



## Legislation Text

File #: 16-0870R, Version: 1

### RESOLUTION DISTRIBUTING THE ESTIMATED 2017 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

#### CITY PROPOSAL:

RESOLVED, that the 2017 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:	\$2,830,600	\$1,082,700	\$1,747,900
1% Hotel/Motel Tax:	\$943,500	\$943,500	
1% Food & Beverage:	\$2,537,900	\$2,537,900	
Additional 2% Hotel/Motel:	\$1,754,200	\$558,500	\$1,195,700
Additional .75% Food & Beverage:	\$1,903,400		\$1,903,400
Additional .5% Food&Bev & .5% Hotel/Motel	\$1,707,500		\$1,707,500
Total:	\$11,677,100	\$5,122,600	\$6,554,500
DECC- Amsoil Arena Debt Service	\$3,651,300		\$3,651,300
Spirit Mountain Bond - Chalet	\$500,000		\$500,000
Spirit Mountain Adventure Park Lease	\$145,700		\$145,700
Visit Duluth	\$1,900,000	\$1,900,000	
Other Advertising and Publicity	\$85,500	\$85,500	
Tourism Events Support General Fund	\$895,000	\$895,000	
Tourist-Related Park Maintenance	\$200,000	\$200,000	
Lake Superior Zoo	\$510,000	\$510,000	
Great Lakes Aquarium	\$372,500	\$372,500	
Business Improve District	\$200,000	\$200,000	
Heritage & Arts Center/Depot	\$226,800	\$226,800	
Public Arts	\$40,000	\$40,000	
Sister Cities	\$40,000	\$40,000	
Lake Superior & Mississippi Railroad	\$20,000	\$20,000	

Rail Alliance	\$9,800	\$9,800	
DECC - Bayfront Park Management	\$60,000	\$60,000	
DECC - Blue Bridge Operations	\$38,000	\$38,000	
Glensheen Matching Funds	\$50,000	\$50,000	
St Louis River Corridor Debt Service	\$1,707,500		\$1,707,500
Spirit Mountain Operations	\$200,000	\$200,000	
Mounted Patrol Support	\$30,000	\$30,000	
Fourth Fest Fireworks	\$50,000	\$50,000	
Minnesota Slip Bridge	\$500,000		\$500,000
Capital Projects	\$50,000		\$50,000
Undesignated Fund Balance	\$195,000	\$195,000	
Total	\$11,677,100	\$5,122,600	\$6,554,500

STATEMENT OF PURPOSE: This resolution distributes the 2017 estimated tourism taxes as required by Minnesota State Statutes, City ordinance, or City policy. 2017 hotel/motel revenue is projected to increase 3.25% over 2016 expected revenue and 2017 food and beverage revenue is projected to increase 2.25% over expected 2016 revenue. A comparison of 2016 approved allocations to 2017 proposed allocations is attached as Exhibit A.

Legislated and contractual tourism tax increases include the DECC-Amsoil Arena debt service, the St Louis River Corridor debt service, and Visit Duluth.

2017 tourism tax allocation increases include \$125,000 additional funding to Visit Duluth and \$12,500 additional funding to the Great Lakes Aquarium.

New allocations being proposed include \$500,000 for reconstruction of the Minnesota slip bridge and \$50,000 to provide fireworks at Fourth Fest.