

February 23, 2026, Meeting

ROOM TAX COMMISSION

AGENDA – VIRTUAL MEETING

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/Virtual Meeting Instructions/Roll Call
2. Approval of Minutes from December 2, 2026, meeting
3. Public Comment
4. Disclosures and Recusals
5. Final 2025 Room Tax Collections
6. 2026 and Long-Range Forecast
7. Discussion of Long-Range Financial Forecast and Strategies to Achieve Program Goals
8. Adjournment

Room Tax Commission

FINAL 2025 ROOM TAX COLLECTIONS
2026 LONG RANGE FORECAST

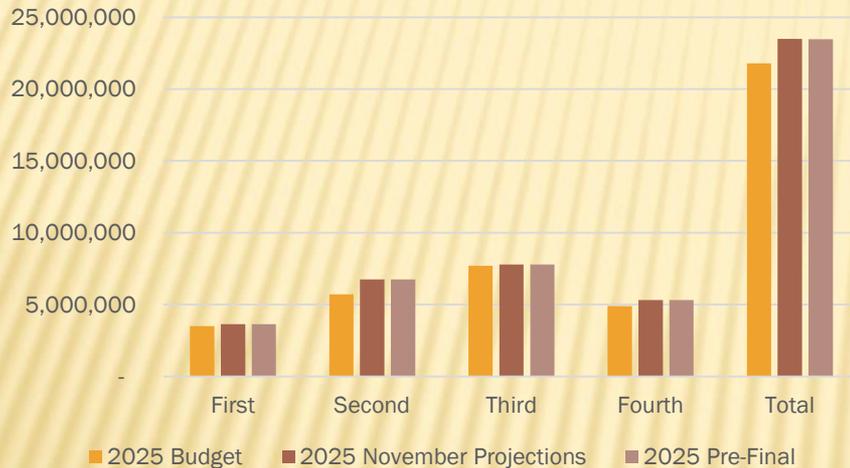
2025 ON TRACK WITH NOVEMBER PROJECTIONS

✘ 2025 Actual -- \$23.4 m vs. \$22.6m in August (used for 2026 budget) –

✘ 4th quarter collections up 2% from 2025; Y-over-Y up 3.8%

✘ 2026 forecast -- \$24.2m vs. \$23.2m used for 2026 allocations

2025 Quarterly Room Taxes



FUND CONDITION SUMMARY – 2024 TO 2026

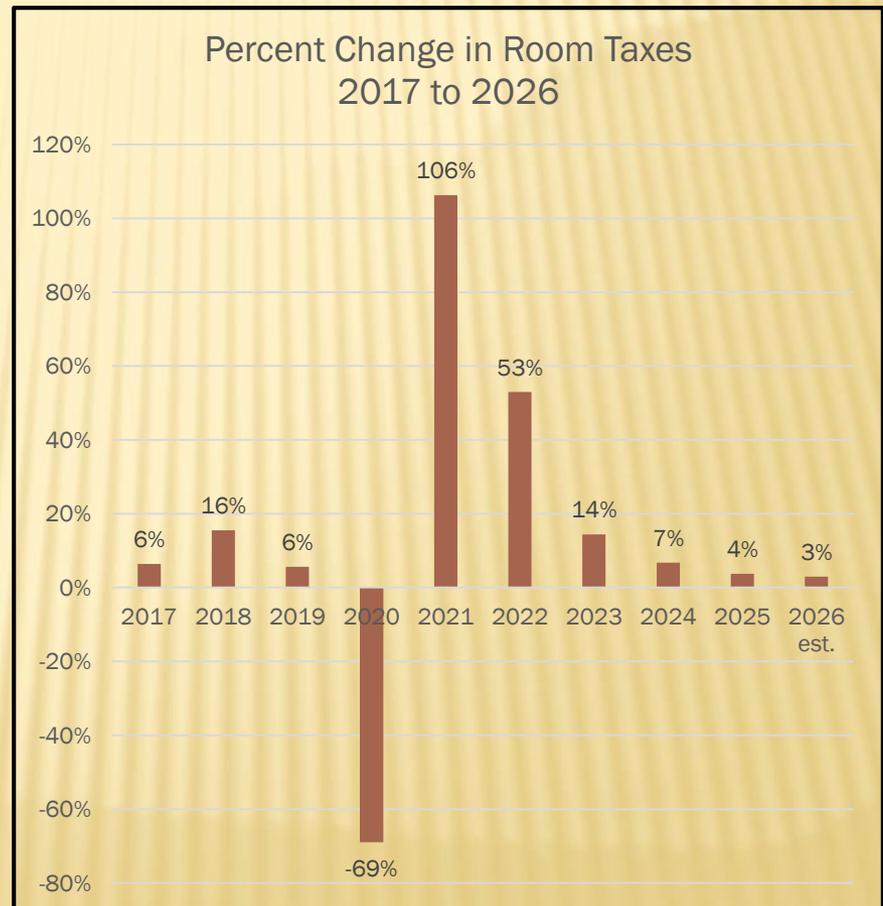
	2024 Actual	2025 Budget	2025 Pre-Final	2026 Projected
Revenues	22,660,756	21,800,000	23,480,000	24,184,400
