

MOTION TO AMEND RESOLUTION 23-0691.

BY PRESIDENT KENNEDY:

I move to amend Resolution 23-0691 as follows:

CITY PROPOSAL:

WHEREAS, Tourism taxes are collected on specific purchases and are used to fund legislatively allowable expenses mandated by Minnesota laws and City ordinance.

WHEREAS, it is expected that tourism tax collections will amount to approximately \$14 million in 2024. A significant amount of these collections- more than 50%- are set aside through specific authorizing legislation that tied bonding projects to tourism or through previously stated and mandated commitments. These are:

DECC Improvement Refunding Bonds (AMSOIL Arena) - \$33,440,000

Tourism Tax Revenue Bonds (St Louis River Corridor) - \$18,000,000

Parks-Based Public Athletic Facilities - \$36,000,000

Spirit Mountain Tax Abatement Bonds (Grand Avenue Chalet & Improvements) - \$7,055,000

Lake Front Restoration Bonds Phase I - \$2,000,000

Lake Front Restoration Bonds Phase II - \$3,500,000

Promotion and Publicity 3% Hotel/Motel Tax Mandate

WHEREAS, the allocations for City funding to the General Fund and Parks Fund are focused on the costs of providing services for events and tourist-focused activities. The general fund supports: providing officers for special events, bike patrol in Canal Park, officers to patrol and respond to calls in tourist areas, fire department staff for special events along with traffic control, permitting, risk analysis, and other public safety resources, maintaining the transportation network including plowing, sanding, patching, and sweeping streets used by both

residents and tourists, operating and maintaining our bridges particularly the MN Slip Bridge and the Aerial Lift Bridge, providing a senior economic developer position to focus on tourism, and all of the collecting, accounting, reporting, and administration of the tourism taxes. The General Fund and Parks Fund maintain parks and facilities used by tourists including, but not limited to, the Lakewalk, Enger Tower, and the Rose Garden.

WHEREAS, the remainder can be spent in ways that align with legislative intent in support of our tourism economy. These funds cannot be unilaterally applied to other non-tourism organizational needs of the City.

RESOLVED, that the 2024 hotel-motel and food and beverage tourism taxes, as estimated, be distributed in the following manner:

	Total	Promotional & Operational Support	Capital Support & Debt Service
3% Hotel/Motel Tax	\$3,490,700	\$1,335,200	\$2,155,500
1% Hotel/Motel Tax	\$1,190,000	\$640,000	\$550,000
1% Food & Beverage	\$2,986,200	\$2,986,200	\$0
Additional 2% Hotel/Motel	\$2,097,400	\$1,048,700	\$1,048,700
Additional .75% Food & Beverage	\$2,241,300	\$0	\$2,241,300
Additional .5% Food & Beverage & .5% Hotel/Motel	\$1,994,400	\$0	\$1,994,400
Tourism Tax Fund Unappropriated Fund Balance	\$900,000	\$717,900	\$182,100
Total:	\$14,900,000	\$6,728,000	\$8,172,000
DECC- Amsoil Arena Debt Service	\$4,331,900	\$0	\$4,331,900
Spirit Mountain Bond - Chalet	\$500,000	\$0	\$500,000
Spirit Mountain Adventure Park Lease	\$145,700	\$0	\$145,700
St Louis River Corridor Debt Service	\$1,994,400	\$0	\$1,994,400
Lake Front Restoration Project	\$550,000	\$0	\$550,000
Bellmont Partners	\$1,800,000	\$1,800,000	\$0
City of Duluth Parks and Recreation	\$76,000	\$76,000	\$0
City of Duluth Parks and Recreation - Capital	\$120,600	\$120,600	\$0
DECC - Bayfront Park Management	\$77,900	\$77,900	\$0

DECC - Blue Bridge Operations	\$49,700	\$49,700	\$0
Depot Foundation/St. Louis County Depot	\$240,000	\$240,000	\$0
Downtown Duluth (Special Service District)	\$236,000	\$236,000	\$0
Duluth Amateur Hockey Association	\$30,000	\$30,000	\$0
Duluth Art Institute Association	\$30,000	\$30,000	\$0
Duluth Children's Museum	\$50,000	\$50,000	\$0
Duluth Playhouse-Skywalk Security	\$10,000	\$10,000	\$0
Duluth Public Arts Commission	\$25,000	\$25,000	\$0
Duluth Sister Cities International	\$25,000	\$25,000	\$0
Duluth Street Art Initiative	\$20,000	\$20,000	\$0
Enger Irrigation	\$500,000	\$0	\$500,000
FinnFest USA Events	\$25,000	\$25,000	\$0
Fourth Fest Fireworks	\$70,000	\$70,000	\$0
Gary New Duluth Development Alliance	\$40,000	\$40,000	\$0
Glensheen	\$30,000	\$30,000	\$0
Great Lakes Aquarium	\$350,000	\$350,000	\$0
Harbortown Rotary Bike Duluth Festival	\$10,000	\$10,000	\$0
Hawk Ridge Bird Observatory	\$40,000	\$40,000	\$0
Independent Television Festival, Inc.	\$20,000	\$20,000	\$0
Lake Superior & Mississippi Railroad	\$20,000 25,000	\$20,000 25,000	\$0
Lake Superior Zoo	\$510,000	\$510,000	\$0
Lincoln Park Business Group	\$20,000	\$20,000	\$0
North Shore Scenic Railroad	\$50,000	\$50,000	\$0
Northern Lights Express	\$20,700	\$20,700	\$0
Park Point Art Fair/Park Point Community Club	\$10,000	\$10,000	\$0
Parking Ramp Security Improvements	\$30,000	\$30,000	\$0
Parks Capital - Golf Abatement Bond backing	\$150,000	\$0	\$150,000
Spirit Mountain Operations	\$440,000	\$440,000	\$0
The Cyclists of Gitchee Gumee Shores	\$15,000	\$15,000	\$0
The Minnesota Land Trust	\$50,000	\$50,000	\$0
Tourism Events Support General Fund	\$1,315,100	\$1,315,100	\$0
Tourism Marketing Position	\$123,000	\$123,000	\$0
Upper Midwest Film Office	\$35,000	\$35,000	\$0
Visit Duluth Event and Convention Sales	\$650,000	\$650,000	\$0
Zeitgeist Center for Arts and Community	\$20,000	\$20,000	\$0
Operational Contingency	\$44,000 39,000	\$44,000 39,000	\$0
Total	\$14,900,000	\$6,728,000	\$8,172,000