

FINANCE COMMITTEE

11-0637R

RESOLUTION DISTRIBUTING THE ESTIMATED 2012 TOURISM TAXES
OF HOTEL-MOTEL AND FOOD AND BEVERAGE. AND DISTRIBUTING
AN ADDITIONAL \$231,900 TO DECC EXPANSION AND LAKE
SUPERIOR CENTER DEBT SERVICE.

CITY PROPOSAL:

RESOLVED, that the 2012 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
DECC Amsoil Arena Debt Service	1,092,400		1,438,600		\$ 2,531,000
Visit Duluth	588,200	196,100	631,700	184,000	\$ 1,600,000
Other Promotional Programs			6,000		\$ 6,000
Transfer to General Fund	88,500	260,100	292,500	96,800	\$ 737,900
DECC Expansion Debt Service			542,800		\$ 542,800
Lake Superior Zoo Fund			413,800	106,200	\$ 520,000
Spirit Mountain Debt/Capital				500,000	\$ 500,000
Great Lakes Aquarium		16,800	184,000	99,200	\$ 300,000
Business Improvement District			200,000		\$ 200,000
Lake Superior Center Debt Service				149,700	\$ 149,700
Heritage and Arts Center		81,500	56,100	14,200	\$ 151,800
Capital Projects			77,300	22,700	\$ 100,000
DECC - Bayfront Park		35,200	14,800		\$ 50,000
Undesignated Fund Balance			11,900	33,200	\$ 45,100
Rail Alliance				30,900	\$ 30,900
Duluth Public Arts Commission			20,000	10,000	\$ 30,000
Sister Cities			10,000	10,000	\$ 20,000
TOTALS	1,769,100	589,700	3,899,500	1,256,900	\$ 7,515,200

Further resolved, that \$231,900 in additional funds be allocated to DECC Expansion debt and Lake Superior Center debt service; this source coming from reserve for debt service, which is excess revenue from the dedicated .5% food and beverage tax and .5% hotel/motel tax.

Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

BUDGET ES:rb 11/29/2011

STATEMENT OF PURPOSE: This resolution distributes the 2012 estimated tourism taxes to various agencies as determined by Minnesota State Statutes or city policy. Due to the fulfillment of bond obligations .5% of food and beverage tax and .5% of hotel/motel tax will sunset during the year. Excluding the taxes that are about to sunset, revenue is projected to increase by 8.26% over the 2011 budget due to local trends.

The 3% hotel/motel allocation to the DECC is increasing \$92,000 due to the increase in projected revenue and based on state law requiring the city to allocate 61.75%. Pursuant to the pledge agreement for Amsoil Arena debt, this allocation is now dedicated to debt service.

The Visit Duluth allocation will increase \$119,200 above the 2011 allocation and Spirit Mountain is increasing \$150,000 for capital.