

**ORDINANCE**

**APPROVING THE 2022 SERVICE AND ASSESSMENT PLAN, THE 2022 ASSESSMENT ROLL, AND MAINTAINING THE ASSESSMENT RATE FOR 2022 AT 1.25% OF THE GROSS HOTEL ROOM REVENUE SUBJECT TO LOCAL HOTEL TAX THAT IS DERIVED FROM AN INDIVIDUAL ROOM RENTAL OF QUALIFIED ROOMS, FOR THE SAN ANTONIO TOURISM PUBLIC IMPROVEMENT DISTRICT.**

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**WHEREAS**, a public improvement district is a mechanism authorized by Chapter 372 of the Local Government Code, known as the Public Improvement District Assessment Act (the Act), that permits the City to levy an additional assessment on property owners within specified boundaries that may be used for capital improvements or services which supplement those provided by city government; and

**WHEREAS**, the Visitor Industry is a key economic generator for the City of San Antonio with a \$15.2 billion annual economic impact. Additionally, San Antonio hosts approximately 39 million visitors annually and provides for more than 140,000 local jobs; and

**WHEREAS**, in order to help advance San Antonio as a premier U.S. destination, various industry and community partners including the City of San Antonio, San Antonio Hotel & Lodging Association, Texas Hotel & Lodging Association and Visit San Antonio worked together to propose and implement a San Antonio Public Improvement District (SATPID). Hotels in the San Antonio city limits with 100 rooms or more, pay a 1.25% assessment on taxable occupied rooms for the purpose of generating funds to market and promote San Antonio as a convention and tourism destination; and

**WHEREAS**, on December 6, 2018, the San Antonio City Council approved the creation of the District, for an eight (8) year period, that went into effect beginning January 1, 2019 and ending on September 30, 2026; and

**WHEREAS**, in accordance with Texas law, hotels with 100 rooms or more within the City limits of San Antonio can participate in the district. The TPID assessment only applies to hotel stays that are also subject to City hotel occupancy tax. TPID Properties Assessment Roll FY 2021 as **Attachment A**; and

**WHEREAS**, the TPID fees are remitted to the City under the same schedule and process now in place for payment of the hotel occupancy tax. The purpose of the SATPID is to utilize the TPID assessment fees to drive increased hotel business demand for participating properties through strategic sales and marketing initiatives; and

**WHEREAS**, the SATPID has two zones. Zone 1 consists of properties primarily within the San Antonio Central Business District (CBD) and Zone 2 consists of properties outside the CBD but

within the City limits of San Antonio. The primary driver of the recognition of two zones is to facilitate board composition and better inform marketing and sales strategies that are impactful to hotels within each of the participating zones. The SATPID Corporation (SATPIDC) maintains a Board of Directors comprised proportionally of members of the two zones. SATPID map of the PID boundary as **Attachment B**; and

**WHEREAS**, the SATPID is a mechanism for funding additional tourism promotion activities. Visit San Antonio is charged to help administer and manage the investments of these funds towards various sales and marketing initiatives at the direction of the SATPIDC Board of Directors. As part of the service plan commitment, a minimum of 90% of all assessments must be invested in sales and marketing programming. Those initiatives have been incorporated into the multiple sales and marketing strategies within the 2022 Visit San Antonio Marketing Plan; and

**WHEREAS**, The SATPID has developed and is recommending the attached Service and Assessment Plan for 2022 (**Attachment C**). The Plan reflects a total annual budget of \$7,300,000 for program services. The Service and Assessment Plan was approved by the SATPIDC Board on October 13, 2021. The Act requires the Plan to be approved by City Council; and

**WHEREAS**, this plan details the levels of services and improvements for each program during the coming year, sets the assessment rate, includes financial plan/program budget, and provides a five-year forecast. The SATPID has developed and is recommending the attached Service and Assessment Plan for 2022 (**Attachment C**); and

**WHEREAS**, the Act requires that all property owners in the proposed PID be notified in writing of the petitioned action and public hearing; that notice of an annual public hearing be advertised in a newspaper of general circulation at least ten days before the public hearing to consider oral and written objections to the levying of a special assessment to fund services and improvements for the PID in the downtown area; and

**WHEREAS**, notices were mailed to individual property owners on November 22, 2022 and the required public notice appeared in the Express News on Friday November 19, 2021; and

**WHEREAS**, following public notice as required by the Act, a public hearing was held and closed on Thursday, December 9th, 2021, at 9:00 a.m., or as soon thereafter as possible, in the San Antonio City Council Chambers, to consider the levy of a special assessment to fund services for the PID; levying an assessment rate for FY 2022 at 1.25% on taxable occupied rooms of hotels with more than 100 rooms in the PID; and approval of the FY 2022 Service and Assessment Plan for the PID; and

**WHEREAS**, following the public hearing, staff requested the levy of the special assessment, approval of the special assessment rate, and approval of the FY 2022 Service and Assessment Plan for the PID; and

**WHEREAS**, City Council heard and passed on any objections to the levying of the special assessment; and **NOW THEREFORE:**

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

**SECTION 1.** A public hearing was held on December 9th, 2021 at 9:00 a.m., or as soon after that time as possible, in the San Antonio City Council Chambers in accordance with Chapter 372, Texas Local Government Code to consider the levy of a Special Assessment to fund services for the Public Improvement District.

**SECTION 2.** The City Manager or designee, or the Director of the Convention & Sports Facilities or designee, is authorized to execute a levy of a special assessment to fund services for the San Antonio Tourist Public Improvement District; levying an assessment rate for Fiscal Year 2022 at 1.25% assessment on taxable occupied rooms at hotels in the San Antonio city limits with 100 rooms or more in the San Antonio Tourist Public Improvement District; and approving the Fiscal Year 2022 Service and Assessment Plan for the San Antonio Tourist Public Improvement District.

**SECTION 3.** Special assessment revenues and other contributions to the SATPID are authorized to be deposited in Fund 69024000, Internal Order 207000000296 and General Ledger 4103100.

**SECTION 4.** Funding in the amount up to \$7,263,500.00 is available in Fund 69024000, Internal Order 207000000296 and General Ledger 5407030 as part of the Fiscal Year 2022 Adopted Budget approved by City Council.

**SECTION 5.** The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 7.** This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

**PASSED AND APPROVED this \_\_\_ day of December, 2021.**

**M A Y O R  
Ron Nirenberg**

DBS  
12/09/2021  
Item No. 21-3172

**ATTEST:**

**APPROVED AS TO FORM:**

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Debbie Racca-Sittre, Acting City Clerk

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Andrew Segovia, City Attorney

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# ATTACHMENT A

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# ATTACHMENT B

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# ATTACHMENT C

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