

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PFLUGERVILLE, TEXAS ACCEPTING AND APPROVING THE TOURISM PUBLIC IMPROVEMENT DISTRICT (TPID) FINAL SERVICE PLAN FOR THE DISTRICT; ASSESSMENT RATE AND ASSESSMENT ROLL, APPROPRIATING \$361,000 IN REVENUE TO THE DISTRICT FOR FISCAL YEAR 2027; AND TO INCLUDE IN FISCAL YEAR 2027 THE NEW TOURISM PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND; AND PROVIDING OTHER MATTERS RELATED TO THE SUBJECT

WHEREAS, Chapter 372, Texas Local Government Code, titled the Public Improvement District Act (the “Act”), authorizes the creation of public improvement districts and the levy of assessments against the properties within the district; and

WHEREAS, a petition was submitted to the City of Pflugerville (“City”) on June 24, 2026, pursuant to the Act requesting the creation of a public improvement district within the City to be known as the Pflugerville Tourism Public Improvement District (“PfTPID”); and

WHEREAS, the petition contained the signatures required under Section 372.005 (b-1) of the Act; and

WHEREAS, City Council held a public hearing in the manner required by law on the improvement district and services described in the petition as required by Section 372.009 of the Act; and

WHEREAS, City Council approved the service and assessment plan including a determination of assessment and determined the total cost of the improvements of the ten-year term of the PfTPID as required by Sections 372.013-372.015 of the Act, and City staff prepared a proposed assessment roll based on the approved plan; and

WHEREAS, City Council authorized and created the PfTPID in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, the City, pursuant to Section 372.016(b) of the Act, previously published notice of a public hearing to consider the assessment in the newspaper, such notice attached as **Exhibit A**, and the levy of assessments on the benefitted properties described in the proposed assessment roll in the PfTPID; and

WHEREAS, City Council, pursuant to Section 372.016 (c) of the Act, mailed notice of the public hearing to consider the Proposed Assessment Roll and the levy to

the last known address of the owners of the properties liable for the Assessments;
and

WHEREAS, City Council convened the hearing as scheduled, at which all written or oral objections were considered, and all persons who appeared were given the opportunity to object to any proposed Assessment; and

WHEREAS, City Council determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act; and

WHEREAS, City Council finds and determines that the Assessment Roll should be approved and Assessments should be levied as provided in this Ordinance and in the Service and Assessment Plan;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PFLUGERVILLE, TEXAS:

SECTION 1. Recitals. The recitals contained in the preamble are found to be true and correct and are adopted by the City Council and made a part hereof for all purposes and findings of the Act. Capitalized terms not otherwise defined herein are as defined in the approved Service and Assessment Plan.

SECTION 2. 2027 Assessment Roll. The Proposed Assessment Roll is accepted and approved relating to the Assessments of the PFTPID required by Section 372.016 of the Act.

SECTION 3. Levy of Assessments.

(a) In accordance with the requirements and provisions of Section 372.017 of the Act, the City hereby levies Assessments against the Assessed Parcels in the aggregate amount of the costs of the improvements and for the purposes set forth in the approved Service and Assessment Plan (**Exhibit B**), as a special assessment on the Assessed Parcels. The apportionment of such costs shall be two percent (2%) of the total price of a sleeping room or sleeping facility located on the Assessed Parcels, said price to include all goods and services provided by the hotel, which are subject to the City's hotel occupancy tax. The Assessments are levied for hotel room night stays beginning October 1, 2026. All Assessments received by the City shall be deposited, used, and applied to pay the Improvements in accordance with the approved Service and Assessment Plan.

(b) All Assessments levied as authorized by this Ordinance and all other provisions hereof are subject to the annual reviews, analyses, and

recalculations required by the Service and Assessment Plan, and may change from time to time as required and permitted by the Act and by this Ordinance.

SECTION 4. Annual Accounting, Billing and Collection Requirements.

(a) A hotel required to collect the Assessment imposed by this Ordinance shall pay the City the Assessments collected during the preceding hotel tax reporting period and at the same time shall file with the City a report required in accordance with all requirements and procedures set forth in Chapter 33, Art. II, of the City's Code of Ordinances ("HOT Ordinance").

(b) Each reporting period, Assessments imposed under this Ordinance are due and payable to the City on or before the 20th day of the month following the end of each reporting period.

SECTION 5. Allocation and Apportionment of Accounts Among Owners, Collections. The amounts of the Assessments levied and assessed shall be periodically adjusted, modified, amended, allocated and apportioned among the owners of the Assessed Parcels in accordance with the provisions of and the allocation directions contained in the Service and Assessment Plan, the Assessment Roll, and this Ordinance.

