

NOTICE OF PUBLIC HEARING

**TO ALL INTERESTED PERSONS INCLUDING THE
PROPERTY OWNERS IN THE PROPOSED
WACO TOURISM PUBLIC IMPROVEMENT DISTRICT**

NOTICE IS HEREBY GIVEN that a public hearing will be held on August 4, 2020 at 3:00 p.m. before the City Council of the City of Waco. In accordance with physical distancing guidelines, notice is hereby given that this Public Hearing will not be open to the public. Council members will attend remotely by videoconference, and the meeting will be streamed live at www.wccc.tv. The public hearing is concerning the following matters:

The Advisability and Creation of the Waco Tourism Public Improvement District (WTPID)

The City Council of the City of Waco will consider the approval of a Resolution regarding whether the proposed WTPID, as petitioned by the proposed WTPID property owners, is advisable, desirable, and feasible.

The boundaries of the WTPID will be the same as the city limits of the City of Waco. The proposed boundaries shall solely include non-contiguous hotel properties with 75 or more rooms within the city limits of the City of Waco.

The purpose and nature of the WTPID will be to provide enhanced services, undertake certain improvements, in particular, special supplemental services relating to the WTPID limited to advertising and promotion activities and business recruitment activities that are authorized by Chapter 372 of the Texas Local Government Code ("Act").

The annual assessment rate shall not exceed two percent (2%) of a taxable room-nights sold at qualifying hotels located within the WTPID and will be remitted to the City by individual property in accordance with the same remittance schedule established for the submission of Hotel Occupancy Tax.

The annual cost of services provided by the WTPID are estimated to range from \$1,576,067 to \$5,018,404; however, in no event shall the assessment rate exceed two percent (2%) of hotel properties' taxable room-nights sold in the WTPID.

The proposed apportionment of cost between the WTPID and the City as a whole shall be that the WTPID shall pay the cost of the supplemental services by assessment against the hotel properties with 75 or more rooms. The City will not be obligated to provide any funds to finance the authorized improvements.

All interested persons will be given an opportunity to appear and be heard by registering to speak via phone at such public hearing. Written and oral objections will also be considered at the hearing. Members of the public who wish to speak on this public hearing item, orally object, or who wish to submit written objections must submit their comments online at <http://www.waco-texas.com/council-speaker.asp>, by email at citysecretary@wacotx.gov or by calling 254-750-5750. Comments and objections must be received no later than 11:00 a.m. before the meeting.

Esmeralda Hudson, City Secretary
City of Waco, Texas

**This Notice is Being Posted
at Waco City Hall on the
14 Day of July, 2020
at 12:00 AM/PM**

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**APPROVAL OF THE SERVICE AND ASSESSMENT PLAN AND ASSESSMENT RATE FOR
THE PROPOSED WACO TOURISM PUBLIC IMPROVEMENT DISTRICT**

The City Council of the City of Waco will be conducting a Public Hearing and considering approval of a Resolution creating the Waco Tourism Public Improvement District (WTPID) at the same meeting mentioned above. If the City Council approves said Resolution, then this public hearing to consider the approval of the service and assessment plan and assessment rate will be held subsequently. The hearing may be adjourned from time to time until the City Council makes finding as to the advisability of the improvements and/or services, the nature of the improvements and/or services, the estimated cost, the boundaries of the WTPID, the method of assessment, and the apportionment of costs between the WTPID and the City as a whole.

