



Legislation Text

File #: 15-00767, **Version:** 2

Ordinance No. 16-7 amending Ordinance No. 14-101 (2015 Appropriation Ordinance) for a supplemental appropriation to the Lodgers & Auto Rental Tax (LART) Fund in the amount of \$821,090 for the final 2015 LART payment to the Colorado Springs Convention & Visitors Bureau and for additional projects approved by the LART Citizen Advisory Committee during 2015

From:

Kara Skinner, Chief Financial Officer

Summary:

The attached ordinance is a supplemental appropriation for the Lodgers & Auto Rental Tax (LART) Fund in the amount of \$821,090. There are two items that are addressed in this supplemental appropriation. The first is appropriation authority to make the final 2015 LART payment of up to \$615,000 to the Colorado Springs Convention & Visitors Bureau (CVB). This is based on current end-of-year revenue estimates. The actual final payment to CVB will be based on final actual revenue collected. The contract between the City and the CVB in paragraph 3-Funding Agreement, provides that two-thirds of LART revenue collected in excess of the LART revenue budget be paid to the CVB. The second is appropriation authority in the amount of \$206,090 for projects approved by the LART Citizen Advisory Committee that were in addition to those stated in the 2015 Budget. The source of funds for both items is 2015 LART revenue collected in excess of the 2015 budget.

Previous Council Action:

On September 9, 2014, City Council recommended LART expenditures to be included in the 2015 budget (Resolution No. 90-14). On December 9, 2014, City Council approved the original 2015 Budget per Ordinance No. 14-101, which included the appropriation of funds for the LART Fund. On April 14, 2015, City Council approved the abandonment of the USA Pro Cycling Challenge project (Resolution No. 32-15) as a result of the organizer's decision not to include a Colorado Springs' stage of the race in their plans.

Background:

In the City's contract with the CVB, Paragraph 3-Funding Agreement provides that two-thirds of LART revenue collected in excess of the LART revenue budget will be paid to the CVB. The 2015 revenue over budget in the LART fund is projected to be up to \$921,000, with two-thirds of that amount or up to \$615,000 to be paid to the CVB.

A number of events in the community have been designated by Council resolutions over the years as "City-sponsored events" and are supported in whole or in part by LART funds. The remaining funds are allocated to projects and events in the community through an application process and extensive review by the LART Citizen Advisory Committee, which results in their recommendation to Council for projects to include in the City's annual budget (Exhibit A: 2015 Sources and Uses of LART Funds).

Included as part of the budget was Contingency funding of \$80,910. The contingency budget was amended with the abandonment of the USA Pro Cycling Challenge project (Resolution No. 32-15) on April 14, 2015, as a result of the organizer's decision not to include a Colorado Springs stage of the race in their plans. This amendment added \$45,000 to the Contingency funding, for a total of \$125,910.

After the adoption of the 2015 Budget, the LART Citizen Advisory Committee approved 10 additional projects to be paid from the Contingency funding, which total \$332,000. Therefore, a supplemental of \$206,090 is required to fund these projects. (Exhibit B)

Financial Implications:

The supplemental appropriation increases the 2015 Lodgers & Auto Rental Tax (LART) Fund expense budget by \$821,090 and does not affect the General Fund balance. The source of these funds is 2015 LART revenue collected in excess of 2015 budget.

Board/Commission Recommendation:

The LART Citizen Advisory Committee has recommended the projects on Exhibit B to be funded in 2015 for the purpose of tourism promotion or economic development.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move approval of the attached ordinance approving a supplemental appropriation to the Lodgers & Auto Rental Tax (LART) Fund.

An ordinance amending Ordinance No. 14-101 (2015 Appropriation Ordinance) for a supplemental appropriation to the Lodgers & Auto Rental Tax (LART) Fund in the amount of \$821,090 for the final 2015 LART payment to the Colorado Springs Convention & Visitors Bureau and for additional projects approved by the LART Citizen Advisory Committee during 2015