Tangible Municipal Development (s. 66.0615 (1) (fm) 3., Wis. Stats.)				
Monona Terrace	6,931,782	7,605,133	7,605,133	6,706,780
Debt Service	717,927	764,133	764,133	816,030
Operating	5,392,000	5,392,000	5,392,000	5,392,000
Capital	821,855	1,449,000	1,449,000	498,750
Olbrich	796,000	843,800	843,800	1,030,473
Zoo	491,000	526,900	574,837	636,227
Alliant Center	99,000	99,000	99,000	102,000
Overture	2,180,000	2,200,000	2,220,000	2,286,600
Tourism Marketing (s. 66.0615 (1) (fm) 1., Wis. Stats.)				
Destination Madison	5,824,469	5,926,200	6,358,635	6,574,400
Event Booking Assistance	220,322	275,000	117,345	275,000
City Tourism	233,268	307,500	281,553	308,700
Other	35,507	35,000	37,056	35,000
Room Tax Commission	16,913,132	17,818,533	18,137,359	17,955,687
Room Tax Retained for General Purposes				
General Fund Share	6,893,025	6,540,000	7,044,000	6,505,320
Total Expenditures	23,806,157	24,358,533	25,181,359	24,461,007
RTC Reserve				500,000
Ending Balance	3,478,405	325,634	1,899,478	1,222,872
Structural Balance (rev v exp)	(1,145,401)	(2,558,533)	(1,701,359)	(776,606)

