

ORDINANCE 2018-06-21-0500

**AUTHORIZING THE FORM OF A MASTER CONTRACT BETWEEN THE CITY OF SAN ANTONIO, VISIT SAN ANTONIO AND SAN ANTONIO TOURISM PUBLIC IMPROVEMENT DISTRICT CORPORATION, AN ASSOCIATED PETITION FOR THE PROPOSED CREATION OF A SAN ANTONIO TOURISM PUBLIC IMPROVEMENT DISTRICT AND A SERVICE PLAN FOR THE PROPOSED DISTRICT.**

\* \* \* \* \*

**WHEREAS**, the visitor industry is a key economic generator for the City of San Antonio delivering a \$13.6 billion annual economic impact and San Antonio hosts approximately 30 million visitors annually with the industry providing more than 130,000 local jobs; and

**WHEREAS**, competition between destinations for leisure visitors, meetings and conventions is growing at regional, national and international levels and since 2010, San Antonio demand has grown moderately but has also seen a decline in its market share in Room Night Demand within the state of Texas, while other major Texas cities, such as Dallas, Houston and Austin, have grown their room demand at a more significant pace due, in part, to the significant growth of their sales and marketing budgets; and

**WHEREAS**, the introduction of Tourism Public Improvement Districts (“TPIDs”) began on the west coast, currently there are 167 TPIDs nationwide in 14 states, and in 2011, legislation was enacted in Texas providing for the TPID opportunity within the state, allowing Dallas, Fort Worth and Arlington to establish TPIDs; and

**WHEREAS**, the establishment of a San Antonio TPID (“SATPID”) would create a mechanism for additional funding for tourism promotion activities, with such funds being raised from a 1.25% assessment on lodging stays from the participating SATPID hotels and the creation of an SATPID is recommended and supported by the San Antonio Hotel and Lodging Association (“SAHLA”); and

**WHEREAS**, the future creation of an SATPID will be based on the petitioning of affected hoteliers and future City Council approval, as state law requires signatures from more than 60% of hotel owners in the SATPID; and

**WHEREAS**, the proposed Agreement outlines the partnership roles for the City, Visit San Antonio and the San Antonio Tourism Public Improvement District Corporation, both the Petition and Service Plan lay out administrative parameters and reference the anticipated \$10 million to be raised by the SATPID annually and the Service Plan outlines the various investment categories: 45% for Marketing, 45% for Sales, 5% Industry Partnerships and 5% for Research, Administration and Contingency; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

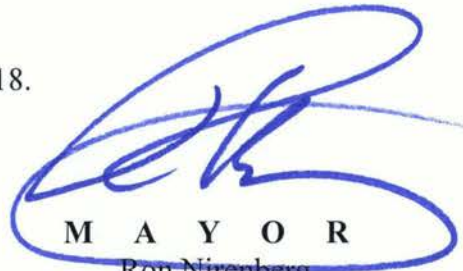
**SECTION 1.** The terms and conditions of the Master Contract between the City, Visit San Antonio and the San Antonio Tourism Public Improvement District Corporation are authorized and approved. The Master Contract is attached as **Exhibit A**.

**SECTION 2.** The form of the Petition, attached to this Ordinance as **Exhibit B**, and the Service Plan, attached to this Ordinance as **Exhibit C**, are approved.

**SECTION 3.** The effectiveness of the Master Contract, Petition and Service Plan are conditioned upon a future action of City Council to create the San Antonio Tourism Public Improvement District.

**SECTION 4.** This Ordinance shall take effect immediately upon the receipt of eight affirmative votes; otherwise it shall be effective ten days after its passage.

**PASSED AND APPROVED** this 21<sup>st</sup> day of June, 2018.



**M A Y O R**  
Ron Nirenberg

**ATTEST:**



\_\_\_\_\_  
Leticia M. Vaack, City Clerk

**APPROVED AS TO FORM:**



\_\_\_\_\_  
Andrew Segovia, City Attorney



<b>Agenda Item:</b>	42 ( in consent vote: 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18A, 18B, 19, 20, 21, 22, 23, 24, 25A, 25B, 25C, 27, 28, 29, 30, 31, 34, 35A, 35B, 36, 37, 38, 39, 40, 41, 42, 43, 46, 47, 49, 50, 51, 52, 53, 54, 56A, 56B, 56C, 56D, 56E )						
<b>Date:</b>	06/21/2018						
<b>Time:</b>	09:39:05 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	Ordinance approving an Agreement with Visit San Antonio and San Antonio Tourism Public Improvement District Corporation, an associated Petition for the creation of a San Antonio Tourism Public Improvement District and a Service Plan for the District, regarding the proposed formulation of a San Antonio Tourism Public Improvement District designed to protect and grow San Antonio's \$13.6 billion visitor industry and its associated market share. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]						
<b>Result:</b>	Passed						
<b>Voter</b>	<b>Group</b>	<b>Not Present</b>	<b>Yea</b>	<b>Nay</b>	<b>Abstain</b>	<b>Motion</b>	<b>Second</b>
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x			x	
William Cruz Shaw	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Greg Brockhouse	District 6		x				
Ana E. Sandoval	District 7		x				
Manny Pelaez	District 8		x				
John Courage	District 9		x				
Clayton H. Perry	District 10		x				

RR  
06/21/18  
Item No. 42

## **EXHIBIT A**

STATE OF TEXAS           §  
  §  
COUNTY OF BEXAR       §

**CONTRACT FOR THE SAN ANTONIO TOURISM PUBLIC IMPROVEMENT DISTRICT**

This contract for the collection of assessments and provision of services and improvements for the San Antonio Tourism Public Improvement District (the "Contract") effective as of Xxxxxxx xx, 2018, is made by and between the San Antonio Tourism Public Improvement District Corporation, ("SATPIDC"), a Texas nonprofit corporation, Visit San Antonio ("VSA"), a Texas nonprofit corporation, and the City of San Antonio (the "City"), a Texas municipal corporation.

**RECITALS:**

WHEREAS, on Xxxxxxx xx, 2018, the City Council, passed Resolution No. xxxx-xx-xxxx that made certain findings concerning the advisability of establishing the San Antonio Tourism Public Improvement District (the "District"), authorized and created the District as a public improvement district under Chapter 372 of the Texas Local Government Code, designated the SATPIDC as the entity responsible for the management of and provision of services and improvements to the District, authorized the City Manager to enter into a contract with SATPIDC and VSA for the provision of services and improvements for the District and collection services by the City for the District, and approved the initial District service plan, attached hereto as **Exhibit A** (the "Service Plan"); and

WHEREAS, SATPIDC shall be the primary entity responsible for the oversight of services and improvements to the District, but VSA shall implement the Service Plan for the District under SATPIDC's oversight; and

WHEREAS, the Board of Directors of SATPIDC and the Board of Directors of VSA have each passed a resolution authorizing their respective entities to enter into this Contract and authorizing xxxxxxx xxxxxxx to sign on behalf of SATPIDC to bind the corporation under this Contract, and VSA's President & CEO to sign on behalf of VSA; and

WHEREAS, the City, SATPIDC and VSA now desire to enter into this Contract for the collection of the assessments and the management of the provision of services and improvements to the District; and



WHEREAS, the services to be supplied to the District provide special benefits to the property owners within the District and are supplemental to standard City services.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, SATPIDC, VSA, and the City agree as follows:

1. **Engagement and Compensation.** The City hereby engages SATPIDC and VSA and they agree to provide in accordance with the provisions of this Contract and Resolution No. xxxx-xx-xxxx the services and improvements described in the Service Plan and future annual service plans to be approved by SATPIDC and the City Council. The compensation to be paid to VSA for the administration of the program items shall not exceed the amount established for "Administration" by each annually approved service plan (as same may be later modified pursuant to Section 2.(a) of this Contract). The compensation to be paid to the City for the administration of the program items shall be one-half of one-percent (1/2 of 1%) of the collected assessment of the SATPID to be capped at no more than FIFTY THOUSAND DOLLARS AND 0 CENTS (\$50,000.00) plus the recovery of costs associated with the payment of the assessment by credit card (i.e. credit card fees). This compensation is necessary for the City to recover costs associated with performing its duties under this Agreement.
  
2. **Scope of Services.** Throughout the duration of this Contract, SATPIDC and VSA shall provide the services and improvements as described in the Service Plan and thereafter approved annually by the City Council. In providing these services and improvements, SATPIDC and VSA shall:
  - (a) timely deliver the services and improvements in accordance with the annually approved service plan, subject to SATPIDC's ability to modify or substitute items without City Council approval within the program categories if SATPIDC determines that such changes would serve the common interest of owners in the District and the increase or decrease in the amount of a program category does not exceed ten percent (10%) of the budgeted amount for that category. The Service Plan and each such annually approved service plan as same may thereafter be increased or decreased shall be hereafter referred to as the "Service Plan." "Program categories" in the Service Plan include marketing and sales activities and other services as provided in the Service Plan
  
  - (b) only use District assessment funds received to defray expenditures which: (i) clearly fit within the noted categories specifically listed in the Service Plan (except as modified pursuant to subsection (a) above); and (ii) incurred after xxxxx 1, 2018 (hereinafter called "allowable costs"), other than allowable start-up costs as referred to in the "Start-Up Costs for Creation of the PID" section of Exhibit 2



- (c) support all costs covered by District assessment funds by properly executed checks, orders, payrolls, time records, invoices, contracts, vouchers, or other accounting documents evidencing in detail the nature and propriety of the charges. Such documentation shall be clearly identified, readily accessible and, to the extent possible, kept separate and apart from all other such documents
- (d) set priorities and schedules for implementing the service plan elements, considering the needs and preferences of owners in the District and the availability of personnel and financial resources
- (e) if necessary, secure and retain the services of qualified personnel to implement the service plan and provide communication equipment and office supplies as approved by the SATPIDC Board.
- (f) prepare a timely annual update of the Service Plan for the District to be presented to the City Council for annual review and approval. The plan will include an assessment roll, along with an updated eight-year service plan
- (g) commission an annual financial audit of all PID expenditures by a Certified Public Accountant and make the audit available to the City within one hundred twenty (120) days after the end of the fiscal year
- (h) allow reasonable access as provided under the Texas Public Information Act to the City of the financial records of SATPIDC and VSA that relate to the District
- (i) enter into contracts with exempt jurisdictions for provision of services or improvements to the District
- (j) prepare and deliver to the City quarterly/annual financial reports in a timely manner as listed in **Exhibit B**
- (k) take other actions reasonably necessary for the management of the District and the provision of the services and improvements to the District

3. **Collection and Distribution of Assessments.** The City shall collect the annual assessments for the District along with the other local hotel occupancy taxes paid by hotels within the District. Funds shall be accounted for and distributed as provided below.

- (a) The assessments received will be transferred to VSA on a monthly basis. Delinquent assessments collected after the District has been dissolved shall be retained by the City, but the retention of such assessments shall be subject to utilization by the tax collector to repay any hotel that is legally entitled to a refund of all or a portion of an assessment and any interest required by law to be paid.



