

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

ITEM NUMBER: 9

DATE: June 1, 2004

STAFF: Jim O'Neill
Bev Gast

SUBJECT

Second Reading of Ordinance No. 080, 2004, Appropriating Prior Year Reserves in the General Fund for Cultural Development and Programming Activities and for Tourism Capital.

RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

EXECUTIVE SUMMARY

This Ordinance, which was unanimously adopted on First Reading on May 18, 2004, accomplishes two tasks. First, lodging tax revenues that were in excess of 2003 budgeted lodging tax receipts are appropriated to the Convention and Visitors Bureau ("CVB"), Cultural Development and Programming ("CDP"), Visitor Events, and Tourism Capital fund accounts. In addition, it appropriates unexpended funds for CDP and Visitor Events for 2003.

ORDINANCE NO. 080, 2004
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE GENERAL FUND
FOR CULTURAL DEVELOPMENT AND PROGRAMMING ACTIVITIES
AND TOURISM CAPITAL

WHEREAS, in accordance with Section 25-244 of the City Code, lodging tax revenue is to be allocated as follows: 75% for the promotion of convention and visitor activities, and 25% for cultural development and programming activities; and

WHEREAS, in 2003 the City received lodging taxes in the amount of \$24,736 in excess of the original estimate for 2003 lodging tax receipts; and

WHEREAS, the excess lodging taxes should be distributed in the following amounts to the following accounts:

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|--|----------|
| • Cultural Development and Programming account | \$ 6,184 |
| • Visitor Events account | \$ 4,638 |
| • Tourism Capital account | \$13,914 |

; and

WHEREAS, in addition, the Cultural Development and Programming Account had prior years funds in the amount of \$46,999 that were not expended in 2003; and

WHEREAS, in addition, the Visitor Events Account had funds from prior years in the amount of \$6,147 that were not expended in 2003; and

WHEREAS, at the end of 2003, all of the above lodging tax funds lapsed into the General Fund Reserves for lodging taxes; and

WHEREAS, Article V, Section 9, of the Charter of the City of Fort Collins permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, the City wishes to appropriate all funds allocated for cultural development and programming, visitor events, and tourism capital.


NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of FIFTY-THREE THOUSAND ONE HUNDRED EIGHTY-THREE DOLLARS (\$53,183) for Cultural Development and Programming.

Section 2. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of TEN THOUSAND SEVEN HUNDRED EIGHTY-FIVE DOLLARS (\$10,785) for Visitor Events.

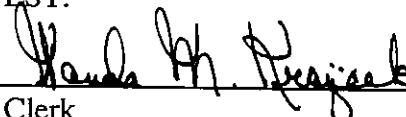
Section 3. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the total sum of THIRTEEN THOUSAND NINE HUNDRED FOURTEEN DOLLARS (\$13,914) for Tourism Capital.

Introduced, considered favorably on first reading, and ordered published this 18th day of May, A.D. 2004, and to be presented for final passage on the 1st day of June, A.D. 2004.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading this 1st day of June, A.D. 2004.

Mayor

ATTEST:

City Clerk

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 9

DATE: May 18, 2004

STAFF: Jim O'Neill
Bev Gast

SUBJECT

First Reading of Ordinance No. 080, 2004, Appropriating Prior Year Reserves in the General Fund for Cultural Development and Programming Activities and for Tourism Capital.

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RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

This Ordinance appropriates \$77,882 from the General Fund Lodging Tax Reserves for Cultural Development and Programming (CDP), Visitor Events, and Tourism Capital from the following sources:

	<u>CVB</u>	<u>CDP</u>	<u>Visitor Events</u>	<u>Capital</u>	<u>Total</u>
Unappropriated 2003 Lodging Tax Receipts	\$0	\$6,184	\$4,638	\$13,914	\$24,736
Prior Years Unexpended Funds	0	46,999	6,147	0	53,146
Total Appropriated	\$0	\$53,183	\$10,785	\$13,914	\$77,882

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EXECUTIVE SUMMARY

This Ordinance accomplishes two tasks. First, lodging tax revenues that were in excess of 2003 budgeted lodging tax receipts are appropriated to the Convention and Visitors Bureau ("CVB"), Cultural Development and Programming ("CDP"), Visitor Events, and Tourism Capital fund accounts. In addition, it appropriates unexpended funds for CDP and Visitor Events for 2003.

Lodging tax revenue for 2003 was estimated to be \$556,900 and the 2004 budget appropriated an equal amount. However, actual receipts totaled \$581,636 for 2003 and the difference of \$24,736 has not been appropriated.

In accordance with City Code Section 25-244, 75% of the total lodging tax receipts are to be used for the promotion of convention and visitor activities and 25% for cultural development and programming activities. The City's contract for services with the CVB requires the payment of \$393,415 to CVB for 2004.

The CDP and Visitor Events funds are in the General Fund reserves for lodging taxes and must be appropriated to be used to support events that provide a public benefit to the Fort Collins Community and promote the utilization of public accommodations within the city. The City's Cultural Resources Board reviews applications for these funds and makes recommendations to the City Council.

The Tourism Capital funds will be used to finalize the purchase of 2.01 acres of land for a section of the parking lot which was originally required when the Welcome Center was constructed. City Utilities provided this land which was valued at \$1.39 per square foot for a total cost of \$121,700. The appropriation of \$13,914 is the final payment to City Utilities.

Thus, the suggested total 2004 allocation of higher lodging tax receipts is as follows:

	<u>2004 Budget</u>	<u>2003 Receipts</u>	<u>Difference</u>
CVB	\$393,415	\$393,415	\$ 0
Tourism Capital	0	13,914	13,914
Visitor Events	<u>24,260</u>	<u>28,898</u>	<u>4,638</u>
Visitor 75%	\$417,675	\$436,227	\$18,552
CDP 25%	<u>\$139,225</u>	<u>\$145,409</u>	<u>\$6,184</u>
Total	\$56,900	\$11,636	\$24,736

The CDP and Visitor Events accounts each had funds from the previous years lodging tax allocations which were not used during 2003. The unexpended 2003 funds are: CDP - \$46,999, and Visitor Events - \$6,147. These funds are in the General Fund reserves for lodging taxes and must be appropriated into the CDP and Visitor Events accounts to be used to promote cultural development and programming activities.

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