CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: FY 2019-20 FY Hotel/Motel Tax Allocations **DATE:** February 19, 2019

FINANCIAL IMPACT: The projected FY 2019-20 hotel/motel tax revenues are $4,550,000 and allocated expenditures are $4,550,00, so the Hotel/Motel Tax Ending Fund Balance is expected remain at $1,171,822 during the fiscal year.

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 able to use discretion when allocating the remainder. For the upcoming fiscal year, staff received applications from 15 non-profit organizations requesting discretionary funding.

The 15 organizations each made a presentation and answered questions regarding their funding request to members of the Finance and Administration Committee at meetings on January 9, 2019, January 16, 2019, and January 23, 2019. Members of the Committee reviewed the applications and notes following the January 23, 2019, meeting and their recommendations are included in the attached funding schedule. Highlights of the recommended allocation include:

- Tallgrass Theatre Company, a community theatre with performances held in the Rex Mathes auditorium, will receive $10,000 for the integration and expansion of the existing network of technical devices, and equipment for the children's Seedling Program.

- The West Des Moines Chamber of Commerce & Development Connection will receive a total of $75,000, which represents an increase of $8,000 from the previous year.

- Des Moines Children's Museum will receive $20,000 to be used for the creation of additional exhibits and upgrading current exhibits, providing restroom facilities, handwashing station and water fountain, and replacing flooring. They were a first-time applicant.

- Friends of the Terrain Therapy Garden Project will receive $5,000 for a one-time project of constructing an outdoor 3-season physical therapy area at the VA Hospital located at 30th & Euclid in Des Moines. They were a first-time applicant, and the organization will disband after the completion of the project.

- The West Des Moines Historical Society will receive $50,000 for improvements to the Jordan House and Bennett School.

- Innovation Collaboration Excellence (Valley Robotics Club) will receive $2,500, the funding will be used for educational tools and marketing to bring events to the metro area.

- The Historic Valley Junction Foundation will receive $125,000. Of this funding, $100,000 is intended to support operating expenses and $25,000 is for a two year district-wide lighting project that will replace the current holiday lighting. The foundation has enlisted VJ residents and lighting engineering experts at KCL Engineering to design and coordinate the project.

- Ballet Des Moines, located at 121 S.11th St, Suite 100, will receive $16,500, an increase of $2,500 and will be used for the purchase of costumes and set design for the upcoming "A Princess Mermaid Ballet" performance.

- The West Des Moines Girls Softball Association will receive $25,000 to be used for the continued improvements of the playing fields at Holiday Park.

- The West Des Moines Soccer Club will receive $20,000 for field and ADA related improvements at the Hidden Valley Soccer Complex.

- The West Des Moines Business Incubator will receive $5,000 for marketing. They last applied for funding in FY 2017-18

- 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.

- The West Des Moines Sister Cities Commission activities, budgeted at $32,000 for FY 19-20, will be funded by the Hotel/Motel Tax fund.

- All other discretionary programs will be funded at the same level as FY18-19.

OUTSTANDING ISSUES: None

RECOMMENDATION: Motion approving the Finance and Administration Committee recommendations regarding FY19-20 allocation of Hotel/Motel tax revenues.

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

STAFF REVIEWS

Department Director	Tim Stiles, Finance Director TS
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 9, 2019 January 16, 2019 January 23, 2019		
Recommendation	Yes	No	Split