- (b) All assessments, including any interest for late payments, shall be transferred on a monthly basis to an account of VSA for the benefit of the SATPIDC by Automated Clearing House, wire transfer or other means mutually agreed to by the City and VSA. The District assessment collection process is explained in **Exhibit C**.
- (c) Pursuant to Section 2.(k) above, the City hereby expressly acknowledges that SATPIDC is contracting with VSA to implement the funded activities of the District, more specifically: to enhance services, undertake certain improvements, in particular, special supplemental services relating to District marketing, business recruitment, and promotional activities for improvement and promotion of the District, including the provision of supplemental marketing and sales initiatives to increase demand for transient, business, convention, group, and other hotel activity to the City of San Antonio. A copy of the SATPIDC/VSA contract is included as **Exhibit D**.
- (d) Beginning on October 1, 2018, the City shall designate 35 percent (35%) of the net hotel occupancy tax (HOT) revenue collected, defined as all HOT revenue exclusive of the 2% expansion tax, minus the provision of payment satisfying the City's lease payment (debt service) obligation to the City of San Antonio, Texas Public Facilities Corporation for the current fiscal year as well as any amount set aside for the defeasance of debt, as compensation to VSA for the performance of Services. Each year during the City's annual budget process, the designated percentage, subject to the potential adjustment as outlined below, will result in an annual appropriation to be paid to VSA. This provision shall not impede the ability of the City to enter into additional obligations for the continued expansion or development of the Convention Center, Alamodome or any other facility for which the use of HOT revenues are appropriate pursuant to state law. The designated annual percentage may be adjusted by the City during the City's annual budget process. Adjustment will be based upon the annual update to the HOT pro forma and can only be made to increase, maintain, or reduce operating expenses due to factors including changing economic conditions, requirements of VSA, requirements of the City and funding levels of the contingency funds and lease payment as set forth in the hereafter referenced HOT financial policy. The City will actively manage operating expenses to be funded with HOT in keeping with the HOT Funds financial policy approved by City Council on September 20, 2012 through Resolution No. 2012-09-20-0038R.
- (e) The City shall provide VSA with electronic copies of the assessment roll. VSA shall make that information available to the SATPIDC Board.
- (f) If necessary, SATPIDC or its contractor shall make available to the tax collector sufficient funds to repay any taxpayer who is legally entitled to a refund of all or a portion of an assessment and any interest required by law to be paid. City shall



make a good faith effort to notify SATPIDC of such potential situations (including, but not limited to, lawsuits and tax protests) so that SATPIDC is able to set aside a sufficient reserve to cover any such refunds and interest.

- (g) SATPIDC or its contractor will invest the District assessments received from the City and any income earned on those assessments in accordance with the investment policies and strategies prescribed in Chapter 2256 of the Texas Government Code to achieve the following investment objectives, in order of priority: (1) understanding of the suitability of the investment to the financial requirements of the entity; (2) preservation and safety of principal; (3) liquidity; (4) marketability of the investment if the need arises to liquidate the investment before maturity; (5) diversification of the investment portfolio; and (6) yield. The assessments and any interest or other income earned on such public funds shall be used by SATPIDC and VSA to fund services and improvements listed in the Service Plan annually approved by the City Council.
4. **Conflict of Interest.** By signing this Contract, the SATPIDC and VSA both acknowledge to the City that it has made and will continue to make full disclosure in writing of any existing conflicts of interest or potential conflicts of interest, including personal financial interest, direct or indirect, in property and business relationships that relate to the duties of the SATPIDC. The SATPIDC and VSA further agree that it shall make disclosure in writing of any conflicts of interest which develop subsequent to the signing of this Contract and prior to its termination.
5. **Discrimination Prohibited.** SATPIDC and VSA, in the execution, performance, or attempted performance of the Agreement, shall not willfully discriminate against any person or persons because of sex, race, religion, color or national origin, nor will SATPIDC or VSA permit its officers, agents, employees or subcontractors to engage in such discrimination. Additionally, SATPIDC and VSA agree to abide by the City's non-discrimination ordinance City Ordinance #2013-09-05-0577.
6. **Gift to Public Servant.** City may terminate this Contract immediately if SATPIDC or VSA has offered or agreed to confer any benefit upon a City employee or official that the City employee or official is prohibited by law from accepting.

For purposes of this section, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

Notwithstanding any other legal remedies, City may require SATPIDC and/or VSA to remove any employee of SATPIDC or of VSA who has violated the restrictions of this section or any similar state or federal law, and obtain reimbursement for any expenditures made as a result of the improper offer, agreement to confer, or conferring of a benefit to a City employee or official.



7. **No Partnership or Joint Venture.** It is specifically understood that the relationship described in this Contract between SATPIDC, VSA, and the City is contractual in nature and is not to be construed to create an agency, partnership or joint venture relationship between SATPIDC, VSA, and the City; nor shall the City be liable for any debts incurred by the SATPIDC or VSA in the conduct of such other party's business or function.
8. **Independent Contractor.** SATPIDC's and VSA's status shall be that of independent contractors and not an agent, servant, employee, or representative of City in the performance of services under this Contract. SATPIDC and VSA shall exercise independent judgment in performing duties under this Contract and are solely responsible for setting working hours, scheduling or prioritizing the work flow and determining how the work is to be performed. No term or provision of this Contract or act of SATPIDC or VSA in the performance of this Contract shall be construed as making SATPIDC or VSA the agent, servant or employee of City, or making SATPIDC or VSA or any of their employees eligible for the fringe benefits, such as retirement, insurance and worker's compensation, which City provides its employees.
9. **Assignment.** SATPIDC and VSA shall not sell, assign, transfer or convey this Contract, in whole or in part, without the prior written consent of City's City Manager. As an express condition of consent to any assignment, SATPIDC and VSA shall remain liable for completion of the Contract work in the event of default by the successor contractor or assignee.
10. **Insurance.**
  - (a) The SATPIDC shall, at its own expense, maintain in full force and effect throughout the term of this Contract insurance as set forth below:
    1. Comprehensive General Liability Insurance: VSA, on behalf of the SATPIDC, shall maintain throughout the Term of this Agreement a commercial general liability insurance policy in an amount of not less than \$1,000,000 covering each occurrence with an aggregate limit of not less than \$2,000,000.
    2. Automobile Insurance – Bodily Injury and Property Damage: VSA, on behalf of the SATPIDC, shall maintain throughout the Term of this Agreement comprehensive automotive liability coverage in an amount not less than \$1,000,000 for each accident. This policy shall cover any automobile used in the provision of Improvements and Services under this agreement.
    3. Worker's Compensation Insurance: VSA, on behalf of the SATPIDC, shall maintain throughout the Term of this Agreement statutory Worker's Compensation Insurance on all its employees to be engaged in



undertaking any Improvements or Services hereunder. In case any class of employees engaged in hazardous work under this Agreement is not protected under the state's Worker Compensation statutes, SATPIDC shall provide adequate employer's general liability insurance for the protection of such employees not so protected.

(b) Other Requirements:

1. The City shall be named as an additional insured and a waiver of subrogation in favor of the City shall be provided on every applicable insurance policy. The SATPIDC and VSA hereby waive subrogation rights for loss or damage to the extent same are covered by insurance. Insurers shall have no right of recovery or subrogation against the City.
2. The term "CITY" shall include all authorities, boards, bureaus, commissions, divisions, departments and offices of the City, and the individual members, employees and agents in their official capacities.
3. Insurance shall be provided through companies duly approved to transact that class of insurance in the State of Texas. Companies providing coverage shall have a minimum A.M. Best rating of A VII.
4. Certificates of insurance shall be provided to the City Manager. Thirty (30) days written notices is required before any insurance is altered, cancelled, or non-renewed.

City of San Antonio  
Attn: City Manager  
XXXXXXXXXXXXXXXXXXXX  
San Antonio, Texas xxxxx

**CITY SHALL HAVE NO DUTY TO EXECUTE OR PERFORM UNDER THIS CONTRACT UNTIL THE CERTIFICATE AND SUFFICIENT EVIDENCE OF CONFORMITY TO CITY'S INSURANCE REQUIREMENTS SHALL HAVE BEEN DELIVERED AND APPROVED BY THE CITY, AND NO CITY OFFICER OR EMPLOYEE SHALL HAVE AUTHORITY TO WAIVE THIS REQUIREMENT.**

11. **Indemnity. SATPIDC AND VSA AGREE TO INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY SATPIDC OR VSA'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS CONTRACT, OR BY ANY NEGLIGENT ACT OR OMISSION OF SATPIDC OR VSA,**



THEIR OFFICERS, DIRECTORS, AGENTS, ASSOCIATES, EMPLOYEES, SUB-CONSULTANTS OR CONTRACTORS, IN THE PERFORMANCE OF THIS CONTRACT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF CITY, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH SATPIDC AND/OR VSA AND THE CITY, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, ASSOCIATES, EMPLOYEES, SUB-CONSULTANTS OR CONTRACTORS IN CONNECTION WITH THE PERFORMANCE OR CONDUCT OF THE SERVICES RELATED TO, CONTEMPLATED BY OR ARISING AS A RESULT OF THE SERVICE PLAN, AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

12. **Rights, Remedies and Termination.** All parties are executing this Contract in good faith and with the intent that all provisions contained herein shall be met in accordance with their terms. In the event of a breach or violation of its terms by any party to this Contract, then the party(ies) in compliance may exercise whatever rights and remedies may be available or afforded to such party(ies) at law or in equity. In addition to any other remedies available, the City may terminate this Contract if SATPIDC or VSA violates any part of this Contract and SATPIDC or VSA fails to reasonably cure the violation of this Contract within thirty (30) days of receipt of written notice to both entities by the City of a violation of this Contract by certified mail.

In addition to termination, the City shall recover those portions of assessment funds, including interest or other income earned on such assessment funds that were not spent on allowable costs per the Service Plan, plus any other damages suffered by the City as a result of SATPIDC or VSA's violation of the terms and conditions of this Contract. SATPIDC and VSA may each invoice City for all services they respectively completed and shall be compensated in accordance with the terms of this Contract with special assessments for all services performed by SATPIDC and VSA prior to the date specified in such notice. A previous payment or approval of payment of all or any portion of assessment funds by City shall not be deemed a waiver of the City's rights under this section. Any express waiver by the City of a violation by SATPIDC or by VSA shall not be deemed to waive any subsequent violation by SATPIDC or VSA.

13. **Notice.** Any notice, payment, statement, or demand required or permitted to be given under this Contract by any party to the other may be effected by personal delivery in writing or by mail, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing:



If to the City:

City of San Antonio  
Attn: City Manager  
PO Box 839966  
San Antonio, TX 78238-9966

If to SATPIDC:

San Antonio Tourism Public Improvement District Corporation (SATPIDC)  
Liza Barratachea or Current SATPIDC Chair  
119 Heiman, Ste. 300  
San Antonio, TX 78205

If to VSA:

Cassandra Matej or Current President & CEO of Visit San Antonio  
Visit San Antonio  
203 S. St. Mary's Street  
Suite 200  
San Antonio, Texas 78205

14. **Right of Review and Audit.** City is granted the right to audit, at City's election, all SATPIDC and VSA records and billings relating to the performance of this Contract. SATPIDC and VSA agree to retain such records for a minimum of three (3) years following completion of this Contract. Any payment, settlement, satisfaction, or release provided under this Contract shall be subject to City's rights as may be disclosed by such audit.
15. **Captions.** The captions, headings, and arrangements used in this Contract are for convenience only and shall not in any way affect, limit, amplify, or modify its terms and provisions.
16. **Compliance with Laws and Regulations.** This Contract is entered into subject to and controlled by the Charter and ordinances of the City of San Antonio and all applicable laws, rules, and regulations of the State of Texas and the Government of the United States of America. SATPIDC and VSA shall, during the course of performance of this Contract, comply with all applicable City codes and ordinances, as amended, and all applicable State and Federal laws, rules and regulations, as amended.
17. **Venue.** The obligations of the parties to this Contract shall be performable in Bexar County, Texas, and if legal action is necessary in connection with or to enforce rights under this Contract, exclusive venue shall lie in Bexar County, Texas.
18. **Governing Law.** This Contract shall be governed by and construed in accordance with the laws and court decisions of the State of Texas, without regard to conflict of law or choice of law principles of Texas or of any other state.

