

City of Wimberley
City Hall, 12111 Ranch Road 12, Ste. 114
Wimberley, Texas 78676
Minutes of Special Meeting of City Council
March 11, 2009 at 5:00 p.m.

City Council meeting called to order at 5:01 p.m. by Presiding Officer Mayor Pro Tem Bob Flocke.

Councilmembers Present: Councilmembers Charles Roccaforte, Jeri Xiques, Steve Thurber, and Dick Larson. Mayor Haley had an excused absence.

Staff Present: City Administrator Don Ferguson and City Secretary Cara McPartland.

Workshop

Discuss and consider issues relating to the possible implementation of a Hotel Occupancy Tax (HOT) in the City of Wimberley and State law requirements related to the same.

Mayor Pro Tem Flocke explained the format of tonight's meeting and introduced Scott Joslove, President/CEO of the Texas Hotel and Motel Association.

Mr. Joslove highlighted his background and directed Council's attention to his article entitled *What Cities Need to Know to Administer Hotel Occupancy Tax*. Mr. Joslove's presentation and discussion among Council, staff, and the public included:

- Cities may pass an ordinance to adopt a HOT for dedicated purposes without requiring an election
- Need for a plan stating how HOT revenues should be used to best serve the City's overall economy (preferably *before* implementation of the HOT)
- Advisability of creating a partnership between lodging and other business owners
- Rules governing expenditures of HOT revenues
- Formation of a committee with strong representation from different types of lodging operations to study HOT issues
- Compilation/analysis of information via surveys of other cities that have successfully/unsuccessfully implemented the HOT
- Specific examples of comparable cities that have had varying degrees of success with HOT implementation
- Need for a plan to increase the number of weekday/"shoulder" season visitors to Wimberley and how to increase "heads in beds"
- Coordinated efforts to hold special events (preferably multi-day events) benefiting lodging and other businesses and ways to gauge impact of events on short- and long-term returns
- Impact-based budgeting for expenditures
- Wimberley's natural scenic beauty and unique qualities
- Wimberley's proximity to major metropolitan areas and other popular tourist destinations

- Common problem of slow mid-week business shared by lodging and business owners and possibility of adopting uniform/evening hours for merchants
- Complaints from bed and breakfast/hotel guests that businesses' hours are not long enough
- Assessment of increased business from higher occupancy rates versus business potentially lost due to alienation of customers who object to extra HOT charges
- Typical HOT rates charged by other cities (Tax rate may range from 1% to 7%, but most cities impose the maximum of 7%.)

Mr. Joslove's major points stressed the need to meet the following two-part test when considering expenditures of HOT revenues: *Every* expenditure *must* directly promote tourism *and* the hotel and convention industry.

He also emphasized that revenues can only be expended on the following categories in accordance with State law: convention centers, registration of convention delegates, advertising/promotion, arts promotion that generates hotel activity, historical restoration/preservation, sporting-related expenses, sporting-related facilities, and shuttles between area hotels and attractions. He noted certain special conditions for some categories.

Mr. Joslove encouraged the formation of a strong partnership, creation of a vision, completion of a feasibility study, and statement of goals as beginning steps when considering implementation of a HOT. Examples of successful partnerships included strong support for the HOT from lodging owners, adoption of uniform operating hours for businesses, planning events that require overnight stays, and marketing to certain target groups in different seasons.

Mayor Pro Tem Flocke thanked Mr. Joslove for presenting the pros and cons of this issue and challenged representatives of the lodging industry, Wimberley Merchants Association, and Wimberley Chamber of Commerce to work together on common goals beneficial to all parties.

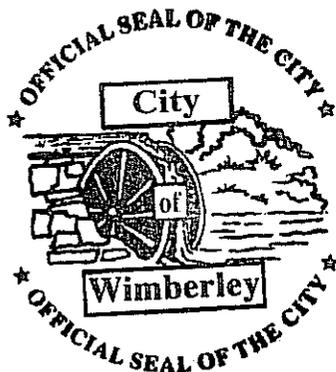
Adjournment: Council meeting adjourned at 6:25 p.m.

Recorded by:

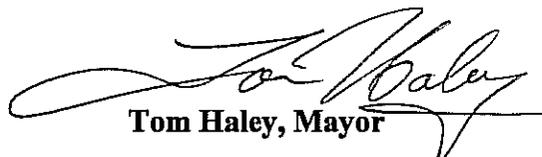


Cara McPartland

These minutes approved on the 19th of March, 2009.



APPROVED:



Tom Haley, Mayor