



Legislation Text

File #: 17-906, **Version:** 2

Ordinance No. 17-40 amending Ordinance No. 16-116 (2017 Appropriation Ordinance) for a supplemental appropriation to the Lodgers & Auto Rental Tax (LART) Fund in the amount of \$900,278 for the final payment to the Colorado Springs Convention & Visitors Bureau relating to the 2016 contract and for the Pikes Peak Summit House project, as recommended by the LART Citizen Advisory Committee, and to the Pikes Peak - America's Mountain Fund in the amount of \$250,000 for the Summit House project

Presenter:

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 \$900,278, and to the Pikes Peak - America's Mountain (PPAM) Fund in the amount of \$250,000 for the Summit House project.

There are three items that are addressed in this supplemental appropriation - two of them are LART items, which are recommended by the LART Citizen Advisory Committee.

The first LART item is an appropriation to make the final payment of up to \$650,279 to the Colorado Springs Convention & Visitors Bureau (CVB) relating to the 2016 contract. 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 LART item is an appropriation in the amount of \$250,000 for the Pikes Peak Highway Summit House project. The source of funds is the available fund balance in the LART Fund.

The third is a PPAM item to increase the revenue and expenditure appropriation in the amount of \$250,000 for the Summit House project. The source of funds is the transfer from the LART Fund.

Previous Council Action:

On September 22, 2015, City Council recommended LART expenditures to be included in the 2016 budget (Resolution No. 94-15). On November 24, 2015, City Council approved the original 2016 Budget per Ordinance No. 15-86, which included the appropriation of funds for the LART Fund.

On September 13, 2016, City Council recommended LART expenditures to be included in the 2017 budget (Resolution No. 88-16). On November 27, 2016, City Council approved the 2017 Budget per Ordinance No. 16-116, which included the appropriation of funds for the LART Fund.

On February 27, 2017, City Council received a presentation providing an Overview of Supplemental

Appropriations Requests to be introduced at the March 13th City Council Work Session.

On March 13, 2017, at the City Council Work Session, a supplemental appropriation item was introduced to City Council which included the final payment of \$650,279 to the Colorado Springs Convention & Visitors Bureau (CVB) relating to the 2016 contract, the additional \$250,000 for the Pikes Peak Highway Summit House, and \$250,000 for the Colorado Classic Pro Cycling bike race event.

On March 14, 2014, at the Regular City Council meeting, the combined item was bifurcated and the bike race project was handled as one item, which passed on first reading. A second item was created for the final payment to the CVB relating to the 2016 contract and the additional \$250,000 for the Pikes Peak Highway Summit House, which was postponed for two weeks.

Background:

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 City Council for projects to include in the City’s annual budget (Exhibit A: 2017 List of LART Recommended Projects).

After the adoption of the 2017 Budget, the LART Citizen Advisory Committee recommended the final payment to the CVB relating to the 2016 contract and two additional projects - the bike race and the Pikes Peak Highway Summit House.

The PPAM Summit House project received \$100,000 in the original 2016 Budget for the design and construction of a new Summit Complex. In addition, with the cancellation of the Pro-Cycling event in 2016, the LART committee recommended and City Council approved a supplemental appropriation to the Summit House project in the amount of \$150,000. In the 2017 Budget, an amount of \$250,000 was included for the Summit House project.

Financial Implications:

The supplemental appropriation increases the 2017 LART Fund expense budget by \$900,278 and does not affect the General Fund balance. The source of these funds is the 2016 LART revenue collected in excess of the 2016 budget and the available fund balance in the LART Fund. After this supplemental appropriation, there is approximately \$463,000 remaining in the available fund balance.

The supplemental appropriation increases the 2017 PPAM revenue and expense budgets by \$250,000.

Board/Commission Recommendation:

The LART Citizen Advisory Committee has recommended the projects to be funded in 2017 in compliance with the CVB 2016 contract and 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 and the Pikes Peak - America's Mountain Funds.

An ordinance amending Ordinance No. 16-116 (2017 Appropriation Ordinance) for a supplemental appropriation to the Lodgers & Auto Rental Tax (LART) Fund, and to the Pikes Peak - America's Mountain Fund