

2026 ROOM TAX COMMISSION BUDGET MOTION

1. Estimate 2026 room tax revenues of \$23,226,600 (3% increase over estimated 2025 revenues of \$22,550,000)
2. Allocate \$6,706,780 of room tax to Monona Terrace, as follows:
 - Operating subsidy of \$5,392,000 (no change from 2025)
 - Capital purchases allocation of \$498,750 (the 2026 executive capital budget includes \$1,401,750 Room Tax Fund-supported GO borrowing for Monona Terrace building and building improvement projects)
 - Debt service estimate of \$816,030 for previously issued Room Tax Fund-supported GO debt for Monona Terrace capital projects
3. Allocate \$2,286,600 of room tax to Overture Center (3% increase over 2025)
4. Allocate \$1,768,700 for the Alliant Energy Center, Olbrich Botanical Gardens and Henry Vilas Zoo, as follows:
 - Alliant Energy Center -- \$102,000 (Dane County) -- 3% increase over 2025
 - Olbrich Botanical Gardens -- \$1,030,500 (City of Madison) -- 59% of net costs -- a 22% increase over 2025
 - Henry Vilas Zoo -- \$636,200 (City of Madison operating contribution to Dane County) -- 59% of City share -- a 21% increase over 2025
 - Olbrich and Zoo amounts include a one-time \$250,000 shift in 2026 to the Room Tax Fund from the City General Fund. The share of room tax revenues transferred to the General Fund will be reduced by an equal amount. No net impact on Room Tax Commission available funding. This shift will be reversed in the 2027 budget.
5. Allocate \$6,589,000 of room tax to Destination Madison, as follows:
 - \$6,314,000 for destination marketing -- a 6.5% increase over 2025 budget; 28% of estimated 2025 room taxes
 - \$275,000 for event booking assistance subsidy
6. Allocate \$308,700 of room tax to City Tourism Marketing, as follows:
 - Sister Cities -- \$30,000
 - Civic Promotion/Civic Conferences -- \$50,000
 - Music -- \$55,000 (\$25k for Dane Dances and \$30k for Make Music Madison)
 - Art/Fests -- \$17,500
 - Blink+ -- \$41,200 (rename as "Downtown Visual and Performing Art" and provide a 3% increase over 2025)
 - Implementation of Music Tourism Economic Recovery Plan -- \$25,000
 - Arts Worker Grants -- \$75,000
 - WIAA Tournament -- \$15,000
7. Allocate room tax for administration and enforcement, as follows:
 - Administration -- \$20,000
 - Enforcement -- \$15,000
8. Estimate the transfer to the General Fund, as follows:
 - Maximum allowable transfer of 30% = \$6,967,950
 - Reduce transfer by \$250,000 for one-time increase in room tax funding for Olbrich and Zoo (see above)
 - Reduce transfer by \$500,000 to support permanent reserve for the Room Tax Commission appropriations. This is a one-time contribution toward the Room Tax Commission policy goal of establishing a 10 percent reserve by 2029.
 - Share of estimated taxes transferred to the General Fund after the above changes = 27%
 - Share of room taxes to the General Fund will return to 30% level in 2027.
 - This change will be included in the 2026 City Executive Operating Budget for approval by the Common Council.

Note: After transferring 27 percent of 2026 room tax revenues to the General Fund (\$6,217,950), the estimated balance in the Room Tax Fund on December 31, 2025, would be \$12,413, which is 0.08% of 2025 Room Tax Commission appropriations. On-going expenditures exceed on-going revenues by \$1,186,200 at the end of 2026. Room Tax Commission policy is to maintain a fund balance equal to at least 10% of Room Tax Commission appropriations by 2029. The one-time reduction in transfer of room taxes to the General Fund in 2026 of \$500,000 will establish the Room Tax Commission reserve at 2.8% of 2026 Room Tax Commission appropriations.