19. **Legal Construction.** In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Contract, and this Contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Contract.
20. **Term.** This Contract shall terminate on xxxxx xx, 2026, unless otherwise agreed to in writing by the parties. If for any reason the District is dissolved before xxxxx xx, 2026, this Contract shall terminate upon the payment to SATPIDC and VSA for all services and improvements provided to the District to the date of dissolution and for the reasonable cost of services to conclude the business of the District.
21. **Counterparts.** This Contract may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Contract is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Contract to be executed.
22. **Successors and Assigns.** This Contract shall be binding upon and inure to the benefit of the parties and their respective successors and, except as otherwise provided in this Contract, their assigns.
23. **Entire Agreement; No Oral Modifications.** This Contract (with all referenced exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of the City with both parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Contract. Except as otherwise provided elsewhere in this Contract, this Contract cannot be modified without written supplemental agreement executed by both parties.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]



EXECUTED and effective as of the xx day of Xxxxxxx 2018, by City, signing by and through its City Manager, duly authorized to execute same by Resolution No. xxxx-xx-xxxx approved by the City Council on Xxxxxxx xx, 2018, and by SATPIDC and VSA, acting through their authorized officials.

APPROVED AS TO FORM:

**CITY OF SAN ANTONIO**

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Manager

BY: \_\_\_\_\_

BY: \_\_\_\_\_

**SAN ANTONIO TOURISM PUBLIC  
IMPROVEMENT DISTRICT CORPORATION,  
INC.,**  
a Texas nonprofit corporation

By: \_\_\_\_\_  
Xxxxxxx Xxxxxxx, SATPIDC Chairman

VISIT SAN ANTONIO, INC., a Texas nonprofit  
corporation

By: \_\_\_\_\_  
Casandra Matej, CEO, VSA

- Attachments:  
Resolution No. xxxx-xx-xxxx  
Exhibit A – The Initial Service Plan  
Exhibit B – Financial Reports  
Exhibit C – Tourism PID Assessment Collection Process  
Exhibit D – SATPIDC/VSA Contract

THE STATE OF TEXAS       §  
  §  
COUNTY OF BEXAR       §

This instrument was ACKNOWLEDGED before me on Xxxxxxx xx, 2018, by \_\_\_\_\_  
\_\_\_\_\_, City Manager of the City of San Antonio, a Texas municipal corporation, on behalf of  
the City of San Antonio.

\_\_\_\_\_  
Notary Public - State of Texas

My Commission Expires:

\_\_\_\_\_  
Printed Name of Notary Public

THE STATE OF TEXAS       §  
  §  
COUNTY OF BEXAR       §

This instrument was ACKNOWLEDGED before me on Xxxxxxx xx, 2018, by \_\_\_\_\_  
\_\_\_\_\_, the authorized agent of San Antonio Tourism Public Improvement District  
Corporation, Inc., a Texas nonprofit corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public - State of Texas

My Commission Expires:

\_\_\_\_\_  
Printed Name of Notary Public



THE STATE OF TEXAS       §  
  §  
COUNTY OF BEXAR       §

This instrument was ACKNOWLEDGED before me on Xxxxxxx xx, 2018, by \_\_\_\_\_  
\_\_\_\_\_, the authorized agent of Visit San Antonio, a Texas nonprofit corporation, on behalf of  
said corporation.

\_\_\_\_\_  
Notary Public - State of Texas

My Commission Expires:

\_\_\_\_\_  
Printed Name of Notary Public

\_\_\_\_\_

**Resolution No. xxxx-xx-xxxx**



**Exhibit A  
Service Plan**

<b>Year</b>	<b>Marketing</b>	<b>Sales</b>	<b>Industry Partnerships</b>	<b>Research and Administration</b>	<b>Contingency Funds</b>	<b>Total</b>
	<b>45%</b>	<b>45%</b>	<b>5%</b>	<b>3%</b>	<b>2%</b>	<b>100%</b>
2018-19	\$4,689,000	\$4,689,000	\$521,000	\$312,600	\$208,400	\$10,420,000
2019-20	\$4,927,410	\$4,927,410	\$547,490	\$328,494	\$218,996	\$10,949,800
2020-21	\$5,173,591	\$5,173,591	\$574,843	\$344,906	\$229,937	\$11,496,869
2021-22	\$5,432,271	\$5,432,271	\$603,586	\$362,151	\$241,434	\$12,071,713
2022-23	\$5,703,884	\$5,703,884	\$633,765	\$380,259	\$253,506	\$12,675,298
2023-24	\$5,989,078	\$5,989,078	\$665,453	\$399,272	\$266,181	\$13,309,062
2024-25	\$6,288,531	\$6,288,531	\$698,726	\$419,235	\$279,490	\$13,974,513
2025-26	\$6,602,958	\$6,602,958	\$733,662	\$440,197	\$293,465	\$14,673,240
<b>Total</b>	<b>\$44,806,723</b>	<b>\$44,806,723</b>	<b>\$4,978,525</b>	<b>\$2,987,114</b>	<b>\$1,991,409</b>	<b>\$99,570,495</b>

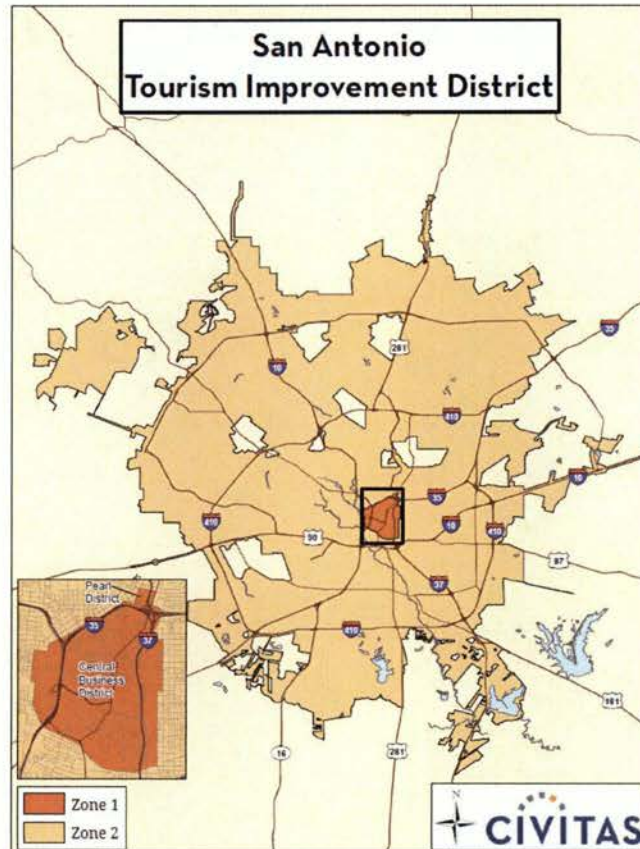
**Exhibit B**

<b>Category</b>	<b>Timeline (annually)</b>
TPID Management Workshop	April/May/June
1 <sup>st</sup> Quarter financial report FY (Cover Letter, P&L, Balance Sheet & Spending Update)	March 15
2 <sup>nd</sup> Quarter financial report FY (Cover Letter, P&L, Balance Sheet & Spending Update)	June 15
3 <sup>rd</sup> Quarter financial report FY (Cover Letter, P&L, Balance Sheet & Spending Update)	September 15
4 <sup>th</sup> Quarter financial report FY (Cover Letter, P&L, Balance Sheet & Spending Update)	November 30
FY Annual Financial Report	November 30
FY Annual Financial Audit Report	January 30
Reports for TPID Assessment (Service Plan, Cover Letter, Ten-Year Assessment Plan & Ten-Year Budget)	June 1



## Exhibit C

**Tourism Public Improvement District (TPID) Assessment:** The San Antonio TPID was created by Resolution No: xxxx-xx-xxxx on Xxxxxxx xx, 2018. A one and one quarter percent (1.25%) TPID assessment was created by Resolution No: xxxx-xx-xxxx on Xxxxxxx xx, 2018, and applies to hotels with 100 or more rooms within the designated TPID within the City of San Antonio. The map below illustrates the proposed San Antonio TPID boundaries. The SATPID boundaries include two (2) zones for purposes of determining SATPIDC Board of Directors representation.



The definitions related to hotel, occupancy, collection procedures, remedies, etc., are applied as referred to in San Antonio City Code and applicable state law.

**TPID Fiscal Year Billing Cycle:** The San Antonio Tourism PID will operate for eight (8) years (xxxxx 1, 2018 to xxxxx xx, 2026). The assessment rate will be approved annually by the City Council.

**TPID Charges/Collection:** The one and one quarter percent (1.25%) assessment only applies to hotel charges that are subject to city hotel occupancy tax at hotels with 100 or more rooms. The TPID assessments will be remitted to and collected by the City using the schedule and process that is in place for City hotel occupancy tax payments. Remittances, collection and any penalties shall occur in accordance with city ordinance and state law.

Exhibit D

**VISIT SAN ANTONIO (VSA) & SAN ANTONIO TOURISM PUBLIC IMPROVEMENT DISTRICT CORPORATION (SATPIDC)**

<b>EFFECTIVE DATE:</b>	<b>xxxxx 1, 2018</b>
<b>TERM OF AGREEMENT:</b>	<b>96 months</b>
<b>CONTRACT AMOUNT:</b>	<b>\$99,570,495 est.</b>
<b>VSA CONTACT:</b>	<b>Casandra Matej President &amp; CEO, Visit San Antonio 203 S. St. Mary's, Suite 200 San Antonio, TX 78249</b>
<b>VSA PHONE NUMBER:</b>	<b>210-207-6723</b>
<b>VSA EMAIL:</b>	<b>Casandra.matej@visitsanantonio.com</b>
<b>SATPIDC CONTACT:</b>	<b>Liza Barratachea or Current SATPIDC Chair 119 Heiman, Ste. 300 San Antonio, TX 78205</b>
<b>SATPIDC PHONE NUMBER:</b>	<b>210-558-6565</b>
<b>SATPIDC EMAIL:</b>	<b>liza@sahla.org</b>

This Agreement (the "Agreement") is between **VISIT SAN ANTONIO** ("VSA"), with its principal place of business at 203 S. St. Mary's, Suite 200, San Antonio, Texas 78249 and the **SAN ANTONIO TOURISM PUBLIC IMPROVEMENT DISTRICT CORPORATION** (hereinafter "SATPIDC"), with its principal place of business at 119 Heiman, Ste. 300, San Antonio, Texas 78205.

Whereas the Texas Legislature has provided the authority to the City of San Antonio to create a Tourism Public Improvement District that is composed solely of hotels with 100 or more rooms.

Whereas the City of San Antonio has received petitions from more than the requisite number of properties within the proposed Tourism Public Improvement District to enable the creation of the district.

