

# Amarillo Tourism Public Improvement District (ATPID) Service & Assessment Plan

## PROJECTED EXPENDITURES

The ten-year cumulative ATPID budget will be allocated on a percentage basis as shown in the table below.

| SERVICE                             | %           | \$ (10-year Total)     |
|-------------------------------------|-------------|------------------------|
| Marketing (Advertising & Promotion) | 60%         | \$15,343,330.14        |
| Sales (Business Recruitment)        | 30%         | \$7,671,665.08         |
| Tourism Research                    | 5%          | \$1,278,610.85         |
| Administration                      | 5%          | \$1,278,610.85         |
| <b>TOTAL</b>                        | <b>100%</b> | <b>\$25,572,216.92</b> |

The estimated annual budget for the years 2020-2030 is shown in the below table. The estimated TPID Fee revenues are forecasted to increase by five percent (5%) per year. It is important to note that revenues and expenditures of the TPID are limited to actual TPID collections, which cannot exceed the 2% fee on each occupied room as defined in the petition. If actual receipts exceed annual estimates under the service plan, those surplus dollars will be allocated in the subsequent year according to the percentages contained in the approved Service Plan. Additionally, the TPID will follow established statutory procedures for the addition of newly built eligible hotels into the Amarillo TPID.

| Year*            | Marketing<br>(Advertising & Promotion)<br>60% | Sales<br>(Business Recruitment)<br>30% | Tourism<br>Research<br>5% | Administration<br>5% | Total<br>100%   |
|------------------|---|--|---------------------------|----------------------|-----------------|
| <b>2020/2021</b> | \$ 1,080,000.00                               | \$ 540,000.00                          | \$ 90,000.00              | \$ 90,000.00         | \$ 1,800,000.00 |
| <b>2021/2022</b> | \$1,134,000.00                                | \$ 567,000.00                          | \$ 94,500.00              | \$ 94,500.00         | \$ 1,890,000.00 |
| <b>2022/2023</b> | \$ 1,190,700.00                               | \$ 595,350.00                          | \$ 99,225.00              | \$ 99,225.00         | \$ 1,984,500.00 |
| <b>2023/2024</b> | \$ 1,250,235.00                               | \$ 625,117.50                          | \$ 104,186.25             | \$ 104,186.25        | \$ 2,083,725.00 |
| <b>2024/2025</b> | \$ 1,312,746.75                               | \$ 656,373.38                          | \$109,395.56              | \$109,395.56         | \$ 2,187,911.25 |
| <b>2025/2026</b> | \$ 1,378,384.09                               | \$ 689,192.04                          | \$ 114,865.34             | \$ 114,865.34        | \$ 2,297,306.81 |
| <b>2026/2027</b> | \$ 1,447,303.29                               | \$ 723,651.65                          | \$ 120,608.61             | \$ 120,608.61        | \$ 2,412,172.15 |
| <b>2027/2028</b> | \$ 1,519,668.46                               | \$ 759,834.23                          | \$ 126,639.04             | \$ 126,639.04        | \$ 2,532,780.76 |
| <b>2028/2029</b> | \$ 1,595,651.88                               | \$ 797,825.94                          | \$132,970.99              | \$132,970.99         | \$ 2,659,419.80 |

|                  |                  |                 |                 |                 |                  |
|------------------|------------------|-----------------|-----------------|-----------------|------------------|
| <b>2029/2030</b> | \$ 1,675,434.47  | \$ 837,717.24   | \$ 139,619.54   | \$ 139,619.54   | \$ 2,792,390.79  |
| <b>2030/2031</b> | \$1,759,206.20   | \$879,603.10    | \$ 146,600.52   | \$ 146,600.52   | \$ 2,932,010.33  |
| <b>Total</b>     | \$ 15,343,330.14 | \$ 7,671,665.08 | \$ 1,278,610.85 | \$ 1,278,610.85 | \$ 25,572,216.92 |

