

ORDINANCE NO.

AN ORDINANCE APPROVING THE SERVICE PLAN FOR THE AUSTIN TOURISM PUBLIC IMPROVEMENT DISTRICT, COMPOSED OF HOTELS WITH ONE HUNDRED OR MORE ROOMS, LEVYING A SPECIAL ASSESSMENT ON THE PROPERTIES IN THE DISTRICT, ESTABLISHING THE METHOD OF ASSESSMENT, TO ENHANCE SERVICES AND UNDERTAKE IMPROVEMENTS, INCLUDING ACTIVITIES RELATED TO MARKETING, BUSINESS RECRUITMENT, AND PROMOTION FOR THE DISTRICT, AND ESTABLISHING THE AUSTIN TOURISM PUBLIC IMPROVEMENT DISTRICT FUND.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The City Council finds that:

- (A) Chapter 372 of the Texas Local Government Code (Act) authorizes the creation of the Austin Tourism Public Improvement District (District);
- (B) On September 14, 2023, City Council approved the draft service plan and draft petition language for the creation of the proposed District;
- (C) The proposed assessment roll attached as Exhibit 2 (Assessment Roll) and incorporated into this ordinance, is necessary to fund improvements and services throughout the District and the District assessment will be levied on hotels with 100 or more rooms ordinarily used for sleeping located within the District; and
- (D) On December 12, 2024, after notice and hearing, the City Council approved a resolution to authorize the establishment of an Austin Tourism Public Improvement District composed of hotels with one hundred or more rooms and made findings related to the advisability of the improvement and creation of the district as authorized by Local Government Code Chapter 372 to enhance services and undertake improvements, including activities related to marketing, business recruitment, and promotion for the district.

PART 2. The service plan attached as Exhibit 1 (Service Plan), and incorporated in this ordinance by reference, meets the requirements of the Act and is approved, subject to annual review and updates by City Council.

PART 3. The Assessment Roll, attached as Exhibit 2 and incorporated in this ordinance by reference, levying the assessment on hotels with 100 or more rooms ordinarily used

36 for sleeping located within the District, is approved as the fiscal year 2024-2025
37 Assessment Roll for the District. Assessments will begin April 1, 2025.

38 **PART 4.** The annual assessment rate for all hotel properties within the District shall be
39 two percent of gross taxable room night rental revenue. Qualifying hotels that sell more
40 rooms will pay a greater portion of the assessment since those properties benefit more
41 from the incentives and promotion and marketing services provided by the District. The
42 District assessment shall only apply to hotel room night sales which are subject to local
43 hotel occupancy tax under Texas state law. The District shall not incur bonded
44 indebtedness.

45 **PART 5.** The City Clerk’s publication of notice of City Council’s intention to consider
46 proposed assessments for the ATPID at a public hearing is hereby ratified.

47 **PART 6.** The City Council directs that the Service Plan, attached as Exhibit 1, and the
48 Assessment Roll, attached as Exhibit 2, be filed with the City Clerk.

49 **PART 7.** The City Council directs the City Clerk to file the Service Plan with the County
50 Clerks of Travis and Williamson Counties.

51 **PART 8.** The Austin Tourism Public Improvement District Fund is established for
52 accounting purposes.

53 **PART 9.** The provisions of this ordinance are severable. If any provision of this
54 ordinance or its application to any person or circumstance is held invalid, the invalidity
55 does not affect other provisions or applications of this ordinance.

56 **PART 10.** This ordinance takes effect on _____, 2024.

57 **PASSED AND APPROVED**

58
59 §
60 §
61 _____, 2024 § _____

62 Kirk Watson
63 Mayor

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66 **APPROVED:** _____
67 Deborah Thomas
68 Interim City Attorney

ATTEST: _____
Myrna Rios
City Clerk