YEAR OVER YEAR CHANGE IN ROOM TAXES

Average change 1993 to 2016

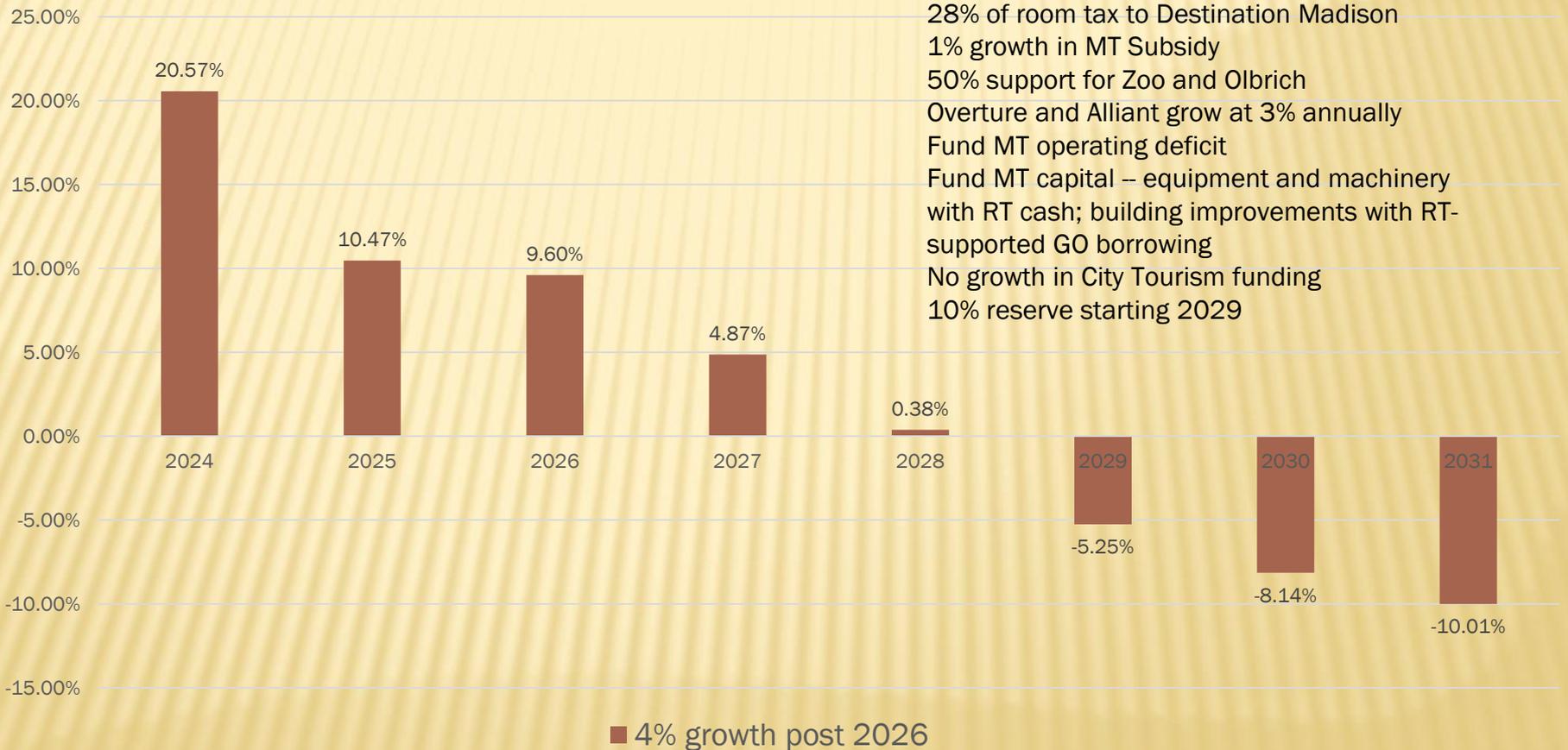
1993 to 2006 – 5%

2007 to 2016 – 7%



LONG-RANGE FORECAST

Fund Balance Share of Room Tax Commission Appropriations



ROOM TAX COMMISSION

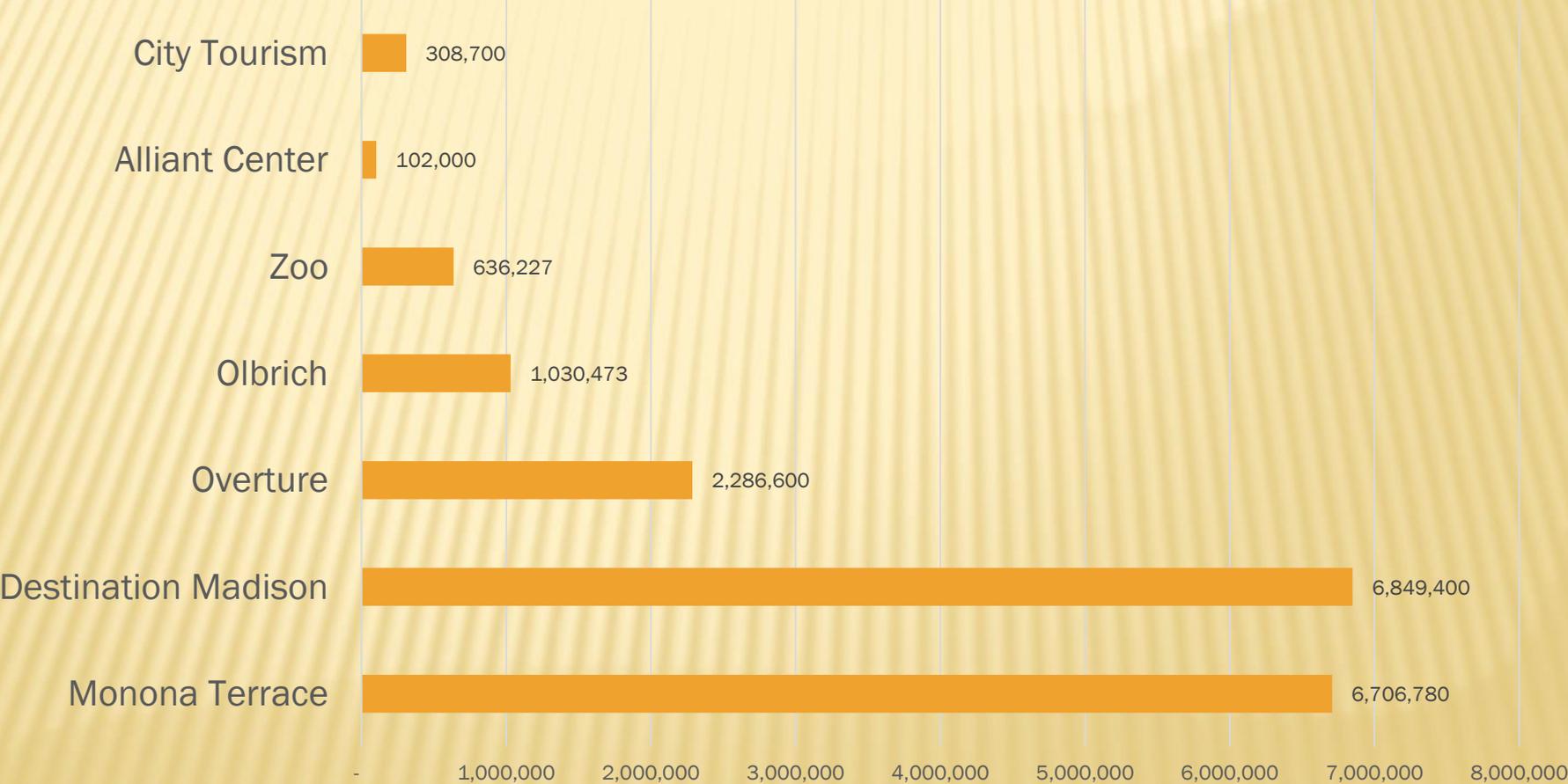
**DISCUSSION – LONG-RANGE FINANCIAL
FORECAST AND STRATEGIES TO ACHIEVE
FINANCIAL AND PROGRAM GOALS**

STATE LAW ON ROOM TAXES

- ✘ 8% maximum room tax unless have outstanding debt to construct or renovate a convention center (Madison at 10%)
- ✘ Tourism promotion and development
 - + Significantly used by transient tourists
 - + Reasonably likely to generate paid overnight stays at more than one establishment
 - + Marketing, ad buys, tourist materials, convention recruitment
 - + Transient tourist informational services
 - + Tangible municipal development, including a convention center
- ✘ At least 70% of room taxes to tourism promotion and development; remainder transferred to City general fund.
- ✘ The room taxes for tourism promotion and development must be allocated by a Room Tax Commission.