SECTION 6. Penalties and Interest on Delinquent Assessments. An Assessment bears interest at the same rate, and beginning at the same time, as local hotel occupancy taxes. Delinquent Assessments shall be subject to the penalties, interest, attorney fees, and procedures set forth in this Ordinance, the HOT Ordinance, and Chapter 351 of the Texas Tax Code.

SECTION 7. Remedies for Failure to Pay. The Assessments levied hereby, with interest, the expense of collection, and reasonable attorney's fees, if incurred, shall be binding upon the owners of Assessed Parcels, regardless of whether the owners are named, in the same manner and for the same period as such parties would be personally liable for the payment of local hotel occupancy taxes under applicable law. The City may pursue remedies for the failure to pay the Assessment that are available to the City for failure to pay local hotel occupancy tax under the HOT Ordinance and Chapter 351 of the Texas Tax Code.

SECTION 8. Severability. If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other

persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

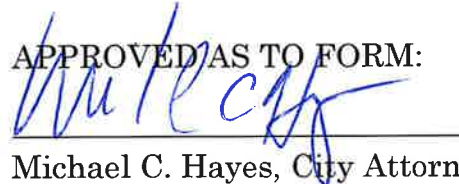
SECTION 9. Effective Date of Assessments. The levy of the Assessments shall be effective on October 1, 2026, without any further action by the City.

PASSED AND APPROVED ON FIRST READING, this the ____ day of ____ 2026.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the ____ day of ____, 2026.

Doug Weiss, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Trista Evans, City Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARINGS

Please take notice that on **July 14, 2026 at 7 p.m.** the Pflugerville City Council will hold two public hearings in the Pflugerville Justice Center, 1611 E. Pfennig, during the City Council Meeting to take action on the following items regarding the

PFLUGERVILLE TOURISM PUBLIC IMPROVEMENT DISTRICT

-One public hearing to consider the creation of the PFTPID; and

-One public hearing to consider approving the final service plan, assessment rate and assessment roll, and other details of the proposed PFTPID

The PFTPID was formed by the procedures set forth in the Chapter 372 of the Texas Local Government Code (The "Act") following the City's receipt of a petition by affected property owners to fund supplemental services and improvements to benefit the PFTPID through a special assessment on PFTPID property. Each year, the City Council must review and approve the service plan, which provides a ten-year estimate of the costs for the supplemental services and improvements, and it must hold a hearing to receive and pass on any objections to the assessment levied to pay for those supplemental services and improvements. All interested persons will be given the opportunity to appear and be heard at the public hearing.

The following information is hereby provided concerning the matters to be considered at the hearing:

Boundaries. The boundaries of the PFTPID will be the same as the city limits of the City of Pflugerville. The proposed boundaries shall solely include non-contiguous hotel properties with 70 or more rooms.

Purpose of the PFTPID, General Nature of the Proposed Services and Improvements.

The proposed services and improvements to be provided in the PFTPID include marketing, business recruitment, and promotional activities that are approved by the petition and authorized by the Act for improvement and promotion of the PFTPID, including the provisions of special supplemental services for improvement and promotion of the PFTPID relating to increased marketing and sales initiatives, industry partnerships, research and administration, and contingency costs.

Method of Assessment. The PFTPID assessment will be levied on hotel properties located within the PFTPID boundaries that have seventy (70) or more rooms ordinarily used for sleeping and that do not derive the majority of their 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 which are subject to local hotel occupancy tax under Texas law. If a room night rental transaction is exempt from local hotel occupancy tax, it is also exempt from the application of the PFTPID assessment. Further, the PFTPID 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 PFTPID 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.

Estimated Cost; No Bonded Indebtedness. The annual assessment rate shall not exceed two percent (2%) of gross taxable hotel room night rental revenue. The annual cost of services provided by the PFTPID are estimated to range from \$361,000 to \$560,340 however, in no event shall the assessment rate exceed two percent (2%) of hotel properties' gross taxable room night rental revenue. The PFTPID shall not incur bonded indebtedness.

Apportionment of Cost between the PFTPID and the Municipality as a Whole. The PFTPID will cover any costs for the implementation or administration of the District.

Written or oral objections will be considered at the meeting. Citizens wishing to comment on this item must be present to speak at the time the item is considered. For additional information, contact the City Secretary's Office at 512-990-6100 or citysecretary@pflugervilletx.gov

Pflugerville Tourism Public Improvement District

All properties are proposed to be subject to an assessment of two percent (2%) of taxable hotel night stays.

