

March 26, 2013

The Bastrop City Council met in Special Meeting on Tuesday, March 26, 2013 at 5:30 p.m. at the Bastrop City Hall Council Chambers, 1311 Chestnut Street, Bastrop, Texas. Members present were Mayor Terry Orr and Council Members Joe Beal, Willie DeLaRosa, Ken Kesselus, Kay Garcia McAnally and Dock Jackson.

1. CALL TO ORDER

At 5:35 p.m., Mayor Terry Orr called the meeting to order with all members present.

2. DISCUSSION WITH THE BASTROP LOCAL HOTEL/MOTEL/INN OWNERS REGARDING THE CITY'S WORK WITH HOTEL OCCUPANCY TAX (HOT) REVENUE FUNDING.

Mayor Orr stated he intends this meeting to be a flow of information and discussion. Mayor Orr stated Council Member Kesselus had talked to him about the Council being in concert with hotel owners on how the City's hotel occupancy tax (HOT) revenue money is spent and what things the Council needs to be looking at as we go into the future.

Council Member Ken Kesselus stated Council Member Kay Garcia McAnally has had conversations with hotel/motel/inn owners and that stimulated this conversation. Mr. Kesselus stated after the City's Hotel Funding Tax Funding Applications are received the Council could invite the hotel/motel/inn owners to comment on the applications. Mr. Kesselus stated he thought this would be a step in the right direction. Mr. Kesselus the Council needs to hear from them what events or things fill up the hotels, motels and inns.

Mayor Orr stated one of the Council's topics at their Retreat was the possibility of establishing a Convention Center Advisory Board. Mayor Orr stated he thinks Convention Center Director Kathy Danielson has had a conversation with hotel/motel/inn owners regarding this and it may well be that the City needs to look at creation of a Convention Center Advisory Board and include members who are hotel, motel or inn owners. Mayor Orr stated one thing has been certified, as we are working to get trade shows, etc. the whole idea is to get people to spend the night and we need the cooperation of the hotel, motel and inn owners for creating blocks of rooms, etc. Mayor Orr stated from 2008 the City Council has moved forward with the Convention Center and 2-3 new hotels have been built since then and he thinks the Convention Center is sparking economic activity. Mayor Orr stated he needs this Convention Center to float a little higher off the ground.

Council Member Kay Garcia McAnally stated she has been meeting with one of the hotel owners and it was brought to her attention that the hotel, motel or inn owners would like to have some input on how the City spends the hotel occupancy tax (HOT) revenue money. Ms. McAnally stated she would like to hear from the hotel, motel or inn owners which one of the City HOT funded events actually puts heads in beds. Ms. McAnally stated she knows there has been talk of package deals. Ms. McAnally stated she would like to hear the hotel, motel and inn owners ideas.

Jonathan Adam, Manager of Holiday Inn Express, addressed the Council. Mr. Adam stated the hotel and motel owners have been meeting and it is not that they necessarily want to say who should get City hotel occupancy tax (HOT) revenue money. Mr. Adam stated the owners can tell you who generated the money and then the Council could make more educated choices as to who to fund. Mr. Adam stated they feel that where the funding is currently being granted is not necessarily the event bringing in heads in beds. Mr. Adam stated that one of the items funded by the HOT revenue money is not putting any heads in beds. Mr. Adam stated he has tried to call the Opera House to discuss putting Opera House & hotel room packages together and he does not get a call back. Mr. Adam stated they work closely with the Downtown Business Alliance to get guests downtown. Mr. Adam stated they would like to see that the funding is leveraged and give the Convention Center a better budget to see better production. Mr. Adam stated if necessary the Council should trim other projects and give to the Convention Center if needed, and do not fund projects that are not producing.

Mayor Orr stated that when there are events in the City, he sees a lot of people attending and intuitively those people may spend the night.

Mr. Adam stated the hotel, motel and inn owners can give the City that data.

Council Member Kesselus stated that after the Hotel Occupancy Tax Funding Application were received by the City, the hotel, motel and inn owners could look at them and send us their data on which applicants brought people to the City and put heads in beds. Mr. Kesselus stated if the Council received that information before they hear the presentations from funding applicants that would empower the Council to ask questions.

