice Chair of the ICVB Board of Directors and asked for approval from the Committee. With a motion from Board member Julia Kang and a second from Board member Beth Bowman, the Task Force recommendations were approved. Bourgeois noted the nominations will be presented for action and election at the November Board meeting.

BOARD MEMBER ANNUAL SELF-EVALUATION REVIEW

Gears noted the Self-Evaluation form is for Board members to complete on their own and does not require to be submitted and the form is not subject to an Open Records Request. The form is an action item needed for the ICVB accreditation and serves as a good reminder to Board members of their responsibilities. After a review of the Self-Evaluation form, it was agreed no changes need to be made at this time. The Committee agreed to Reed's suggestion of distributing the form again mid-way through the fiscal year as another reminder.

ACTION ITEM: Executive Director Maura Gast to email the form out to Board members.

STRATEGIC PLAN REVIEW AND COMMITTEE NEXT STEPS

The Committee discussed the main priority to stay focused on is outreach to new City Council members. It was noted that Councilman Brad LaMorgese and Councilman Abdul Khabeer have been contacted to attend a Board or Committee meeting and both have expressed their interest in attending. Councilman John Bloch attended an Executive Committee and Board meeting. Gast noted LaMorgese is busy with his law practice and has expressed his confidence in what the Board does. Board member David Cole noted that Khabeer has been seen engaging in the community and he did attend the High Spirited Citizen luncheon and the Police Athletic League gym opening. Bowman noted the Chamber is getting to know him and appreciates his public comments in support of economic development. Discussion was held on the Chamber and CVB noting an anticipated strong shift to recruit charter schools into the community and the importance of balance. Gast noted the item is not a priority in the Strategic Plan for the City. As the City continues to grow, more tax base is paid by commercial property and lessens what residents pay which shifts the burden. Providing services costs more today for the City than in the past. Gears noted elected officials control approval of the City's budget and the Chamber is cognizant of sensitive topics.

Bowman also stated that she and Gast work together on talking about balancing housing inventory in every community and assuring quality does not get compromised. The challenge is educating stakeholders about zoning principles. Gast noted there is an appetite for multi-family high rise housing. Board member Joe Phillip stated it is important to engage and listen to new Council members. One-on-one meetings are important to set realistic standards reflective of the market and empower staff to get a quality product to sell. The Board's job is to enroll, educate and listen. Now is the time to develop relationships.

ACTION ITEM: Cole agreed to initiate conversations with new Council members.

It was noted that Councilman Kyle Taylor and LaMorgese serve on the Committee for Board appointments this year. Taylor has a good understanding of what the CVB Board needs, and it may be a promising idea to engage in conversations with LaMorgese. Cole noted every Board member appointed to the CVB Board needs to be equipped to hire and/or fire the Executive Director, and trusting their decision making on that topic is essential. Bowman suggested pairing Board members with a Council person to have those conversations throughout the year. Reed noted that was done in 2020 and several of those relations have carried on to today. Reed continues to work with City Manager Chris Hillman and Mayor Rick Stopfer to express the CVB needs for the long-term. It was effective and does make a difference. Reed suggested appointing two Council members per Board member.

ACTION ITEM: Agenda item for next meeting to engage in a tactical discussion on relationship building.

CHAIR REPORT

Gast noted a letter from the Texas Restaurant Association in the packet to reappoint Board member David Cole as the Restaurant Industry seat on the Board. Cole's term expires in November and the recommendation will go to City Council for approval.

Gast noted the first gathering of former and current Board members will be at a luncheon on November 14 at the Convention Center. If successful, the event can become an annual opportunity to reconnect and encourage former Board members to be ambassadors for the CVB in the community.

ACTION ITEM: Gears to reach out to former Board member James Cassel personally with the invitation. He has moved recently and wants to be sure he is included.

Gears noted the next meeting will be held on Friday, December 8.