Whereas the City of San Antonio has held the two required public hearings on the public improvement district and on Xxxxxxx xx, 2018, has approved the creation of a San Antonio Tourism Public Improvement District.



Whereas a group of hoteliers have created a non-profit 501 (c) (6) entity entitled the San Antonio Tourism Public Improvement District Corporation (SATPIDC) with the intention that this entity will oversee the administration of the San Antonio Tourism Public Improvement District.

Whereas it is the intent of the San Antonio Tourism Public Improvement District Corporation Board of Directors to contract with VSA to implement the funded activities of the San Antonio Tourism Public Improvement District.

Whereas VSA is mutually interested in working with the San Antonio Tourism Public Improvement District Corporation Board as a contracted entity to implement the District programs under the project funding guidelines authorized by the San Antonio Tourism Public Improvement District Corporation Board of Directors.

Therefore, be it resolved, in consideration of the mutual covenants and conditions set forth herein and in Exhibits and Attachments hereto, all of which are incorporated herein by reference, VSA and SATPIDC agree as follows:

Subject to the terms and conditions specified in Exhibits 1 and 2 hereto, SATPIDC agrees to contract with VSA to perform the obligations specified hereto under the Scope of Work Summary in Exhibit 2 with reimbursement for actual expenses and services by VSA and other entities for implementation of the work, as provided in the San Antonio Tourism Public Improvement District Service Plan and Budget.

**VISIT SAN ANTONIO  
("VSA")**

**SAN ANTONIO TOURISM PUBLIC  
IMPROVEMENT DISTRICT  
CORPORATION  
("SATPIDC")**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Casandra Matej

Name: xxxxxxx xxxxxxx

Title: Chief Executive Officer (CEO)

Title: Chairman

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT 1

### STANDARD TERMS AND CONDITIONS

1. **REPRESENTATIONS AND WARRANTIES.** VSA and SATPIDC each warrant and represent that (i) it has the power and authority to grant the rights and perform the obligations to which it commits herein; (ii) the execution of the Agreement by the person representing it will be sufficient to render the Agreement binding upon it; and (iii) neither its performance hereunder nor the exercise by the other party of rights granted by the warranting party hereunder will violate any applicable laws or regulations, or the legal rights of any third parties, or the terms of any other agreement to which the warranting party is or becomes a party. Each party is separately responsible for ensuring that its performance and grant of rights does not constitute any such violation during the Term. No party's approval of advertising or other copy submitted by another will relieve the other's responsibility under this Section.
  
2. **USE OF TRADE AND SERVICE MARKS.** Nothing contained herein will give either party a license or other right to use the trade or service marks of the other party except as expressly provided for in this agreement. Any such use will require the prior written consent of the party that owns the marks.
  
3. **CONFIDENTIALITY.** VSA and SATPIDC each agree that they will not use in any way for their own account or the account of any third party, nor will they disclose to any third party, any confidential information revealed to them by the other party which is identified in writing as confidential prior to disclosure. Each party will take such reasonable precautions to protect the confidentiality of such information as are employed to protect the party's own confidential information of a similar nature. It is expressly understood and agreed that all information disclosed by either party, or gained by either party in the course of this agreement, including this agreement, whether files, records, documents, presentations, research material, operational methods, marketing plans or strategies, electronic data, tapes, software, drawings, manuals, guidebooks, reports, plans, proposals, customer lists, business processes, know-how, specifications, or any other information not generally known outside of VSA or SATPIDC (collectively known as "Confidential Information",) shall be considered confidential and shall be retained in confidence.

In furtherance of the business relationship between the parties, it is agreed as follows:

- to take or cause to be taken all reasonable precautions to prevent the disclosure or communication of Confidential Information to third parties consistent with requirements imposed under the Texas Public Information Act;
  
- that this confidentiality clause shall survive the term of this or any other agreement or understanding the parties may have with each other, and



- that either party will at no time take any action or make any statement that could discredit the reputation of the other party.

4. **TERM AND TERMINATION.** The Agreement will be effective on the Effective Date and will terminate immediately after the completion of the Term. In the event of expiration or early termination of the Agreement, the terms of Section 3 above and Sections 5, 6, and 9 below will forever survive the termination of the Agreement. Either party may terminate the Agreement in the event of a material default by the other party on any of its representations, warranties, or obligations under the Agreement by the following procedure: (i) the non-defaulting party will provide the defaulting party with written notice specifying the particulars of the default; (ii) if the default is not cured within thirty (30) days after such notice is given, the non-defaulting party may terminate the Agreement immediately upon providing written notice to the defaulting party. Additionally, SATP IDC may terminate the Agreement due to a finding of failure to meet performance expectations including but not limited to ROI requirements that are set by the SATP IDC Board and within the SATP IDC Bylaws. Such termination must be preceded by 120 days notice of the performance issues and an opportunity provided during that time for VSA to address any such issues to the SATP IDC Board's satisfaction. If VSA does not cure such performance failures by the end of these 120 days, then the SATP IDC Board may choose to terminate the Agreement for the following budget year. Upon provision of termination notice by either party, and except to the extent the other party intends to timely cure its default, both parties will engage in good faith negotiations to arrange for a mutually satisfactory end to the Agreement. In the event of any termination prior to the natural expiration of the Term, VSA shall be entitled to payment for deliverables in progress to the extent work has been performed satisfactorily.

5. **INDEMNIFICATION.** SATP IDC will indemnify and hold harmless VSA and its respective institutions, officers, directors, employees, franchisees, attorneys, agents, successors and assigns from any claims, damages, liabilities, losses, government procedures, and costs, including reasonable attorneys' fees and costs of suit, arising out of (i) SATP IDC's failure to comply with applicable laws and regulations, unauthorized use of VSA's trademarks or negligence or willful misconduct in connection with its performance of the Agreement; or (ii) SATP IDC's intentional misrepresentation or breach of any warranty, obligation or covenant of the Agreement.

VSA will indemnify and hold harmless SATP IDC and its respective institutions, officers, directors, employees, franchisees, attorneys, agents, successors and assigns from any claims, damages, liabilities, losses, government procedures and costs, including reasonable attorneys' fees and costs of suit, arising out of (i) VSA's failure to comply with applicable laws and regulations, unauthorized use of SATP IDC's trademarks or negligence or willful misconduct in connection with its performance of the Agreement; or (ii) VSA's intentional misrepresentation or breach of any warranty, obligation or covenant of the Agreement.



Except in the case of third party claims, neither party will be obligated to the other party for indirect, special, consequential, or incidental damages.

6. **DISPUTE RESOLUTION.**

- a. All claims, disputes or controversies between the parties under this Agreement ("Claim") that cannot be resolved through ordinary business negotiations will be resolved, at the election of either party, through mediation until such time as the parties mutually agree to terminate such mediation or the mediator declares an impasse.
- b. All offers, promises, conduct and statements, whether written or oral, made in the course of negotiation, or proceedings by either party to confirm awards hereunder are confidential, privileged, and inadmissible for any purpose, including, without limitation, impeachment or estoppel, in any other litigation or proceeding involving any of the parties, provided that evidence that is otherwise admissible or discoverable will not be rendered inadmissible or non-discoverable as a result of its use in the negotiation or arbitration.

7. **RELATIONSHIP OF THE PARTIES.** VSA and SATPIDC are independent contractors, and the Agreement does not create a partnership, joint venture, employee/employer or other agency relationship between them.

8. **ASSIGNMENT.** The Agreement will be binding on and inure to the benefit of each of the parties, their successors and assigns. It may not be assigned or transferred, in whole or in part, without the written consent of the other party. Any such assignment or transfer without consent will be void.

9. **NOTICES.** All notices and other communications required to be given under the Agreement shall be in writing and shall be deemed to have been given (i) when personally delivered; or (ii) three (3) business days after mailing, postage prepaid, by certified mail; or (iii) when delivered (and receipted for) by an overnight delivery service, addressed in each case to the parties at the addresses set forth on the Agreement unless a different address shall have been designated in writing.

10. **GOVERNING LAW.** The Agreement will be governed by the laws of the State of Texas, without giving effect to its conflicts of law provisions. Any failure by either of the parties to exercise any right granted herein upon the occurrence of any contingency set forth in this Agreement will not in any event constitute a waiver of any such right upon the exercise of any such contingency. In case any term in this Agreement shall be held invalid, illegal or unenforceable in whole or in part, neither the validity of the remaining part of such term nor the validity of any other term shall be in any way affected thereby.

11. **OWNERSHIP.** All records, reports, documents and other material delivered or transmitted to SATPIDC by VSA shall remain the joint property of VSA and SATPIDC, and shall, upon request, a copy of such documents and other materials shall be returned by SATPIDC to



VSA, at SATPIDC's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by SATPIDC in connection with the performance of the services contracted for herein shall become the joint property of SATPIDC and VSA, and shall, upon request, a copy of such documents and other materials shall be returned by VSA to SATPIDC, at VSA's expense, at termination or expiration of this contract.

12. **INSPECTION AND AUDIT.** The SATPIDC, or its authorized agents or representatives, shall have the option of reviewing, examining, and/or auditing all accounts, records, documents, books, and other supporting materials of VSA relating to this contract. VSA shall provide reasonable access to such material at no charge.
13. **FUNDING.** The continuation of this contract is contingent upon the approval of funds to fulfill the requirements of the contract by the City of San Antonio. If the City fails to approve sufficient monies to provide for the continuation of the contract, or if such approval is denied, the contract shall terminate pursuant to Section 4 above.
14. **AMENDMENTS IN WRITING.** Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when it has been reduced to writing and executed by all parties. The effective date of this contract may be extended only if an amendment to that effect is duly executed by the contracting parties and approved by the necessary authorities prior to said termination date.
15. **SEVERABILITY.** If any provision of the Contract is declared or found to be illegal, unenforceable or void, in whole or in part, then both parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties that the Contract shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substitution therefore another provision that is legal and enforceable and achieves the same objectives. Any such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. The parties agree to negotiate in good faith for a proper amendment to the Contract in the event any provision thereof is declared illegal, invalid or unenforceable.
16. **ENTIRE AGREEMENT.** This Contract contained in Exhibit D between VSA and SATPIDC and Exhibits 1 and 2 and the attached contract between VSA, SATPIDC, and the City and related exhibits thereto constitute the entire agreement and understanding between VSA and SATPIDC, and there are no other agreements, representatives, warranties or understandings between VSA and SATPIDC with respect to the subject matter hereof. To the extent that any other agreement, written or verbal, appears to exist between the parties with respect to the subject matter hereof, the Contract supersedes any such agreement.

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## EXHIBIT 2

### **SCOPE OF WORK for Visit San Antonio (VSA) on behalf of the San Antonio Tourism Public Improvement District (SATPID) and the San Antonio Tourism Public Improvement District Corporation (SATPIDC)**

#### **Summary**

Visit San Antonio (VSA) proposes to contract with the San Antonio Tourism Public Improvement District Corporation (SATPIDC). The contract will enable VSA to implement additional marketing and sales programs to secure increased transient, business, convention, group, and other hotel activity to the City of San Antonio. The contract will be funded by San Antonio Tourism Public Improvement District (SATPID) proceeds received from a one and one quarter percent (1.25%) special assessment levied against all hotels with 100 or more rooms within the City of San Antonio.

