



Council Agenda Item: 25-0805R

MEETING DATE: October 14, 2025

SUBJECT/TITLE: RESOLUTION DISTRIBUTING THE ESTIMATED 2026 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

SUBMITTED BY: Melissa Herold, Budget Manager

RECOMMENDATION: Approve.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: Not applicable.

PREVIOUS COUNCIL ACTION: This is an annual resolution brought before council to distribute the Hotel/Motel and Food and Beverage tourism taxes.

BACKGROUND: This resolution details the distribution of tourism tax funds between debt service, capital improvements/projects, contractual agreements, committed funds, annual allocations made to tourism-based organizations, and a Visit Duluth discretionary allocation. 2026 is the first year of using Visit Duluth for deciding the distribution of the discretionary allocation.

BUDGET/FISCAL IMPACT: \$15,328,300 disbursement of funds from estimated 2026 \$14,280,000 in revenues and \$1,048,300 in unappropriated fund balance in the tourism tax fund.

OPTIONS: The City Council may approve or they may modify the distribution of allowable allocations.

NECESSARY ACTION: Approve

ATTACHMENTS: None