
CITY OF ALPINE
HOTEL/MOTEL OCCUPANCY TAX USE GUIDELINES
AND
FUNDING APPLICATION

Texas Tax Code Chapter 351 allows the City of Alpine to collect Hotel Occupancy Tax (HOT) from hotels, motels, bed & breakfasts and inns. Under state law, the revenue from the HOT may be used only to directly promote tourism and the convention and hotel industry and may be used for the following:

- 1) **Convention Centers and Visitor Information Centers:** acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;
- 2) **Registration of Convention Delegates:** furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- 3) **Advertising, Solicitations and Promotions that Directly Promote Tourism and the Hotel and Convention Industry:** advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity utilizing media outlets that are 75 miles outside of the City of Alpine;
- 4) **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to presentation, performance, execution, and exhibition of these major art forms;
- 5) **Historical Restoration and Preservation Activities that Directly Promote Tourism and the Hotel and Convention Industry:** historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums;
- 6) **Sporting Event Expenses that Substantially Increase Economic Activity at hotels:** expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity;
- 7) **Transportation System:** city owned or contracted transportation services that start or end at hotel or convention center or attraction offered to hotel guest at no charge.
- 8) **Signage:** permanent signage that directs the public to sights and attractions frequently visited by hotel guests.

City Policy: The City of Alpine accepts applications from groups and businesses whose program fits into one or more of the above categories. All requests for funds should be submitted in writing, accompanied by the official application, to the City Secretary. Based on the application, a panel to be convened by the City Manager will review, score and make recommendations to the City Council. The panel shall consist of the City Manager, Director of Finance, Tourism Director and the Mayor.

The recommendations will be reviewed by the Alpine City Council at a Special Meeting held in July of each year. The City Council will make the final decision on your request based on the documentation submitted at the time the applications are due. **No** supplemental material will be accepted after the due date and incomplete applications will **not** be presented for consideration. **No** requests for support will be received or considered after the due date or during the fiscal year.

The City of Alpine is not obligated to utilize 100% of funds each fiscal year. Therefore, any funds not allocated will be deposited into a reserve account for future Capital Improvement Projects. The City of Alpine will use the following formula, based on projected collection of HOT funds, to determine annual amounts and funding levels:

- 1) **Convention Centers and Visitor Information Centers:** 10%
- 2) **Registration of Convention Delegates:** 22% (includes a 7% administration cost)
- 3) **Advertising, Solicitations and Promotions:** 52% (Statutory minimum is 50%)-
All advertising will be reviewed and released for publication through the City's Tourism Department. Cost of design is not included.
- 4) **Arts:** 10% (Statutory maximum is 15%)
- 5) **Historical Restoration and Preservation:** 10% (Statutory maximum is 15%)
- 6) **Sporting Event Expenses that Substantially Increase Economic Activity at hotels:** 10% (including advertising)
- 7) **Transportation Systems:** 10%
- 8) **Signage:** 4%

Events and entities requesting funds shall be funded on a 2-1 annual funding basis to allow for equitable funding opportunities for new as well as established events and activities. IF an event or entity chooses not to apply in a subsequent year, the 2-1 will begin from the first year of funding.

Successful applications will receive a 2-year, tiered award dependent on available funding allocations. 100% of award amount for Year 1, 75% of initial award amount for Year 2 (Year 3 will not be funded).

Eligibility: The amount that you are requesting should not exceed more than 25 percent of the total event budget amount. Applications for amounts greater than 25 percent will be considered only after all other applications have been reviewed if there are funds remaining.

All events or uses must start no earlier than October 1, 2018 and end no later than September 30, 2018 of the applicable fiscal year.

The City of Alpine will **NOT** fund events or programs that are:

- primarily operated as fundraisers; or
- occur on a monthly basis;

Reporting: Awardees must submit a final report following each event and include a budget summary of revenue and expenses. Awardees are expected to submit a report for the non-funded third year to retain eligibility for a new cycle of funding.

Awardees must submit a final Revenue & Expense report along with the request for reimbursement.

Awardees final report must demonstrate the growth of the event through hotel guest stays each year and provide evidence or examples of statewide or national press garnered in favor of the event's success. First time events or programs will utilize Year 1 as benchmark. Other events must utilize historical data, whether the event or program received prior funding or not.

All overnight stay establishments utilized for compiling data must be in good standing with the City of Alpine. Stays generated at establishments not in good standing are not eligible for consideration.

Reimbursements: HOT fund awards are distributed as reimbursements. The responsible party is required to submit one (1) request for reimbursement within 30 days after the event date along with a final report. Failure to submit timely reimbursements and reports may jeopardize future funding through future scoring or funding being withheld.

Priority for Hotel Tax Funds: Priority will be given to those events and entities based on their ability to generate overnight visitors to the City of Alpine. If an event will not generate any meaningful hotel night activity, it is not eligible for receipt of hotel occupancy tax funds. Events can prove this potential to generate overnight visitors by:

- a) **historic information on the number of room nights used during previous years of the same events;**
- b) **current information on the size of a room block that has been reserved at area hotels** to accommodate anticipated overnight guests attending the event requesting hotel tax funds.
- c) **historical information on the number of guests at hotels or other lodging facilities that attended the funded event;** and/or
- d) **examples of marketing of the programs and activities that will generate or encourage overnight visitors** to local lodging properties.

Applicant Scoring: A panel will be convened as determined by the City Manager to review complete applications and score them according to a 100-point system:

- Application demonstrates sound business and promotional plan (30 points)
- Capacity to host successful program or event (25 points)
- Impact on overnight hotel stays (40 points)
- Bonus Points (5 points)
 - New events or activities
 - Innovative programs
 - First time applicants with successful unfunded prior year

Use of Revenues from Event: A portion of revenue from any event and/or project receiving any type of funding assistance from the HOT funds should be channeled back into future costs of operating that same event or continued operation of the project, and stated within the submitted

budget. No other outside event, project, charity, etc. sponsored by the host organization may profit from the City of Alpine's funding of a particular event.

Supplemental Information Required with Application: Along with the application, please submit the following:

- Total event budget including HOT funds (sample budget)
- Proposed Marketing Plan for Funded Event
- Schedule of Activities or Events Relating to the Funded Project
- Surveys and tabulations from prior event
- Event/Program Permit Application

Submit Complete Application to: City of Alpine
City Secretary
100 N. 13th St.
Alpine, Texas 79830

Submit Complete Application by: July 11th, 4:30 PM