To implement this program, the SATPIDC Board will adopt an annual budget along with specific ROI requirements for marketing and sales initiatives. The SATPIDC Board shall adopt sales and marketing policies and protocols under which VSA can, pursuant to advance approval by the SATPIDC Board, implement projects if the project meets the designated criteria adopted by the SATPIDC Board. The SATPIDC Board may choose to provide adjustments to the annual plan throughout the budget year that are consistent with the annual adopted SATPID budget and service plan, including the shifting of resources as provided for in the "Shifting Between Expenditure Categories" section of this Exhibit. VSA shall expend SATPID proceeds only for proposals that meet the ROI standards and protocols adopted by the SATPIDC Board of Directors unless a specific exception is approved by a two-thirds majority of the SATPIDC Board of Directors with the intent of achieving key long term goals of the SATPIDC as identified by the Board.

**Mission of the SATPID:** The San Antonio Tourism Public Improvement District is a public improvement district dedicated to increasing demand for transient, business, convention, group, and other hotel room night consumption in the City of San Antonio.

**Purpose of the Public Improvement District and the Non-Profit Corporation:** The creation of the San Antonio Tourism Public Improvement District and of the San Antonio Tourism Public Improvement District Corporation is to ensure the effective and judicious allocation of district assessment revenues to accomplish the above noted mission of the District.

#### **Start-Up Costs for Creation of the PID**

It is understood by both the SATPIDC and by VSA that there are certain start-up costs for creation of the district. These costs include the consulting, legal, and administrative services that enabled creation of the district. State law provides for the reimbursement of these costs



from the proceeds of the District once it is established and VSA will coordinate the presentation for payment/reimbursement of these costs to the SATPIDC Board for their approval. These costs must be consistent with the approved budget categories within the service plan.

### **General SATPID Operations**

**Obligations and Expenditures:** VSA is authorized to enter into contracts and otherwise obligate and spend SATPID funds only in accordance with the SATPIDC Board approved budget and plan. VSA shall not incur obligations or indebtedness for the current or any future fiscal year in excess of its fund balance and/or anticipated revenues that will be available by the fiscal year in which the obligation must be paid.

Requisitions to utilize SATPID funds will only be sought by VSA staff for initiatives that meet the SATPIDC ROI criteria as outlined in the SATPID budget and operating plan, unless a specific exception is approved by a two-thirds majority of the SATPIDC Board of Directors. The VSA CFO must review all such expenditures to ensure compliance with this agreement and the approved SATPID budget and plan. Staff utilizing SATPID funds shall be bound by current VSA travel and expense policies.

**Maintenance of SATPIDC Funds:** All assessment funds received from the City of San Antonio for the SATPID shall be deposited in a bank account separate from all other VSA funds. Utilized banking institutions shall be FDIC insured and maintain a minimum of either a Moody's rating of "Baa1" or higher, or a Standard & Poor's rating of "BBB+" or higher. An annual investment strategy and goals shall be presented to the SATPIDC Board as part of the annual plan and budget approval process for funds that do not need to be reserved for maintenance and operation of the district.

**Insurance and Audit Services:** VSA shall secure insurance and financial and performance audit services for matters pertaining to the SATPID. Recommendations will be brought to the SATPIDC Board for approval. The completed performance and annual audit reports will be provided to the SATPIDC Board and to the City Manager for the City of San Antonio.

### **Staffing Pattern and Duties Summary**

VSA will accomplish its contractual duties for the SATPIDC and the SATPID through a mix of contracts with outside firms, very limited hiring of new staff, and utilization of existing VSA staff. The proposed costs for each of these supplemental resources will be presented to the SATPIDC Board during the annual budget approval process and shall be solely based on the percentage of time spent on SATPID functions that are within the approved SATPID service plan. These costs must be consistent with the approved budget categories within the service plan.

### **Approvals from SATPIDC Board**



**Approval of Budget, Operating Plan, and Amendments/Exceptions:** The annual SATPID budget and operating plan will be presented to the SATPIDC Board for approval at a meeting at least 30 days prior to the start of each fiscal year, other than the initial fiscal year of the SATPID. Proposed amendments or exceptions to the annual plan or to the ROI protocols may be presented to the SATPIDC Board for approval at their quarterly meetings. If there is a very time sensitive matter, recommendations for amendments or exceptions may be presented to the SATPIDC Board at other times through email or specially called meetings, in accordance with the SATPIDC bylaws or board approved operational policies. For the purposes of this agreement, amendments may also include the addition or deletion of previously approved marketing or sales initiatives.

**Overall Goals for SATPID Marketing and Promotion Initiatives:** The goals of the SATPID marketing and promotion initiatives will be outlined definitively in each year's annual plan that will be approved by the SATPIDC Board. The target audience will include convention and meeting planners, business travelers, and leisure travelers.

**Requests for Exceptions to ROI Requirements:** While VSA does not anticipate the need to ask for exceptions to the ROI Requirement, it is possible that such a situation may present itself. For example, there may be a business prospect that requires more sales initiatives than the ROI in lodging nights would indicate (e.g.; conventions held by ASAE, MPI, etc.) but offers the city and its hotel sector access to entities that can bring much other needed conventions and groups to our area. In such scenarios and other meritorious situations, VSA staff may bring such items up for consideration to the SATPIDC Board for their review and consideration. A brief summary of the anticipated ROI and an explanation of the grounds for considering an exception will be provided to the SATPIDC Board. Whether to grant such an exception will be at the discretion of the SATPIDC Board. Similarly, the SATPIDC Board, one of its members, or a funding hotel within the district may propose such an item for consideration by the SATPIDC Board for its review and consideration.

**Shifting Between Expenditure Categories:** VSA has the authority to propose to the SATPIDC Board a shifting of resources between categories for approved activities and efforts. Shifts between categories shall not exceed 10%. Similarly, the SATPIDC Board on its own motion may propose, approve and require such a shifting of resources.

**Conflict of Interest Administration:** It is possible that certain hotel members of the SATPIDC, and in certain cases a majority of the board, will have an interest in a city-wide or regional convention or meeting that may be marketed through the SATPID. In such cases, VSA shall work with the involved board member(s) to file the appropriate conflict of interest forms as outlined in the bylaws for the SATPIDC and shall secure the needed votes to authorize the project as outlined in the bylaws for the SATPIDC.

#### **Reports to the SATPIDC Board**



**Reports on Status of Projects/Expenditures:** Quarterly and annual reports shall be provided to the SATPIDC Board on the progress of VSA staff in implementation of the SATPID programs. These reports will indicate the status of progress on the approved plan, financial statements, and bank balances showing the timing of actual SATPID revenues and expenses. The quarterly financial statement, balance sheet, and statement of activities shall be maintained and presented in compliance with General Accepted Accounting Principles (GAAP) for non-profit corporations. These reports shall be similar to those currently produced by VSA, incorporating the items contained in the SATPIDC board approved plan and budget.

VSA staff will also provide courtesy copies of the quarterly and annual reports to the City Manager for the City of San Antonio for further distribution.

**Financial Statements:** Financial statements will show the timing in which actual assessments will be collected and when they will be spent. In accordance with standard practices, VSA may book meetings that will be held a number of years later. In this case, a meeting may be booked, and an obligation made, in one year; but the sales initiative expense will not actualize until the meeting occurs (up to twenty years in the future). With this in mind, revenues may be shown over the eight-year term of the district, while expenses are shown over a twenty-year period (twelve years past the initial eight-year term of the PID). Balances are to be carried forward, and all SATPID assessments along with any earned interest will be proposed for expenditure over the booking period for eligible SATPID marketing, events, and programs. In accordance with city and state law, any funds not obligated during the term of the district must be returned to the city for distribution back to the assessed properties.

**Access to SATPID Materials:** Reasonable access to all SATPID related materials and information shall also be available to the SATPIDC Board at all times. Courtesy copies of quarterly and annual reports will be emailed to the San Antonio City Manager for further appropriate distribution. Requests for access to SATPID documents by other parties will be handled as required under the Texas Public Information Act.

**Orientation for the San Antonio SATPIDC Board:** An annual orientation shall be done for the SATPIDC Board on the administration of the SATPID, board roles and responsibilities, and the responsibilities of VSA under this contract.

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RR  
06/21/18  
Item No. 42

## **EXHIBIT B**

**Petition for the Establishment of the  
San Antonio Tourism Public Improvement District**

HONORABLE MAYOR AND MEMBERS OF THE SAN ANTONIO CITY COUNCIL:

The undersigned, ("Petitioners") who are owners of real property in the hereinafter described District respectfully file this petition (the "Petition") requesting the City Council of San Antonio, Texas to find that the following District is advisable and necessary and will promote the interests of the City to establish the public improvement district in accordance with Chapter 372 of Texas Local Government Code (the "Act").

Signature of owner or authorized representative	Date
Printed name of owner	
Title of signatory to this document	
Property Address	
Owner of Property Per Appraisal District Records	
Address of Owner Per Appraisal District Records	

The individual whose signature appears represents and warrants that he or she is authorized to execute this Petition on behalf of the property owner named. Petitions should be returned on or before **xxxxxxx 15, 2018**.



*Return original executed petitions to:*

**Attention: Liza Barratachea, President & CEO  
San Antonio Hotel & Lodging Association  
119 Heiman Street, Ste. 300  
San Antonio, TX 78205**

**Petitioners present the following information concerning the formation of the San Antonio Tourism Public Improvement District:**

- 1. District Name.** The name of the district shall be the San Antonio Tourism Public Improvement District (SATPID).
- 2. District Location.** The SATPID will be located wholly within the City of San Antonio, TX (City), a Texas home rule municipality. The proposed boundaries of the proposed SATPID are as shown on the attached map marked Exhibit "A" and shall solely include non-contiguous hotel properties with 100 or more rooms within the City of San Antonio as shown on the attached hotel property list marked Exhibit "B".
- 3. Purpose of the SATPID.** The purpose of the SATPID will be to provide special supplemental services authorized by the Act for improvement and promotion of the SATPID relating to increased marketing and sales initiatives, industry partnerships, research and administration, and contingency costs.
- 4. Method of Assessment.** The SATPID assessment will be levied on hotel properties with 100 or more rooms ordinarily used for sleeping located within the SATPID. The annual assessment rate for all hotel properties with 100 or more rooms ordinarily used for sleeping shall not exceed one and one-quarter percent (1.25%) of gross short-term room rental revenue, which reflect the special benefits accruing to the hotel properties because of the services provided by the SATPID. The assessment shall only apply to hotel room night sales which are subject to local hotel occupancy tax under Texas state law. If a room night rental transaction is exempt from local hotel occupancy tax, it is also exempt from the application of the SATPID assessment.
- 5. Estimated Cost: No Bonded Indebtedness.** During the proposed eight (8) year SATPID term, the estimated annual cost of services provided by the SATPID are estimated to range from \$10,420,000 to \$14,673,240 annually; however, in no event shall the assessment rate exceed one and one-quarter percent (1.25%) of hotel properties' gross short-term room rental revenue. The SATPID shall not incur bonded indebtedness. The SATPID service plan budget and assessment rate are subject to annual review by the San Antonio Tourism Public Improvement District Corporation (SATPIDC) and are subject to an annual public hearing and approval by the San Antonio City Council.