MONONA TERRACE AND DESTINATION MADISON – 75% OF ROOM TAX COMMISSION FUNDING

2026 Allocation of Room Tax Commission Funds



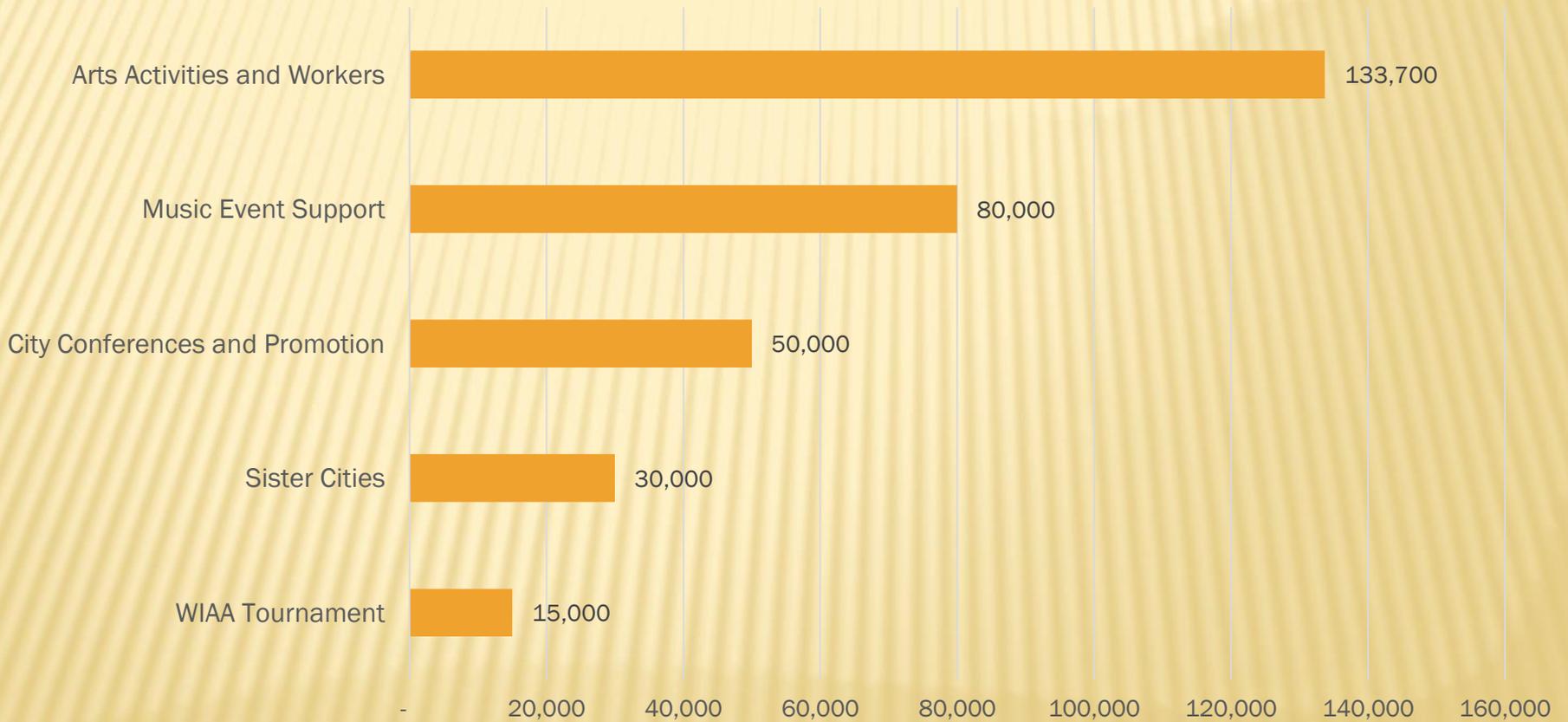
FUNDING BY STATE LAW CATEGORY

- ✘ Tangible municipal development – 60%
 - + Monona Terrace – 37%
 - + Overture – 13%
 - + Olbrich – 6%
 - + Zoo – 4%
 - + Alliant – 1%

