

Petitioners present the following information concerning the proposed creation of an Austin Tourism Public Improvement District:

- (1.) District Name.** The name of the district will be the Austin Tourism Public Improvement District.

 - **District Location.** The District will be located wholly within the City of Austin, TX (the “City”), a Texas home rule municipality. The proposed boundaries of the proposed assessment district are as shown on the attached map marked Exhibit “A” and include hotel properties that may be non-contiguous with 100 or more rooms within the City of Austin as shown on the attached list marked Exhibit "A-1".
- (2.) Purpose of the District.** The purpose of the District will be to enhance services, undertake certain improvements, in particular, special supplemental services relating to District marketing, business recruitment, and promotional activities authorized by the Act for improvement and promotion of the district, including the provision of additional and expanded incentives by Visit Austin and the Austin Convention Center to organizations to encourage them to bring their large and city wide meetings and events to Austin and to fund additional marketing by Visit Austin to increase hotel stays within the City. The district will supplement and enhance services within the area of assessment.
- (3.) Method of Assessment.** The District assessment will be levied on hotels with 100 or more rooms located within the District. The proposed cost of the services and improvements to be provided shall be assessed in a manner that results in imposing equal shares of the cost of the services on hotels that are similarly benefitted. Under the Act, the apportionment of the cost of the services among property in the Austin Tourism Public Improvement District territory must be made on the basis of special benefits accruing to the property because of the services and improvements provided. The total cost of the services and improvements to be provided shall be apportioned during the year based on a rate of 2% of room-nights sold at qualifying hotels located within the District territory until the total budget for services and improvements for the year is reached. Accordingly, those qualifying hotels that sell more rooms will pay a greater portion of the assessment since those properties benefit more from the incentives and promotion and marketing services provided by the District. Rooms that are not subject to the City’s hotel occupancy tax shall not be included for the District assessment. The total assessment must be reviewed and approved annually by the Austin City Council. The total assessment amount for the year may be less than the

amount budgeted for the year, but it shall not be more than the amount budgeted for the year as shown in the attached Service Plan approved by the petitioners.

- (4.) **Estimated Cost: No Bonded Indebtedness.** During a proposed ten (10) year period, the estimated annual cost of improvements and services provided by the District are estimated to range from about Twenty-Seven Million Six Hundred Thirty-Six Thousand Three Hundred Sixty-Four Dollars to about Fifty-Two Million Nine Hundred Eighty-Five Thousand Five Hundred Five Dollars (\$27,636,364 to \$52,985,505) annually; however, in no event shall the assessment amount exceed two percent of the price paid to hotels for a room in a hotel. The district shall not incur bonded indebtedness. See the attached preliminary ten (10) year budget for total estimated collections. The service plan budget and assessment amount are subject to annual review by the tourism public improvement district board and are subject to an annual public hearing and approval by the Austin City Council.
- (5.) **Apportionment of Cost Between the District and the Municipality as a Whole.** The District shall pay the cost of the supplemental services described in this petition by assessment against the hotels with 100 or more rooms within the district.
- (6.) **District Management.** The District shall be managed by a private nonprofit corporation created under the provisions of section 501(c) of the Internal Revenue Code. The Austin 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 Visit Austin with the assistance of certain contract service providers, will manage the District pursuant to a contract with the City, all under the oversight of the Austin Tourism Public Improvement District Management Corporation.
- (7.) **Advisory Board.** The district shall be managed through a contract between the City, Visit Austin, and the Austin Tourism Public Improvement District Management Corporation.
- (8.) **District Dissolution.** The District shall automatically dissolve in ten years unless renewed or dissolved through the petition and approval process as provided by the Act.
- (9.) **Headings.** The headings of the paragraphs contained in this Petition are for the convenience of the reader and do not constitute a part of this Petition. This petition may be executed in multiple counterparts.
- (10.) **Request for Approval of the Austin Tourism Public Improvement District.** The persons signing the Petitions request or concur with the approval of the District and request that this Petition be considered at the earliest possible time and that the Austin City Council takes those lawful steps necessary to approve the District, authorize the services and improvements described herein, levy the necessary assessments to pay for the improvements and services and take any additional actions by law for the benefit of the District.