

**MINUTES OF SPECIAL JOINT MEETING OF CITY COUNCIL AND  
STAFFORD ECONOMIC DEVELOPMENT CORPORATION  
TUESDAY, MARCH 22, 2022**

On March 22, 2022, at 6:00 p.m., Stafford City Council and the Stafford Economic Development Corporation met in special session in the City Council Chamber in said City.

1. Call to Order and Pledge of Allegiances.

Mayor Willis called the meeting of Stafford City Council to order at 6:00 p.m. President Guerra called the meeting of the Stafford Economic Development Corporation to order at 6:02 p.m.

The Pledges to the American Flag and the Texas Flag followed.

2. Roll call of City Council and Stafford Economic Development Corporation (SEDC) Board of Directors.

The following Councilmembers were present: Mayor Cecil Willis, Mayor Pro Tem Ken Mathew, Councilmembers Alice Chen, Wen Guerra, Xavier Herrera, Don Jones (arrived at 6:06 p.m.), and Virginia Rosas.

The following SEDC Board members were present: President Wen Guerra, Vice President Ken Mathew, Board members Gwen Goodwin, Randy Krahn, Damon Leonetti, Joe Rome, and Lawrence Vaccaro.

Others present: Captain Patrick Herman, Police Department; Alka Shah, Finance Director; Camille Scott, Director of Multimedia Communications; Susan Ricks, Director of Recreation; Rebecca Hawthorn, Assistant General Manager; Bryan Blaum, President, FM Squared; Katie Rutherford, Attorney, Olson & Olson, LLP.; Scott Joslove, President & CEO, Texas Hotel & Lodging Association; Garrett Coppedge, Texas Hotel & Lodging Association.

3. Public comments on items on agenda.

There were no public comments.

4. Presentation by Scott Joslove, President & CEO, Texas Hotel & Lodging Association on the topic of "HOTEL OCCUPANCY TAX".

Mr. Joslove gave background information on himself. His presentation on the available uses of the local Hotel Occupancy Tax followed. In summary:

- Criteria #1: Every expenditure of the HOT must directly promote tourism and the hotel and convention industry.

- Criteria #2: Every expenditure of the HOT must clearly fit into one of nine statutorily provided categories:
  - 1) Funding the establishment, improvement, or maintenance of convention centers – includes visitor information center, civic center, expo facility, or arena. The primary use is to host meetings and/or conventions for tourists (people from another city or county). Primary use would be more than 50% of the rest of its usage. If not more than 50%, it is considered a local facility funded by general revenue.
  - 2) Paying the administrative costs for facilitating convention registration.
  - 3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates.
  - 4) Expenditures that promote the arts.
  - 5) Funding historical restoration or preservation.

Mr. Joslove pointed out that asking for an Attorney General's Opinion is not a good idea.

President Guerra asked about a convention center hotel project. Mr. Joslove responded that it would be a great way to use the HOT. He will provide information on such a project. There are HOT and sales tax rebates from the State to help cover that type of project. This would require authorization from the Legislature, and he can help write a bill. A convention center hotel can include a visitor center, sports-related field, mixed-use facility, arts facility, and more.

Mr. Joslove added that you can only spend 1/7% on marketing and promotion. There is a spending cap of 15% on the arts and also on historical restoration. An SEDC marketing plan can promote both business and tourism and the cost split between sales tax and the HOT. Questions followed on the use of a brochure or coupon book to advertise or for promotion. He explained how that can be done and paid for with general funds and/or HOT, depending on whether it is for business or tourism and whether distribution is local or non-local.

Mr. Krahn doesn't know what we are doing for the hotel industry right now considering we are sitting on their money. Whatever we do, we need to make them feel inclusive and benefiting somehow.

Mr. Joslove noted that a visitor center could be a kiosk, or a portion of the Chamber office, or a place at City Hall that gives out materials.

Regarding registration and convention delegates, that is to hire staff to hand out materials at a conference.

On advertising and promotion (using brochures, radio, tv, print ads, and listing hotels on website and on State tourism site), you want to market the City as long as it has the element of also primarily affecting hotel activity. Advertising can be website work, spots, in meetings, giveaways, and tours.

Councilmember Rosas talked about “shopping local”. Mr. Joslove said the HOT can pay for “shop local, dine local, stay local” information distributed to meeting or event attendees coming from out of town. Mr. Rome suggested sending out literature to organizations, etc., before attendees arrive in Stafford to attend events.

Promoting the arts can be for any art form (sculpture, poetry, film) but one that is frequented by tourists and hotel guests. The HOT will pay for the cost of the event, staff, and use of the facility. No more than 15% of the HOT can be used for this.

Historical restoration or preservation is mostly a Main Street expense for publicly- or privately-owned structures and even non-profit facilities. The cap is typically 15%. They have to be frequented by tourists or hotel guests.

- 6) Sport-related events are for cities in a county that has a population under one million. Mr. Joslove does not think dancing is a sport. Councilmember Chen asked about national robot and math competitions hosted by the City. Mr. Joslove responded that those are not sport-related events but could be events to advertise and promote.
- 7) Sport-related facilities don't pertain to Stafford. Mr. Joslove can help draft legislation if needed.
- 8) Tourist-related signage.
- 9) Shuttles between area hotels and area attractions.

Mr. Joslove noted that Stafford hotels are doing better than in other communities.

Mayor Willis thanked Mr. Joslove, who in turn introduced Garrett Coppege, attorney.

5. Adjournment.

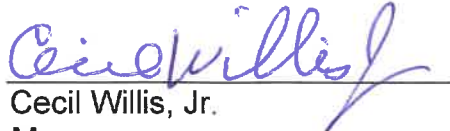
Councilmember Herrera made a motion to adjourn. Councilmember Chen seconded the motion, and it carried 7-0.

Mr. Rome made a motion to adjourn. Ms. Gwen seconded the motion, and it carried 7-0.

The meeting adjourned at 7:00 p.m.



Bonnie Baiamonte  
Acting City Secretary



Cecil Willis, Jr.  
Mayor



Wen Guerra, President



Joe Rome, Secretary



