CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: FY 2017-18 FY Hotel/Motel Tax Allocations **DATE:** February 21, 2017

FINANCIAL IMPACT: The projected FY 2017-18 revenues are $4,000,000 and allocated expenditures are $3,893,571, so the Hotel/Motel Tax Fund Balance is expected to rise from $434,591 to $541,019 by June 30, 2018.

BACKGROUND: Although a significant portion of the City's annual Hotel/Motel Tax revenue has been previously committed through established policy or through previous Council action, the Council is also able to use discretion when allocating the remainder. For the upcoming fiscal year, staff received applications from 12 non-profit organizations requesting discretionary funding.

The 12 organizations made presentations and answered questions regarding their funding requests to members of the Finance and Administration Committee at meetings on January 11, 2017, January 18, 2017, and January 25, 2017. Members of the Committee reviewed the applications and notes from the presentations at a meeting on February 8, 2017 and are recommending allocations in accordance with the attached schedule. If approved, highlights of the allocation include the following:

- The National Speech and Debate Association (NSDA), which recently moved its national headquarters to Valley Junction, will receive $23,000. Of that award, $8,000 would be used for a mural for the front of their building, and $15,000 would be used to prepare the inside of the building with exhibits about the nearly 100 year history of the NSDA.

- Tallgrass Theatre Company, a community theatre with performances held in the Rex Mathes auditorium, will receive $14,000 for the purchase of energy-saving LED lighting and controls and a digital sound system.

- The West Des Moines Girls Softball Association will receive $20,000, these funds will most likely be used for the "re-leveling" of the playing fields at Holiday Park and the purchase of an electronic scoreboard.

- The West Des Moines Soccer Club will receive $20,000 for field and safety improvements, which represents a decrease of $10,000 from the previous year.

- Junior Achievement will receive $5,000, which represents a decrease of $5,000 from the previous year.

- The WDM Business Incubator will receive $10,000 which will be used primarily to host speakers, workshops, and other events to educate clients on business development.

- The WDM Historical Society will receive up to $65,000 for infrastructure improvements and programing at the Jordan House and Bennett School. Of the overall total, $15,000 was committed by previous Council action in December 2013.

- The Historic Valley Junction Foundation will receive $175,000 which represents an increase of $80,000 from the previous year. The increased funding is to support operating expenses, the CoSign pilot project, and Economic Vitality Micro Grants.

- The West Des Moines Chamber of Commerce & Development Connection will receive a total of $67,500, which represents a decrease of $50,000 from the previous year.

- The West Des Moines Public Arts program will receive funding of $120,000, which represents the "maximum" calculated contribution based on a previous Council directive.

- Central Iowa Shelters & Services will receive $12,000 for the fifth annual contribution toward a five year, $60,000 commitment made by Council in 2013.

- The West Des Moines Sister Cities Commission activities, budgeted at $29,000 for FY 17-18, will now be funded by the Hotel/Motel Tax fund.

- Two capital improvement program projects, totaling $180,000, will also be funded using Hotel/Motel tax dollars. The first project is a study on placement and design for future city entrance signs and the second project is design study for upgrading parks signage. These studies will be likely combined at some level to provide complementary signage.

- All other discretionary programs will be funded at the same level as FY16-17.

OUTSTANDING ISSUES: None

RECOMMENDATION: Motion approving the Finance and Administration Committee recommendations regarding FY17-18 allocation of Hotel/Motel tax revenues.

Lead Staff Member: **Chris Hamlett, Budget Analyst** CH

STAFF REVIEWS

Department Director	Tim Stiles, Finance Director
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	n/a
Dates(s) Published	n/a

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Dates Reviewed	January 11, 2017 January 18, 2017 January 25, 2017 February 8, 2017		
Recommendation	Yes	No	Split

