

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 Projected	2023 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	(398,025)	(398,025)
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	(398,025)	(398,025)
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)