

INFORMAL REPORT TO CITY COUNCIL MEMBERS

No. 21-10670

To the Mayor and Members of the City Council

September 21, 2021



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**SUBJECT: ARPA-FUNDED TOURISM DEVELOPMENT GRANT FOR VISIT
FORT WORTH**

The purpose of this Informal Report is to notify the City Council of a proposal to utilize American Rescue Plan Act (“ARPA”) funding to respond to the negative economic impacts of COVID-19 by providing aid to the tourism, travel, and hospitality industry through an agreement with Visit Fort Worth (“VFW”). ARPA funding must be committed by the end of 2024 and spent by the end of 2026.

VFW’s main purpose is to promote the tourism and convention and hotel industries within the City of Fort Worth. VFW carries out these purposes through a professional services agreement with the City (CSC 44949, as previously addended and amended). Funding for general marketing of the entire City and all of its facilities is derived from a percentage allocation of hotel occupancy tax (“HOT”) collections by the City on an annual basis.

With the shutdown of the travel and tourism industry because of the COVID-19 pandemic, funding for VFW was significantly reduced in fiscal year 2020 and fiscal year 2021. It is anticipated that HOT collections will begin to recover in fiscal year 2022, but not to pre-pandemic levels. Therefore, it is critical that VFW be provided with the financial capacity to lead this segment of the Fort Worth economy back to pre-pandemic levels of performance through the use of ARPA funding so that it has the capacity to promote Fort Worth as a tourism and special event destination between 2021 and 2026.

After consulting with VFW on the funding necessary to promote the market in a post-pandemic environment, staff recommends that the organization to receive an ARPA-funded tourism development grant of \$6,000,000. The grant would be paid to VFW in equal installments over a three-year period, starting in fiscal year 2022.

The grant agreement between the City and VFW will include the necessary reporting and documentation requirements for the City to comply with ARPA.

If you have any questions or concerns related to this effort, please contact Michael Crum, Director of the Public Events Department, at 817-392-2501.

**David Cooke
City Manager**