Listing of Hotels Within District With 70 or more rooms

Home2Suites by Hilton/Tru by Hilton Pflugerville 18700 Hill Top Commercial Drive Pflugerville, TX

Courtyard by Marriott 16100 Impact Way, Pflugerville, TX

Holiday Inn Express 18616 Hill Top Commercial Drive, Pflugerville TX

Best Western Pflugerville 16101 Impact Way, Pflugerville, TX

La Quinta Inn & Suites by Wyndham Pflugerville 1408 Town Center Drive Building, Pflugerville, TX

Hawthorn Extended Stay by Wyndham Pflugerville 1408 Town Center Drive Building 2 Pflugerville, TX



EXHIBIT B

Pflugerville Tourism Public Improvement District (PfTPID) Service Plan

The Pflugerville Tourism Public Improvement District Service Plan (the “Plan”) is designed to strengthen and elevate visitation to Pflugerville, the Trail Capital of Texas, by increasing overnight stays and enhancing the overall visitor experience. Through strategic, locally focused investments directed by a Board of Directors composed exclusively of hotel representatives within the PfTPID, along with a representative from the Pflugerville Convention and Visitors Bureau (Pflugerville CVB), the Plan ensures that tourism initiatives reflect the unique character and priorities of the Pflugerville hospitality community. The proposed district will provide dedicated resources for Pflugerville to compete more effectively for leisure travelers, meetings and group events with dedicated resources to grow market share, support local businesses, and generate sustained economic impact that benefits the entire Pflugerville community.

District Name

The district name shall be the Pflugerville Tourism Public Improvement District (“PfTPID”).

District Location

The PfTPID will be located entirely within the City limits of Pflugerville, Texas, a Texas home-rule municipality. The boundaries of the proposed PfTPID are as shown on the attached map marked **Exhibit A** and shall solely include non-contiguous and contiguous lodging properties with 70 or more rooms within the City of Pflugerville (the “City”).

Purpose of the PfTPID

The proposed PfTPID will supplement the existing use of local hotel tax for sales and marketing initiatives to generate additional business, group, event, and leisure travel to Pflugerville to generate increased lodging activities for the hotels within the PfTPID.

Method of Assessment

The PfTPID assessment will be levied on hotel properties located within the PfTPID boundaries that have 70 or more rooms ordinarily used for sleeping. The annual assessment rate for all hotel properties within the PfTPID shall be two percent (2%) of taxable hotel room night sales. The assessment shall only apply to room-night

sales which 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 PFTPID assessment. The assessment shall not apply to hotel stays that were fully-prepaid prior to the creation of the PFTPID. It shall also not apply to group or corporate room night contracts that were executed prior to the creation of the PFTPID if the contract does not allow for the inclusion of additional fees such as the PFTPID fee.

The PFTPID budget would be allocated as shown in the table below:

Table A

10-year Cumulative Service Plan*

Category	%	\$'s
Marketing & Sales	85%	\$3,861,664
Research and Administration	10%	\$454,313
Contingency Funds	5%	\$227,156
Total	100%	4,543,135

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

The estimated annual funding for the ten-year term of the PFTPID from FY27-FY36 is shown in Table B below. The estimated annual funding is forecasted to increase each year based on new lodging facilities and PFTPID activity. Expenditures of the PFTPID will be limited to actual collections, which cannot exceed the two percent (2%) assessment on each taxable room night sale by lodging partners with 70 or more rooms, as defined in the PFTPID petition. The PFTPID will follow established statutory procedures for addition of future eligible hotels to participate. Amounts within any category not used by the end of the fiscal year may be rolled over within the same budget category in the following year's budget as approved by a majority vote of the PFTPID Board of Directors.

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%
FY27	5%	\$ 361,200	\$ 307,020	\$ 36,120	\$ 18,060

FY28	5%	\$ 379,260	\$ 322,371	\$ 37,926	\$ 18,963
FY29	5%	\$ 398,223	\$ 338,490	\$ 39,822	\$ 19,911
FY30	5%	\$ 418,134	\$ 355,414	\$ 41,813	\$ 20,907
FY31	5%	\$ 439,041	\$ 373,185	\$ 43,904	\$ 21,952
FY32	5%	\$ 460,993	\$ 391,844	\$ 46,099	\$ 23,050
FY33	5%	\$ 484,043	\$ 411,436	\$ 48,404	\$ 24,202
FY34	5%	\$ 508,245	\$ 432,008	\$ 50,824	\$ 25,412
FY35	5%	\$ 533,657	\$ 453,608	\$ 53,366	\$ 26,683
FY36	5%	\$ 560,340	\$ 476,289	\$ 56,034	\$ 28,017
Totals		\$ 4,543,135	\$ 3,861,665	\$ 454,313	\$ 227,157

Marketing, Advertising and Promotion 40%

Forty-Five percent (45%) of the annual budget shall be targeted for marketing, advertising and promotion initiatives to drive more hotel activity to Pflugerville. Up to 10% variance will be allowed in the amount to be allocated under this category. Amounts within this category that are not used by the end of the fiscal year may be rolled over within the same budget category in the following year's budget.

