

FINANCE COMMITTEE

12-0585R

AS AMENDED

RESOLUTION DISTRIBUTING THE ESTIMATED 2013 TOURISM TAXES
OF HOTEL-MOTEL AND FOOD AND BEVERAGE.

CITY PROPOSAL:

RESOLVED, that the 2013 tourism taxes of hotel-motel and food and beverages, as estimated, be distributed in the following manner, with the understanding that each entity will complete an annual performance review for their performance in 2013 (questions for the performance review shall be approved by resolution of the city council):

	3% Hotel- Motel	1% Hotel- Motel	1.75% Food & Beverage	Add'l 2% Hotel- Motel	Total
DECC Amsoil Arena Debt Service	1,160,900		1,482,000		\$2,642,900
Visit Duluth	625,100	196,100	600,000	178,800	\$1,600,000
Transfer to General Fund	94,000	260,100	287,000	96,800	\$737,900
Lake Superior Zoo Fund			403,800	106,200	\$510,000
Spirit Mountain Debt/Capital				500,000	\$500,000
Great Lakes Aquarium Operations		53,300	184,000	112,700	\$350,000
Business Improvement District			200,000		\$200,000
Heritage and Arts Center		81,500	73,000	22,300	\$176,800
Capital Projects			17,500	82,500	\$100,000
Other Promotional Programs			88,400		\$88,400
DECC - Bayfront Park		36,000	50,700		\$86,700
Undesignated Fund Balance			6,600	43,200	\$49,800
Public Arts Fund			30,000	20,000	\$50,000

	3% Hotel- Motel	1% Hotel- Motel	1.75% Food & Beverage	Add'l 2% Hotel- Motel	Total
Duluth Sister Cities International			15,000	15,000	\$30,000
Lake Superior & Mississippi RR			20,000		\$20,000
Rail Alliance				12,500	\$12,500
TOTALS	\$1,880,000	\$627,000	\$3,458,000	\$1,190,000	\$7,155,000

FINANCE CB:le 11/15/12

STATEMENT OF PURPOSE: This resolution distributes the 2013 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 sunset in 2012. Excluding those taxes, revenue is projected to increase 4.9% over the 2012 budget due to local trends.

The 3% hotel/motel allocation to the DECC is increasing \$68,500 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 \$36,700 increase to the DECC-Bayfront Park is due to including the joint powers agreement expense for management of the Minnesota Slip Pedestrian Bridge.

There are increases proposed for the Great Lakes Aquarium in the amount of \$50,000; Duluth Sister Cities International \$10,000; Public Arts Fund \$20,000; and the St. Louis County Heritage & Arts Center \$25,000. There is also a new allocation of \$20,000 for the Lake Superior and Mississippi Railroad. Lake Superior Zoo Fund is decreasing \$10,000 due to the contractual agreement between the city and the Lake Superior Zoological Society.