

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.**

ORDINANCE

**A PUBLIC HEARING AND CONSIDERATION OF AN ORDINANCE
APPROVING THE FISCAL YEAR 2023 SERVICE AND ASSESSMENT
PLAN, THE FISCAL YEAR 2023 ASSESSMENT ROLL, APPROVING THE
LEVYING OF A SPECIAL ASSESSMENT AND MAINTAINING THE
ASSESSMENT RATE FOR FISCAL YEAR 2023 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 (“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 \$16.2 billion economic impact and accounting for more than 128,000 local jobs in 2021, as the City welcomed nearly 32 million visitors, and while the turbulence caused by the pandemic and accompanying economic uncertainty was felt in Fiscal Year 2022, San Antonio is still in the midst of a remarkable rebound for the tourism and hospitality industry; 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”), through which 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 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 and the TPID assessment only applies to hotel stays that are also subject to City hotel occupancy tax and the TPID Properties Assessment Roll for Fiscal Year 2023 (“Assessment Roll”) is attached to this ordinance 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 and 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 SATPID Corporation (SATPIDC) maintains a Board of Directors comprised proportionally of members of the two zones and a SATPID map depicting the boundaries is attached to this Ordinance 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, with a minimum of 90% of all assessments being invested in sales and marketing programming; and

WHEREAS, the SATPID has developed and is recommending the Service and Assessment Plan for Fiscal Year 2023 (“Plan”) that is attached to this Ordinance as **Attachment C** and the Plan, which was approved by the SATPIDC Board on July 25, 2022, reflects a total annual budget of \$10,250,000 million for program services; 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 16, 2022 and the required public notice appeared in the Express News on Sunday, November 20, 2022; and

WHEREAS, following public notice as required by the Act, a public hearing was held and closed on Thursday, December 1, 2023, 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 Fiscal Year 2023 at 1.25% on taxable occupied rooms of hotels with more than 100 rooms in the PID; and approval of the Fiscal Year 2023 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 Fiscal Year 2023 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 1, 2023 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. A special assessment rate of 1.25% of the gross hotel room revenue subject to local hotel tax that is derived from an individual room rental of qualified rooms at hotels in the San Antonio City limits with 100 rooms or more in the San Antonio Tourist Public Improvement District for Fiscal Year 2023 is levied to fund improvements and services in the PID and the Assessment Roll, attached to this Ordinance as **Attachment A**, is approved.

SECTION 3. The Fiscal Year 2023 Service and Assessment Plan for the Downtown Public Improvement District, attached to this Ordinance as **Attachment C**, is approved is approved.

SECTION 4. Funds received for this Ordinance from the SATPID assessment shall be deposited in Fund 69024000, Internal Order 207000000296 and General Ledger 4103100.

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 6. The statements set forth in the recitals of this Ordinance are true and correct and are incorporated as a part 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 1st day of December, 2023.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

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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