



## **City of Wimberley Hotel Occupancy Tax Funding Request Information Wimberley, Texas**

### **Hotel Occupancy Tax**

Under the laws of the State of Texas, the City of Wimberley collects a hotel occupancy tax (HOT) from all lodging facilities located within the city limits and its extraterritorial jurisdiction (ETJ). Revenue from the City's HOT may be used only to promote the tourism and the lodging industry, and that use is limited to the following:

1. **Convention Centers and Visitor Centers:** the 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:** the furnishing of facilities, personnel and materials for the registration of convention delegates or registrants.
3. **Advertising, Solicitation and Promotions:** advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity.
4. **Promotion of the Arts:** the 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 the presentation, performance, execution, and exhibitions of these major art forms.
5. **Historical Restoration and Preservation:** historical restoration and preservation projects or activities or advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites, museums or exhibits.
6. **Sporting Event Expense:** funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population under 1 million.
7. **Sporting Facilities:** enhancement or upgrading of existing sports facilities or sports fields for certain municipalities.
8. **Transportation of Tourists:** funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations:
  - a. the commercial center of the city
  - b. a convention center in the city
  - c. other hotels in or near the city
  - d. tourist attractions in or near the city
9. **Directional Signage:** signage directing the public to sights and attractions that are frequently visited within the municipality.

**Eligibility and Priority for HOT Funds**

Priority will be given to those entities and/or special events based on their ability to directly promote overnight tourism and the hotel industry in Wimberley during the first and fourth quarters of the calendar year, Sunday through Thursday, off-peak season; in other words, the ability to generate overnight visitors to the city. If an event will not generate hotel activity, it is not eligible for receipt of HOT funds. In addition, all funding must be approved by the Wimberley City Council. Entities must complete this application and provide documentation proving the ability to generate overnight visitors. Such documentation can include:

1. Providing historical information on the number of room nights used during previous years of the same event/activity/facility;
2. Providing historical information on the number of guests at hotels or other lodging facilities that attended the funded event/activity/facility; and/or
3. Providing examples of marketing of programs and activities likely to generate or encourage overnight visitors to local lodging properties.

Proposed events/activities/facilities must have a 30 percent or greater financial equity stake by the sponsor/submitter. The financial equity stake must be verifiable. There will be no 100 percent funding of proposals using HOT grants. Sweat equity is not applicable toward the 30 percent. The maximum grant is \$20,000 or 70 percent, whichever is less. HOT funding is limited to seed or startup capital.

Proposals are evaluated and awarded based on a pro-forma positive return on investment (ROI). A Primary ROI minimum of \$2 returned for every \$1 of grant funding is required for HOT grant approval. Primary ROI is calculated as the anticipated overnight revenue generated divided by the HOT grant dollars requested. The standard room rate of \$130 is used for all Primary ROI calculations.

Secondary ROI calculations are applied only if the primary ROI hurdle is met or exceeded. A Secondary ROI minimum of \$3 returned for every \$1 of grant funding is required. Secondary ROI is calculated as the anticipated non-lodging related revenue generated divided by the HOT grant dollars requested.

All recipients of HOT funds are required to submit a post-event form, report and analysis within thirty (30) days after an event or program cycle, which documents the expenditure of the HOT funds and verifies the direct promotion of Wimberley tourism and the lodging industry. Recipients who do not submit post-event information may not be eligible for future funding, and will forfeit any undistributed funds.

**Application Overview and Process**

The City of Wimberley accepts applications for funding from individuals, businesses, and organizations in the city or its ETJ whose programs or events fit into one or more of the listed categories and which take place within the Wimberley city limits. Timelines for the submission of applications and HOT Committee and City Council action are as follows:

**Fund requests for:**

- October – December 2016**
- January – March 2017**
- April – June 2017**
- July – September 2017**

**Must be submitted by:**

- July 31, 2016**
- September 30, 2016**
- December 31, 2016**
- March 31, 2017**

Applications will be reviewed by the HOT Committee which will then make recommendations to the City Council. Applicants will be notified prior to the meeting and are encouraged to attend to provide information to the Council. The City Council will make the final decision on the applicant's request.

Up to 50 percent of the approved funding will be made available prior to the event upon request from the organizer. When the event is complete and receipts that reflect actual and appropriate monies for approved expenditures are submitted with the post event report, the remaining one-half of the approved funding will be distributed to the organization. Unspent funds or unapproved expenditures will not be distributed. Any unspent funds will be returned to the city.

Incomplete applications will not be accepted.

Questions regarding the application should be directed to City Hall at (512) 847-0025 or [dferguson@cityofwimberley.com](mailto:dferguson@cityofwimberley.com).