

September 1, 2022

MOTION TO ADOPT 2023 ROOM TAX COMMISSION BUDGET

Motion:

Move to adopt the 2023 Room Tax Commission budget, as follows:

1. Estimate 2023 room tax revenues of \$19,000,000 (12% increase over estimated 2022 revenues of \$17,000,000)
2. Allocate \$6,680,038 of room tax to Monona Terrace, as follows:
 - Operating subsidy of \$4,825,725
 - Capital purchases allocation of \$1,655,000 (the 2023 executive capital budget will include \$1,655,000 Room Tax Fund-supported GO borrowing for Monona Terrace capital projects)
 - Debt service estimate of \$199,913 for previously issued Room Tax Fund-supported GO debt issued for Monona Terrace capital projects
3. Allocate \$2,095,000 of room tax to Overture Center
4. Allocate \$738,152 for the Alliant Energy Center, Olbrich Botanical Gardens and Henry Vilas Zoo, as follows:
 - a. Alliant Energy Center -- \$95,800 (Dane County)
 - b. Olbrich Botanical Gardens -- \$317,352 (City of Madison)
 - c. Henry Vilas Zoo -- \$325,000 (City of Madison operating contribution)
5. Allocate \$5,539,037 of room tax to Destination Madison, as follows:
 - \$5,264,037 for destination marketing
 - \$275,000 for event booking assistance subsidy
6. Allocate \$177,500 of room tax to City Tourism Marketing, as follows:
 - Sister Cities -- \$30,000
 - Music -- \$55,000 (\$25k for Dane Dances and \$30k for Make Music Madison)
 - Art/Fests -- \$17,500
 - Blink+ -- \$30,000
 - Implementation of Music Tourism Economic Recovery Plan -- \$25,000
 - WIAA Tournament -- \$15,000
 - Civic Promotion/Civic Conferences -- \$50,000
7. Allocate room tax for administration and enforcement, as follows
 - Administration -- \$20,000
 - Enforcement -- \$15,000

Note: Under this motion, after transferring 30 percent of 2023 room tax revenues to the General Fund (\$5,700,000), the estimated balance in the Room Tax Fund on December 31, 2023, would be \$361,514, which is 2.36% of 2023 revenues. On-going expenditures (including Monona Terrace capital allocations) exceed on-going revenues by \$2 million.

ROOM TAX FUND

| | 2022 | 2023 |
|---|------------------|------------------|
| | Projected | MOTION |
| Fund Balance, January 1 | \$ 1,520,479 | \$ 2,901,055 |
| Reserved for Monona Terrace Capital Projects | (165,490) | (165,490) |
| Committed for Event Booking Assistance | <u>(398,025)</u> | <u>(398,025)</u> |
| Balance of Unassigned Funds, January 1 | \$ 956,964 | \$ 2,337,540 |
| SOURCES | | |
| Estimated Total Room Tax Receipts | 17,000,000 | 19,000,000 |
| Interest Revenue | \$ 17,663 | \$ 33,701 |
| TOTAL SOURCES | \$ 17,017,663 | \$ 19,033,701 |
| USES | | |
| Tangible Municipal Development (s. 66.0615 (1) (fm) 3., Wis. Stats.) | | |
| <u>Monona Terrace:</u> | | |
| Debt Service Payment-Revenue Bond Issue (a) | | |
| Debt Service Payment-Gen'l Obligation Bond Issue (a) | \$ 136,472 | \$ 199,313 |
| Operating Subsidy | \$ 3,962,100 | \$ 4,825,725 |
| Capital Purchases | \$ - | \$ 1,655,000 |
| Reserves (b) | | |
| Subtotal Monona Terrace | \$ 4,098,572 | \$ 6,680,038 |
| Alliant Center, Henry Vilas Zoo and Olbrich Gardens (j) | \$ - | \$ 738,152 |
| <u>Overture Center Subsidy from Room Tax</u> | \$ 1,600,000 | \$ 2,095,000 |
| Subtotal Tangible Municipal Development | \$ 5,698,572 | \$ 9,513,190 |
| Tourism Marketing (s. 66.0615 (1) (fm) 1., Wis. Stats.) | | |
| <u>Greater Madison Convention and Visitors Bureau:</u> | | |
| Destination Marketing (c) | \$ 3,900,000 | \$ 5,264,037 |
| Estimated Event Booking Assistance Subsidy | \$ 200,000 | \$ 275,000 |
| Additional Funding (b) | | |
| Subtotal Destination Madison | \$ 4,100,000 | \$ 5,539,037 |
| <u>City Tourism Marketing Activities</u> | | |
| Support for Fireworks Events (d) | | |
| Sister Cities Program | \$ 20,000 | \$ 30,000 |
| Civic Conferences / Fairs / Festivals / Summer Concert | 110,000 | 177,500 |
| Civic Conferences (e) | \$ 5,000 | \$ 35,000 |
| Civic Promotion (e) | \$ 15,000 | \$ 15,000 |
| Madison Music City (g) | | |
| Dane Dances (g) | \$ 15,000 | \$ 25,000 |
| Make Music Madison (g) | \$ 15,000 | \$ 30,000 |
| Music Tourism Study / Implementation | \$ 25,000 | \$ 25,000 |
| Fairs / Festivals / Summer Concerts (f) | \$ 15,000 | \$ 17,500 |
| Downtown Temporary Art Installations | \$ 20,000 | \$ 30,000 |
| WIAA Basketball Tournament (h) | \$ 15,000 | \$ 15,000 |
| Subtotal City Tourism Marketing | \$ 145,000 | \$ 222,500 |
| Subtotal Tourism Marketing | \$ 4,245,000 | \$ 5,761,537 |
| Room Tax Commission Administration | \$ 15,000 | \$ 20,000 |
| Room Tax Commission Enforcement of Transient Tourist Rooming Houses (i) | \$ 15,000 | \$ 15,000 |
| Room Tax Commission | \$ 9,973,572 | \$ 15,309,727 |
| Room Tax Retained for General Purposes | | |
| General Purposes (b) | \$ 5,020,998 | \$ 5,620,998 |
| Arts Grants | 79,002 | 79,002 |
| Subtotal Retained for Other Purposes | \$ 5,100,000 | \$ 5,700,000 |
| TOTAL USES | \$ 15,073,572 | \$ 21,009,727 |
| Fund Balance, December 31 | \$ 3,464,570 | \$ 925,029 |
| Committed for Monona Terrace Capital Projects | (165,490) | (165,490) |
| Committed for Event Booking Assistance | <u>(398,025)</u> | <u>(398,025)</u> |
| Balance of Unassigned Funds, December 31 (b) | \$ 2,901,055 | \$ 361,514 |
| Unassigned Funds Share of Revenues | 29.09% | 2.36% |
| Structural Balance (difference between on-going revenues and expenditures) | | \$ (2,009,727) |