- 6. Apportionment of Cost Between the SATPID and the Municipality as a Whole.** The SATPID shall pay the cost of the supplemental services described in this petition by assessment against the hotel properties with 100 or more rooms ordinarily used for sleeping within the SATPID.
- 7. SATPID Management.** The SATPID shall be overseen by the to-be-formed private nonprofit corporation created under Texas law and which will also operate as a tax-exempt entity under the provisions of section 501(c) of the Internal Revenue Code, the SATPIDC. The San Antonio City Council will review and approve annually the service plan and assessment plan, determine and levy assessments and conduct other functions as required by the Act, and the SATPIDC will manage the SATPID pursuant to a contract with the City. The SATPIDC Board of Directors will be composed of eleven (11) directors. Each director will represent an assessed hotel property, with representation from both SATPID zones. The composition of the eleven (11) directors is divided proportionately between San Antonio hotels in the central business district corridor and hotels outside of the central business district corridor, based on the collective hotel tax remittances of the central business district versus non-central business district hotels as follows: Six (6) directors representing assessed hotel properties from Zone One (1) (central business district hotel properties); and five (5) directors representing assessed hotel properties from Zone Two (2) (hotels located outside the central business district corridor). The Board shall have the ability to determine how funds are spent, within the designated budget categories. The SATPIDC Board shall have the authority to make adjustments of up to ten percent (10%) of the funds between approved budget categories of the adopted service plan. If budgeted funds for the Industry Partnerships, Research and Administration, or Contingency Costs Reserve Fund budget categories are not spent, those unspent funds may be reallocated by the SATPIDC Board to increase the Marketing and/or Sales budget categories.
- 8. District Dissolution.** The SATPID will be formed for an eight (8) year period, with services projected to commence xxxxxxxx 1, 2018. After eight (8) years, the SATPID may be renewed if hotel property owners support continuing the District. All SATPID funded services will supplement, not supplant, pre-existing Visit San Antonio programs funded by local hotel tax and other funding from the City of San Antonio at the time of the creation of the SATPID. We anticipate there will be no reduction by the City of San Antonio and/or the Convention Center of the City's existing level of funding for convention center hosting obligation requirements.
- 9. Request for Formation of the San Antonio Tourism Public Improvement District.** The persons signing the Petitions request or concur with the formation of the SATPID and request that this petition be considered at the earliest possible time and that the San Antonio City Council takes those lawful steps necessary to form the SATPID, authorize the services described herein, levy the necessary assessments to pay for the services and take any additional actions by law for the benefit of the SATPID.
- 10. Sufficiency of Petition.** This petition will be sufficient if it is signed by:

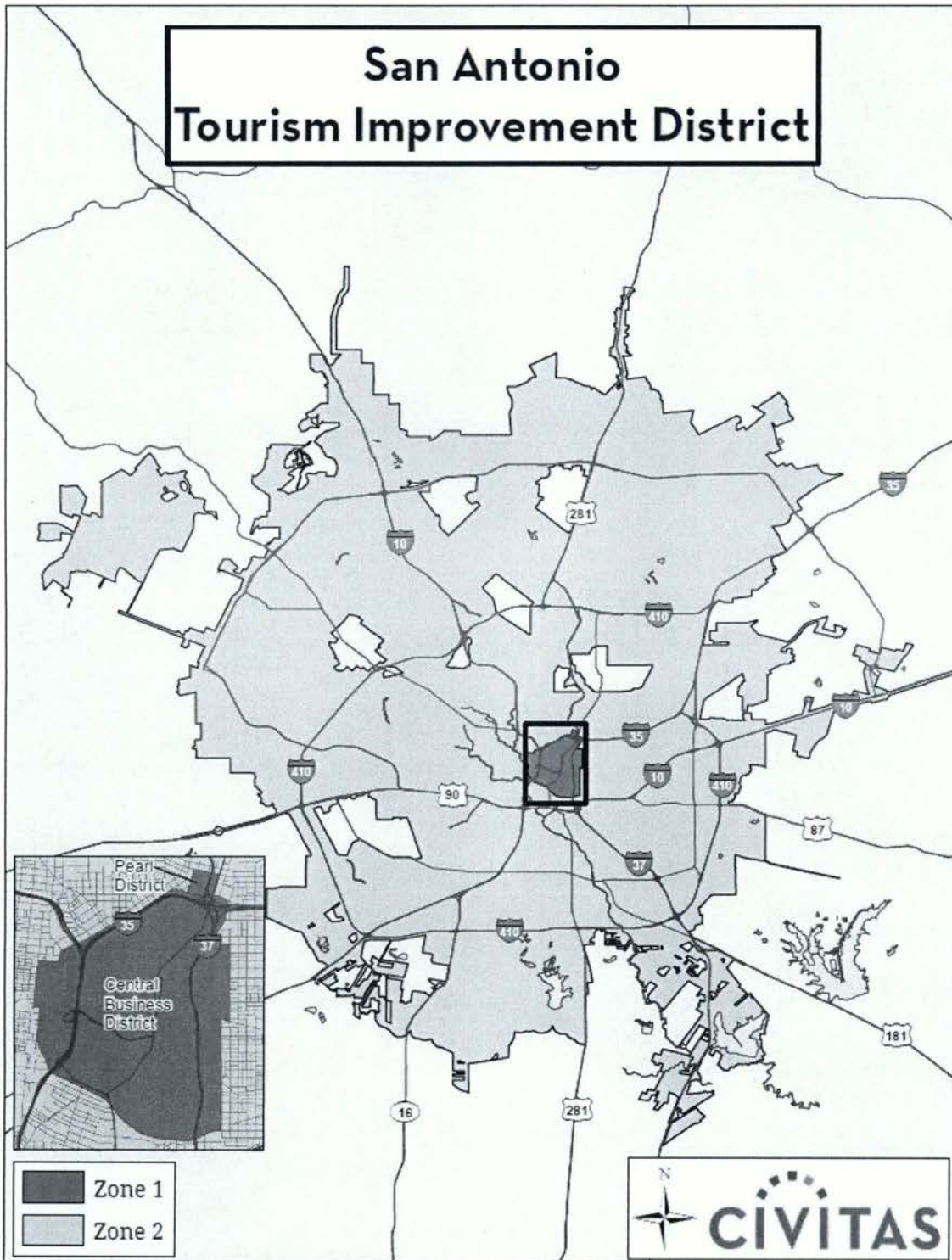


The record owners of taxable real property liable for assessment under the proposal who constitute:

- (a) More than 60 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and
- (b) More than 60 percent of:
  - (i) All record owners of taxable real property that are liable for assessment under the proposal; or
  - (ii) The area of all taxable real property that is liable for assessment under the proposal.

**11. Headings.** The headings of the paragraphs contained in this Petition are for the convenience of the reader and do not constitute part of this Petition. This Petition may be executed in multiple counterparts.

Exhibit A  
SATPID Boundary





**Exhibit B**  
SATPID Hotel Property List

HOTEL PROPERTY	ADDRESS	CITY, STATE, ZIP	ROOMS
Aloft Hotel San Antonio Airport	Park North Shopping Center, 838 NW Loop 410	San Antonio, TX 78216	141
Americas Best Value Inn Riverwalk Downtown/Market Square	900 N Main Ave	San Antonio, TX 78212	118
Autograph Collection Eilan Hotel Resort & Spa	18603 La Cantera Terrace	San Antonio, TX 78256	165
Baymont San Antonio Wurzbach	9542 West Interstate 10	San Antonio, TX 78230	106
Best Western Plus Medical Center South	4803 Manitou Dr.	San Antonio, TX 78228	122
Budget Lodge Fort Sam Houston	3855 Pan American Expy.	San Antonio, TX 78219	183
Budget Lodge Of San Antonio	2635 NE Loop 410	San Antonio, TX 78217	201
Budget Suites of America San Antonio	7880 Fredericksburg Rd.	San Antonio, TX 78229	360
Candlewood Suites San Antonio N - Stone Oak Area	21103 Encino Commons Blvd.	San Antonio, TX 78259	113
Candlewood Suites San Antonio Northwest Medical Center	9350 IH 10 West	San Antonio, TX 78230	113
Canopy by Hilton San Antonio Riverwalk - Opening 12/17/2019	155 E Commerce St	San Antonio, TX 78205	195
Comfort Inn & Suites Airport	8640 Crownhill Blvd.	San Antonio, TX 78209	100
Courtyard by Marriott San Antonio Riverwalk	207 N St Mary's St.	San Antonio, TX 78205	220
Courtyard San Antonio Airport	8615 Broadway St.	San Antonio, TX 78217	143
Courtyard San Antonio Downtown Market Square	600 S Santa Rosa Ave.	San Antonio, TX 78204	149
Courtyard San Antonio Medical Center	8585 Marriott Dr.	San Antonio, TX 78229	146
Courtyard San Antonio North Stone Oak @ Legacy	1803 E Sonterra Blvd.	San Antonio, TX 78259	107
Courtyard San Antonio Sea World Westover Hills	11605 TX-151	San Antonio, TX 78251	179
Courtyard San Antonio Six Flags @ The Rim	5731 Rim Pass	San Antonio, TX 78257	124
Crockett Hotel	320 Bonham	San Antonio, TX 78205	138
Crowne Plaza-San Antonio Airport	1111 NE Interstate 410 Loop	San Antonio, TX 78209	224
Days Inn San Antonio Splashtown ATT Center	3443 N PanAm Expy.	San Antonio, TX 78219	116
Delta Inn	9503 N Interstate 35	San Antonio, TX 78233	103
DoubleTree by Hilton Hotel San Antonio Downtown	205 W Cesar E Chavez Blvd.	San Antonio, TX 78207	250
DoubleTree by Hilton San Antonio Airport	37 NE Interstate 410 Loop	San Antonio, TX 78216	291



HOTEL PROPERTY	ADDRESS	CITY, STATE, ZIP	ROOMS
Drury Inn & Suites Northwest Medical Center San Antonio	9806 Interstate Hwy. 10	San Antonio, TX 78230	210
Drury Inn & Suites San Antonio Airport	95 NE Interstate 410 Loop	San Antonio, TX 78216	274
Drury Inn & Suites San Antonio Near La Cantera	15806 IH-10 W	San Antonio, TX 78249	223
Drury Inn & Suites San Antonio North Stone Oak	801 N Loop 1604 E	San Antonio, TX 78232	119
Drury Inn & Suites San Antonio Riverwalk	201 N St Mary's St	San Antonio, TX 78205	150
Drury Plaza Hotel Riverwalk	105 S St Mary's St.	San Antonio, TX 78205	367
Drury Plaza Hotel San Antonio North	823 N Loop 1604 E	San Antonio, TX 78232	194
El Tropicano Riverwalk Hotel	110 Lexington Ave.	San Antonio, TX 78205	306
Embassy Suites - Zachary Hospitality, opening June 2018	5615 Landmark Pkwy	San Antonio, TX 78249	203
Embassy Suites by Hilton San Antonio Airport	10110 U.S. 281	San Antonio, TX 78216	263
Embassy Suites by Hilton San Antonio NW I-10	7750 Briaridge Dr	San Antonio, TX 78230	216
Embassy Suites by Hilton San Antonio Riverwalk-Downtown	125 E Houston St	San Antonio, TX 78205	285
Embassy Suites San Antonio at Brooks City Base	7610 S New Braunfels Ave.	San Antonio, TX 78235	156
Extended A Suites	9735 N Interstate 35	San Antonio, TX 78233	160
Extended Stay America San Antonio Airport	1015 Central Pkwy. S	San Antonio, TX 78232	153
Fairfield Inn & Suites San Antonio Airport	88 NE Interstate 410 Loop	San Antonio, TX 78216	120
Fairfield Inn & Suites San Antonio Downtown Market	620 S Santa Rosa Ave	San Antonio, TX 78204	110
Fiesta Inn & Suites	4934 NW Loop 410	San Antonio, TX 78229	201
Four Points by Sheraton San Antonio Airport	8818 Jones Maltsberger Rd.	San Antonio, TX 78216	121
Grand Hyatt San Antonio	600 E Market St.	San Antonio, TX 78205	1003
Hampton Inn & Suites San Antonio Downtown Market Square	411 S Flores St.	San Antonio, TX 78205	108
Hampton Inn & Suites San Antonio Northwest Medical Center	11426 IH 10 West	San Antonio, TX 78230	107
Hampton Inn OPENING DECEMBER 2017	1719 Cable Ranch Rd	San Antonio, TX 78245	105
Hampton Inn San Antonio Downtown River Walk	414 Bowie St.	San Antonio, TX 78205	169
Hampton Inn Suites San Antonio Airport	8902 Jones Maltsberger Rd.	San Antonio, TX 78216	106
Hampton San Antonio Brooks City Base	8202 City Base Landing	San Antonio, TX 78235	100



