CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: FY 2022-23 FY Hotel/Motel Tax Allocations **DATE:** March 21, 2022

FINANCIAL IMPACT: The projected FY 2022-23 hotel/motel tax revenues are $4,000,000 and allocated expenditures are $4,431,425, so the ending Hotel/Motel Tax Ending Fund Balance is expected to be approximately $274,503 at June 30, 2023.

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 actions, the Council is able to use discretion when allocating the remainder. For the upcoming fiscal year, staff received applications from 13 non-profit organizations requesting discretionary funding.

The 13 organizations each made a presentation and answered questions regarding their funding request to members of the Finance and Administration Committee at meetings on January 12, 2022, January 19, 2022, and January 26, 2022. Members of the Committee reviewed the applications, notes, and requested additional information from the applicants following the January 26, 2022, meeting and their recommendations are included in the attached funding schedule. Highlights of the recommendation include:

- Central Iowa Shelter and Services will receive $15,000 to be used in their emergency shelter for supportive services and job training programs.
- Tallgrass Theatre Company, a community theatre based in West Des Moines, will receive $16,761, which will be used to more completely outfit their new facility, including lighting, equipment, and storage.
- The West Des Moines Chamber of Commerce will receive a total of $120,000. The funding will focus on workforce development, economic development, communication, including their facilitation of multiple programs such as West Lab and the WDM Leadership Academy.
- The Iowa Sports Foundation, organizer of the Iowa Senior Games, will receive $11,000. Funds will be used to operate the Iowa Senior Games which will be held across West Des Moines in June 2023.
- The Historic Valley Junction Foundation will receive $100,000. This funding is intended to support the Valley Junction Foundation's ongoing mission to provide events and services to the district.
- Ballet Des Moines, located at 121 S.11th St, Suite 100, will receive $20,000. Funds will be used to offer performances of the Nutcracker this December at Valley High School's Staplin Performing Arts Center.
- The Eddie Davis Community Center will receive $18,000. Funds will be used primarily for replacement of their roof but also for continued delivery of programming.
- Junior Achievement of Central Iowa will receive $4,500. Funds will be used to support educational programs for students located within West Des Moines, including the ongoing operation of BizTown.
- The West Des Moines Girls Softball Association will receive $50,000. Funds will be used for the continued improvements of the playing fields and surrounding areas at Holiday Park, including lights for Quinn Field and playground improvements.
- Tiger Softball will receive $2,000 for video equipment used by players and coaches.

- The West Des Moines Soccer Club will receive $20,000 for the upkeep of facilities and equipment used by players and coaches, as well as funding of scholarship opportunities for players and families who otherwise could not afford to participate in their program.

- The Des Moines Children's Museum, located at Valley West Mall, will receive $10,000 to support operations, programming, and exhibit maintenance and improvements.

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

- The West Des Moines Sister Cities Commission activities, budgeted at $10,000 for FY 22-23, will be funded by the Hotel/Motel Tax fund.

- The West Des Moines Human Rights Commission will receive funding of $7,500 for the Martin Luther King Jr. Day event.

- Iowa Confluence Water Trails (ICON) will receive funding of $55,000 for the City of West Des Moines participation in the Central Iowa Water Trails partnership.

- The Des Moines Airport will receive $210,000 from the Hotel/Motel Tax fund as part of the City's first of four annual $500,000 payments. The payment is in support of the new terminal project. It has been determined that 42% of the airport passengers are entering the metro community as visitors, thus 42% of the City's obligation will come from Hotel/Motel funds.

OUTSTANDING ISSUES: none

RECOMMENDATION: Motion approving the Finance and Administration Committee recommendations regarding FY22-23 allocation of Hotel/Motel tax revenues.

