

ROOM TAX FUND

	2019 Actual	2020 Budget	2020 Projected	2021 Executive	2021 Adopted
Fund Balance, January 1	1,633,514	1,449,245	1,745,492	421,003	-
Restricted for Bond Requirements	-	-	-	-	-
Reserved for Monona Terrace Capital Projects	(680,560)	(680,560)	(983,785)	-	-
Committed for Event Booking Assistance	(369,765)	(369,765)	(406,275)	(406,275)	-
Balance of Unassigned Funds, January 1	\$ 583,189	\$ 398,920	\$ 355,432	\$ 14,728	\$ -

SOURCES

Estimated Total Room Tax Receipts	18,929,841	19,552,138	9,464,921	13,402,327	-
Interest Revenue	18,976	12,674	6,135	7,590	-
TOTAL SOURCES	\$ 18,948,817	\$ 19,564,812	\$ 9,471,056	\$ 13,409,917	\$ -

USES

Tangible Municipal Development (s. 66.0615 (1) (fm) 3., Wis. Stats.)

Monona Terrace:

Debt Service Payment-Revenue Bond Issue (a)	800,025	272,275	272,275	-	-
Debt Service Payment-Gen'l Obligation Bond Issue (a)	-	23,998	-	23,198	-
Capital Purchases	588,587	870,000	250,000	167,500	-
Operating Subsidy	3,795,928	4,616,572	2,147,508	3,559,302	-
Reserves (b)	-	(321,556)	-	-	-
Net Operating Subsidy	3,795,928	4,295,016	2,147,508	3,559,302	-
Subtotal Monona Terrace	\$ 5,184,540	\$ 5,461,289	\$ 2,669,783	\$ 3,750,000	\$ -
Monona Terrace Share of Room Tax Revenues	27%	28%	28%	28%	

Henry Vilas Zoo and Olbrich Gardens (j)

	\$ 642,352	\$ 642,352	\$ -	\$ -	\$ -
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Overture Center Subsidy from Room Tax

	\$ 2,000,000	\$ 2,095,000	\$ 1,200,000	\$ 1,500,000	\$ -
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Subtotal Tangible Municipal Development	\$ 7,826,892	\$ 8,198,641	\$ 3,869,783	\$ 5,250,000	\$ -
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Tangible Municipal Development Share of Room Tax Revenues	41%	42%	41%	39%	
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ROOM TAX FUND

	<u>2019</u> <u>Actual</u>	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Projected</u>	<u>2021</u> <u>Executive</u>	<u>2021</u> <u>Adopted</u>
Tourism Marketing (s. 66.0615 (1) (fm) 1., Wis. Stats.)					
<u>Greater Madison Convention and Visitors Bureau:</u>					
Destination Marketing (c)	4,989,009	5,264,037	2,950,000	3,750,000	-
Estimated Event Booking Assistance Subsidy	140,953	200,000	50,000	150,000	-
Additional Funding (b)	-	-	-	-	-
Subtotal GMCVB	<u>\$ 5,129,962</u>	<u>\$ 5,464,037</u>	<u>\$ 3,000,000</u>	<u>\$ 3,900,000</u>	<u>\$ -</u>
<u>City Tourism Marketing Activities</u>					
Support for Fireworks Events (d)	15,000	15,000	-	-	-
Sister Cities Program	27,000	30,000	15,000	18,000	-
Civic Conferences / Fairs / Festivals / Summer Concerts	132,895	177,500	87,500	125,000	-
Civic Conferences (e)	4,663	35,000	5,000	5,000	-
Civic Promotion (e)	11,732	15,000	15,000	15,000	-
Dane Dances (g)	25,000	25,000	10,000	10,000	-
Make Music Madison (g)	30,000	30,000	10,000	10,000	-
Songwriting Conference (g)	25,000	25,000	10,000	10,000	-
Music Tourism Study	-	-	-	45,000	-
Fairs / Festivals / Summer Concerts (f)	16,500	17,500	15,000	15,000	-
Downtown Temporary Art Installations (g)	20,000	30,000	22,500	15,000	-
WIAA Basketball Tournament (h)	-	15,000	-	15,000	-
Subtotal City Tourism Marketing	<u>\$ 174,895</u>	<u>\$ 237,500</u>	<u>\$ 102,500</u>	<u>\$ 158,000</u>	<u>\$ -</u>
Subtotal Tourism Marketing	<u>\$ 5,304,857</u>	<u>\$ 5,701,537</u>	<u>\$ 3,102,500</u>	<u>\$ 4,058,000</u>	<u>\$ -</u>
Share of Room Tax Revenues	28%	29%	33%	30%	
Room Tax Commission Administration	<u>18,800</u>	<u>\$ 19,552</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ -</u>
Room Tax Commission Enforcement of Transient Tourist Room Tax	<u>15,000</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ -</u>
Share of Room Tax Revenues	0.2%	0.2%	0.0%	0.2%	
Reserves					
Share of Room Tax Revenues					
Room Tax Commission	<u>\$ 13,165,549</u>	<u>\$ 13,934,730</u>	<u>\$ 6,972,283</u>	<u>\$ 9,338,000</u>	<u>\$ -</u>
Tourism-Related Share of Room Tax	69%	71%	74%	69%	
Room Tax Retained for General Purposes					
General Purposes (b)	5,592,290	5,786,641	2,760,476	3,941,698	-
Arts Grants	79,000	79,000	79,000	79,000	-
Subtotal Retained for Other Purposes	<u>\$ 5,671,290</u>	<u>\$ 5,865,641</u>	<u>\$ 2,839,476</u>	<u>\$ 4,020,698</u>	<u>\$ -</u>
Share of Room Tax Revenues	30%	30%	30%	30%	
TOTAL USES	<u>\$ 18,836,839</u>	<u>\$ 19,800,372</u>	<u>\$ 9,811,759</u>	<u>\$ 13,358,698</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 1,745,492</u>	<u>\$ 1,213,686</u>	<u>\$ 1,404,788</u>	<u>\$ 472,222</u>	<u>\$ -</u>
Transfer to Monona Terrace Operations			(750,000)		
Committed for Monona Terrace Capital Projects	(983,785)	(680,560)	(233,785)	-	-
Committed for Event Booking Assistance	(406,275)	(369,765)	(406,275)	(406,275)	-
Balance of Unassigned Funds, December 31 (b)	<u>\$ 355,432</u>	<u>\$ 163,361</u>	<u>\$ 14,728</u>	<u>\$ 65,947</u>	<u>\$ -</u>