With no further discussion, Gears adjourned the meeting adjourned at 9:59 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director

“INTENTIONALLY IRVING”



ICVB Board of Directors

FY 2022-26

**Strategic Plan for Irving’s
Recovery & Resilience**

Facilitated by



EXECUTIVE SUMMARY

GOAL: MAXIMIZE ORGANIZATIONAL SUSTAINABILITY & GROWTH

ASSIGNED TO: Board & Business Development Committee

Objective A

Make the financial stability of the Irving CVB (and, thus the Irving Convention Center) its top priority through careful and effective stewardship of its resources.

Objective B

Position the ICVB as the best agent for Irving's long-term recovery from the economic downturn caused by the pandemic.

NOTE: May involve Community Engagement Committee for messaging refinement.

Objective C

Analyze opportunities to build and diversify the CVB's revenue streams to guard against any collapse of hotel occupancy tax revenues.

Objective D

Support legislative initiatives that assure Texas remains open to all.

Objective E

Assure the organization's performance metrics mirror or exceed that of the industry's best practices.

Objective F

Become intentional about Succession Planning for both Board and Staff.

Objective G

Initiate the process of a Brand Assessment Study.

GOAL: INCREASE COMMUNITY OUTREACH & COLLABORATION

ASSIGNED TO: Community Engagement Committee

Objective A

Enhance Community Awareness, Appreciation and Support of the ICVB and the impact of the Visitor Economy on Irving.

Objective B

Continue to work with City Leaders to create a better understanding of the role that Tourism plays in the community's Economic Vitality and Quality of Life.

Objective C

Build more Collaborative Relationships with other Community/Economic Development agencies.

GOAL: ADVOCATE FOR DESTINATION-ENHANCING DEVELOPMENT

ASSIGNED TO: Board & Business Development and Destination Development Committees

Objective A (BBD)

Support Legislative Initiatives that would serve to enhance development options at the Texas Stadium site.

Objective B (BBD)

Work with the City and Economic Development to reinstate hotel activity as an option for consideration in any incentives, including transient business activity as well as potential group meetings and events.

Objective C (BBD)

Research the financing and operating structures that have made possible competing projects in other destinations, particularly in the DFW area.

Objective D (DD)

Work with the City to right-size hotel development by continuing to protect the hotel development ordinance that is currently on the books.

Objective E (DD)

Identify opportunities for additional retail in Irving.

Objective F (DD)

Identify opportunities to generate more tourism revenues in the Heritage District.

Objective G (DD)

Work to build Sports Tourism in Irving.

GOAL: ENHANCE THE VISITOR EXPERIENCE

ASSIGNED TO: Destination Development Committees

Objective A

Engage DCURD, The Las Colinas Association and other stakeholders to support increased activation of Lake Carolyn and the Mandalay Canal.

Objective B

Support the development of transportation solutions that would increase mobility through the City for visitors, workforce and residents.

Objective C

Advise the City on initiatives that could enhance the aesthetics of the community from a Visitor perspective.

Objective D

Encourage more diverse Arts and Culture attractions and events.

Objective E

Advocate for policies to support the Tasting Economy.

THE STRATEGIC PLANNING PROCESS

The marketing of destinations has been occurring for centuries...but the stakes have never been higher nor the opportunity greater than right now. In American cities and counties, the latest iteration of Destination Marketing began sweeping the nation in the 1980s and 1990s as revenues from hotel occupancy taxes became available to virtually every community.

Today, however, the mandate has grown significantly larger as it is increasingly obvious that communities need effective marketing for more than just attracting visitors; destinations need to be marketed to attract investment, workforce, entrepreneurs and future residents. Every community is in a competition to attract the best and brightest as a way to enhance quality of life and long-range sustainability.

The realization that a Destination Marketing Organization's role has grown stems in part from a 2015 study by Longwoods International that proves that tourism advertising has a marked effect on consumer interest in communities as a place to live, go to college and start a business or career. That means CVBs/DMOs are far more than just "heads in beds." CVBs help plow the road for Economic Development and are intimately involved in enhancing the Quality of Life and Place for communities.

