

September 25, 2024 Meeting

# **ROOM TAX COMMISSION**

# AGENDA – MEETING

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*Equity Statement on all BCC agendas – “Consider: Who benefits? Who is burdened? Who does not have a voice at the table? How can policymakers mitigate unintended consequences?”*

*This meeting is being recorded*

1. Call to Order/Roll Call
2. Approval of Minutes from September 3, 2024 meeting
3. Public Comment
4. Disclosures and Recusals
5. Discussion and Adoption of 2025 Room Tax Commission Budget
6. Discussion of Future Meetings and Format
7. Adjournment

September 25, 2024 Room Tax Commission Meeting

**DISCUSSION AND ADOPTION OF  
2025 ROOM TAX COMMISSION BUDGET**

**2025 BUDGET MOTION**

# NATIONAL GROWTH RATE IS NORMALIZING MADISON ON SAME TRACK

“...Travel remains a priority for most Americans, but the volume has lessened as prices on goods and services continue to rise...”



## U.S. Hotel Forecast

% changes represent year-over-year comparisons

	2023 Actual	2024 Forecast	2025 Forecast
Occupancy	63.0%	63.0%	63.4%
ADR	+4.3%	+2.0%	+2.0%
RevPAR	+5.0%	+2.0%	+2.6%
Real RevPAR compared w/ 2019	-4.8%	-5.9%	-6.0%

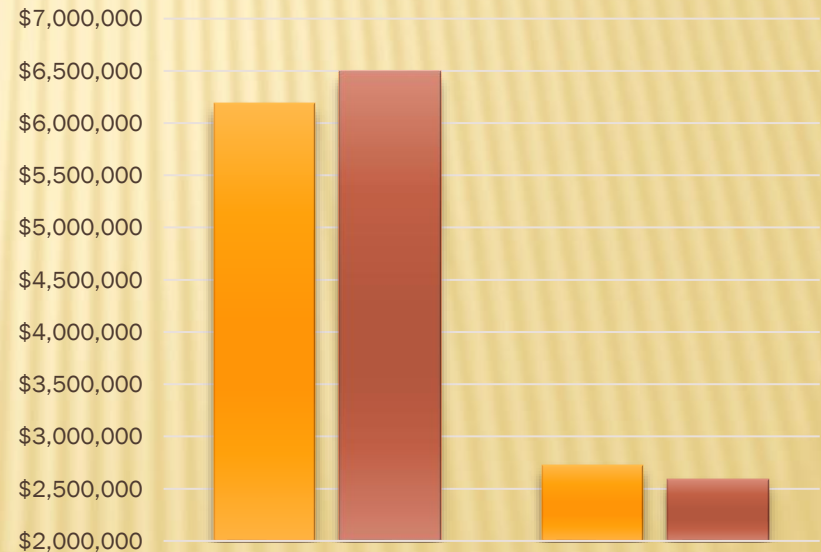
Source: Tourism Economics: STR

“...lessening demand for hotels in the lower priced tier...pricing demand has waned given changes in mix and travel patterns...”

STR / TE – June 3<sup>rd</sup> Press Release

Top Twenty Revenue Generators  
have 5% increase  
All Others have 5% Decrease  
Overall –2% increase

[Collections through Q2– excludes Evolve marketplace]



Twenty Largest in Revenue – 5.0% Increase  
All Others (excluding Evolve) – 5% decrease

