

CITY OF MARSHALL AGENDA MEMO

PROJECT: FY 2016 HOT Fund Allocations

MEETING DATE: November 12th, 2015

DESCRIPTION: Previously the City of Marshall entered into contracts with several entities to utilize HOT funds. The Marshall CVB also approved HOT funding for events that drew out of town visitors. On July 21st the City Commission approved the new HOT Funding Policy and application package for all entities to apply for HOT Funds. Groups were given 6 weeks to complete the applications. We received applications totaling \$174,087.50. The 2016 CVB/Tourism Budget allocated \$91,400.00 for outside funding. Unfortunately this means that \$82,687.50 would not be funded.

In 2015 the City and the CVB boards allocated \$102,700 in HOT funds to outside entities.

HOT Fund receipts for FY 2016 are budgeted at \$719,999, of that \$322,066.04 goes to Debt Service. \$256,532.96 has been allocated to the CVB/Tourism Budget including rent, utilities, marketing and staff. That leaves an additional \$50,000 for the 2016 Wonderland of Lights, and \$91,400.00 for outside funding.

The CVB Board feels strongly that each of the entities that applied for HOT Funds are deserving. All of the groups and organizations contribute to Marshall as a tourism destination, however HOT Funds should be utilized by outside entities as in investment to grow and develop events and programs that generate additional HOT. The CVB Board and Tourism Department feel that HOT funds should not be used by entities as part of their general operating budgets. Ideally HOT Funds should be granted to groups on a sliding scale, meaning they should be utilizing the funds to help grow programs and events and wouldn't need the same amount of funding each year. The CVB Board and the Tourism department are eager to continue to work with these outside groups to add to tourism development in Marshall.

In an effort of equality the CVB Board is recommending the same level of funding for all groups funded in FY 2015 with a 10% reduction. They are also recommending that Caddo Kennel Club and Gold Wings not be funded, but instead waive their fees at City facilities operated by the Tourism & Promotions Department. Both Caddo Kennel Club and GoldWings generate a significant amount of room nights. With the 10% reduction we hope that these other groups and entities will start formulating development and growth plans that will over time lead them to be self sufficient of HOT funds. The CVB Board also felt this reduction and reallocation was necessary to fund a new request by Get Healthy Marshall, which has proven to bring in HOT receipts year after year.

COST: \$91,400.00

FUNDING: FY 2016 HOT Funds

RECOMMENDED ACTION: Approve Allocations

CITY CONTACT: Sarah E. O'Brien, Tourism & Promotions Director
Obrien.sarah@marshalltexas.net 903-702-9500

ATTACHMENTS: FY 2016 CVB/Tourism Budget
FY 2015 Awards
FY 2016 Recommended Allocations

Entity	2015 Funded Amount*	2016 Funding Request	2016 Budgeted	CVB Board Recommendations
T&P Railroad Depot	\$ 16,500.00	\$ 16,500.00		\$14,850.00
Harrison County Historical Museum	\$ 8,750.00	\$ 8,750.00		\$7,875.00
Michelson Museum of Art	\$ 10,000.00	\$ 23,450.00		\$9,000.00
Marshall Regional Arts Council	\$ 21,250.00	\$ 21,000.00		\$19,125.00
Boogie Woogie Promotion	\$ 19,200.00	\$ 60,000.00		\$17,280.00
Wrestling Promotion benefiting East Texa	\$ 2,000.00	-		\$0.00
Wiley College	\$ 4,000.00	-		\$0.00
Caddo Kennel Club	\$ 600.00	\$ 600.00		Waive City Arena Fees
GoldWings	\$ 8,000.00	\$ 3,787.50		Waive Convention Center Fees
Josey College	\$ 12,500.00	\$ 25,000.00		\$11,250.00
Get Healthy Marshall	\$ -	\$ 15,000.00		\$12,020.00
TOTALS	\$ 102,800.00	\$ 174,087.50	\$ 91,400.00	\$91,400.00



Current Hotel Occupancy Fund Expenditures FY 2015

City of Marshall 2015

- T&P Railroad Depot: \$16,500
- Harrison County Historical Museum: \$8,750
- Michelson Museum of Art: \$10,000
- Marshall Regional Arts Council: \$21,150
- Wonderland of Lights: \$50,000
- Boogie Woogie Promotion: \$19,200

Total City of Marshall = \$125,600

Convention & Visitors Bureau 2015

Wrestling Promotion benefiting East Texas Open Door- \$2,000

Wiley College: \$4,000

Caddo Kennel Club: \$600

GWRRRA Region H: \$8,000

Josey College \$12,500

Total for CVB= \$27,100

TOTAL OUTSIDE HOT FUNDING: \$152,700

	2016 HOT Budget
Outside Funding	
HOT Requests	\$ 91,400.00
Wonderland of Lights	\$ 50,000.00
Total for non CVB Funding	\$ 141,400.00
CVB Operations	
Staff	\$ 160,732.96
Rent	\$ 31,200.00
Membership & Dues	\$ 3,000.00
Travel & Training	\$ 3,000.00
Marketing & Advertising	\$ 20,000.00
Meltwater PR Service	\$ 5,000.00
Visitor Center Operations	\$ 6,500.00
Printing	\$ 7,000.00
Postage	\$ 3,000.00
Tourism Development	\$ 1,500.00
Convention & Group Tour Servicing	\$ 2,500.00
Hotelier Meetings	\$ 600.00
Downtown Banner Program	\$ -
Utilities	\$ 6,500.00
FAM Tours	\$ 800.00
Media/Public Relations	\$ 1,000.00
Special Services	\$ 1,200.00
Hospitality Training	\$ 500.00
Printer Supplies & Maintenance	\$ 2,500.00
Travel & Trade Show Participation	\$ -
Convention Center Rate Study	\$ -
Economic Impact Reports	\$ -
Public Art	\$ -
CVB Operations Total	\$ 256,532.96
Debt Service Items	\$ 322,066.04
HOT Receipts FY 2016	\$ 719,999.00