It is with all this in mind that the Irving CVB Board of Directors and the organization's staff leadership team met September 23-24, 2021 to discuss and ideate the future growth and direction for the destination and the organization. During their time together, Board members identified the realities of the present and the dreams for tomorrow, examining new ways to increase visitor spending throughout the city.

While most strategic plans these days are for two to three years based on rapidly changing environments and circumstances, the Board intentionally made this a five-year plan in order to maintain a top priority focus – that of the sunset of specific legislation in Irving impacting the availability of \$1.6 million annually in hotel occupancy taxes that will be available to be re-allocated for any legal purposes as of September 1, 2026.

This document was developed after a substantive discussion of present environments, threats and opportunities that followed online surveys of the Board and staff to better understand the expectations of and opportunities before the Organization and the destination. The subsequent goals developed in the document are designed to power future discussions and actions of the Board, community leaders and industry stakeholders to develop collaborative opportunities to enhance the impact of visitor spending in the region.

VISION & MISSION

Vision propels us forward. Mission focuses us.

Vision and Mission Statements are crucial to the success of organizations as they power us forward and keep us on task. The Board of Directors of the ICVB took these concepts into consideration as they sought to update the Vision and Mission Statements for the Destination, the Organization and themselves.



The ICVB Board reviewed its Destination Vision and determined that it was on point...but could use a slight edit to be more elegant and visionary.

EXISTING DESTINATION VISION

Irving will be a uniquely vibrant destination welcoming visitors of all kinds for unforgettable experiences.

REVISED DESTINATION VISION

Irving will be a uniquely vibrant destination welcoming the world for unforgettable experiences.

The Board affirmed its Organization Mission Statements, and further refined that of the Board.

ORGANIZATION MISSION

The Irving Convention and Visitors Bureau enhances Irving's economy and quality of life by marketing and advocating for the development of Irving as a premier destination.

EXISTING BOARD MISSION

The Irving CVB Board will take ownership of the opportunities on its horizon, doing everything in its power to move the visitor vision of the destination forward by proactively putting the ideas, desires and priorities on every table it can.

REVISED BOARD MISSION

The Irving CVB Board will take ownership of the opportunities on its horizon, doing everything in its power to move the visitor vision of the destination forward by proactively putting the ideas, desires and priorities on every table it can.

The Irving CVB Board takes seriously its responsibilities, including its fiduciary and operational oversight of the Convention and Visitors Bureau and the Convention Center, as outlined in the City's Charter and City Ordinances.

ICVB Board of Directors
FY 2022-26
Strategic Plan for Irving's
Recovery & Resilience

GOAL: MAXIMIZE ORGANIZATIONAL SUSTAINABILITY & GROWTH

ASSIGNED TO: Board & Business Development Committee

Objective A

Make the financial stability of the Irving CVB (and, thus the Irving Convention Center) its top priority through careful and effective stewardship of its resources.

IMPERATIVES:

- Pay back the City of Irving loan (FY21)
- Maintain minimum General Fund Balance of \$2 million by FY22 (contingent on subsequent years' ARPA funding)
- Maintain minimum Computer Reserve Fund Balance of \$300K by FY24 (contingent on subsequent years' ARPA funding)
- Establish a Tourism Public Improvement District no later than FY25, while being sensitive to hotel needs and their operative environment before re-starting this process
- Maintain minimum Catastrophic Reserve Fund Balance of \$5 million by FY26
- Maintain minimum ICC CIP Reserve Fund Balance of \$3 million by FY26
 - Capital expenditures average \$600K-\$800K/year
 - Utilize ASM funds and HOT funds in the short-term
 - Utilize any excess in the ICC 2% HOT, as allowed
 - Re-allocate \$1.6 million excess in HOT revenue to CIP when Irving legislation ends Sept. 1, 2026
- Continue to build the revenue pipeline for the future (ongoing)
- Ensure sufficient sales and marketing resources are available to continue to supply the pipeline with future business opportunities

Objective B

Position the ICVB as the best agent for Irving's long-term recovery from the economic downturn caused by the pandemic.