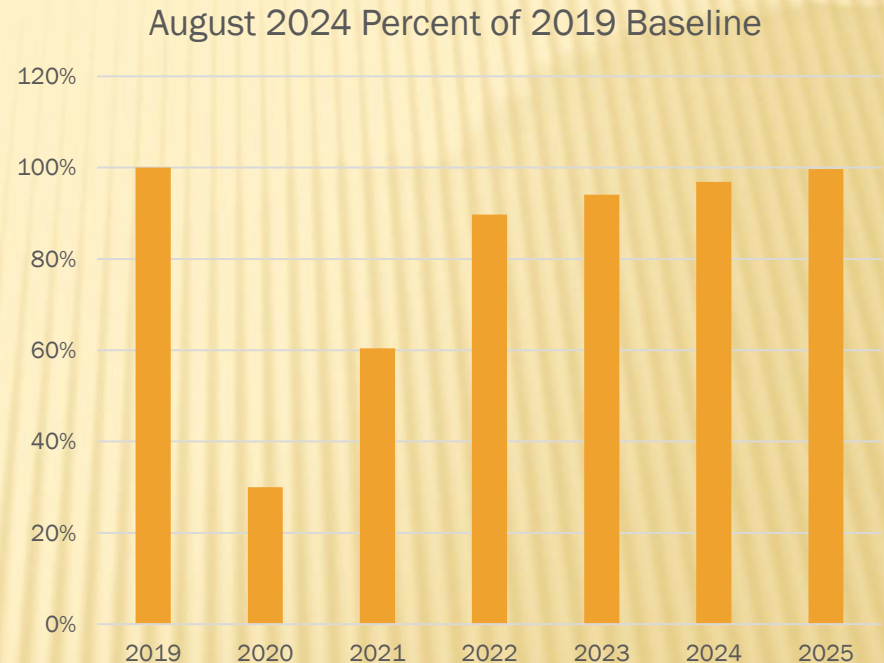
Top 20 includes Expedia and AirBnB

■ 2023 ■ 2024



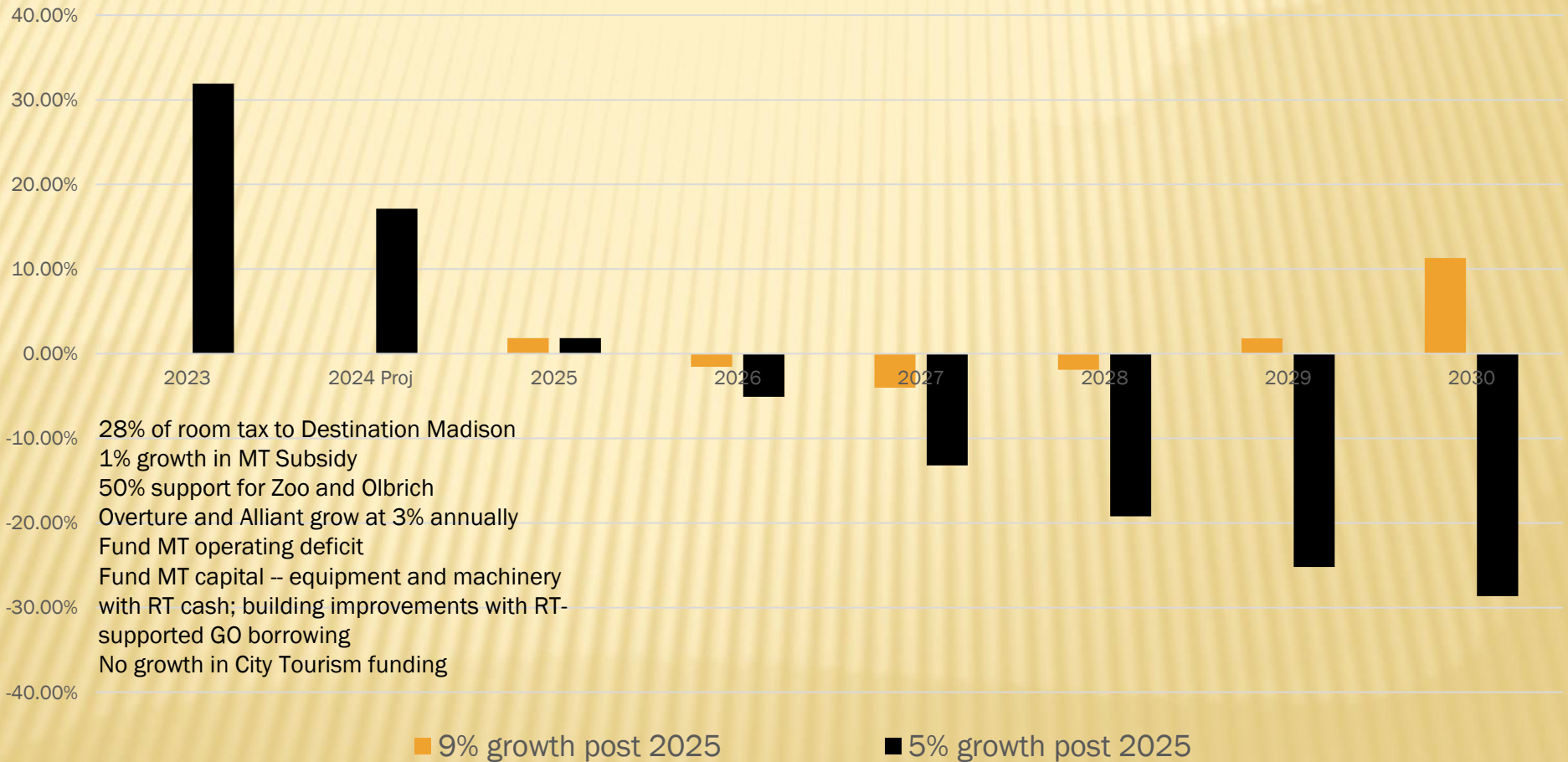
# FORECAST

- ✘ 2024 -- \$21.2m (0.1% over PY)
- ✘ 2025 -- \$21.8m (3% over PY)
- ✘ 2025 at 97% of pre-pandemic projected level.
- ✘ Growth slowing in 2025; historic growth rate has averaged between 4% and 7% (excluding rate increases and pandemic impacts)



# PROJECTED FUND BALANCE

Fund Balance Share of Room Tax Commission Appropriations



# 2025 BUDGET MOTION 2022 TO 2025 ALLOCATIONS

	2022 Actual	2023 Adopted	2023 Actuals	2024 Adopted	2024 Projected (June 2024)	2025 Motion	Chg from 2024 Adopted
Revenues	18,488,410	19,000,000	21,143,358	21,165,000	21,165,000	21,800,000	3%
<b>Tangible Municipal Development (s. 66.0615 (1) (fm) 3., Wis. Stats.)</b>							
Monona Terrace	4,150,574	6,688,446	5,791,080	6,300,768	6,508,489	7,605,133	21%
Debt Service	115,479	207,721	-	509,768	717,489	764,133	50%
Operating	3,962,100	4,825,725	4,825,725	5,392,000	5,392,000	5,392,000	0%
Capital	72,995	1,655,000	965,355	399,000	399,000	1,449,000	263%
Alliant Center, Olbrich and Zoo		738,152	738,152	1,386,000	1,386,000	1,469,700	6%
Overture	1,600,000	2,095,000	2,095,000	2,180,000	2,180,000	2,200,000	1%
<b>Tourism Marketing (s. 66.0615 (1) (fm) 1., Wis. Stats.)</b>							
Destination Madison	3,900,000	5,264,037	5,264,037	5,591,000	5,920,000	5,926,200	6%
Event Booking Assistance	197,080	275,000	177,607	275,000	275,000	275,000	0%