*\*Fiscal years run from October 1 to the September 30<sup>th</sup> of the following calendar year.*

## **PROJECTED AMARILLO TOURISM PUBLIC IMPROVEMENT DISTRICT SERVICES**

### **Increased Marketing (Advertising and Promotion) Initiatives: 60% - \$15,343,330.14**

Sixty percent (60%) of the annual TPID budget shall be targeted for increased marketing (advertising and promotion) initiatives to drive more hotel activity to Amarillo. Up to 10% variance can be allowed in the amount to be allocated under this category. Amounts within this category that are not used by the end of the fiscal year are rolled over within the same budget category in the following year's budget.

The Marketing (Advertising and Promotion) category promotes hotel activity within the District for increased business travel, leisure, meeting, and event business at District hotels. The Marketing program may include, but is not limited to, the following activities.

- Increased internet marketing (advertising and promotion) efforts such as email blasts, digital ads, programmatic placements, to grow awareness and drive higher overnight visitation and room sales to assessed hotels within the District;
- Additional print ads in magazines and newspapers targeted at potential visitors to drive increased overnight visitation to assessed hotels within the District;
- Increased television ads targeted at potential visitors to drive greater overnight visitation to assessed hotels within the District;
- Additional radio ads targeted at potential visitors to drive increased overnight visitation and room sales to assessed hotel properties within the District;
- Preparation and production of new collateral and promotional materials such as brochures, flyers and maps to increase room night activity;
- Development and implementation of an enhanced and new public relations and communications strategy, designed to increase overnight visitation at assessed hotels within the District;
- Development and implementation of an enhanced travel writer/social media influencer program designed to increase overnight visitation at assessed hotels within the District;
- Coverage of strategic marketing (advertising and promotion) fees for listings on websites to drive increased hotel revenue production.

### **Increased Sales Initiatives: 30% - \$7,671,665.08**

Thirty percent (30%) of the annual TPID budget shall be targeted for increased Sales (Business Recruitment) initiatives. Up to 10% variance can be allowed in the amount to be allocated under this category. Amounts not used within this category by the end of the fiscal year may be rolled over into the same budget category in the following year's budget. The Sales (Business Recruitment) initiatives will be designed to increase room night sales for assessed hotel properties within the District and may include but are not limited to the following activities:

- Provide additional sales (business recruitment) incentives to maintain and attract new meetings, conventions, events and business travel that will have a significant impact on demand for hotel activity for assessed hotels within the District;
  - Requests for incentives from individuals or groups will be vetted by the Amarillo Convention & Visitors Council staff and presented to the ATPID Board for approval;
  - Requests for "rebates," based on a set dollar payment per new room night generated, will be presented as an incentive request to be vetted by the Amarillo Convention & Visitors Council staff and presented to the ATPID Board for approval;
- Increased attendance at professional industry conferences and events to promote additional business for assessed hotels within the District;
- Enhanced lead generation activities designed to attract increased tourist and group business to assessed hotels within the District;
- Attendance of additional trade shows to promote increased leads for assessed hotels within the District;
- Additional sales (business recruitment) featuring assessed hotels within the District; and
- Additional familiarization tours showcasing Amarillo with the goal of increasing business at assessed hotels within the District.
- The ROI for all Sales (Business Recruitment) initiatives will be measured on an ROI calculation that is based on the dollars spent to produce increased room night revenue. All Sales (Business Recruitment) initiatives must meet an ROI threshold of 7 dollars in room night revenues for each \$1 committed in TPID incentives. With input and approval from the ATPID Board, individual exceptions may be made to the 7:1 ROI.
- Sales (Business Recruitment) efforts may include programs such as an individual hotel group business incentive program, with approval of the ATPID Board and within limits and criteria set by the ATPID Board.
- The ATPID Board may consider the use of TPID funds for increased sales (business recruitment) staff deployed in key regions to supplement the selling of Amarillo as a premier destination. Any such staff must be supplemental to the existing CVC staff and must be specifically approved by the ATPID Board;