The presentation of the Room Tax Fund has been modified from prior years to reflect changes to state law and to reflect the requirement, first effective in 2017, that 70 percent of room tax revenues be transferred for allocation by a Room Tax Commission created by the City.

(a) The CDA lease revenue bonds issued to finance the construction of Monona Terrace will be retired in 2020; the amount shown above is net of applying the debt service reserve fund to pay a portion of the final year of debt service. The General Obligation bonds initially issued as part of the original Monona Terrace financing were retired in 2014. New GO bonds have been issued for renovation projects at Monona Terrace.

(b) Under state law, 70% of room taxes are distributed by the Room Tax Commission and 30% are retained by the City. The Room Tax Commission anticipates allocating sufficient room tax revenues on a permanent basis to eliminate the reliance on Monona Terrace reserves, as well as providing additional room tax subsidy to Monona Terrace to help reach the goal that reserves are at least 20% of expenditures. The Monona Terrace Board has stated that the Monona Terrace Reserve Fund is to be used to cover Monona Terrace's unexpected operating and capital shortfalls as well as to help support a future renovation. Due to economic impacts brought on by the global pandemic, Monona Terrace reserves will be exhausted by the end of 2020. In July 2020, the Room Tax Commission amended its 2020 adopted budget to reduce allocations by 50% in response to the impact of the global pandemic on city room tax collections. The "Balance of Unassigned Funds" represent the unspent portion of the 70% of room taxes allocated to the Room Tax Commission. As room tax revenues recover from the impacts of the global pandemic, the Room Tax Commission will continue to review and seek to set-aside reserves.

(c) In 2020, the contract with Destination Madison, Inc., was amended to provide a fixed amount of funding based on much lower room tax revenues brought on by the impacts of the global pandemic.

(d) In 2021, no funding is provided to help support fireworks events.

(e) These funds will be used to promote conferences and/or enterprises that the City helps host or sponsor that are designed to provide education and training for Madisonians and also to promote Madison as a city of distinction and place of topical interest.

(f) This includes funds for events as determined by the Arts Commission that result in tourism and hotel room nights in the City. In 2021, \$45,000 is allocated for a study that will be carried out by the Planning Division of ways to support and expand the diversity of music tourism in Madison.

(g) This includes funding for Dane Dances (\$10,000); Make Music Madison, a summer solstice festival (\$10,000); a Madison Songwriting Conference and Festival (\$10,000); and Downtown Temporary Art Installations (\$15,000). These allocations are lower than in previous years and reflect the impact of the global pandemic.

(h) In 2021, \$15,000 is continued to support the WIAA Tournament.

(i) Allocation of funding for enforcement of state laws and City ordinances related to tourism rooming houses is subject to approval by the Room Tax Commission.

(j) Allocation of funding to support an operating subsidy to the Overture Center (\$1,500,000) is authorized by the Room Tax Commission, consistent with state law. The Overture Center subsidy is reduced from prior years due to the impacts of the global pandemic. Prior year subsidies from the Room Tax Commission to the Henry Vilas Zoo and Olbrich Gardens are funded by the City's general fund in 2021 due to the impacts of the global pandemic on room tax revenues.

By the adoption of this budget, the City Council hereby incorporates the decisions of the Room Tax Commission into the 2021 operating budget in accordance with state law. An increase in the room tax rate from 9% to 10% for the Room Tax Fund was first adopted in the 2018 budget.