Pflugerville Tourism Public Improvement District (PfTPID) Service Plan

The Pflugerville Tourism Public Improvement District Service 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 District, 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.

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 District.

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. 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 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 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, can be allowed under any category.*

The estimated annual funding for the ten-year term of the District from FY26-FY35 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.

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 (40%) of the annual budget shall be targeted for marketing, advertising and promotion initiatives to drive more hotel activity to Pflugerville. Up to 10% variance can 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 District for increased business travel, leisure, meeting and events business at District 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 e-mail blasts, digital ads, programmatic placements to grow awareness and drive higher overnight visitation and room sales to assess hotels within the District.

2. Print ads in magazines and newspapers targeted at potential visitors to drive increased overnight visitation to assessed hotels within the District.

3. Television and streaming ads targeted at potential visitors to drive greater overnight visitation and room sales to assessed hotels within the District.

4. Radio ads targeted at potential visitors to drive increased overnight visitation and room sales to assessed hotels within the District.

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 District.

6. Development and implementation of an enhanced and new public relations and communication strategies designed to increase overnight visitation at assessed hotels within the District.

7. Development and implementation of an enhanced travel writer's social media/ influencer program designed to increase overnight visitation at assessed hotels within the District.

8. Implementation of new economic development partnerships to increase overnight visitation at assessed hotels within the District.

9. Marketing, advertising and promotion fees and costs for listings on various websites to drive increased hotel revenue production to hotels in the District.

10. As the impact of AI is felt within the hospitality industry, the PfTPID 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 District.

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 can 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 District 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 District.

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 District.

4. Lead generation activities designed to attract increased tourist and group business to assessed hotels within the District.

5. Attendance at trade shows to promote increased leads for assessed hotels within the District.

6. Sales blitzes featuring assessed hotels within the District.

7. Familiarization tours showcasing assessed hotels within the District.

8. As the impact of AI is felt within the hospitality industry, the PfTPID 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 District.

Sales initiatives must meet a ROI 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 to1 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 PfTPID board.

Administration 10%

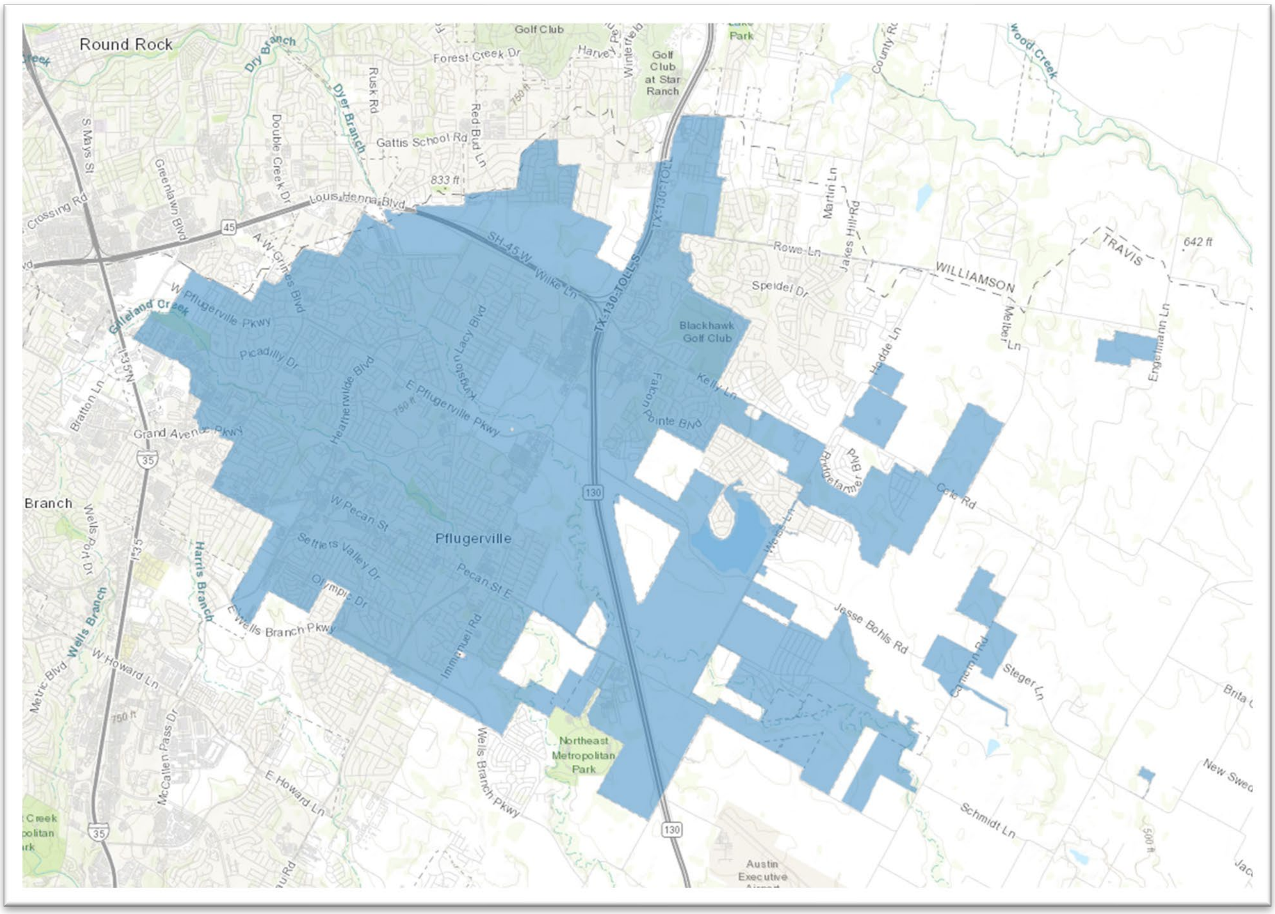
Administration costs may include but are not limited to the following:

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 of Pflugerville 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.

<u>Contingency Funds</u>
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.

Exhibit A
City Limits Map


Round Rock
Pflugerville
Northeast Metropolitan Park
Blackhawk Golf Club
Golf Club at Star Ranch
WILLIAMSON
TRAVIS
Austin Executive Airport