- ✘ Tourism marketing – 40%
 - + Destination Madison – 38%
 - + City Tourism Marketing – 2%

CITY TOURISM MARKETING FUNDING

City Tourism Marketing



FORECAST ASSUMPTIONS AND OUTLOOK

- ✘ 4% annual growth in room tax revenues
 - ✘ Commission policy of 10% reserve by 2029
 - ✘ 28% of room tax to Destination Madison
 - ✘ 1% growth in MT Subsidy
 - ✘ 50% support for Zoo and Olbrich
 - ✘ Overture and Alliant grow at 3% annually
 - ✘ Fund MT operating deficit
 - ✘ Fund MT capital – equipment and machinery with RT cash; building improvements with RT-supported GO borrowing
 - ✘ No growth in City Tourism funding
- ✘ ***\$2.8 million deficit in 2029 with 10% reserve***

VALUES AND GOALS TO DISCUSS

- ✘ Monona Terrace – 37%
 - + Operations and physical plant
 - + Revenues through conferences, conventions and other events
- ✘ Destination Madison – 38%
 - + Marketing
 - + Event generation for Monona Terrace
- ✘ Madison as a destination – 25%
 - + Overture Center, Zoo, Olbrich, Alliant Center
 - + Arts and Music programming and events
 - + City promotion – Sister Cities, events, conferences
- ✘ State limits on General Fund
 - + Levy limits, shared revenue, expenditure restraint
 - + Delivering key services that make Madison a destination.
 - + 30% share of room taxes
 - + RTC allocations to Olbrich, Zoo, Overture

MONONA TERRACE CAPITAL COSTS

- ✘ Equipment funded with annual outlays
- ✘ Renovations/facility improvements funded with debt
- ✘ Annual outlay
 - + Low – \$500,000 (2026)
 - + High – \$1.5 million (2029)
 - + Average – \$1 million
- ✘ Debt service – 6% of RTC allocations by 2031 (\$1.3 million)
- ✘ Option – All Capital Funded with Debt:
 - + Debt Service – 9.5% of RTC allocations by 2031 (\$1.9 million)
 - + \$4.3 million net reduction in cash outlays through 2031.
 - + Debt service stabilizes at 11% of RTC allocations by 2037 (10 year prom notes)

ROOM TAX RATE

- ✘ Room tax rate
 - + Currently 10%
 - + Highest in state is 10.5% (Brookfield)
- ✘ 1% increase (to 11%) generates \$2.5 million
 - + \$750,000 to General Fund
 - + \$600,000 to Destination Madison
 - + \$1.15 million available for other priorities