	2025 BUDGET	2025 8/6/2025 Projection	2026 Motion
Fund Balance, January 1	\$ 3,491,053	\$ 4,191,172	\$ 1,811,410
Room Tax Commission Reserve			
Restricted for Bond Requirements			-
Reserved for Monona Terrace Capital Projects	(207,772)	(105,717)	(105,717)
Committed for Event Booking Assistance	(439,005)	(607,050)	(607,050)
Balance of Unassigned Funds, January 1	\$ 2,844,276	\$ 3,478,405	\$ 1,098,643
SOURCES			
Estimated Total Room Tax Receipts	21,800,000	22,550,000	23,226,500
Interest Revenue	\$ 39,891	\$ 117,582	\$ 100,000
TOTAL SOURCES	\$ 21,839,891	\$ 22,667,582	\$ 23,326,500
USES			
Tangible Municipal Development (s. 66.0615 (1) (fm) 3., Wis. Stats.)			
<u>Monona Terrace:</u>			
Debt Service Payment-Gen'l Obligation Bond Issue (i)	\$ 764,133	\$ 764,133	\$ 816,030
Operating Subsidy	5,392,000	5,392,000	5,392,000
Capital Purchases	1,449,000	1,449,000	498,750
Reserves (b)			
Subtotal Monona Terrace	\$ 7,605,133	\$ 7,605,133	\$ 6,706,780
Olbrich Botanical Gardens	843,800	843,800	1,030,473
Henry Vilas Zoo	526,900	526,900	636,227
Alliant Center	99,000	99,000	102,000
	\$ 1,469,700	\$ 1,469,700	\$ 1,768,700
Overture Center Subsidy from Room Tax	\$ 2,200,000	\$ 2,220,000	\$ 2,286,600
Subtotal Tangible Municipal Development	\$ 11,274,833	\$ 11,294,833	\$ 10,762,080
Tourism Marketing (s. 66.0615 (1) (fm) 1., Wis. Stats.)			
<u>Greater Madison Convention and Visitors Bureau:</u>			
Destination Marketing (c)	\$ 5,926,200	\$ 6,345,012	\$ 6,314,000
Estimated Event Booking Assistance Subsidy	\$ 275,000	\$ 275,000	\$ 275,000
Subtotal Destination Madison	\$ 6,201,200	\$ 6,620,012	\$ 6,589,000
<u>City Tourism Marketing Activities</u>			
Sister Cities Program	30,000	30,000	30,000
Civic Conferences / Fairs / Festivals / Summer Conce	262,500	287,500	263,700
Civic Conferences (e)	\$ 35,000	\$ 35,000	\$ 35,000
Civic Promotion (e)	\$ 15,000	\$ 15,000	\$ 15,000
Madison Music City (g)			
Dane Dances (g)	\$ 25,000	\$ 25,000	\$ 25,000
Make Music Madison (g)	\$ 30,000	\$ 30,000	\$ 30,000
Music Tourism Study / Implementation	\$ 25,000	\$ 50,000	\$ 25,000
Arts Workers Grants	\$ 75,000	\$ 75,000	\$ 75,000
Fairs / Festivals / Summer Concerts (f)	\$ 17,500	\$ 17,500	\$ 17,500
Downtown Art	\$ 40,000	\$ 40,000	\$ 41,200
WIAA Basketball Tournament (h)	\$ 15,000	\$ 15,000	\$ 15,000
Subtotal City Tourism Marketing	\$ 307,500	\$ 332,500	\$ 308,700
Subtotal Tourism Marketing	\$ 6,508,700	\$ 6,952,512	\$ 6,897,700
Room Tax Commission Administration	\$ 20,000	\$ 20,000	\$ 20,000
Room Tax Commission Enforcement of Transient Tourist			
Rooming Houses (i)	\$ 15,000	\$ 15,000	\$ 15,000
Room Tax Commission	\$ 17,818,533	\$ 18,282,345	\$ 17,694,780
Room Tax Retained for General Purposes			
General Purposes (b)	\$ 6,461,000	\$ 6,685,998	\$ 6,138,950
Arts Grants	79,000	79,002	79,000
Subtotal Retained for Other Purposes	\$ 6,540,000	\$ 6,765,000	\$ 6,217,950
TOTAL USES	\$ 24,358,533	\$ 25,047,345	\$ 23,912,730
Fund Balance, December 31	\$ 972,411	\$ 1,811,410	\$ 1,225,180
Room Tax Commission Reserve			(500,000)
Committed for Monona Terrace Capital Projects	(207,772)	(105,717)	(105,717)
Committed for Event Booking Assistance	(439,005)	(607,050)	(607,050)
Balance of Unassigned Funds, December 31 (b)	\$ 325,634	\$ 1,098,643	\$ 12,413
Unassigned Funds Share of RTC Allocations	1.83%	6.01%	0.07%
Structural Balance (difference between on-going revenues and expenditures)	\$ (2,558,533)	\$ (2,497,345)	\$ (1,186,230)