NOTE: May involve Community Engagement Committee for messaging refinement.

SUGGESTED TACTICS:

- Develop concise and impactful messaging for the Board that positions the CVB as a "best in class" DMO that is critical to the future success of the City on a variety of fronts
- Communicate the value of the organization that is responsible for Irving's largest employer
- Create and deliver messaging in a way that enables citizens to better understand how their quality of life is so much better because of what tourism's impact, and thus the CVB's work, makes possible

Objective C

Analyze opportunities to build and diversify the CVB's revenue streams to guard against any collapse of hotel occupancy tax revenues.

SUGGESTED TACTICS:

- Clearly communicate that this isn't about growth for growth's sake but, rather, the public infrastructure dependent on HOT revenues to support bond payments and maintenance
- In the short term, advocate for a meaningful and continuing investment of the next round of ARPA funds
- Identify opportunities that may exist for utilizing the stadium site theme towers for messaging and/or revenue

Objective D

Support legislative initiatives that assure Texas remains open to all.

SUGGESTED TACTICS:

- Work with City and industry partners to support State and local legislation that keep Texas, and therefore Irving, open for all business and for visitors of all kinds

- Educate the community, as needed, at a grass roots level on the effects of any legislation that can negatively impact the stability and viability of the city's visitor economy, thus impacting the city's overall financial picture

Objective E

Assure the organization's performance metrics mirror or exceed that of the industry's best practices.

SUGGESTED TACTICS:

- Maintain the organization's Accreditation status through the Destination Marketing Accreditation Program
- Provide annual updates to the Board and Business Development Committee on any Opportunities for Improvement that may be noted between application periods

Objective F

Become intentional about Succession Planning for both Board and Staff.

SUGGESTED TACTICS FOR BOARD SUCCESSION:

- The Board, working with its City Council liaison, will develop a succession planning matrix that identifies the skills, talents and diversity it will require to be successful and to maintain and build on institutional knowledge of the organization in future years
- The Board will work to diversify its own relationships in the community to build on those established by long-tenured Board and staff members
- Continue to build relationships with key community organizations and leaders with which the Board can effect meaningful introductions for new Board leaders

SUGGESTED TACTICS FOR PROFESSIONAL STAFF SUCCESSION:

- Recognize that the institutional knowledge of the organization resides in a very few veteran staff members
- Identify opportunities to both codify this knowledge and to expand the circle of less tenured staff who can learn from veteran staff
- Perform regular (every 3-5 years, pending budget capacity) compensation studies to ensure the ICVB remains competitive enough to attract top talent

- Support budget expenditures (as funds are available and retirement dates are known) that will fund “shadow” opportunities for key positions
- Be intentional about creating professional development opportunities for junior staff to escalate their ability to be eligible for future leadership positions as they come available

Objective G

Initiate the process of a Brand Assessment Study.

THE RATIONALE & PROCESS:

- Irving’s visitor product has changed greatly since the last Brand Assessment process, as have the primary players involved (the latter of which ultimately led to the process being shelved) and a new process started, which was then shelved again.
- Engage an experienced Brand firm/consultant to guide the process at the staff’s direction.
- While engaging other partners will be important to the outcome, the process should be designed in such a way that the Irving CVB can move forward with the resulting work on its own, if necessary.

GOAL: INCREASE COMMUNITY OUTREACH & COLLABORATION

ASSIGNED TO: Community Engagement Committee

Objective A

Enhance Community Awareness, Appreciation and Support of the ICVB and the impact of the Visitor Economy on Irving.