Kay asked Mr. Adam to give the Council an example of why more money should be given to the Convention Center.

Mr. Adam stated the Convention Center is under staffed. Mr. Adam stated Kathy Danielson runs the Convention Center but does not have sales staff that can get groups to book five years down the road. Mr. Adam stated the Convention Center needs a big advertising budget. Mr. Adam stated the hotel and motel owners have formed an association where maybe they can submit a Hotel Occupancy Tax Funding Application to the City to receive money and maybe they can fund events that do not receive money from the City, such as the Colorado River event, the Warrior Dash and the events. Mr. Adam stated the owners want to drastically increase leisure travel by 30%. Mr. Adam stated the City's partnership with the Hyatt has been proven to work and hotel, motel and inn owners can reach out a little wider than most groups. Mr. Adam stated they are looking for a partnership with the City. Mr. Adam stated they want to continue to grow the market for leisure travel.

Council Member Dock Jackson asked what entities were represented at the meeting tonight

The following entities were present: Ken Dadlani – Quality Inn; Girish Patel – Tropicana Motel; and Days Inn.

Shawn Pletsch, owner of Pecan Street Inn, addressed the Council. Ms. Pletsch stated she thought that before you start talking about giving more hotel occupancy tax (HOT) revenue money away, everyone should keep in mind that 84.4% is already allocated. Ms. Pletsch stated money is allocated to the Convention Center, to the Bastrop Marketing Corporation and historically allocated to the Chamber of Commerce, Main Street Program and Opera House. Ms. Pletsch stated there is not very much left after that. Ms. Pletsch stated the Council recently allocated \$50,000 to the Bastrop Art in Public Places Task Force. Ms. Pletsch stated she would ask the Council to think of HOT money in a whole new way than they have ever done before. Ms. Pletsch stated the hotel and motel owners should guarantee Ms. Danielson the rates and schedules she needs to get people to book the Convention Center. Ms. Danielson stated the Downtown Business Alliance has brought tourists to Main Street and without reinvestment, without the Bastrop Marketing Corporation, the City would not be where it is today. Ms. Pletsch stated that if the Bastrop Opera House was not funded they would not survive. Ms. Pletsch stated if the Council is going to throw \$50,000 to the Bastrop Art in Public Places Task Force, or \$500,000 to the Museum, they should really look at the Downtown Business Alliance and the Main Street Program because they get people to town.

Mayor Orr stated the goal of the meeting tonight is to have a discussion. Mayor Orr stated there are funding obligations of the City. Mayor Orr stated what he is hearing tonight is that the Council needs to get the hotel owners more involved. Mayor Orr invited the hotel, motel and inn owners to formalize their association and expand the interface between their group and the City Manager and then he will endeavor to have one or two City Council Members for the group to have more communication with. Mayor Orr stated the City can come up with something better than they have now.

Council Member Joe Beal stated that he welcomed Ms. Pletsch's ideas and asked her if she would put them in writing.

Ms. Pletsch stated her concern is that there is \$65,000 left to claw over. Ms. Pletsch stated Mr. Adam and the other owners are looking at stuff that we do not even think about. Ms. Pletsch stated they need an advocate for them.

Mr. Beal stated the industry is growing in this town and the Mayor is right, they need to look at the future.

Steve Dewire, General Manager of the Hyatt Regency Lost Pines Resort & Spa, addressed the Council. Mr. Dewire stated he would like to see the hotels, motels and inns form an organization and know what they are targeting. Mr. Dewire asked that care be taken in picking three organizations that bring people to town. Mr. Dewire stated he would like to see more meetings like this and suggested the Council do this again.

Mayor Orr asked the City Manager, Mr. Talbot if he had the information necessary to move forward.

City Manager, Mike Talbot stated the most important thing that he can do is increase the frequency of meetings of the hotel, motel and inn owners.

Mayor Orr stated the Council needs the data that the hotel, motel and inn owners have collected. Mayor Orr stated he hoped this was just the beginning of meetings like this and things to come.

3. ADJOURN.

At 6:10 p.m., Kay Garcia McAnally moved to adjourn. Motion was seconded by Dock Jackson and carried unanimously.

APPROVED:

Terry Orr, Mayor

ATTEST:

Teresa Valdez, City Secretary