New Braunfels Tourism Public Improvement District (NBTPID)
Proposed Service Plan

Date: November 4, 2025

The New Braunfels Tourism Public Improvement District Service Plan is formulated to positively impact visitation to New Braunfels and increase overnight accommodation activity through strategic investment which will be overseen by a Board of Directors of the district. The voting members of the TPID Board of Directors will be comprised solely of lodging property representatives of hotel participate that participate in the New Braunfels Tourism Public Improvement District. The proposed district is designed to ensure that New Braunfels is able to successfully compete with other cities throughout the state and across the country to achieve an increased market share of event, meeting, group, and leisure travel business.

District Name
The district name shall be the New Braunfels Tourism Public Improvement District (NBTPID).

District Location
The NBTPID will be located entirely within the city limits of New Braunfels, TX (City), a Texas home-rule municipality. The boundaries of the proposed NBTPID are as shown on the attached map marked "Exhibit A" and shall solely include non-contiguous and contiguous lodging properties with five (5) or more rooms within the City of New Braunfels. An exception to inclusion in the District is provided to this is any lodging entity whose majority of annual revenue is derived from tickets and/or passes to an attraction. Such an exception shall not prevent such a lodging property from voluntarily contributing to or supporting the work of the District.

Purpose of the NBTPID
The proposed NBTPID will supplement the existing use of local hotel occupancy taxes for sales and marketing initiatives for the purpose of generating additional business, group, event, and leisure travel to New Braunfels that will generate increased lodging activities for the hotels within the District.

Method of Assessment
The NBTPID assessment will be levied on hotel properties located within the NBTPID boundaries that have five (5) or more rooms ordinarily used for sleeping and that do not derive the majority of their annual revenue from tickets and/or passes to an attraction. The annual assessment rate for all hotel properties within the District shall be two percent (2%) of taxable hotel room night sales. The assessment shall only apply to room night sales that are subject to local hotel occupancy tax under Texas state law. If a room night rental transaction is exempt from local hotel occupancy tax, it is also exempt from the application of the NBTPID assessment. Further, the NBTPID assessment shall not apply to prior hotel contracts for room nights or fully pre-paid hotel night reservations, that were executed prior to the creation of the NBTPID by the City Council, and for which the contract

does not have a provision allowing for it to be unilaterally amended by the hotel to include a new fee.

The NBTPID budget will be allocated as shown in the Table A below:

Table A

10-year Cumulative Service Plan*

Category	**%**	**$'s**
Marketing & Sales	85%	$9,413,750
Research and Administration	10%	$1,107,500
Contingency Funds	5%	$553,750
Total	100%	$11,075,000

**Service plan allocations, up to a 10% variance, can be allowed under any category.*

The estimated annual funding for the NBTPID for the ten-year term of the District from FY 2026-FY 2035 is shown in Table B below. The estimated annual funding is forecasted to increase each year based on new lodging facilities and NBTPID activity. Expenditures of the NBTPID will be limited to actual collections, which cannot exceed the two percent (2%) assessment on each taxable room night sale by New Braunfels lodging partners with 5 or more rooms and do not derive the majority of their annual revenue for tickets and /or passes to an attraction, as defined in the NBTPID petition. The NBTPID will follow established statutory procedures for the addition of newly built eligible hotels into the district. Assessment revenue not expended in a fiscal year may be rolled over to the next fiscal year's budget, so long as they are allocated to the same budget category and approved by a majority vote of the NBTPID Board.

Table B

10-year Service Plan Category Percentages & Amounts

Budget Year	**Est. % YOY increase**	**Annual Projected Budget**	**Marketing & Sales**	**Research & Administration**	**Contingency**
		100%	85%	10%	5%
FY26 (July - Sept.)	5%	$320,000	$272,000	$32,000	$16,000
FY27	4%	$990,000	$841,500	$99,000	$49,500
FY28	4%	$1,025,000	$871,250	$102,500	$51,250
FY29	4%	$1,070,000	$909,500	$107,000	$53,500
FY30	8%	$1,150,000	$977,500	$115,000	$57,500
FY31	4%	$1,195,000	$1,015,750	$119,500	$59,750
FY32	4%	$1,240,000	$1,054,000	$124,000	$62,000
FY33	4%	$1,290,000	$1,096,500	$129,000	$64,500
FY34	4%	$1,345,000	$1,143,250	$134,500	$67,250
FY35	8%	$1,450,000	$1,232,500	$145,000	$72,500
Totals		**$11,075,000**	**$9,413,750**	**$1,107,500**	**$553,750**

Projected New Braunfels Tourism Public Improvement District Services

<u>Supplemental Marketing (advertising and promotion) and Sales Initiatives</u>

Fifty percent (50%) of the annual NBTPID budget is targeted for increased marketing initiatives, which will drive more overnight stays to NBTPID hotels and indirect economic activity within New Braunfels. This allocation is part of the eighty-five (85%) overall NBTPID allocation to the marketing and sales category. The percentage spent on marketing compared to sales may be adjusted by the NBTPID Board based on recommendations of the Convention and Visitors Bureau (CVB). Current hotel occupancy tax fund collections do not generate enough budget capacity for sales and marketing campaigns to drive year-round visitation to multiple audiences. NBTPID funds will generate additional capacity to expand reach in key target markets that are not accessible with current funding, such initiatives may include, but are not limited to:

a. Expand reach and frequency in primary markets

The CVB has historically focused on 4 key primary markets: Houston, Dallas/Fort Worth, San Antonio and Austin at various times with various mediums throughout the year. Data shows these markets drive the majority of tourism to New Braunfels. The additional funding provided by a TPID allows marketing on a more year-round basis both within these and other key markets, and to undertake additional tactics for increased reach, frequency and market awareness.