Suggested Tactics:

- Revisit current Engagement and Advocacy strategies (i.e., Spirit of Irving awards, Annual Meeting, High Spirited Citizens) and update/revise to better achieve the Board's outreach priorities
- Develop clear talking points for the Board to use in its public outreach initiatives
- As part of Board Member orientation, consider requiring a shift worked at the Volunteer Visitor Information Center as it re-starts to showcase the work being done to welcome consumers
- Work with ICTN to create a series about the importance of the Visitor Economy and ICVB's role
- Engage with Neighborhood Associations to tell the ICVB story

Objective B

Continue to work with City Leaders to create a better understanding of the role that Tourism plays in the community's Economic Vitality and Quality of Life.

Suggested Tactics:

- Design an advocacy plan that speaks the language of civic leaders
- Continue twice-a-year Board presentations to City officials communicating progress towards the community's economic recovery and stabilization in future years
- Develop periodic FAM excursions to highlight areas of opportunities for City leaders and reinforce the critical work being done by the ICVB
- Identify specific and targeted ways to engage former Board members to keep them up-to-date on the Bureau's activities, efforts and needs
- At the Chair's invitation, and based on funding availability, host an annual Past Chairs and/or Past Board Members gathering, with an agenda for discussion.

- Look to use social media channels (Impacting Irving, ICVB LinkedIn page) as tools for local, targeted communications
- Consider creating a series of “back-of-the-house” videos to show the work that Irving hospitality workers do every day to provide the platform for great visitor experience

Objective C

Build more Collaborative Relationships with other Community/Economic Development agencies.

Suggested Tactics:

- Identify the top 100 thought leaders in the community for personal contact by Board members
- Increase inter-agency communication between Chambers, Economic Development and others to maximize opportunities and eliminate duplicative efforts and spending
- Invite key stakeholders and influencers to sit in on Board meetings
- Identify opportunities for joint board meetings at least once a year with agencies such as DCURD and the TIF Board at the invitation of the ICVB Board Chair
- Work with the Parks & Recreation Department (Board to Board and Staff to Staff) to develop a plan for the pursuit of sports tournaments to best align resources and to avoid duplication of efforts

GOAL: ADVOCATE FOR DESTINATION-ENHANCING DEVELOPMENT

ASSIGNED TO: Board & Business Development and Destination Development Committees

Objective A (BBD)

Support Legislative Initiatives that would serve to enhance development options at the Texas Stadium site.

Suggested Tactics:

- Support State legislation that would make developing the site more attractive to developers and that could create a positive impact on visitor revenues
- Investigate opportunities to create an Entertainment and Economic Development Zone that could encompass the Urban Center and the former Stadium site to become eligible for federal funding

Objective B (BBD)

Work with the City and Economic Development to reinstate hotel activity as an option for consideration in any incentives, including transient business activity as well as potential group meetings and events.

Suggested Tactics:

- Encourage those developing relocation and retention incentive packages to include provisions to encourage the staging of future corporate meetings in Irving
- Protect hotel development ordinances and continue to support “right-sizing” of future development

Objective C (BBD)

Research the financing and operating structures that have made possible competing projects in other destinations, particularly in the DFW area.

Suggested Tactic:

- Review projects such as like Grandscape (The Colony), Texas Live! and its new Loews hotels (Arlington), the PGA courses and Omni hotels (Frisco) and the Epic project just announced in Grand Prairie

Objective D (DD)

Work with the City to right-size hotel development by continuing to protect the hotel development ordinance that is currently on the books.

Suggested Tactic:

- Stress the importance of a 200 sleeping room minimum and 5000 sf of meeting space minimum, among other requirements

Objective E (DD)

Identify opportunities for additional retail in Irving.

Suggested Tactics:

- Partner with the Chambers, Las Colinas Association and Economic Development to commission a citywide leisure (non-service) retail needs and wants assessment that responds to what residents and visitors want with a realistic assessment of the resources necessary to make it happen
 - The study should also evaluate lost leisure retail “leakage” out of Irving, identify where the leakage overlaps with needs and what barriers must be mitigated to bring those retail opportunities inside Irving
 - The study should also identify the top retail storefront brands and their geographic requirements and restrictions
- Conduct an assessment/inventory of retail sites (and users for same) that may be utilized as temporary pop-ups in high visibility/high traffic/high target areas

Objective F (DD)

Identify opportunities to generate more tourism revenues in the Heritage District.

