**Downtown Hotel Incentive Policy**

In 2016, and updated in 2019, the Omaha Convention and Visitors Bureau and the City of Omaha asked Fenich & Associates to conduct research to assist in determining Omaha’s attractiveness as a convention destination. The research conducted focused on the following:

- Analysis of the Attractiveness of Omaha to the National Market
- Analysis of the Attractiveness of Omaha to 19 other Comparable Destinations (Comp Set)
- Comp Set Comparison of Convention Centers, including size
- Hotel Level of Service, including the impact adding new hotels in downtown Omaha and the number of room nights

While some elements of the research conducted focused on Omaha as a whole, the primary focus was in the urban core, specifically within one (1) mile of the CHI Health Center in downtown Omaha. The relationship between the hotels in close proximity to a convention center is critical. The hotels not only rely on convention business to fill their rooms but also provide the greatest support for the convention center. The research showed that the market is over served by Upscale hotels, slightly underserved by Economy and Midscale hotels but significantly underserved by Upper Upscale and Luxury hotels. These results suggest that Omaha should work to attract hotel development in the higher end of the market and not the Economy and Midscale markets.

The implications of this research, along with the guiding principles of the Downtown Master Plan, other Master Plan Elements and work of the Urban Core Committee have prompted the City of Omaha to establish a policy as it relates to hotel development. Additionally, the research and guiding principles have prompted the City of Omaha to use redevelopment incentives as defined in the Community Development Law for such development within the defined area of the urban core. A map and general description of the area in which this policy impacts can be found as Attachment A to this policy. The City of Omaha will utilize the STR Chain Scales to determine which category a hotel property falls under. This list will be updated on an annual basis as STR releases their updated information. The most recent STR Chain Scale list can be found in Attachment B to this policy.

For hotel development in the defined urban core, redevelopment incentive programs defined in the Community Development Law (Chapter 18 of Neb Rev. Stat.) will be used as follows:

- The City will not make TIF or EEA available for new construction hotel development that is classified as Economy, Midscale, Upper Midscale, and Upscale properties.
- The City will make available and offer the full benefit of TIF and EEA for new construction hotel development that is classified as Upper Upscale and Luxury properties.
- The City will entertain applications for TIF and/or EEA Occupation Tax for project applications documenting support for medical services provided by the University of Nebraska Medical Center.
- The City will entertain applications for TIF and/or EEA Occupation Tax for project applications for properties listed, or eligible to be listed on the National Register of Historic Places.
- The City will entertain applications for TIF and/or EEA Occupation Tax for project applications that provide a unique attraction anticipated to attract a guest from greater than 50 miles to visit the market or provide meeting facilities at a ratio of 100 square feet of meeting space for every guestroom dedicated to the project.
Downtown/Midtown Omaha Hotels

Hotels Financed with TIF