Hotel Motel Tax

Activity/Organization	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Recommended
Hotel/Motel Tax Revenue	$ 3,669,278	$ 3,963,886	$ 3,700,000	$ 4,000,000
Contractual Agreements				
Convention/Visitors Bureau (2/7ths)	1,028,579	1,132,539	1,057,143	1,142,857
BRAVO (2/7ths less IA Events Center)	963,579	1,067,539	992,143	1,077,857
Des Moines Performing Arts (ends FY 17/18)	16,500	16,500	16,500	16,500
Iowa Events Center (ends FY 18/19)	65,000	65,000	65,000	65,000
Contractual Agreements Sub-Total	$ 2,073,658	$ 2,281,578	$ 2,130,786	$ 2,302,214
City Uses				
City Entrance Signs	18,726	-	15,000	100,000
City Newsletter/WDM Magazine	86,100	140,596	120,000	150,000
Economic Development Emphasis	50,000	50,000	50,000	50,000
Holiday Park Baseball Improvements	-		50,000	-
July 4th Celebration	16,500	17,000	17,000	18,000
Public Art	160,000	120,000	120,000	120,000
Solheim Cup	-	11,333	11,000	11,334
Valley Junction Area Operations/Repairs	1,516	4,869	25,000	25,000
Vyvacity (BBE Partners)	-	15,000	15,000	-
Youth In-Parks	21,025	6,610	25,000	25,000
Parks Signage Upgrade	-	-	-	80,000
P&R Software (Perfectmind)	-	91,982	-	-
Sister Cities	-	-	-	29,000
MPO- Water Trails Study	-	-	20,779	-
EMS Trailer Solheim Cup	-	-	26,702	-
City Programs - Miscellaneous (2/7 less above city uses)	1,025,825	918,950	561,662	534,523
Total City Uses	$ 1,379,692	$ 1,376,340	$ 1,057,143	$ 1,142,857
West Des Moines Based Organizations				
Eddie Davis Community Center	15,000	15,000	15,000	15,000
Historic Valley Junction Foundation	75,000	75,000	95,000	175,000
Iowa STEAM Innovation Zone	10,000	-	-	-
Mainstream Living	6,190	-	-	-
National Speech and Debate Association	-	-	-	23,000
Tallgrass Theatre Company	-	-	-	14,000
Tiger Softball Club	2,000	2,000	2,000	2,000
WDM Business Incubator	10,000	9,220	10,000	10,000
WDM Chamber of Commerce/Development Connection	77,500	77,500	117,500	67,500
WDM Community Enrichement Foundation (approved 9/7/10)	10,000	10,000	10,000	10,000
WDM Girls Softball (resumes in FY 17-18)	-	-	-	20,000
WDM Historical Society	5,000	25,000	50,000	50,000
WDM Historcal Society ($15,000 for 4 yrs , thru FY 17/18)	15,000	15,000	15,000	15,000
WDM Soccer Club	-	-	30,000	20,000
West Des Moines Sub-Total	$ 225,690	$ 228,720	$ 344,500	$ 421,500
Metro Based Organizations				
Central Iowa Shelters & Services ($12,000 for 5 yrs thru FY 17/18)	12,000	12,000	12,000	12,000
Iowa Homeless Youth Center	725	1,000	-	-
Iowa Senior Games		10,000	10,000	10,000
Junior Achievement	10,000	10,000	10,000	5,000
Polk County Conservation	15,000	-	-	-
Metro Base Sub-Total	$ 37,725	$ 33,000	$ 32,000	$ 27,000
Total Expenses	$ 3,716,765	$ 3,919,638	$ 3,564,429	$ 3,893,571
Increase/(Decrease) in Fund Balance	$ (47,487)	$ 44,248	$ 135,571	$ 106,429
Beginning Fund Balance	$ 894,795	$ 254,771	$ 299,020	$ 434,591
Ending Fund Balance	$ 847,308	$ 299,020	$ 434,591	$ 541,019
Accounts Payable (Sept Payments for 6/30 Receipts)	$ (592,537)			
Adjusted Ending Fund Balance	$ 254,771			

	Organization	Requested	Recommended
	Wednesday, January 11, 2017		
1	Tigers Softball Club	2,000	2,000
2	West Des Moines Chamber of Commerce	67,500	67,500
3	West Des Moines Historical Society	65,000	65,000
4	West Des Moines Soccer Club	30,000	20,000
	Wednesday, January 18, 2017		
5	Historic Valley Junction Foundation	175,000	175,000
6	Eddie Davis Community Center	15,000	15,000
7	West Des Moines Girls Softball Association	20,000	20,000
8	Iowa Sports Foundation for the Senior Games	10,000	10,000
	Wednesday, January 25, 2017		
9	West Des Moines Business Incubator	25,000	10,000
10	Tallgrass Theatre Company	18,000	14,000
11	National Speech and Debate Association	30,000	23,000
12	Junior Achievement of Central Iowa	11,000	5,000
	Total Funding	**468,500**	**426,500**