



Hotel/Motel tax grants

Council 3.20.23

Current Guidelines

Usage of Hot/Mot funds is dictated by Chapter 351 of the Tax Code

1 Must directly enhance and promote tourism

2 Every expenditure must clearly fit into one of these categories:

1. Visitor Information Center
2. Furnishing of Facilities and Registration of Visitors
3. Advertising, Promotional Programs or Activities
4. Arts Promotion
5. Historical Restoration and Preservation
6. Tourist Transportation Systems

3 Must present reasonable evidence that project/event has the *ability* to increase overnight stays

4 Recipients must explore local businesses for products and services when expending HOT funds



Current Process/Procedures Overview

Apr 7: HOT/MOT Process announced via press release, City social media & email to previous applicants, and general inquirers throughout the year

Apr 21: Grant application deadline

Apr 24: EDC/City Attorney/Finance review applications for completeness and compliance; applicants are notified of any corrections /additional info. needed on application(s)

Apr 28: EDC scores applications in accordance with scoring rubric

Jun 5: Staff presents all applications and requests to City Council

Jun 5: Council awards grants at their discretion

Jul 31*: City Manager includes grant amounts as part of budget presentation to Council

FY 22-23 Grant Recipients

EVENT	APPLICANT	POINTS	FUNDS REQUESTED	PREVIOUS AWARD	EST. ATTENDANCE
McKenzie's Western Swing Fiddle Workshop	Fiddles on Wheels	4	\$4,500	\$5,000 ('18)	200
Harvest Moon Festival	Local Life	2	\$5,000	N/A- New	400
Party at the Pavilion	Local Life	2	\$5,000	\$5,000 ('21)	1,500
St. Paddy's Pub Crawl	Local Life	2	\$6,000	\$5,000 ('21)	300
City on a Hill	Crazy 8 Ministries	4	\$8,000	\$8,000 ('21)	3,000
Bistro, Wine & Brew Crawl	Cross Timbers Wine Trail	2	\$10,000	\$10,000 ('21)	3,000
Full Circle Women's Conf.	BACC (Chamber)	2	\$10,000	N/A- New	350
Open Skies Benefit	Never Alone Org.	2	\$10,000	\$8,050 ('21)	2,000
Museum/Visitors Center	Heritage Foundation	6	\$10,000	\$10,000 ('21)	7,500
Food Truck & Arts Fest.	Venture Mathis LLC	2	\$10,000	N/A- New	3,000
Honey Tour	BACC (Chamber)	6	\$12,500	\$12,500 ('20)	1,500
BTX Brew Fest	Venture Mathis LLC	2	\$17,000	\$10,000 ('21)	4,000
Marketing Campaign	Jellystone Park	3	\$50,000	N/A- New	85,000
Total	-	-	158,000	-	-

Projected Revenue:
\$476,462

Grant Requests Total:
\$158,000 (approx.
33.16%)



Latest Policy Revisions

1. **(Added)** Establish hotel promo code to encourage overnight stays for vendors and/or patrons (2019)
2. **(Added)** Allocate 50% of annual revenue for grants yearly as starting point with ability to use additional at Council discretion (2020)
3. **(Removed)** Three (3) year application restriction (2020)



Application Scoring

Scoring rubric adopted by Council 02.03.20

The review committee scores applications based on the following factors (in no particular order)

- 1. Number of years event has occurred
- 2. Multi day vs. single day
- 3. Ticketed or free to the public
- 4. Profit vs. Non-profit
- 5. Established hotel code

Criteria	Points
Years hosted this event	1 year = 1 point
Multi-day events	1 day = 1 point
Ticketed or free to public	Ticketed= 1 point, Free= 2 points
Non-profit or For profit	501(c)3= 2 points, Profit= 1 point
Established hotel code	Yes= 1 point, No= zero

When funds are limited, priority will be given to events with higher application scoring

Concerns expressed by Council

Eligibility

Current: Application must present potential to create overnight stays, applicant must be in good standing if previous awards have been granted, recipient must explore local products and services when expending HOT funds

Conflicts: Established events may receive substantially less than a newer event although proven successful; Applicants may apply for funding year over year with no plan to become self sufficient in advertising without grant funds; Selection may appear subjective because of the variety of accepting both “for profit” events and non-profit events

Review Process

Current: EDC, Finance, City Attorney review applications for completeness/compliance

Conflict: Selection of applications brought forward may appear subjective to outside viewers. Council may want to consider a sub committee or citizen comprised review board

Guest Tracking

Current: Council recommended policy revision in 2020 requiring organizers to establish hotel promo code to track local stays generated by events hosted.

Conflict: Some organizers have mentioned issues with coordinating promo code with hotel owners/GM's- some not willing to do it because it does not benefit hotel; some willing to create code, but the info. obtained is not tracked, etc.

Concerns expressed by Council

(Continued)

Scoring Rubric

Current: Council recommended policy revision in 2020 creating a scoring rubric to score applications so that they may be ranked by priority in the event funds are limited.

Conflict: Because of the way “years hosted” scoring was established, the majority of events end up with the same score (2 pts), providing little added value to the scoring system.

Scope of Advertising

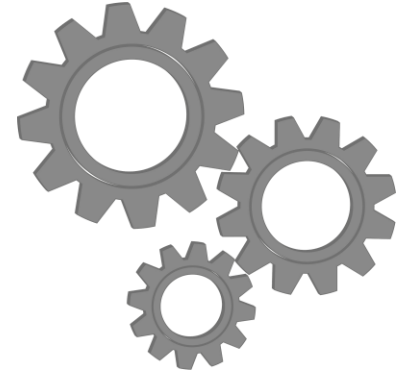
Current: Policy does not specify that reimbursable advertisement costs must target audiences outside of the vicinity; advertising guidelines are vague

Conflicts: Local advertising does not generally create hotel stays.



City	Review	Cap on yrs. Funded?	Funding allocation	Hotel tracking	Additional info.
Cleburne	“funding committee” interviews applicants/makes awards (Committee: 2 hoteliers, 2 tourism stakeholders, 1 city staff, 2 Chamber members)	N/A- No Cap	Budget all CVB expenses first; remaining revenue is allocated to Hot/Mot grants	Estimate provided by applicant on post event form	Applicants must be government entity or 501c3 non-profit; Hot/Mot duties overseen by Chamber; all applicants interviewed
Denton	Council sub-committee, then Council	N/A- No Cap	Annual revenue (starting point) w/ option to use fund balance at CC discretion/No max application amount	Estimate provided by applicant on post event form	Applicants must be government entity or 501c3 non-profit
Grapevine	N/A- no grant process	-	-	-	All events are hosted by the City’s Parks & Rec or CVB
Keller	N/A- no grant process	-	-	-	-
Mansfield	Committee- City staff + council members	3 years	No specified % of fund or amount allocated/No max application amount	Estimate provided by applicant on post event form	
Midlothian	N/A- no grant process	-	-	-	-
Rockwall	Committee- City staff + Council members	N/A- No Cap	No specified % of fund or amount allocated/No max application amount	Estimate provided by applicant on post event form	

Options



1. Leave as is
2. Leave as is with removal of scoring rubric ***staff recommendation***
3. Form a review committee for Hot/Mot applications
 - Council sub-committee
 - Citizens
 - Mix of Council/Citizens
4. Other direction from Council (i.e. to include modifications to policy to include other elements presented as part of council concerns)