Suggested Tactics:

- Support City leaders in identifying parking solutions in the Heritage District that will accommodate larger scale events
- Advocate for better street lighting to ensure a greater sense of visitor safety and enhanced aesthetics
- Encourage economic development initiatives that support the importance of retail in their efforts to land new businesses
- Advocate for the elimination of barriers to entry for restaurants, retail and nightlife in the Heritage District and identify incentives that can mitigate these barriers

Objective G (DD)

Work to build Sports Tourism in Irving.

Suggested Tactics:

- Work with the Parks and Recreation Department/Parks Board to make facilities more available at desirable times for tournaments that can generate both visitor and rental revenues
 - Provide the Parks Department an informal “prospectus” of potential tournament impact to proposed new fields well as for re-prioritization of existing field use
- Provide leadership to support the return of the PGA TOUR to Irving with the ClubCorp Champions Classic in April 2022
- Encourage attendance at ICVB Board Meeting of Parks Board leadership at least once annually at the invitation of the ICVB Board Chair

GOAL: ENHANCE THE VISITOR EXPERIENCE

ASSIGNED TO: Destination Development Committees

Objective A

Engage DCURD, The Las Colinas Association and other stakeholders to support increased activation of Lake Carolyn and the Mandalay Canal.

Suggested Tactics:

- Support the LCA as they look at opportunities to celebrate their 50th anniversary with a signature event on the water
- Encourage DCURD to investigate opportunities to re-launch water taxis on the canals that can meet transportation needs efficiently such as solving a “last mile” need, as well as provide leisure activity
- Encourage DCURD and hotel partners to identify potential “loading docks” for increased hotel guest access and use
- Support event organizers and developers to create activity that would create more life along the Promenade
- Encourage DCURD to identify other opportunities for waterfront activity and providers
- Support all parties (DCURD, City of Irving, Las Colinas Association) in identifying a means to “book” the Promenade for organized activity

Objective B

Support the development of transportation solutions that would increase mobility through the City for visitors, workforce and residents.

Suggested Tactics:

- Advocate for opportunities to create unique public transportation links between and around the Historic Downtown and the Convention Center District
- Advocate for opportunities to enhance DART connectivity
- Advocate for additional wayfinding signage throughout the city to encourage visitors and residents to explore more
- Advocate for trolley/shuttle system opportunities for various “visitor last miles” in targeted areas throughout the city

Objective C

Advise the City on initiatives that could enhance the aesthetics of the community from a Visitor perspective.

Suggested Tactics:

- Support potential public art concepts that would be “Instagram-able”
- Continue to analyze opportunities to build upon and activate the Mustangs and its museum with the renovation of Williams Square Plaza, including supporting its role as a defacto visitor information center
- Support the concept of the return of Irving’s prior Public Art Ordinance
- Support Parks and Recreation and other entities to generate appropriately scaled activity with the City’s downtown waterfront assets, i.e. Centennial Park/Founders Plaza, Delaware Creek
- Advocate for the beautification of public infrastructure (e.g., painted utility boxes, water towers, wrapped public transportation/stations) as a means of reinforcing Irving’s newfound positioning as a “music mecca” and/or diverse cultural center
- As funds are available and a Customer Advisory Board can be convened, utilize this body as an ongoing focus group on these and other initiatives (retail, arts/culture, etc.)
- Encourage neighborhood grants that could support murals or other public art

Objective D

Encourage more diverse Arts and Culture attractions and events.

Suggested Tactics:

- Support the creation and activation of distinctive and scalable cultural events throughout the City
- Support the creation of events that will attract visitors and are sustainable and scalable
- As funds become available, consider a destination study for the specific assessment, recruitment and potential production of signature event opportunities
- Continue to ideate opportunities to develop an iconic event

Objective E

Advocate for policies to support the Tasting Economy.