**Tourism Research: 5% - \$1,278,610.85**

Research costs may include, but are not limited to, the following:

- Conduct tourism research using industry tools which may include economic impact calculators, software to gauge the effectiveness of advertising and/or sales (business recruitment) efforts.
- Development of Return on Investment (ROI) analysis on the effectiveness of ATPID expenditures and programs to increase overnight visitation at assessed hotels within the District.
- If dollars are left unspent in the Research budget at the end of the year, they will be reallocated in the following budget year to Marketing (Advertising and Promotion) and Sales (Business Recruitment) according to the service plan allocations for each of those categories.

**Administration: 5% - \$1,278,610.85**

Administration costs may include, but are not limited to, the following:

- Startup and ongoing administrative costs to cover creation and operation of the TPID, and costs to revise the hotel tax collection software.
- Administrative fees such as bank fees, administrative fees charged by the City of Amarillo for hotel tax collection and administration, bookkeeping, auditing, financial reporting, legal fees, etc.
- If dollars are left unspent in the Administration budget at the end of the year, they will be reallocated in the following budget year to Marketing (Advertising and Promotion) and Sales (Business Recruitment) according to the service plan allocations for each of those categories.

## **Exhibit A-1**

1. 1Hotel
2. Aloft
3. Amarillo Value Inn
4. America's Best Value Inn Grand Street
5. Ashmore Inn and Suites
6. Atwell Suites
7. Autograph Collection By Marriott
8. Baymont Inn and Suites East
9. Best Western Plus Medical Center
10. Best Western Plus Ross Osage
11. Best Western Santa Fe
12. Big Texan Motel
13. Camelot Inn
14. Candlewood Suites
15. Comfort Inn and Suites East
16. Comfort Inn and Suites Soncy
17. Comfort Suites South
18. Comfort Suites Western Plaza
19. Country Inn and Suites – Soncy
20. Country Inn & Suites East
21. Courtyard by Marriott Downtown
22. Courtyard by Marriott West
23. Days Inn East
24. Days Inn Medical Center
25. Drury Inn and Suites
26. Embassy Suites by Hilton Amarillo Downtown
27. Executive Inn
28. Extend-a-Suites
29. Extended Stay America
30. Fairfield Inn & Suites
31. Fairfield Inn and Suites Airport
32. Fairfield Inn and Suites West
33. Fifth Season Inn and Suites
34. Four Points by Sheraton
35. Hampton Inn & Suites East
36. Hampton Inn and Suites West
37. Hilton Garden Inn Amarillo

38. Holiday Inn Amarillo East
39. Holiday Inn Express and Suites East
40. Holiday Inn Express and Suites South
41. Holiday Inn Express and Suites West
42. Holiday Inn Express and Suites Wolflin
43. Holiday Inn West Medical Center
44. Home2 Suites East
45. Home2 Suites West
46. Homewood Suites
47. Hotel Paramount
48. Hyatt Place Amarillo West
49. La Quinta Inn & Suites Airport
50. La Quinta Inn & Suites Mid-City
51. La Quinta West Medical Center
52. Luxury Inn and Suites
53. Microtel Inn and Suites
54. Motel 6 Airport
55. Motel 6 Canyon Dr
56. Motel 6 West
57. My Place Hotel
58. Oyo Inn
59. Quality Inn East
60. Quality Inn West Medical Center
61. Red Roof Inn West
62. Relax Inn
63. Residence Inn
64. Residence Inn
65. Sleep Inn Airport
66. Sleep Inn and Suites West Medical Center
67. SpringHill Suites by Marriott
68. Staybridge Suites
69. Studio 6 East
70. Super 8 Amarillo Airport
71. Super 8 Central
72. Super 8 West
73. TownePlace Suites Amarillo West
74. Tru by Hilton
75. WoodSpring Suites
76. *SPRINGHILL AIRPORT*

# Exhibit A

