

FINANCE COMMITTEE

10-0590R

RESOLUTION DISTRIBUTING THE ESTIMATED 2011 TOURISM TAXES
OF HOTEL-MOTEL AND FOOD AND BEVERAGE.

CITY PROPOSAL:

RESOLVED, that the 2011 tourism taxes of hotel-motel and food and beverages, as estimated, be distributed in the following manner:

	3% Hotel-Motel	1% Hotel-Motel	2.25% Food & Beverage	Add'l 2.5% Hotel-Motel	Total
Visit Duluth	538,600	178,600	596,000	167,600	\$ 1,480,800
DECC Amsoil Arena Debt Service			1,344,300		\$ 1,344,300
DECC	1,000,400				\$ 1,000,400
Transfer to General Fund	81,000	260,100	300,000	96,800	\$ 737,900
DECC Expansion Debt Service			720,400		\$ 720,400
Lake Superior Zoo Fund			413,800	106,200	\$ 520,000
Spirit Mountain Debt/Capital				350,000	\$ 350,000
Great Lakes Aquarium		16,800	184,000	99,200	\$ 300,000
Reserve for Debt Service			175,800	50,800	\$ 226,600
Lake Superior Center Debt Service				201,200	\$ 201,200
Business Improvement District			200,000		\$ 200,000
Heritage and Arts Center		81,500	56,100	14,200	\$ 151,800
Capital Projects - Enger Tower				100,000	\$ 100,000
Rail Alliance				40,000	\$ 40,000

(CONTINUED)	3% Hotel-Motel	1% Hotel-Motel	2.25% Food & Beverage	Add'l 2.5% Hotel-Motel	Total
Duluth Public Arts Commission			20,000	10,000	\$ 30,000
Sister Cities			10,000	10,000	\$ 20,000
Reserve for Capital Projects				14,000	\$ 14,000
Undesignated Fund Balance			12,600		\$ 12,600
TOTALS	1,620,000	537,000	4,033,000	1,260,000	\$ 7,450,000

Approved:



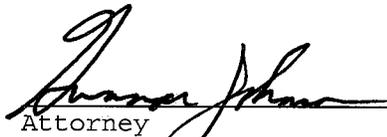
 Department Director

Approved for presentation to council:



 Chief Administrative Officer

Approved as to form:



 Attorney

Approved:



 Auditor

BUDGET PS/cb/rb 11/15/2010

STATEMENT OF PURPOSE: This resolution distributes the 2011 estimated tourism taxes to various agencies as determined by Minnesota State Statutes or city policy. Revenue is projected to increase by 3.5%, or \$249,000 over the 2010 budget due to local trends.

The allocation to the DECC is increasing \$43,300 due to the increase in projected revenue and based on state law requiring the city to allocate 61.75 percent of the three percent hotel-motel tax.

The Visit Duluth allocation will also increase per the allocation method approved in the latest proposed contract between the agency and the city. The increase for 2011 is \$52,800 above 2010.

The Great Lakes Aquarium allocation is increasing \$50,000 for operating expenses, and Spirit Mountain is increasing \$75,000 for capital.