Suggested Tactics:

- Support simplifying the process for restaurants/venues to get zoning and licensing to serve alcohol to allow existing and emerging opportunities to succeed
- Support efforts to designate/promote “tasting trails” for various food and beverage categories
- Embrace the city’s cultural diversity through promotion of its distinctive food offerings in addition to those expected



■ THE FTC IS AMBUSHING RESTAURANT OPERATORS

In October 2023, the Federal Trade Commission (FTC) ambushed restaurants by naming them as a target industry in the “Unfair or Deceptive Fees” proposed rule, despite not including the industry in a request for comment on surcharges.

The proposed rule would force U.S. businesses to eliminate the use of “hidden” and “misleading” fees, instead requiring them to post total prices for a service or good that reflects all costs except shipping and government charges.



If this rule is adopted as written, restaurant operators will be forced to be less transparent with their customers while rewriting their compensation models, increasing their menu prices, and overhauling established business practices.

PROJECTED COMPLIANCE COSTS FOR RESTAURANT OPERATORS EXCEED \$3.5 BILLION.

What's so bad about the proposed rule?

The FTC would force restaurant operators to:

- 1. Remove any separate fees or surcharges—including service fees and large group surcharges.**
- 2. Overhaul menus so that the listed price is the total price a customer must pay.**
- 3. Eliminate the use of surcharges for dynamic costs such as credit card processing or delivery fees.**

It would also create a new wave of **litigation and federal fines for noncompliance.**

What does this mean?

HIGHER MENU PRICES

The FTC directs restaurant operators to **change established business practices by raising their menu prices** rather than adding any fees or surcharges.

The FTC's proposed rule also directs operators to **create separate menus for large parties where service fees are incorporated into food prices**, setting them up for questions from consumers about why the same dish costs less for a smaller party.

THE FTC IS AMBUSHING RESTAURANT OPERATORS

GO DEEPER *The FTC doesn't take the realities of the restaurant industry into consideration. Its estimated compliance cost—\$3.5 billion—would equal a cost of \$4,818.27 per operator for menus alone. Small independent operators run on a 3-5% margin and make an average of \$45,000/year. The cost of making this change would be approximately 10% of their total income.*

WAGE CUTS FOR EMPLOYEES

The FTC proposal would **ban restaurant operators from using service charges and force them to increase menu prices to cover the cost.** This change would take away the operator's choice in determining the best compensation model for their business. **Higher menu prices often lead to a drop in traffic, resulting in fewer hours and less jobs for servers.**

For operators who have replaced tipping with a service fee, the FTC directs them to return to a tipping model to eliminate the fee.

LESS TRANSPARENCY FOR CUSTOMERS


Diners like to know what they are paying for, but by eliminating the use of fees and surcharges, the FTC is **preventing diners from seeing the costs that are impacting the operation of the restaurant,** like credit card processing fees, which are outside the operator's control.

GO DEEPER *For some restaurant operators, it's easy to include credit card swipe fees into their menu prices. However, independent and small business restaurant operators—who operate on tight margins and are most impacted by rising credit card swipe fees—would struggle to incorporate that cost into menu pricing because it's a percentage of each transaction, not a fixed cost.*

Who will be most impacted by this FTC overreach?

 **Independent restaurant operators, which make up 70% of U.S. restaurants,** will struggle to afford to comply.

 **Restaurant workers** will see fewer customers and less income.

 **Unbanked consumers** will pay higher prices that incorporate swipe fees, even though they pay in cash.

GO DEEPER *The questions the FTC asks in its proposed rule make clear that the rule's impacts on restaurants were not fully understood or quantified. While it calls restaurants out as one of the three "example" industries, the FTC clearly doesn't understand that the industry has more than 70 segments that will be impacted differently by their mandates. The rule is unworkable as written.*

The National Restaurant Association and Restaurant Law Center will submit comments on the proposed rule.