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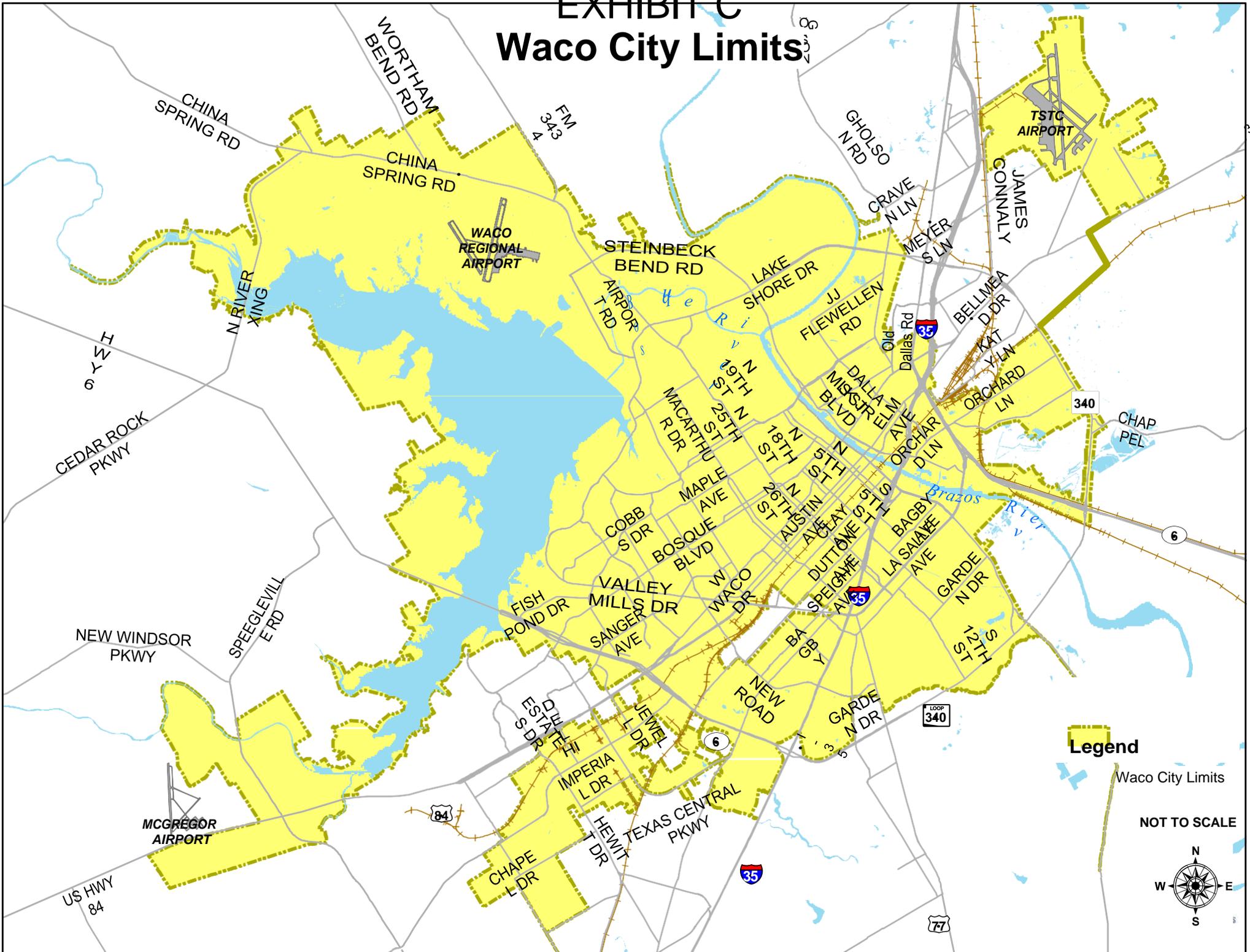
The proposed Service and Assessment Plan and Assessment Roll were filed with the City Secretary's office on July 17, 2020 and are available for review during business work hours. Due to City

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16 Day of July, 2020
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Hall being closed to the public due to COVID-19, you may schedule an appointment to view the documents by calling the City Secretary's Office at 254-750-5750, or they can be found online at the City's website: www.waco-texas.com under "Public Notices & Info."

Esmeralda Hudson, City Secretary
City of Waco, Texas

EXHIBIT C Waco City Limits



Legend

- Waco City Limits

NOT TO SCALE

A compass rose is located in the bottom right corner of the map, indicating the cardinal directions: North (N), South (S), East (E), and West (W).

Waco Tourism Public Improvement District (WTPID) Service & Assessment Plan

PROJECTED EXPENDITURES

The WTPID budget will be allocated on a percentage basis as shown in the table below.

