

## Legislation Text

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Presenter/Contact

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**SUBJECT:**

Approval of an agreement between the City of New Braunfels and the Greater New Braunfels Chamber of Commerce concerning marketing New Braunfels tourism activities operating under enhanced health and safety protocols during the declared state of disaster due to COVID-19

**BACKGROUND / RATIONALE:**

As the chamber of commerce indicated during their presentation to City Council on July 29, the tourism industry is a significant component of the New Braunfels economy.

During the presentation, Chamber representatives specified the importance of marketing our shoulder seasons as well specific placements that provided safety assurances for those looking for travel opportunities. The primary funding source to support these efforts has traditionally been the Hotel/Motel Occupancy Tax Fund. Occupancy taxes have been impacted significantly by the pandemic, the reserves within that fund will be needed to maintain base services of the CVB, support the annual debt service of the Civic/Convention Center and continue to support the Arts and Heritage associations

Fortunately, the CARES funding that the City can access allows for the expenditures of marketing and advertising the reopening of tourism related facilities as long as those placements are focused on the health and safety protocols put in place to assure a safe experience. The Chamber has identified \$292,450 in eligible expenditures.

As indicated, utilizing a portion of the CARES funds to support these efforts will reduce the reliance on the Occupancy Tax Fund reserves.

The attached agreement outlines the various roles and responsibilities of the City and Chamber of Commerce to ensure that these funds are efficiently and properly utilized for CARES act eligible expenditures.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

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**FISCAL IMPACT:**

There is no direct fiscal impact to the City of New Braunfels with the approval of the attached agreement.

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

City Council provided direction to staff at the July 13<sup>th</sup> retreat to move forward with utilizing the CARES act funds for the above mentioned expenditures; therefore, staff recommends approval of the agreement.