b. Allow for advertising in secondary Texas markets

The current HOT budget does not support advertising in secondary designated marketing areas (DMA's) including but not limited to: Corpus Christi, Harlingen and Midland/Odessa for the majority of the year. The additional NBTPID funds will allow the CVB to focus on these secondary markets with impactful marketing initiatives for longer periods of time. Data indicates these markets drive tourism with longer stays which provide a larger positive impact for New Braunfels businesses.

c. Experience Development/Visitor Servicing

A key strategy for the CVB is to further separate New Braunfels from its competition in experience development and visitor servicing. With NBTPID funding, resources will be available to develop and enhance supplemental programs and experiences that yield heightened visitor perceptions of New Braunfels as a destination. It is also noteworthy current HOT fund levels have allowed us to maintain the existing Visitor Center, but they only enable basic operations dependent on volunteer staff, in a location that no longer provides sufficient visitor traffic. The NBTPID funding could be utilized to relocate the visitor center downtown and support expenses as the center will enhance our ability to increase traffic and create a meaningful resource and potential revenue center. The NBTPID funds could also be used to support the creation of impactful customer service programs such as the Ambassador program geared for hospitality partners and other stakeholders aimed at increasing awareness of New Braunfels assets in different ways creating a positive and memorable experience for all tourists visiting the New Braunfels community.

Supplemental Sales (Conventions, Meetings, Sports) Initiatives

Thirty-five percent (35%) of annual NBTPID budget is targeted to supplemental sales initiatives designed to increase state and regional awareness of New Braunfels as a meeting and convention destination to generate increased hotel activity. This allocation is part of the eighty-five percent (85%) allocation for the Marketing and Sales category. The percentage of the NBTPID funding that is spent on sales compared to marketing may be adjusted by the NBTPID Board based on recommendations of the CVB. Supplemental sales initiatives may include but are not limited to:

a. **Direct marketing related to group sales initiatives**
The NBTPID funding will enable us to place paid additional advertising in support of group sales efforts. Research shows paid advertising increases reach and frequency exponentially as well as provides us the ability to better target audiences generating the highest ROI.

b. **Film and Music Commissions**
A growing opportunity for Designated Marketing Organizations (DMOs) is the ability to sell their community as a film and music destination. Industry trade associations along with celebrities like Taylor Sheridan, Matthew McConaughey and Billy Bob Thornton are actively promoting Texas as a film friendly destination and NBTPID funds will provide the opportunity to tap into opportunities within this sector. Additionally, cities like Austin, Nashville and Tulsa have proven to have a rich, unique music scene which appeals to a growing sector of travelers seeking an authentic cultural experience. The NBTPID funding will allow us the ability to actively seek out opportunities in both the film and music industries to bring business, room nights, and exposure for New Braunfels.

c. **Tradeshows/Sales Missons (FAM tours)**
To ensure success, the CVB must increase its involvement and engagement with travel/tradeshow associations. A focus on increased sales initiatives will lead to additional site visits for industry tradeshows. It is important to bring meeting planners to our destination so that they can experience first-hand all that New Braunfels has to offer.

d. **Sales Servicing and Staffing**
The expansion of our overall sales and marketing efforts for both leisure and group travel may require additional staff and contract resources.

e. **National Industry Organizations**
The ability to develop strong partnerships with meeting planner groups is critical to the future success of growing group room nights. Current HOT funding allocations limit the capacity of the CVB to attend certain key industry meetings throughout the year that include meeting planners that would likely be interested in New Braunfels as a destination for their events; the NBTPID will help enhance this capacity to attend these regional and national meetings.

f. **Events Bid Fund/Incentives**

Currently, the CVB budget does not have the capacity to offer incentives for groups and organizations to bring their events or group business to New Braunfels. The NBTPID would provide funding to offer competitive incentives and sponsorships that will enable us to better compete to secure key groups that will host their meetings in New Braunfels. These funds will also support transportation incentives which is a primary obstacle in recruiting meetings. With the limited number of hotels with meeting space, transportation incentives will help cover the cost for potential groups to transport attendees from a cadre of hotels to secondary meeting, event, and attraction venues.

Research and Administration Initiatives

Ten percent (10%) of the annual NBTPID budget will be allocated toward research initiatives and for the administrative costs of administering the TPID. With the NBTPID investment in additional marketing for both leisure and group travel, combined with the increased sales initiatives, it is possible that additional CVB and/or contract sales staff may be necessary. Any such initiatives will be presented to the NBTPID Board for their review and potential approval. It will also be important for the NBTPID to have the ability to conduct thorough research to make educated recommendations as well as to be able to track and analyze the results/impact of NBTPID funded marketing and sales initiatives. The allocation to research is essential to maximizing the impact of every TPID dollar. The administrative and research costs may include, but would not be limited to the following:

a. **Administrative Costs**

The City of New Braunfels will incur additional costs from its collection of TPID fees and the NBTPID will be responsible for reimbursing the City for such costs. The NBTPID may also need to cover limited additional CVB expenses for legal counsel, administration of the district, and supplemental finance and accounting assistance needed to administer the NBTPID funds.

b. **Research**

Growing our tourism and hotel activity will require a continued dedication to research and prospecting programs to ensure a strong ROI from the sales and marketing initiatives undertaken by the NBTPID. Current hotel occupancy tax fund levels have allowed us to conduct some of this essential research, but with the NBTPID funding, we will be able to garner higher level and more strategic ROI measurements and data as well as use industry-leading sales prospecting tools.

Contingency Funds

Five percent (5%) of annual NBTPID budget will be allocated to NBTPID contingency funds to allow consistent operation of the NBTPID Service Plan during unexpected economic challenges and to be prepared to address new opportunities within each budget category.

Exhibit A: Proposed NBTPID Boundaries