SERVICE	%	\$
Marketing (Advertising & Promotion)	45%	\$ 14,841,361
Sales (Business Recruitment)	40%	\$ 13,192,321
Tourism Research	8%	\$ 2,638,464
Administration	7%	\$ 2,308,656
TOTAL	100%	\$ 32,980,802

The estimated budget for the years 2020-2030 is shown in the table below. The estimated budget is forecast to increase by ten percent (10%) per year. Expenditures of the TPID are limited to actual collections, which cannot exceed the 2 percent (2%) fee on each occupied room as defined in the petition. If actual receipts exceed estimates, those dollars will still be transferred to the TPID for use in the subsequent year of the service plan according to the established Service Plan allocations. The TPID will follow established statutory procedures for the addition of newly built eligible hotels into the Waco TPID.

Fiscal Year	Marketing (Advertising & Promotion) 45%	Sales (Business Recruitment) 40%	Tourism Research 8%	Administration 7%	Total 100%
<i>FY 2020-21</i>	\$709,230	\$630,427	\$126,085	\$110,325	\$ 1,576,067
<i>FY 2021-22</i>	\$879,588	\$781,856	\$156,371	\$136,825	\$ 1,954,640
<i>FY 2022-23</i>	\$1,158,856	\$1,030,094	\$206,019	\$180,266	\$ 2,575,235
<i>FY 2023-24</i>	\$1,274,741	\$1,133,103	\$226,621	\$198,293	\$ 2,832,758
<i>FY 2024-25</i>	\$1,402,215	\$1,246,414	\$249,283	\$218,122	\$ 3,116,034
<i>FY 2025-26</i>	\$1,542,437	\$1,371,055	\$274,211	\$239,935	\$ 3,427,637
<i>FY 2026-27</i>	\$1,696,680	\$1,508,160	\$301,632	\$263,928	\$ 3,770,401
<i>FY 2027-28</i>	\$1,866,348	\$1,658,976	\$331,795	\$290,321	\$ 4,147,441
<i>FY 2028-29</i>	\$2,052,983	\$1,824,874	\$364,975	\$319,353	\$ 4,562,185
<i>FY 2029-30</i>	\$2,258,282	\$2,007,361	\$401,472	\$351,288	\$ 5,018,404
Totals	\$14,841,361	\$13,192,321	\$2,638,656	\$2,308,656	\$32,980,802

PROJECTED WACO TOURISM PUBLIC IMPROVEMENT DISTRICT SERVICES

Increased Marketing (Advertising and Promotion) Initiatives: 45% - \$14,841,361

Forty-five percent (45%) of the annual budget shall be targeted for increased marketing (advertising and promotion) initiatives to drive more hotel activity to Waco. Up to 10% variance can be allowed in the amount to be allocated under this category. Amounts within this category that are not used by the end of the fiscal year may be rolled over within the same budget category in the following year's budget.

The Marketing (Advertising and Promotion) program will promote hotel activity 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.

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

Increased Sales Initiatives: 40% - \$ 13,192,321

Forty percent (40%) of the annual budget shall be targeted for increased Sales (Business Recruitment) initiatives. Up to 10% variance can be allowed in the amount to be allocated under this category. Amounts not used within this category by the end of the fiscal year may be rolled over into the same budget category in the following year's budget. The Sales (Business Recruitment) initiatives will be designed to increase room night sales for assessed hotel properties within the District and may include but are not limited to the following activities:

- Provide additional sales (business recruitment) incentives to maintain and attract new meetings, conventions, events and business travel that will have a significant impact on demand for hotel activity for assessed hotels within the District;
 - Requests for incentives from individuals or groups should be presented to the Waco Convention & Visitors Bureau for vetting;
 - Requests for "rebates," defined as a set dollar payment per room night generated, should be presented as an incentive request for a single dollar amount and presented to the Waco Convention & Visitors Bureau for vetting;
- Increased sales and services (business recruitment) staff deployed in key regions to supplement the selling of Waco as a premier destination;
- Increased attendance at professional industry conferences and events to promote increased business for assessed hotels within the District;
- Additional lead generation activities designed to attract increased tourist and group business to assessed hotels within the District;
- Attendance of additional trade shows to promote increased leads for assessed hotels within the District;
- Additional sales (business recruitment) blitzes featuring assessed hotels within the District; and
- Additional familiarization tours showcasing assessed hotels within the District.
- Sales (Business Recruitment) initiatives must meet an ROI threshold of 7:1, based on expected room revenues. The ROI for all Sales (Business Recruitment) initiatives will be measured based on increased room revenue production. With input and approval from the WTPID Board, individual exceptions may be made to the 7:1 ROI.
- Sales (Business Recruitment) efforts may include programs such as an individual hotel incentive program, with approval of the WTPID Board and within limits and criteria set by the WTPID Board.