Lead Staff Member: **Chris Hamlett, Senior 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	1/12/22, 1/19/22, 1/26/22		
Recommendation	Yes	No	Split

Hotel Motel Tax - Historical Activity / Budgeted Activity

	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Actual	Actual	Revised Budget	Proposed Budget
Revenue	$ 4,450,775	$ 3,363,144	$ 2,743,692	$ 2,982,019	$ 4,000,000
Expenditures - Existing Contractual Agreements					
Convention/Visitors Bureau (2/7ths)	1,249,934	1,187,010	659,449	852,005	1,142,857
BRAVO (2/7ths)	1,184,934	1,170,760	659,449	852,005	1,142,857
Civic Center (ended FY 17/18)	-	-	-	-	-
Iowa Confluence Water Trails (ICON)	-	-	-	60,000	55,000
Iowa Events Center (ended FY 18/19)	65,000	-	-	-	-
Contractual Agreements Sub-Total	**2,499,869**	**2,357,770**	**1,318,898**	**1,764,010**	**2,340,714**
Expenditures - City Uses					
City Entrance Signs	78,907	-	-	-	-
City Newsletter/WDM Magazine	158,495	-	138,803.93	138,000	150,000
Economic Development Programs/Sponsorships	50,000	50,000	-	50,000	50,000
July 4th Celebration	25,000	25,000	26,000	30,000	30,000
Public Art Fund	120,000	120,000	-	120,000	120,000
Solheim Cup	-	-	-	-	-
Valley Junction Area Operations/Repairs	9,410	-	2,950	-	-
Youth In Parks	30,000	-	-	-	-
Sister Cities Operating Budget	15,303	6,378	1,030	3,000	10,000
MidAmerican Energy RecPlex Debt Payments	800,000	1,062,875	-	1,063,200	1,065,950
DART Shelters	-	-	-	-	50,000
Human Rights MLK	-		3,189	7,500	7,500
City Programs - Miscellaneous	5,435	-	-	-	-
Total City Uses	**1,292,551**	**1,264,253**	**171,973**	**1,411,700**	**1,483,450**
Expenses - Outside Organizations					
Ballet Des Moines	14,000	16,500	16,500	4,500	20,000
Des Moines International Airport	-	-	-	-	210,000
Des Moines Children's Museum	-	20,000	20,000	-	10,000
Eddie Davis Community Center	15,000	15,000	15,000	3,750	18,000
Historic Valley Junction Foundation	125,000	150,000	150,000	100,000	100,000
Historic Valley Junction Foundation - Lighting Project		75,000	-	-	-
Inovation Collaboration Excellence/WDMCSD Robotics	-	2,500	11,500	-	-
National Speech and Debate Association	27,000	-	20,000	-	-
Tallgrass Theatre Company	10,000	10,000	10,000	2,500	16,761
Tiger Softball Club	2,000	2,000	2,000	2,000	2,000
WDM Business Incubator	-	5,000	-	-	-
WDM Chamber of Commerce/Development Connection	67,000	75,000	95,000	95,000	120,000
WDM Community Enrichement Foundation (approved 9/7/10)	10,000	10,000	10,000	10,000	10,000
WDM Girls Softball (resumes in FY 17-18)	20,000	25,000	25,000	22,500	50,000
WDM Historical Society	40,000	50,000	-	-	-
WDM Historical Society Advance (6 Years of Funding)	-	300,000	-	-	-
WDM Police Benevolent Association	1,000	-	-	-	-
WDM Soccer Club	20,000	20,000	20,000	20,000	20,000
Central Iowa Shelters & Services ($12,000 for 5 yrs thru FY 17/18)	-	-	25,000	25,000	15,000
Friends of the Terrain Therapy Garden Project	-	5,000	-	-	-
Iowa Homeless Youth Centers	-	-	-	-	-
Iowa Senior Games	10,000	10,000	12,000	3,000	11,000
Junior Achievement	5,000	5,000	5,000	1,250	4,500
Mainstream Living	-	-	-	-	-
Polk County Conservation	-	-	-	-	-
Total Outside Organizations	**366,000**	**796,000**	**437,000**	**289,500**	**607,261**
Total Expenses	**4,158,420**	**4,418,023**	**1,927,871**	**3,465,210**	**4,431,425**
Increase/(Decrease) In Fund Balance	**292,355**	**(1,054,880)**	**815,821**	**(483,191)**	**(431,425)**
Beginning Fund Balance	**1,135,822**	**1,428,177**	**373,298**	**1,189,119**	**705,928**
Ending Fund Balance	**1,428,177**	**373,298**	**1,189,119**	**705,928**	**274,503**