



Legislation Text

File #: 12671, Version: 1

Fiscal Note

Room Tax Fund:

GMCVB: Destination Marketing	\$(182,375)
GMCVB: Event Booking Assistance	\$(50,000)
Monona Terrace: Operating Subsidy	\$50,000
Increase in Room Tax Fund Balance	\$(182,375)

Monona Terrace:

Convention Marketing Services	\$50,000
Transfer In from Room Tax (decrease)	\$(50,000)
Total	\$0
Levy Impact:	\$0

Title

OPERATING BUDGET AMENDMENT # 9 - Room Tax Fund / Payments to Greater Madison Convention & Visitors Bureau; Monona Terrace, p. 17, 18, 85, Supplement pages 81, 83

Body

Eliminate, in its entirety, Amendment #3 adopted by the Board of Estimates which increased the estimated 2009 payment to the Greater Madison Convention and Visitors Bureau (GMCVB) for destination marketing and made other GMCVB related funding and narrative changes. The adopted Board of Estimates amendment is as follows:

Increase the amount available to the Greater Madison Convention and Visitors Bureau (GMCVB) for event booking assistance by \$50,000 to \$200,000. Decrease the operating subsidy from the Room Tax Fund to Monona Terrace by \$50,000 to \$2,877,033 and correspondingly reduce the payment to GMCVB for convention marketing in the Monona Terrace budget by \$50,000 from \$180,490 to \$130,490.

Increase the estimated payment to the GMCVB for destination marketing in 2009 by the difference between the actual 2008 room tax collection, less \$8,594,625, which is 3% above the 2007 collection. The 2009 Executive Budget estimates \$8,777,000 in 2008 room tax collection, making the estimated additional payment \$182,375.

Add the following language to Room Tax Fund note (b): "The City of Madison intends to amend the existing contract with GMCVB to recognize the additional one-time payment."

Also add the following language to Room Tax Fund note (b): "In conjunction with its semi-annual report to the Board of Estimates on event booking assistance activities, the GMCVB shall also report to the Board of Estimates and the Common Council on its progress toward the program and performance goals outlined in the contract."

Add the following note to the Room Tax Fund: "In order to guide the Mayor and Common Council in future room tax investment and distribution decisions, the Board of Estimates and the TOT study committee shall, by June 1, 2009, review and recommend implementation steps from the 2008 report of the TOT study committee."

The result of this amendment is to provide a 2009 payment to GMCVB for destination marketing equal to 20% of actual 2008 Room Tax revenue received, consistent with the current contract. 2008 Room Tax revenue is currently projected to exceed the 2007 collection level by approximately 5.2%. If actual revenue is received at this level, this amendment will increase the projected balance available in the Room Tax Fund at the end of 2009 by \$182,375 when compared to the budget as recommended by the Board of Estimates.