

September 25, 2024

Chair Krieg
Council President Figueroa Cole
Alder Verveer

2025 ROOM TAX COMMISSION BUDGET MOTION -- ADOPTED

1. Estimate 2025 room tax revenues of \$21,800,000 (3% increase over estimated 2024 revenues of \$21,165,000)
2. Allocate \$7,605,133 of room tax to Monona Terrace, as follows:
 - Operating subsidy of \$5,392,000 (no change from 2024)
 - Capital purchases allocation of \$1,499,000 (the 2025 executive capital budget includes \$451,400 Room Tax Fund-supported GO borrowing for Monona Terrace building and building improvement projects)
 - Debt service estimate of \$764,133 for previously issued Room Tax Fund-supported GO debt for Monona Terrace capital projects
3. Allocate \$2,200,000 of room tax to Overture Center (1% increase over 2024)
4. Allocate \$1,469,700 for the Alliant Energy Center, Olbrich Botanical Gardens and Henry Vilas Zoo, as follows:
 - Alliant Energy Center -- \$99,000 (Dane County) – no change from 2024
 - Olbrich Botanical Gardens -- \$843,800 (City of Madison) – 50% of net costs – a 6% increase over 2024
 - Henry Vilas Zoo -- \$526,900 (City of Madison operating contribution to Dane County) – 50% of City share – a 7% increase over 2023
5. Allocate \$6,201,200 of room tax to Destination Madison, as follows:
 - \$5,926,200 for destination marketing – a 6% increase over 2024 budget; 28% of estimated 2024 room taxes
 - \$275,000 for event booking assistance subsidy
6. Allocate \$307,500 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+ -- \$40,000 (a \$10,000 increase over 2024 amount of \$30,000)
 - 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

Note: After transferring 30 percent of 2025 room tax revenues to the General Fund (\$6,540,000), the estimated balance in the Room Tax Fund on December 31, 2025, would be \$325,600, which is 1.8% of 2025 Room Tax Commission appropriations. On-going expenditures exceed on-going revenues by \$2,558,533 at the end of 2025. Room Tax Commission policy is to maintain a fund balance equal to at least 10% of Room Tax Commission appropriations by 2029.

	2024	2025
	<u>Post-Budget Projected</u>	<u>MOTION</u>
Fund Balance, January 1	\$ 5,218,413	\$ 3,491,053
Restricted for Bond Requirements		
Reserved for Monona Terrace Capital Projects	(207,772)	(207,772)
Committed for Event Booking Assistance	(439,005)	(439,005)
Balance of Unassigned Funds, January 1	<u>\$ 4,571,636</u>	<u>\$ 2,844,276</u>
SOURCES		
Estimated Total Room Tax Receipts	21,165,000	21,800,000
Room Tax Increase to 10%		
Transfer In from General Fund (for Monona Terrace Reserves)		
Transfer In from TID 25 (9-21-2021 - Council Resolution)		
Interest Revenue	\$ 59,629	\$ 39,891
TOTAL SOURCES	<u>\$ 21,224,629</u>	<u>\$ 21,839,891</u>
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 (c)	\$ 717,489	\$ 764,133
Operating Subsidy	\$ 5,392,000	5,392,000
Capital Purchases	\$ 399,000	1,449,000
Reserves (b)		
Subtotal Monona Terrace	\$ 6,508,489	\$ 7,605,133
Monona Terrace Share of Room Tax Revenues		
Alliant Center, Henry Vilas Zoo and Olbrich Gardens	\$ 1,386,000	\$ 1,469,700
Overture Center Subsidy from Room Tax	\$ 2,180,000	\$ 2,200,000
Subtotal Tangible Municipal Development	\$ 10,074,489	\$ 11,274,833
Share of Room Tax Revenues		
Tourism Marketing (s. 66.0615 (1) (fm) 1., Wis. Stats.)		
<u>Greater Madison Convention and Visitors Bureau:</u>		
Destination Marketing (c)	\$ 5,920,000	\$ 5,926,200
Estimated Event Booking Assistance Subsidy	\$ 275,000	\$ 275,000
	28%	28%
Additional Funding (b)		
Subtotal Destination Madison	\$ 6,195,000	\$ 6,201,200
<u>City Tourism Marketing Activities</u>		
Sister Cities Program	30,000	30,000
Civic Conferences / Fairs / Festivals / Summer Conce	252,500	262,500
Civic Conferences (e)	\$ 35,000	\$ 35,000
Civic Promotion (e)	\$ 15,000	\$ 15,000
Madison Music City (g)		
Dane Dances (g)	\$ 25,000	\$ 25,000
Make Music Madison (g)	\$ 30,000	\$ 30,000
Music Tourism Study / Implementation	\$ 25,000	\$ 25,000
Arts Workers Grants	\$ 75,000	\$ 75,000
Fairs / Festivals / Summer Concerts (f)	\$ 17,500	\$ 17,500
Downtown Temporary Art Installations	\$ 30,000	\$ 40,000
WIAA Basketball Tournament (h)	15,000	15,000
Subtotal City Tourism Marketing	\$ 297,500	\$ 307,500
Subtotal Tourism Marketing	\$ 6,492,500	\$ 6,508,700
Room Tax Commission Administration	\$ 20,000	\$ 20,000
Room Tax Commission Enforcement of Transient Tourist		
Rooming Houses (i)	\$ 15,000	\$ 15,000
Room Tax Commission	\$ 16,601,989	\$ 17,818,533
Room Tax Retained for General Purposes		
General Purposes (b)	\$ 6,271,000	\$ 6,461,000
Arts Grants	79,000	79,000
Subtotal Retained for Other Purposes	\$ 6,350,000	\$ 6,540,000
TOTAL USES	<u>\$ 22,951,989</u>	<u>\$ 24,358,533</u>
Fund Balance, December 31	<u>\$ 3,491,053</u>	<u>\$ 972,411</u>
Committed for Monona Terrace Capital Projects	(207,772)	(207,772)
Committed for Event Booking Assistance	(439,005)	(439,005)
Balance of Unassigned Funds, December 31 (b)	<u>\$ 2,844,276</u>	<u>\$ 325,634</u>
Unassigned Funds Share of RTC Allocations	17.13%	1.83%
Structural Balance (difference between on-going revenues and expenditures)	<u>\$ (1,786,989)</u>	<u>\$ (2,558,533)</u>