

Meeting Date (?) 11/10/2015

Subject Matter * (?) DBA Annual Funding Agreement
This must match rolling agenda entry

Department of Origin * EXECUTIVE

Submitted By * Joey Dunn

Type of Meeting * BCD Special Regular

Classification * Public Hearing Consent Statutory Regular

Ordinance * None First Read Second Read First & Only Read

Strategic Initiative * Public Safety Service
 Economic Development Infrastructure
 Quality of Life

Agenda Item Description * Consideration and possible action on a proposed resolution approving the proposed Fiscal Year 2016 budget for the Downtown Bryan Association (DBA) and authorizing the Mayor to sign a Funding Agreement with the DBA in the amount of \$275,000 for the same period for expenses related to the ongoing operation of DBA and the 2016 Texas Reds Steak & Grape Festival.

Summary Statement * In the previous two fiscal years, the City of Bryan provided annual operational funding to DBA through annual contracts for services, while using separate agreements to provide additional funding for DBA to run annual Texas Reds festivals. Each agreement had separate quarterly reporting requirements for use of hotel occupancy tax (HOT) funds in accordance with State law, as well as the use of a portion of the City's General Fund funds for other downtown-related activities. Tracking two separate sets of agreements and associated annual and quarterly reports became somewhat complicated and confusing while creating a possible perception of not being completely transparent.

This agenda item consolidates the two previously separate agreements into one annual funding agreement with DBA for both FY16 operational funding and 2016 Texas Reds funding. The proposed resolution provides \$165,000 in operational funding (which includes \$120,000 in HOT funds and \$45,000 in General Funds) and \$110,000 in additional HOT funds to run the 2016 Texas Reds Festival, to be held in late September 2016 (specific date pending announcement of 2016 Texas A&M home football game schedule); the total agreement amount is \$275,000. The DBA FY2016 operational budget totals of \$617,090 for all DBA expenditures in Fiscal Year 2016. DBA anticipates a net income of \$11,549 from the 2016 Texas Reds Festival, which is required under the agreement to be used only for expenditures associated with future Texas Reds festivals.

The proposed consolidated agreement also complies with the newly adopted City of Bryan Hotel Occupancy Tax (HOT) Fund Disbursement Policy (attached, effective October 1, 2015), which is being applied consistently to all outside agencies that fit the Annual Program HOT Fund Recipient category. Program reports are required to be submitted in accordance with Section 4 of the new Policy, with continued funding contingent on the timely submission of all completed quarterly reports that meet the requirements of the Policy, all requirements listed in State law, and terms included in the annual funding agreement.

DBA was created to revitalize and maintain the commercial and aesthetic viability of the historic business district of Downtown Bryan. According to the Downtown Bryan Association's (DBA's) Bylaws, the organization's purpose is "to promote the economic development of Downtown Bryan while maintaining and building on the Historic significance of this business corridor through a four-step method..." The four-step method includes organization, design, promotion, and economic growth and retention. Since the early 2000's, DBA has been an active partner in Downtown. A current significant activity is the revitalization of the Queen Theater. Additionally, DBA assists with Downtown events and is a conduit for downtown businesses and property owners.

- In the proposed annual funding agreement, DBA agrees to provide the following services:
- Maintain an office for DBA in the Core Study Area of the Downtown Bryan Master Plan;
 - Develop and maintain membership dues revenues;
 - Obtain in-kind and cash contributions;
 - Employ or retain staffing for the DBA;
 - Submit quarterly reports in accordance with the City of Bryan Hotel Occupancy Tax Fund Disbursement Policy;
 - Operate First Fridays in Downtown Bryan on the first Friday of every month;
 - Maintain management responsibility for future Texas Reds Festivals;
 - Maintain the management control of the Palace Theatre; and
 - Operate the following annual events: Downtown Street & Art Fair, LightsOn!, and the Downtown Christmas Parade.

- The City of Bryan's funding history to DBA for operational and Texas Reds related costs were:
- Fiscal Year 2004: \$50,000
 - Fiscal Year 2005: \$50,000
 - Fiscal Year 2006: \$50,000
 - Fiscal Year 2007: \$50,000 (City managed Texas Reds)
 - Fiscal Year 2008: \$50,000 (City managed Texas Reds)
 - Fiscal Year 2009: \$60,000 (City managed Texas Reds)
 - Fiscal Year 2010: \$45,000 (City managed Texas Reds)
 - Fiscal Year 2011: \$45,000 (City managed Texas Reds)
 - Fiscal Year 2012: \$55,000 (City managed Texas Reds)
 - Fiscal Year 2013: \$95,000, as amended (City managed Texas Reds)
 - Fiscal Year 2014: \$292,000 (\$165,000 in operational expenses; \$127,000 for DBA to manage Texas Reds)
 - Fiscal Year 2015: \$275,000 (\$165,000 in operational expenses; \$110,000 for DBA to manage Texas Reds)

Staff Analysis & Recommendation *

Staff recommends approving the resolution, which results in approving the operational and Texas Reds related budgets submitted by the DBA and authorizing the Mayor to sign the Annual Funding Agreement. The total amount of proposed funding to DBA from the City for both operational as well as Texas Reds related expenses is the same as last year (\$275,000). This proposed annual funding agreement is in keeping with the recently adopted HOT Fund Policy, and consolidates two previous annual agreements into one, making the review of quarterly reports easier to track and potentially more transparent. DBA assists with all events and activities that bring tourists, visitors, and patrons to Downtown Bryan. Furthermore, the ongoing partnership with DBA provides the Downtown merchants and property owners a conduit to communicate as an organized group with the City

Options *

- (In Suggested Order of Staff Preference)
1. Approve proposed resolution, budget, and annual funding agreement.
 2. Modify proposed resolution, budget and/or annual funding agreement, which may require City Council consideration at a future City Council meeting and may require DBA consideration.
 3. Do not approve proposed resolution, budget, or annual funding agreement and provide direction to staff

Funding Source *

FY 2016 Hotel Occupancy Tax Fund (\$230,000) and General Fund (\$45,000) (as budgeted)

Attachments

DBA_FUNDING_FY16_REQLETTERS_HOTFUNDPOLICY.pdf	1.02MB
DBA_FUNDING_FY16_RES_EXHIBITS.pdf	2.97MB
DBA_FUNDING_FY16_RESOLUTION.docx	22.15KB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. Resolution (separate pdf)
2. Resolution Exhibits: DBA FY16 Operating Budget, In-Kind Services from the City of Bryan for Texas Reds Steak and Grape Festival, Annual Funding Agreement (separate pdf)
3. Request Letter from DBA and HOT Fund Policy (separate pdf)

Dept. Head Signature



Deputy City Manager
Signature

Hugh R. Walker

City Manager Signature



City Attorney Signature

Jaris K. Hampton