City Tourism	108,129	222,500	204,170	297,500	297,500	307,500	3%
Other	16,229	35,000	49,767	35,000	35,000	35,000	0%
Room Tax Commission	9,972,012	15,318,135	14,319,813	16,065,268	16,601,989	17,818,533	
<b>Room Tax Retained for General Purposes</b>							
General Fund Share	5,667,799	5,700,000	6,288,337	6,350,000	6,350,000	6,540,000	3%
Total Expenditures	15,639,811	21,018,135	20,608,150	22,415,268	22,951,989	24,358,533	9%
Ending Balance	3,961,107	950,352	4,571,636	1,868,676	2,844,276	325,634	-83%
Structural Balance (rev v exp)	2,848,599	(2,018,135)	535,208	(1,250,268)	(1,786,989)	(2,558,533)	105%



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**ROOM TAX COMMISSION**  
**DISCUSSION OF FUTURE MEETINGS AND FORMAT**



# 2024-2025 MEETING SCHEDULE

## ✘ 2024

### + December (virtual?)

- ✘ Review 2024 3rd quarter collections
- ✘ Meeting schedule for 2025

## ✘ 2025

### + February (virtual?)

- ✘ Review 2024 actuals and 2025 forecast

### + May/June (virtual?)

- ✘ Review 2025 Q1 actual collections and updates to 2025 forecast

### + August / September (in-person?)

- ✘ Meeting 1 – Presentations on 2026 allocations; Q2 actual collections
- ✘ Meeting 2 – Adopt 2026 allocations

### + December (virtual?)

- ✘ Review 2025 and 2026 forecasts
- ✘ Meeting schedule for 2026

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**ADJOURNMENT**

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