Tourism Research: 8% - \$ 2,638,464

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

- Conduct tourism research using industry tools which may include economic impact calculators, software to gauge the effectiveness of advertising and/or sales (business recruitment) efforts.
- Development of Return on Investment (ROI) analysis on the effectiveness of WTPID expenditures and programs to increase overnight visitation at assessed hotels within the District.
- If dollars are left unspent in the Research/Administration budget at the end of the year, they may be divided among Marketing (Advertising and Promotion) and Sales (Business Recruitment) using the following ratios: 53% to Marketing (Advertising and Promotion), 47% to Sales (Business Recruitment).

Administration: 7% - \$ 2,308,656

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

- Startup costs to cover creation of the TPID, and costs to revise the hotel tax collection software.
- Administrative fees such as bank fees, fees charged by the City of Waco for hotel tax collection and administration, bookkeeping, auditing, financial reporting, legal fees, etc.
- If dollars are left unspent in the Administration budget at the end of the year, they may be divided among Marketing (Advertising and Promotion) and Sales (Business Recruitment) using the following ratios: 53% to Marketing (Advertising and Promotion), 47% to Sales (Business Recruitment).

WACO TOURISM PUBLIC IMPROVEMENT DISTRICT ASSESSMENT ROLL

Hotel Name	Hotel Address	City	Zip	No of Rooms
A C HOTEL by MARRIOTT	301 S 06TH ST	Waco	76701	182
ALOFT HOTEL	900 S 11TH ST	Waco	76706	115
CAMBRIA HOTEL (7.3284 ACS EAST WACO)	110 S MARTIN LUTHER KING JR BLVD A & B	Waco	76704	132
CANDLEWOOD SUITES	2700 S NEW ROAD	Waco	76706	99
COMFORT SUITES	810 N IH 35	Waco	76705	94
ELEMENT HOTEL	2200 ROBINSON DR -2308	Waco	76706	105
EMBASSY SUITES (PROPOSED)	301 S 02ND ST	Waco	76701	168
EVEN Hotel (7.3284 ACS EAST WACO)	110 S MARTIN LUTHER KING JR BLVD A & B	Waco	76704	128
HAMPTON INN & SUITES	2501 MARKETPLACE DR	Waco	76711	123
HILTON GARDEN INN	5800 LEGENDLAKE PKWY	Waco	76712	111
HILTON HOTEL	113 S UNIVERSITY PARKS DR	Waco	76701	195
HOLIDAY INN EXPRESS & SUITES WACO SOUTH	5701 LEGENDLAKE PKWY	Woodway	76712	120
HOLIDAY INN EXPRESS (NO DBA NAME LISTED)	101 TAYLOR AVE ST	Waco	76704	101
HOME2 SUITES WACO	2500 BAGBY AVE	Waco	76711	105
HOMEWOOD SUITES WACO	5620 LEGENDLAKE PKWY	Woodway	76712	88
HYATT PLACE WACO SOUTH	5400 BAGBY AVE	Waco	76711	125
HYATT PLACE DOWNTOWN	301 S 03RD ST	Waco	76701	110
INDIGO HOTEL	211 CLAY AVE	Waco	76706	111
LA QUINTA INN & SUITES WACO DOWNTOWN	911 S 10TH ST	Waco	76706	118
MARRIOTT COURTYARD	101 WASHINGTON AVE	Waco	76701	153
MOTEL 6 #1198	3120 JACK KULTGEN EXPWY	Waco	76706	110
RESIDENCE INN BY MARRIOTT	501 S UNIVERSITY PARKS DR	Waco	76706	78
RESIDENCE INN SOUTH	2424 MARKETPLACE DR	Waco	76711	104
SPRINGHILL SUITES BY MARRIOTT WACO	115 S JACK KULTGEN EXPWY	Waco	76706	125
TOWNEPLACE SUITES MARRIOTT	5621 LEGENDLAKE PKWY	Woodway	76712	93
TRU BY HILTON	2408 MARKETPLACE DR	Waco	76711	98
WACO SUPER 8	1320 S JACK KULTGEN EXPWY	Waco	76706	78