Hotel Motel Tax

Activity/Organization	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Recommended
Hotel/Motel Tax Revenue	**$ 4,142,183**	**$ 4,180,160**	**$ 4,300,000**	**$ 4,550,000**
Contractual Agreements				
Convention/Visitors Bureau (2/7ths)	1,176,498	1,165,830	1,228,571	1,300,000
BRAVO (2/7ths less IA Events Center)	1,111,498	1,100,830	1,163,571	1,300,000
Des Moines Performing Arts (ends FY 17/18)	16,500	16,500	-	-
Iowa Events Center (ends FY 18/19)	81,250	48,750	65,000	-
Contractual Agreements Sub-Total	**$ 2,385,746**	**$ 2,331,910**	**$ 2,457,143**	**$ 2,600,000**
City Uses				
City Entrance Signs			-	-
City Newsletter/WDM Magazine	145,126	149,201	160,000	162,000
Economic Development Emphasis	50,000	50,000	50,000	50,000
Holiday Park Baseball Improvements			-	-
July 4th Celebration	17,000	18,000	25,000	25,500
Public Art	120,000	120,000	120,000	120,000
Solheim Cup		27,994	-	-
Valley Junction Area Operations/Repairs	2,757	7,652	25,000	25,000
Vyvacity (BBE Partners)	15,000		-	-
Youth In-Parks			30,000	30,000
Parks Signage Upgrade			-	-
P&R Software (Perfectmind)	13,784		-	-
Sister Cities			32,000	32,000
MPO- Water Trails Study	20,779		-	-
EMS Trailer Solheim Cup	23,074		-	-
City Programs - Miscellaneous (2/7 less above city uses)	932,819	913,229	800,000	1,100,000
Total City Uses	**$ 1,340,339**	**$ 1,286,077**	**$ 1,242,000**	**$ 1,544,500**
West Des Moines Based Organizations				
Ballet Des Moines	-	-	14,000	16,500
Des Moines Children's Museum	-	-	-	20,000
Eddie Davis Community Center	15,000	15,000	15,000	15,000
Historic Valley Junction Foundation	95,000	175,000	125,000	125,000
Inovation Collaboration Excellence		-	-	2,500
National Speech and Debate Association		23,000	27,000	-
Tallgrass Theatre Company		14,000	10,000	10,000
Tiger Softball Club	2,000	2,000	2,000	2,000
WDM Business Incubator	9,220	10,000	-	5,000
WDM Chamber of Commerce/Development Connection	117,500	67,500	67,000	75,000
WDM Community Enrichement Foundation (approved 9/7/10)	10,000	-	10,000	10,000
WDM Girls Softball (resumes in FY 17-18)		20,000	20,000	25,000
WDM Historical Society	36,750	60,500	40,000	50,000
WDM Historcal Society ($15,000 for 4 yrs , thru FY 17/18)	15,000	15,000	-	
WDM Soccer Club	30,000	20,000	20,000	20,000
West Des Moines Sub-Total	**$ 330,470**	**$ 422,000**	**$ 336,000**	**$ 376,000**
Metro Based Organizations				
Central Iowa Shelters & Services ($12,000 for 5 yrs thru FY 17/18)	12,000	12,000	-	-
Friends of the Terrain Therapy Garden Project		-	-	5,000
Iowa Senior Games	10,000	10,000	10,000	10,000
Junior Achievement	10,000	5,000	5,000	5,000
Metro Base Sub-Total	**$ 32,000**	**$ 27,000**	**$ 15,000**	**$ 20,000**
Total Expenses	**$ 4,088,555**	**$ 4,066,987**	**$ 4,050,143**	**$ 4,540,500**
Increase/(Decrease) In Fund Balance	**$ 53,628**	**$ 113,173**	**$ 249,857**	**$ 9,500**
Beginning Fund Balance	**$ 969,021**	**$ 1,022,649**	**$ 1,135,822**	**$ 1,385,679**
Ending Fund Balance	**$ 1,022,649**	**$ 1,135,822**	**$ 1,385,679**	**$ 1,395,179**
Accounts Payable (Sept Payments for 6/30 Receipts)				
Adjusted Ending Fund Balance				

Hotel Motel Tax
FY 2019-20

Date	Outside Organization	FY 19-20 Request	FY 19-20 Recommend
01/09/19	Tallgrass Theatre	12,000	10,000
01/09/19	WDM Chamber of Commerce/Development Connection	75,000	75,000
01/09/19	Iowa Senior Games (Iowa Sports Foundation)	12,000	10,000
01/09/19	Des Moines Children's Museum	20,000	20,000
01/09/19	Friends of the Terrain Therapy Garden Project	25,000	5,000
01/16/19	WDM Historical Society	60,000	50,000
01/16/19	Eddie Davis Community Center	20,000	15,000
01/16/19	WDM Soccer Club	30,000	20,000
01/16/19	Innovation Collaboration Excellence (Valley Robotics Club)	10,000	2,500
01/16/19	Historic Valley Junction Foundation	150,000	125,000
01/23/19	Tiger Softball Club	2,000	2,000
01/23/19	Ballet Des Moines	19,000	16,500
01/23/19	Junior Achievement	5,000	5,000
01/23/19	WDM Girls Softball Association	30,000	25,000
01/23/19	West Des Moines Business Inubator	20,000-70,000	5,000
	National Speech and Debate Association	NA	NA
	Total	540,000	386,000