



STAFF REPORT

MEETING DATE: August 22, 2023

TITLE:

Consider action to approve the first reading of Ordinance 2023-30 of the City Council, of the City of Bastrop, Texas, reallocating \$167,000 of the Hotel Occupancy Tax fund previously allocated to the 4th quarter of Visit Bastrop “midyear adjustment” to fund repairs to the rodeo arena; and move to include on the September 12, 2023, Council agenda for second reading.

AGENDA ITEM SUBMITTED BY:

Submitted by: Mayor Lyle Nelson

BACKGROUND/HISTORY:

The existing Visit Bastrop contract calls for a potential mid-year adjustment or “true up” of the Hotel Occupancy Fund (HOT) fund allocation. For the 4th quarter of 2023, that amount is estimated at \$167,000.

The Rodeo Arena is in need of repairs that exceed \$167,000, The arena is a qualified HOT expense under the 2-part test of Criteria 1 and Criteria 2 (Number 7)

“USE OF LOCAL HOTEL OCCUPANCY TAX REVENUES

Criteria #1: First, every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.

Criteria #2: Every expenditure of the hotel occupancy tax must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy tax revenues.

- 1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center.*
- 2) Paying the administrative costs for facilitating convention registration.*
- 3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.*
- 4) Expenditures that promote the arts.*
- 5) Funding historical restoration or preservation programs.*
- 6) Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million.*
- 7) Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities.*
- 8) Funding transportation systems for tourists*
- 9) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality. “ (TML, 2018, What Cities Need to Know to Administer the Hotel Occupancy Tax”*

FISCAL IMPACT:

Net 0. Re-allocation of funds from Visit Bastrop to the rodeo arena.

RECOMMENDATION:

Staff recommends reallocation of funds to the rodeo arena.

ATTACHMENTS:

1. Picture of repairs needed.