HOTEL PROPERTY	ADDRESS	CITY, STATE, ZIP	ROOMS
Hilton Garden Inn (Baywood) - opening Dec 2017	408 E Houston St	San Antonio, TX 78205	126
Hilton Garden Inn San Antonio Airport	12828 San Pedro Ave.	San Antonio, TX 78216	117
Hilton Garden Inn San Antonio Airport South	8505 Broadway St.	San Antonio, TX 78217	126
Hilton Garden Inn San Antonio Rim Pass Drive	5730 Rim Pass	San Antonio, TX 78257	137
Hilton Palacio Del Rio	200 S Alamo St.	San Antonio, TX 78205	485
Hilton San Antonio Airport	611 NW Loop 410	San Antonio, TX 78216	384
Hilton San Antonio Hill Country Hotel & Spa	9800 Westover Hills Blvd.	San Antonio, TX 78251	226
Holiday Inn Express & Suites San Antonio Medical Center North	11010 Interstate Highway 10	San Antonio, TX 78230	122
Holiday Inn Express San Antonio Airport	91 N.E. Loop 410	San Antonio, TX 78216	150
Holiday Inn Hotel & Suites San Antonio Northwest	5535 University Heights Blvd.	San Antonio, TX 78249	122
Holiday Inn San Antonio Downtown Market Square	318 W Cesar E. Chavez Blvd.	San Antonio, TX 78204	313
Holiday Inn San Antonio International Airport	77 NE Interstate 410 Loop	San Antonio, TX 78216	397
Holiday Inn San Antonio N - Stone Oak Area	19280 Redland Rd.	San Antonio, TX 78259	111
Holiday Inn San Antonio Northwest Seaworld Area	10135 TX-151	San Antonio, TX 78251	194
Holiday Inn San Antonio Riverwalk	217 N St Mary's St.	San Antonio, TX 78205	313
Home2 Suites San Antonio Airport	94 NE Interstate 410 Loop	San Antonio, TX 78216	111
Home2 Suites San Antonio Downtown Riverwalk	603 Navarro St.	San Antonio, TX 78205	128
Home2 Suites San Antonio Riverwalk - Opening 10/03/2018	E Commerce & Soledad	San Antonio. TX 78205	121
Homewood Suites by Hilton Lackland AFB/SeaWorld	215 Richland Hills Dr.	San Antonio, TX 78245	109
Homewood Suites San Antonio Airport	8531 Broadway St.	San Antonio, TX 78217	112
Homewood Suites San Antonio North	125 North Loop 1604 W	San Antonio, TX 78232	106
Homewood Suites San Antonio Northwest	4323 Spectrum 1	San Antonio, TX 78230	123
Homewood Suites San Antonio Riverwalk Downtown	432 W Market St.	San Antonio, TX 78205	146
Hotel Emma	136 E Grayson St	San Antonio, TX 78215	146
Hotel Indigo San Antonio Riverwalk	830 N St Mary's St.	San Antonio, TX 78205	149
Hotel Valencia Riverwalk	150 E Houston St.	San Antonio, TX 78205	213
Hyatt Place San Antonio Airport Quarry Market	7615 Jones Maltsberger Rd	San Antonio, TX 78216	126



HOTEL PROPERTY	ADDRESS	CITY, STATE, ZIP	ROOMS
Hyatt Place San Antonio North Stone Oak	1610 E Sonterra Blvd.	San Antonio, TX 78258	126
Hyatt Place San Antonio Northwest Medical Center	4303 Hyatt Pl Dr.	San Antonio, TX 78230	126
Hyatt Place San Antonio Riverwalk	601 S St Mary's St.	San Antonio, TX 78205	131
Hyatt Regency Hill Country Resort & Spa	9800 Hyatt Resort Dr	San Antonio, TX 78251	500
Hyatt Regency San Antonio Riverwalk	123 Losoya St.	San Antonio, TX 78205	631
Hyatt Wild Oak Ranch, A Hyatt Residence Club	9700 Military Dr. W	San Antonio, TX 78251	156
InTown Suites Highway 252	13220 Nacogdoches Rd.	San Antonio, TX 78217	121
InTown Suites Perrin Beitel	9530 Perrin Beitel Rd	San Antonio, TX 78217	139
InTown Suites San Antonio West	7490 Culebra Rd.	San Antonio, TX 78251	121
InTown Suites San Pedro	6923 San Pedro Ave.	San Antonio, TX 78216	136
Knights Inn San Antonio East	5530 IH 10 E	San Antonio, TX 78219	134
Knights Inn San Antonio Near AT&T Center	4039 E Houston St.	San Antonio, TX 78220	119
La Cantera Hill Country Resort	16641 La Cantera Pkwy.	San Antonio, TX 78256	508
La Quinta Inn & Suites San Antonio Airport	850 Halm Blvd	San Antonio, TX 78216	276
La Quinta Inn San Antonio Market Square	900 Dolorosa St	San Antonio, TX 78207	125
La Quinta Inns & Suites San Antonio Brooks City Base	3180 Goliad Rd.	San Antonio, TX 78223	115
La Quinta Inns & Suites San Antonio Downtown	100 W.Cesar Chavez Blvd.	San Antonio, TX 78204	151
La Quinta Inns & Suites San Antonio I 35 North @ Rittiman Road	6410 Interstate 35 Frontage Rd.	San Antonio, TX 78218	130
La Quinta Inns & Suites San Antonio Lackland	6511 W Military Dr.	San Antonio, TX 78227	177
La Quinta Inns & Suites San Antonio Medical Center	4431 Horizon Hill Blvd.	San Antonio, TX 78229	168
La Quinta Inns & Suites San Antonio Riverwalk	303 Blum St.	San Antonio, TX 78205	348
La Quinta Inns & Suites San Antonio Sea World Ingram Park	7134 NW Loop 410	San Antonio, TX 78238	193
La Quinta Inns & Suites San Antonio South Park	7202 South Pan Am Expwy.	San Antonio, TX 78224	122
La Quinta Inns & Suites San Antonio Vance Jackson	5922 I-10 West	San Antonio, TX 78201	111
Marriott Plaza San Antonio	555 S Alamo St.	San Antonio, TX 78205	252
Marriott San Antonio Rivercenter	101 Bowie St	San Antonio, TX 78205	1001
Marriott San Antonio Riverwalk	889 E Market St.	San Antonio, TX 78205	512
Menger Hotel	204 Alamo Plaza	San Antonio, TX 78205	316



HOTEL PROPERTY	ADDRESS	CITY, STATE, ZIP	ROOMS
Motel 6 San Antonio Downtown Market Square	211 N Pecos La Trinidad	San Antonio, TX 78207	119
Motel 6 San Antonio East	130 N WW White Rd.	San Antonio, TX 78219	101
Motel 6 San Antonio Fiesta	16500 I-10	San Antonio, TX 78257	123
Motel 6 San Antonio Fort Sam Houston	5522 N Interstate 35	San Antonio, TX 78218	156
Motel 6 San Antonio Northeast	4621 Rittman Rd.	San Antonio, TX 78218	112
Motel 6 San Antonio Northwest Medical Center	9400 Wurzbach Rd.	San Antonio, TX 78240	118
Motel 6 San Antonio West Seaworld	2185 SW Loop 410	San Antonio, TX 78227	122
Omni La Mansion Del Rio	112 College St.	San Antonio, TX 78205	338
Omni San Antonio Hotel	9821 Colonnade Blvd	San Antonio, TX 78230	326
Pear Tree Inn San Antonio Airport	143 NE Interstate 410 Loop	San Antonio, TX 78216	122
Quality Inn San Antonio Fiesta @ Six Flags	6755 North Loop 1604 W	San Antonio, TX 78249	124
Quality Suites San Antonio	6350 N Interstate 35	San Antonio, TX 78218	105
Red Roof Inn San Antonio Airport	333 Wolfe Rd.	San Antonio, TX 78216	135
Red Roof Inn San Antonio Fort Sam Houston	4403 Interstate 10 East	San Antonio, TX 78219	120
Red Roof Inn San Antonio Seaworld Northwest	6880 NW Loop 410	San Antonio, TX 78238	123
Red Roof PLUS+ San Antonio Downtown - Riverwalk	1011 E Houston St	San Antonio, TX 78205	215
Residence Inn by Marriott San Antonio Downtown/Alamo Plaza	425 Bonham St.	San Antonio, TX 78205	220
Residence Inn San Antonio Airport Alamo Heights	1014 NE Interstate 410 Loop	San Antonio, TX 78209	120
Residence Inn San Antonio SeaWorld Lackland	2838 Cinema Ridge	San Antonio, TX 78238	109
Residence Inn San Antonio Six Flags @ The Rim	5707 Rim Pass	San Antonio, TX 78257	131
Riverwalk Plaza Hotel	100 Villita St.	San Antonio, TX 78205	129
San Antonio Marriott Northwest	3233 NW Loop 410	San Antonio, TX 78213	296
Sheraton Hotel Gunter	205 E Houston St.	San Antonio, TX 78205	322
SpringHill Suites by Marriott San Antonio Downtown/Riverwalk Area	524 S St Mary's St.	San Antonio, TX 78205	116
Springhill Suites San Antonio Airport	514 NE Interstate 410 Loop	San Antonio, TX 78216	116
Springhill Suites San Antonio Downtown Alamo Plaza convention Center	411 Bowie St.	San Antonio, TX 78205	118
Springhill Suites San Antonio Northwest @ The Rim	18119 Talavera Ridge	San Antonio, TX 78257	128