The Marketing, Advertising, and Promotion program will promote hotel activity within the PftPID for increased business travel, leisure, meeting, and events business at PftPID hotels. The program will set out to increase room night sales and may include but not be limited to the following activities:

1. Internet marketing, advertising, and promotion efforts such as email blasts, digital ads, programmatic placements to grow awareness and drive higher overnight visitation and room sales to assessed hotels within the PftPID.
2. Print ads in magazines and newspapers targeted at potential visitors to drive increased overnight visitation to assessed hotels within the PftPID.
3. Television and streaming ads targeted at potential visitors to drive greater overnight visitation and room sales to assessed hotels within the PftPID.

4. Radio ads targeted at potential visitors to drive increased overnight visitation and room sales to assessed hotels within the PftPID.
5. Preparation and production of new collateral and promotional materials such as brochures, flyers, maps and guides to increase room at night activity at hotels within the PftPID.
6. Development and implementation of an enhanced and new public relations and communication strategies designed to increase overnight visitation at assessed hotels within the PftPID.
7. Development and implementation of an enhanced travel writer's social media/ influencer program designed to increase overnight visitation at assessed hotels within the PftPID.
8. Implementation of new economic development partnerships to increase overnight visitation at assessed hotels within the PftPID.
9. Marketing, advertising and promotion fees and costs for listings on various websites to drive increased hotel revenue production to hotels in the PftPID.
10. As the impact of AI is felt within the hospitality industry, the PftPID, in strict accordance with City rules and policies, will embrace such changes and innovations as it relates to marketing, advertising, and promotion within the industry to drive increased revenue to hotels within the PftPID.

Sales and Business Recruitment - 45%

Forty-Five Percent (45%) of the annual budget shall be charged for sales and business recruitment initiatives. Up to 10% variance will be allowed in the amount to be allocated under this category. Amounts not used within this category by the end of the fiscal year may be rolled over into the same budget category in the following year's budget. The sales and business recruitment initiatives will be designed to increase room night sales for assessed hotel properties within the PftPID and may include but are not limited to the following activities:

1. Sales and business recruitment incentives to maintain and attract new group meetings, conventions, events and business travel that will have a

significant impact on demand for hotel activity for assessed hotels within the PftPID.

2. Expenses of sales and service staff deployed in key regions to supplement the selling of Pflugerville as a premier destination.
3. Increased attendance at professional industry conferences and events to promote increased business for assessed hotels within the PftPID.
4. Lead generation activities designed to attract increased tourist and group business to assessed hotels within the PftPID.
5. Attendance at trade shows to promote increased leads for assessed hotels within the PftPID.
6. Sales blitzes featuring assessed hotels within the PftPID.
7. Familiarization tours showcasing assessed hotels within the PftPID.
8. As the impact of AI is felt within the hospitality industry, the PftPID, in strict accordance with City rules and policies, will embrace such changes and innovations as it relates to sales and business recruitment within the industry to drive increased revenue to hotels within the PftPID.

Sales initiatives must meet a ROI (return on investment) threshold of 7 to 1 based on expected room revenues. The ROI for all sales and business recruitment initiatives will be measured based on increased room revenue production. With input and approval from the PftPID Board, individual exceptions may be made to the ROI 7 to 1 rule. Sales and business recruitment efforts may include programs such as individual hotel incentive programs with approval of the PftPID Board and within limits and criteria set by the board.

