



STAFF REPORT

MEETING DATE: March 25, 2025

TITLE:

Consider and act on Resolution 2025-71 awarding a \$20,000 grant from the Hotel Occupancy Tax Fund to SRE Promotions, LLC for event known as the Corvette Invasion.

AGENDA ITEM SUBMITTED BY:

Submitted by: Sylvia Carrillo, ICMA-CM, CPM, City Manager

BACKGROUND/HISTORY:

The annual Corvette Invasion is the largest corvette only car show in Texas. In prior years, the event had a direct economic impact of over \$150,000. (See Economic Impact – 2023)

The organization has submitted a budget that shows approximately \$20,000 of eligible expenses that can be attributed directly as eligible for HOT funds reimbursement as marketing (advertising the city and/or event).

The application was submitted to Visit Bastrop. Recently, Visit Bastrop amended the HOT fund application and policy they use to award funds. This event does not qualify for funding based on having been funded for more than 3 consecutive years, therefore the application has been submitted to the City.

The economic impact and return on investment are both positive for the investment.

HOT fund use

Excerpt from TML – [The Hotel Tax Two-Step](#).

“Part 1: Heads in Beds The first element of the two-part test is this: Every expenditure of hotel taxes must put “heads in beds.” What this means is that every funded project must attract overnight tourists to the city’s hotels and motels, thus promoting the city’s hotel industry. For example, how about a weekend-long arts and crafts show? There’s a very good chance that out-of-town guests might come to visit such an event, so expenditure of hotel tax money on that event would likely qualify. On the other hand, how about a quilting bee at a local nursing home? While a worthy cause, the quilting bee is unlikely to attract overnight tourists and, therefore, probably wouldn’t qualify to receive hotel tax funds.

Part 2: The Nine Categories Once a project has cleared the first part of the test, it’s time for – you guessed it – the second part of the test. Here it is: Every expenditure of hotel taxes must also fit into one of nine statutorily authorized categories. These are the nine categories: (1) convention and visitor centers; (2) convention registration; (3) advertising the city; (4) promotion of the arts; (5) historical restoration and preservation; (6) sporting events in a county under one million in population; (7) enhancing or upgrading existing sports facilities or sports fields (only in certain

cities); (8) tourist transportation systems; and (9) signage directing the public to sights and attractions that are visited frequently by hotel guests in the city. Thus, even if an event puts heads in beds, it cannot receive hotel tax money unless it also fits into one of the nine categories.”

FISCAL IMPACT:

\$20,000 from the HOT fund account

This dollar amount would be awarded from the amended budget to the HOT fund that the council will approve on 3.35.2024 (on its second reading) and is included in that amount.

RECOMMENDATION:

Award the \$20,000 as requested.

ATTACHMENTS:

1. Resolution
2. HOT Application
- 3.
4. 2023 Economic Impact