

Function:
Community and Economic Development

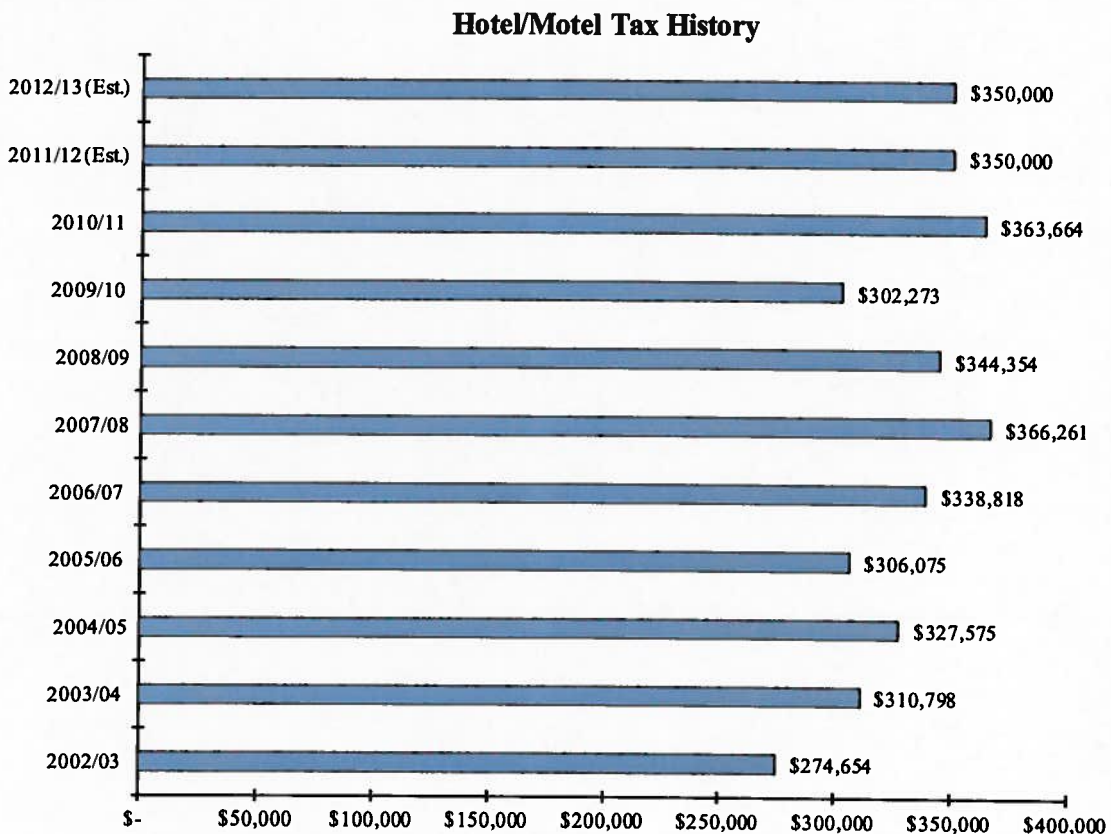
Department:
Legislative and Council

Activity:
Economic Development

GENERAL INFORMATION

The budget for this activity has provided financial support for the Tourism and Convention division of the Chamber of Commerce and the Muscatine Development Corporation. On April 1, 2004, the Muscatine Chamber of Commerce and Muscatine Development Corporation merged into the Greater Muscatine Chamber of Commerce and Industry (GMCCI).

In 1981 the City began to collect a hotel/motel tax of 4%. In 1991 voters approved increasing the hotel/motel tax to 7% effective April 1, 1992. The following chart shows the hotel/motel tax revenue for the last nine years as well as the estimated amounts for 2011/2012 and 2012/2013:



Since approval of the tax by the voters of Muscatine, one-half of the revenue has been utilized in the General Fund as general revenues and the other half has been allocated to support the Art Center/Museum and the Public Library. Of the general revenue of the General Fund, the Tourism and Convention division of the Chamber of Commerce has received financial support for their activities. For 2009/2010 \$50,000 was included in the budget for the tourism program and that funding level was increased to \$55,000 in 2010/2011 and maintained at \$55,000 for 2011/2012 and 2012/2013.

The State Code specifically requires the following:

"Each County or City which levies the tax shall spend at least 50% of the revenues derived therefrom for the acquisition of sites for, or constructing, improving, enlarging, equipping, repairing, operating, or maintaining recreation, convention, cultural or entertainment facilities including but not limited to memorial buildings, halls and monuments, civic center, convention buildings, auditoriums, coliseums, and parking areas for facilities located at those recreation, convention, cultural, or entertainment facilities; for the payment of principal and interest, when due, on bonds, or other evidence of indebtedness issued by the County or City for those recreation, convention, cultural, or entertainment facilities; or for the promotion and encouragement of tourist and convention business in the City or County and surrounding areas."

CURRENT TRENDS AND ISSUES

The original 2011/2012 budget estimate for hotel/motel tax revenue was \$325,000. Based on the increase in the prior year and recent quarterly hotel/motel tax receipts, both the revised estimate for 2011/2012 and budget for 2012/2013 were increased to \$350,000. The 2012/2013 budget again allocates 50% of the hotel/motel tax to support the art center and library or \$87,500 each, and \$55,000 has been allocated to support tourism. This results in \$120,000 of the hotel/motel tax to be utilized as general revenue in the General Fund.

The City Council in previous years provided funding assistance to the Muscatine Development Corporation which was incorporated into the Greater Muscatine Chamber of Commerce and Industry (GMCCI) in 2004. The funding allocations to the GMCCI have varied in recent years based on financial constraints of the City. The funding allocation for 2009/2010 was \$30,000 and the allocation was increased to \$35,000 for 2010/2011. The \$35,000 funding level was maintained for both 2011/2012 and 2012/2013.

GOAL STATEMENT

To provide financial assistance to various community organizations which are involved with the economic development of the City. provided such development meets the overall city economic development and governmental service plans.

Function:
Community and Economic Development

Department:
Legislative and Council

Activity:
Economic Development

	Actual 2009/2010	Actual 2010/2011	Budget 2011/2012	Revised Estimate 2011/2012	Budget 2012/2013	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Commodities	-	-	-	-	-	
Contractual Services	80,000	90,000	90,000	90,000	90,000	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
Total Expenditures	\$ 80,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	0.00%
Funding Sources						
Hotel/Motel Tax	\$ 50,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	0.00%
Tax Increment Funds for Economic Development	-	-	35,000	35,000	35,000	0.00%
General Revenues	30,000	35,000	-	-	-	
Total Funding Sources	\$ 80,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	0.00%