



City of Duluth

411 West First Street
Duluth, Minnesota 55802

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.

Exhibit A

| | Proposed 2017 | Approved 2016 |
|--------------------------------------|---------------|---------------|
| DECC- Amsoil Arena Debt Service | \$ 3,651,300 | \$ 3,404,500 |
| Spirit Mountain Bond - Chalet | \$ 500,000 | \$ 500,000 |
| Spirit Mountain Adventure Park Lease | \$ 145,700 | \$ 145,700 |
| Visit Duluth | \$ 1,900,000 | \$ 1,775,000 |
| Other Advertising and Publicity | \$ 85,500 | \$ 200,000 |
| 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 | \$ 360,000 |
| 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 | \$ 12,500 |
| 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 | \$ 1,625,900 |
| Spirit Mountain Operations | \$ 200,000 | \$ 250,000 |
| Mounted Patrol Support | \$ 30,000 | \$ 30,000 |
| Fourth Fest Fireworks | \$ 50,000 | \$ - |
| Minnesota Slip Bridge | \$ 500,000 | \$ - |
| Tourism-Related Grant Fund | \$ - | \$ 50,000 |
| Capital Projects | \$ 50,000 | \$ 135,100 |
| Undesignated Fund Balance | \$ 195,000 | \$ 92,800 |
| Total | \$ 11,677,100 | \$ 10,861,300 |