Administration 10%

Administration costs may include but are not limited to the following:

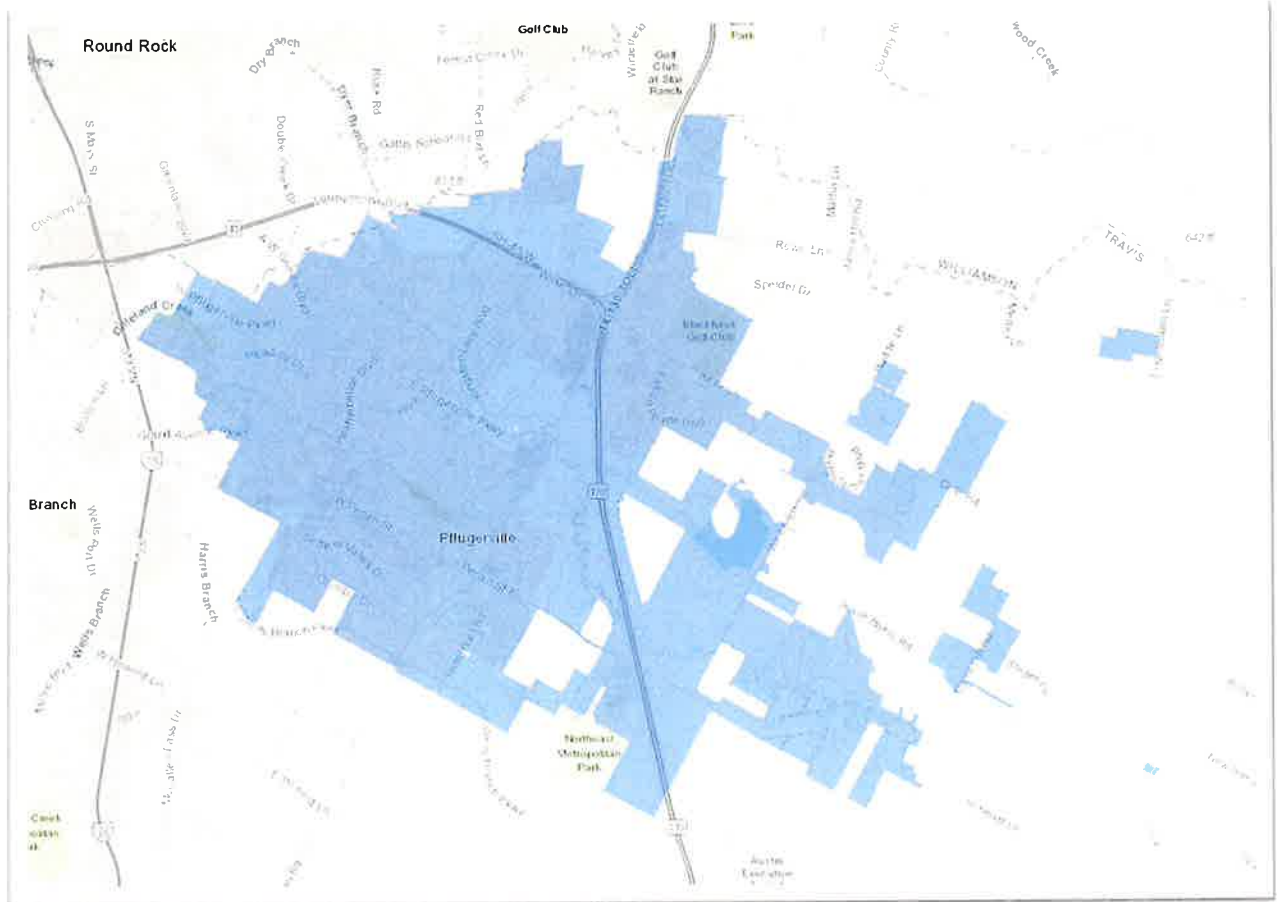
1. Startup costs to cover creation of the PftPID and costs to revise the hotel tax collection software.

2. Administrative fees such as bank fees and fees charged by the City for hotel tax collection and administration, bookkeeping, auditing, financial reporting, and legal fees, etc.
3. The costs of hiring a part-time or full-time executive director of the PftPID if the PftPID Board elects to do so.

If dollars are left unspent in the Administration budget at the end of the year, they may be divided among marketing, advertising, and promotion and sales and business recruitment using the following ratios: 50% to marketing, advertising and promotion and 50% to sales and business recruitment.

Contingency Funds

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



Assessment Roll

Listing of Hotels Within PftPID With 70 or more rooms

Home2Suites by Hilton/Tru by Hilton Pflugerville – 179 rooms
18700 Hill Top Commercial Drive Pflugerville, TX

Courtyard by Marriott- 147 rooms
16100 Impact Way, Pflugerville, TX

Holiday Inn Express- 86 rooms
18616 hill Top Commercial Drive, Pflugerville TX

Best Western Pflugerville- 70 rooms
16101 Impact Way, Pflugerville, TX

La Quinta Inn & Suites by Wyndham Pflugerville
1408 Town Center Drive Building 1, Pflugerville, TX

Hawthorn Extended Stay by Wyndham Pflugerville - 100 rooms
1408 Town Center Drive Building 2 Pflugerville, TX