

TEXARKANA, Ark. — Citing a revenue shortfall because of the COVID-19 pandemic, the city Advertising and Promotion Commission has announced it will not allocate any funds to local attractions and organizations for the coming year.

In a letter mailed last month to former recipients of A&P funding, the Commission said it "has suffered a financial impact that will affect the fulfillment of existing obligations" and "will use this time to recover from this setback and prepare for the year 2022."

By state law, the Commission collects and disburses a 2% restaurant tax and a 3% hotel tax that may be spent only on promoting the city. Each October before the coronavirus struck, the Commission responded to requests for funding, deciding how much, if any, applicants receive.

Steep reductions in travel caused by the pandemic, as well as shutdowns and restrictions of city restaurants, have reduced hotel and restaurant tax revenue to the extent that any allocations this year are impossible, A&P Commissioner Sandy Varner said.

"We don't have any money to give out, so why bother taking the applications and getting people's hopes up or wasting their time filling those out when there's no chance of getting any funding?" she said.

Losing the Commission as a funding source is a blow, Texarkana Museums System Board President Velvet Cool said.

"It is a significant setback both financially and, for lack of a better word, emotionally," she said. "It seems like some of the organizations that are getting hit are the organizations that really do the daily work to make sure that visitors are spending money downtown."

Cool suggested that the Commission hold a public meeting to explain its finances and decision-making. The Commission's regular quarterly meeting to be held July 23 was canceled without explanation, and a rescheduled meeting has not been announced.

Partnership for the Pathway, an all-volunteer nonprofit that funds walking, running and cycling trails in the city, has enough reserve funds to stage its annual Run the Line half-marathon in 2021 without A&P Commission funding, said Julie-Ray Harrison, race director. But the race is the organization's main annual fundraiser, and the possibility that it may be canceled next year because of coronavirus concerns makes A&P funding more significant.

Because of an incentive agreement made by previous commissioners, the current Commission is obliged through 2026 to pay \$150,000 a year to the Texarkana, Arkansas, Convention Center and to rebate any hotel and restaurant taxes the Convention Center remits

Varner expressed doubt about meeting the Commission's multi-year obligations, including matching funds for various grants awarded local organizations.