HOTEL PROPERTY	ADDRESS	CITY, STATE, ZIP	ROOMS
SpringHill Suites San Antonio SeaWorld/Lackland	138 Richland Hills Dr.	San Antonio, TX 78245	116
Staybridge Suites Northwest Near Six Flags Fiesta	6919 North Loop 1604 W	San Antonio, TX 78249	120
Staybridge Suites San Antonio Airport	66 NE Loop 410	San Antonio, TX 78216	136
Staybridge Suites San Antonio Downtown Convention Center	123 Hoefgen	San Antonio, TX 78205	138
Staybridge Suites San Antonio NW Colonnade	4320 Spectrum 1	San Antonio, TX 78230	118
Staybridge Suites San Antonio Stone Oak	808 N Loop 1604 E	San Antonio, TX 78232	135
Studio 6 San Antonio	11802 Interstate 10 Frontage Rd.	San Antonio, TX 78230	132
Studio 6 San Antonio Airport	11221 San Pedro Ave.	San Antonio, TX 78216	118
Studio 6 San Antonio Medical Center	7719 Pasteur Ct.	San Antonio, TX 78229	130
The Emily Morgan Hotel - a DoubleTree by Hilton	705 E Houston St.	San Antonio, TX 78205	177
The Hotel Contessa	306 W Market St.	San Antonio, TX 78205	265
The St. Anthony San Antonio	300 E Travis St.	San Antonio, TX 78205	277
TownePlace Suites San Antonio Airport	214 NE Interstate 410 Loop	San Antonio, TX 78216	106
TownePlace Suites San Antonio Downtown	409 E Houston St	San Antonio, TX 78205	117
TownePlace Suites San Antonio Northwest	5014 Prue Rd.	San Antonio, TX 78240	123
Travel Inn San Antonio	5710 Industry Park Dr	San Antonio, TX 78218	110
Travelodge Inn & Suites San Antonio Airport	2383 NE Interstate 410 Loop	San Antonio, TX 78217	121
Westin Riverwalk	420 W Market St	San Antonio, TX 78205	473
WoodSpring Suites San Antonio Fort Sam	6922 I 35 N	San Antonio, TX 78218	121
WoodSpring Suites San Antonio South	7958 Interstate 35 Access Rd	San Antonio, TX 78224	121
Wyndham Garden Hotel San Antonio Near La Cantera	6809 North Loop 1604 W	San Antonio, TX 78249	130
Wyndham Garden Hotel San Antonio Riverwalk Museum Reach	103 9th St	San Antonio, TX 78215	131
Wyndham La Cascada	226 Dwyer Ave.	San Antonio, TX 78204	100
Wyndham San Antonio Riverwalk	111 E Pecan St.	San Antonio, TX 78205	410



RR  
06/21/18  
Item No. 42

# EXHIBIT C

**San Antonio Tourism Public Improvement District (SATPID)  
Draft Service Plan**

*May 22, 2018*

**PROJECTED EXPENDITURES**

The SATPID budget will be allocated as shown in the table below.

SERVICE	%	\$
Marketing	45%	\$4,689,000
Sales	45%	\$4,689,000
Industry Partnerships	5%	\$521,000
Research and Administration	3%	\$312,600
Contingency Funds	2%	\$208,400
<b>TOTAL</b>	<b>100%</b>	<b>\$10,420,000</b>

The estimated eight (8) year budget is shown in the table below. The estimated budget is expected to increase by five percent (5%) per year.

Year	Marketing	Sales	Industry Partnerships	Research and Administration	Contingency Funds	Total
	<b>45%</b>	<b>45%</b>	<b>5%</b>	<b>3%</b>	<b>2%</b>	<b>100%</b>
2018-19	\$4,689,000	\$4,689,000	\$521,000	\$312,600	\$208,400	\$10,420,000
2019-20	\$4,927,410	\$4,927,410	\$547,490	\$328,494	\$218,996	\$10,949,800
2020-21	\$5,173,591	\$5,173,591	\$574,843	\$344,906	\$229,937	\$11,496,869
2021-22	\$5,432,271	\$5,432,271	\$603,586	\$362,151	\$241,434	\$12,071,713
2022-23	\$5,703,884	\$5,703,884	\$633,765	\$380,259	\$253,506	\$12,675,298
2023-24	\$5,989,078	\$5,989,078	\$665,453	\$399,272	\$266,181	\$13,309,062
2024-25	\$6,288,531	\$6,288,531	\$698,726	\$419,235	\$279,490	\$13,974,513
2025-26	\$6,602,958	\$6,602,958	\$733,662	\$440,197	\$293,465	\$14,673,240
<b>Total</b>	<b>\$44,806,723</b>	<b>\$44,806,723</b>	<b>\$4,978,525</b>	<b>\$2,987,114</b>	<b>\$1,991,409</b>	<b>\$99,570,495</b>





## **PROJECTED SAN ANTONIO TOURISM PUBLIC IMPROVEMENT DISTRICT SERVICES**

### **Increased Marketing and Sales Initiatives**

#### *Increased Marketing: 45% - \$4,689,000*

Forty-five percent (45%) of the annual budget shall be targeted for increased marketing initiatives to drive more hotel activity to San Antonio. The Marketing program will promote San Antonio hotels within the District for increased business travel, leisure, meeting, and event business at District hotels. The program will set out to increase room night sales and may include but is not limited to the following activities.

Programs to increase demand at assessed hotels within the District through:

- Increased internet marketing efforts to grow awareness and optimize internet presence to 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 and room sales to assessed hotels within the District;
- Increased television ads targeted at potential visitors to drive greater overnight visitation and room sales 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 featuring assessed hotels within the District;
- Development and implementation of an enhanced and new public relations and communications strategies, inclusive of social media outlets and press release distribution designed to increase overnight visitation at assessed hotels within the District;
- Implementation of new economic development partnerships to increase overnight visitation at assessed hotels within the District.
- Development of Return on Investment (ROI) analysis on the effectiveness of SATPID expenditures and programs to increase overnight visitation at assessed hotels within the District.
- Marketing initiatives must meet an ROI threshold of 7:1. The marketing initiatives will be overseen by the San Antonio Tourism Public Improvement District Corporation (SATPIDC) Board, the oversight entity composed of stakeholder hotels within the district. The SATPIDC Board shall determine the appropriate metrics for the 7:1 ROI measurement for all SATPID Marketing initiatives.

#### *Increased Sales: 45% - \$4,689,000*

Forty-five percent (45%) of the annual budget shall be targeted for increased Sales initiatives. **The Sales 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 initiatives 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;
- Increased sales and services staff deployed in key regions to supplement the selling of San Antonio as a premier destination;
- Increased attendance at professional industry conferences and affiliation events to promote increased business for assessed hotels within the District;
- Additional lead generation activities designed to attract increased tourist and group events to assessed hotels within the District;





- Attendance of additional trade shows to promote increased leads for assessed hotels within the District;
- Additional sales blitzes featuring assessed hotels within the District; and
- Additional Familiarization tours showcasing assessed hotels within the District.
- Sales initiatives must meet an ROI threshold of 7:1. The ROI for all Sales initiatives will be measured based on increased room revenue production.

### **Industry Partnerships**

5% - \$521,000

The Industry Partnerships program is geared to protect the flow of existing and new hotel business and a positive business environment for hotels at the local and state level. It includes coverage of membership for hotels within the District for key organizations that advocate on behalf of the local hotel industry, which may include but is not limited to the following:

- San Antonio Hotel & Lodging Association
- Texas Hotel & Lodging Association
- Visit San Antonio Silver Level Membership

### **Research and Administration**

3% - \$312,600

Research and Administration includes the costs for research initiatives that will assess the effectiveness and ROI of SATPID funded sales and marketing initiatives. This category also funds the costs for any supplemental administrative staffing of SATPID programs and other general administrative SATPID costs such as insurance, legal, and accounting fees. It is the intent of the stakeholders within the District that the SATPID funds be used to maximize the provision of service that generate demand for incremental additional room nights. SATPID funds may be used as provided in this service plan to pay for actual direct administrative costs associated with providing the SATPID services. However, such costs shall not include existing staff costs or existing overhead costs that are already fully covered by the current Visit San Antonio budget, unless specific SATPID duties for a Visit San Antonio staff member are identified and approved to be performed by the SATPIDC Board.

### **Contingency Costs Reserve Fund**

2% - \$208,400

These funds may be used to supplement the marketing, sales, or the other budget categories outlined within the service plan, with any such funding allocations to be approved annually by the SATPIDC Board.

*\*Each service plan budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the proposed Marketing budget may include the cost of new staff dedicated to overseeing and implementing the program. New Staff hires dedicated purely to administrative tasks can be allocated to the administrative portion of the budget. The costs of a new individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. Any new staffing levels necessary to provide the supplemental services that are outlined will be presented to the SATPIDC Board by Visit San Antonio within the annual SATPID budget.*

*The SATPIDC Board shall have the authority to make adjustments of up to ten percent (10%) of the funds between approved budget categories of the adopted service plan. If budgeted funds for the Industry Partnerships, Research and Administration, or Contingency Costs Reserve Fund budget categories are not spent, those unspent funds may be reallocated by the SATPIDC Board to increase the Marketing and Sales Initiatives budget category.*





## **ASSESSMENT**

The proposed annual assessment rate is one and one quarter percent (1.25%) of gross hotel room night rental revenue on hotel properties within the SATPID with one hundred (100) or more rooms that are ordinarily used for sleeping. The assessment shall only apply to hotel room night sales which are subject to local hotel occupancy tax under Texas state law. If a room night rental transaction is exempt from local hotel occupancy tax, it is also exempt from the application of the SATPID assessment.

## **COLLECTION**

The City of San Antonio will be responsible for collecting the SATPID assessment on a monthly basis (including any delinquencies, penalties and interest) from each hotel property located in the SATPID boundaries, and the City will be reimbursed from SATPID funds for its actual costs for this activity.

## **TERM**

The SATPID will be formed for a eight (8) year period, with services projected to commence xxxxxx 1, 2018. After eight (8) years, the SATPID may be renewed if hotel property owners support continuing the District. All SATPID funded services will supplement, not supplant, pre-existing Visit San Antonio programs funded by local hotel tax and other funding from the City of San Antonio at the time of the creation of the SATPID. There is no anticipation that the City of San Antonio and/or the Convention Center will reduce the city's existing level of funding for convention center hosting obligation requirements.

## **MANAGEMENT**

The SATPID shall be overseen by the to-be-formed San Antonio Tourism Public Improvement District Corporation (SATPIDC), a nonprofit corporation created under Texas law and which will also operate as a tax-exempt entity under the provisions of section 501(c) of the Internal Revenue Code. The SATPIDC will contract with Visit San Antonio to implement the SATPID programs and Visit San Antonio will carry liability insurance in amounts and covering risks approved by the City and will indemnify the City against losses resulting from SATPID related acts or omissions by Visit San Antonio or by the SATPIDC. The City Council will review and approve annually the SATPID service plan and assessment plan, determine and levy assessments and conduct other functions as required by law. The to-be-formed SATPIDC through its contract with Visit San Antonio will implement the SATPID programs outlined in the original service plan as updated annually with approval by the SATPIDC board and the City Council. The SATPIDC shall have the authority to make adjustments of up to ten percent (10%) of the funds between approved budget categories of the adopted service plan.

The SATPIDC Board of Directors will be composed of eleven (11) voting directors. The composition of the 11 voting directors is divided proportionately between San Antonio hotels in the central business district and hotels outside of the central business district, based on the collective hotel tax remittances of the central business district versus the non- central business district hotels as follows:

- Six (6) directors representing assessed hotel properties from Zone One (1)(central business district hotel properties); and
- Five (5) directors representing assessed hotel properties from Zone Two (2) (hotels located outside the central business district).

The SATPIDC will also include two non-voting ex-officio positions, one for the Executive Director of the San Antonio Hotel & Lodging Association and one for President & CEO of Visit San Antonio.

## **BOUNDARIES**

The map below illustrates the proposed SATPID boundary. The boundary currently includes 149 lodging

properties. The SATPID boundary includes two (2) zones (central business district and outside of central business district) for purposes of determining the SATPIDC Board of Directors representation.