COMPARATIVE LODGING TAX RATES

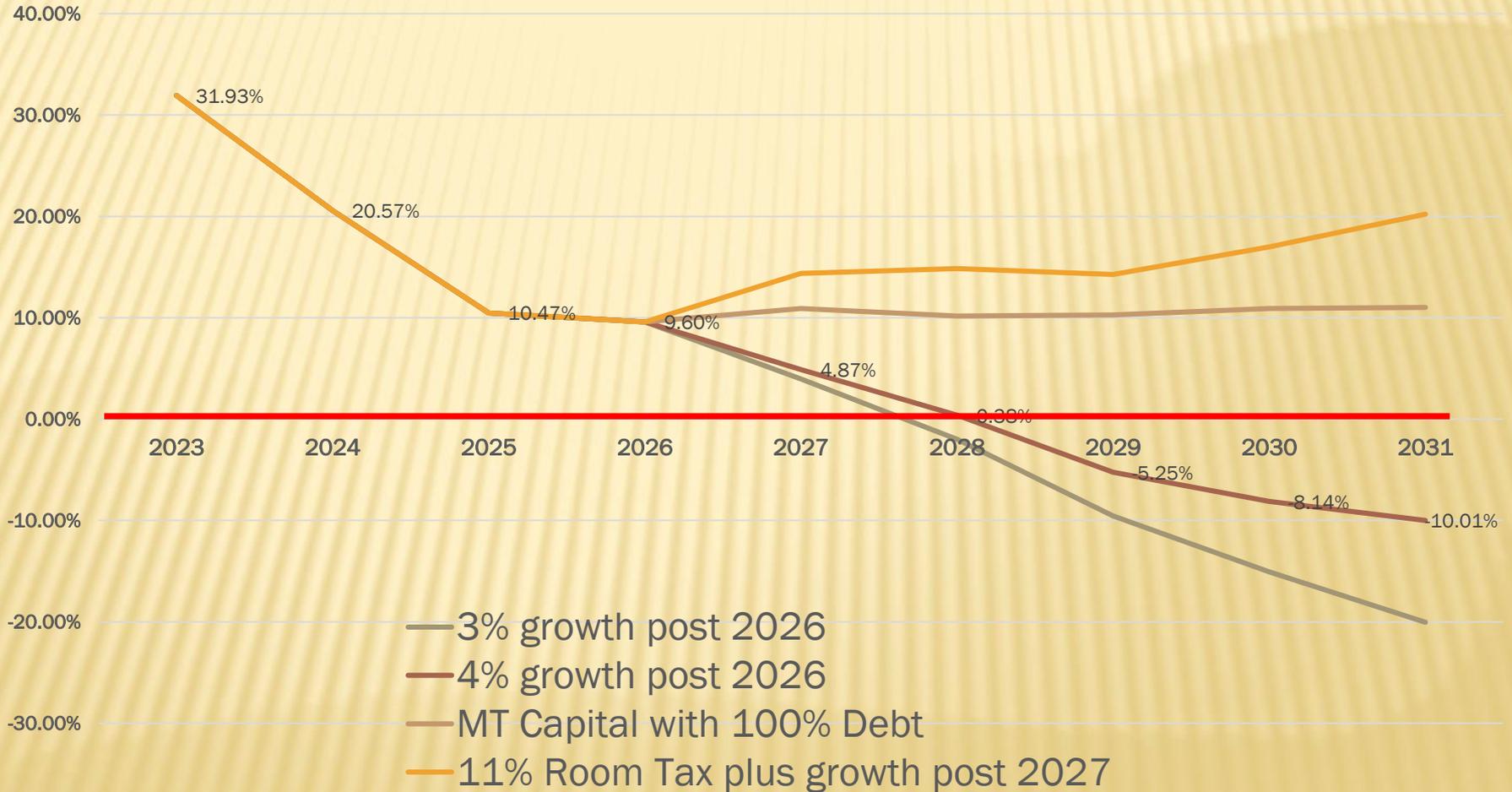
(SALES AND ROOM TAXES - STATE, COUNTY, CITY, OTHER)



2024 HVS Lodging Tax Report; Milwaukee adjusted for January 1, 2024 sales tax changes.

IMPACT OF OPTIONS

Fund Balance Share of Room Tax Commission Appropriations
(includes reserves)



ROOM TAX COMMISSION

2026 MEETING SCHEDULE AND FORMAT

2026 MEETING SCHEDULE

- ✘ May/June (virtual)
 - + Review 2025 Q1 actual collections and updates to 2026 forecast
 - + Continue financial sustainability discussion
 - + Elect officers
- ✘ August / September (in-person)
 - + Meeting 1 – Presentations on 2027 allocations; Q2 actual collections;
 - + Meeting 2 – Adopt 2027 allocations
- ✘ December (virtual)
 - + Review 2026 and 2027 forecasts
 - + Meeting schedule for 2027

February 23, 2026, Room Tax Commission Meeting

ADJOURNMENT
