

ORDINANCE NO. 2025-229

**AN ORDINANCE AMENDING SECTION 10-230 OF THE MADISON CITY CODE
REGARDING THE DISPOSITION OF LODGING TAX PROCEEDS**

WHEREAS, in anticipation of funding the multi-purpose venue and ballpark, now known as Toyota Field, the City of Madison City Council adopted Ordinance No. 2017-277, which raised the City's lodging tax to 9%, plus \$2.00 per room per night, and the City Council dedicated the increased portion of the lodging tax (the 2% portion plus \$1.00 per room per night) to debt service on the ballpark warrants; and

WHEREAS, in anticipation of providing a development incentive payment for a hotel project, the City of Madison City Council adopted Ordinance No. 2019-148, which further dedicated a portion of lodging tax proceeds to debt service on the Series 2018-C General Obligation Project Warrant for the Project Development Agreement dated September 14, 2018; and

WHEREAS, the project authorized by Ordinance No. 2019-148 did not proceed, and the City Council desires to remove language dedicating lodging tax proceeds to said project; and

WHEREAS, in anticipation of future improvements to Toyota Field as described in Ordinance Number 2025-230 authorizing an Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, the City Council desires to provide for certain lodging tax revenue dedications for debt service for future capital projects at Toyota Field; and

WHEREAS, the City Council desires to confirm in the City Code the current dedication of certain lodging taxes within the Town Madison development to debt service on the General Obligation Economic Development Warrants, Series 2022, authorized by Ordinance No. 2022-334, which were issued to finance the construction of the second phase of the Town Madison interchange;

BE IT ORDAINED by the City Council of the City of Madison, Alabama, as follows:

Section 1. That Section 10-230 of the *Code of Ordinances of the City of Madison*, entitled "Lodging Tax: Disposition of Proceeds" is hereby amended in its entirety as follows:

- (a) Except as otherwise provided in this Section 10-230, all lodging taxes received or collected by the city under the provisions of this article shall be deposited in the city's general fund, subject to appropriation by the City Council for any lawful purpose of the city.

- (b) For any hotel that opened for business prior to May 1, 2018, outside of the Town Madison Cooperative District boundaries, revenues resulting from the two percentage point (2%) portion of the total lodging taxes collected pursuant to this article, as well as \$1.00 of the per-night fee, must be appropriated to pay debt service on the Series 2018-A General Obligation Taxable Warrants or other debt issued to pay for ballpark capital improvements, as provided in the Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, authorized by Ordinance Number 2025-230. Upon satisfying said debt service requirement, the remainder of the proceeds generated from the lodging tax proceeds dedicated in this Section 10-230(b) may be deposited into the general fund.
- (c) For any hotel that has opened or will open for business on or after May 1, 2018, outside of the Town Madison Cooperative District boundaries, all lodging tax revenues levied in this chapter shall be appropriated to pay debt service on the Series 2018-A General Obligation Taxable Warrants or other debt issued to pay for ballpark capital improvements, as provided in the Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, authorized by Ordinance Number 2025-230. Upon satisfying said debt service requirement, the remainder of the lodging tax proceeds dedicated in this Section 10-230(c) may be deposited into the general fund.
- (d) For any hotel inside the boundaries of the Town Madison Cooperative District, lodging tax revenues shall be appropriated to pay debt services as follows:
 - a. For the first three (3) hotels that opened inside the boundaries of the Town Madison Cooperative District, all lodging taxes shall be dedicated to ballpark debt service on the Series 2018-A General Obligation Taxable Warrants or other debt issued to pay for ballpark capital improvements, as provided in the Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, authorized by Ordinance Number 2025-230.
 - b. For any other hotels that have opened or will open within the boundaries of the Town Madison Cooperative District after January 1, 2025:
 - i. Seven (7) percentage points plus \$1 per night shall be dedicated to debt service on the General Obligation Economic Development Warrants, Series 2022, authorized by Ordinance No. 2022-334.
 - ii. Two (2) percentage points and \$1 per night of lodging taxes shall be dedicated to ballpark debt service on the Series 2018-A General

Obligation Taxable Warrants or other debt issued to pay for Venue improvements, as provided in the Amended and Restated Venue Lease, License, and Management Agreement with BallCorps, LLC, authorized by Ordinance Number 2025-230.

- c. Upon satisfying said debt service requirements, the remainder of the lodging tax proceeds dedicated in this Section 10-230(d) may be deposited into the general fund.
- (e) Upon the retirement of the debt of the Series 2018-A General Obligation Taxable Warrants, the Series 2022 General Obligation Economic Development Warrants, or any other economic development warrants that the City Council may authorize for ballpark capital improvements, the lodging tax proceeds dedicated in this Section 10-230 shall be deposited in the city's general fund, subject to appropriation by the City Council for any lawful purpose of the city.

Section 2. This Ordinance shall be effective on the date of its passage and proper publication once in a newspaper of general circulation in the City of Madison following its adoption.

Section 3. If any clause, phrase, sentence, paragraph, or provision of this ordinance shall be invalidated by a court of competent jurisdiction, it is the intent of the City Council that such invalidation shall not affect the validity of any other clause, phrase, sentence, paragraph, or provision thereof.

READ, PASSED, and ADOPTED this ____ day of _____, 2025.

John D. Seifert, II, Council President
City of Madison, Alabama

ATTEST:

Lisa D. Thomas, City Clerk-Treasurer
City of Madison, Alabama

APPROVED this ____ day of _____, 2025.

Paul Finley, Mayor
City of Madison, Alabama