



To: Mayor and City Council
 From: Dylan Mulfinger
 Subject: Hotel Motel Tax Update
 Date: 4/10/2023

The Fayette County Fair is coming to discuss their request for Hotel Motel Tax funding. This year is difficult for funding because of the large requests that have been made to the city. Council member Seeders requested an update of the financials for FY2023.

The city started with \$24,970 in reserve and anticipated \$22,500 for revenue for FY2023. The City has awarded \$74,500. While this is larger than the \$47,470 in revenue, the city has yet to award the full amount for the following requests:

Project	Date Requested	Amount Requested	Council Award Date	Amount Awarded
Oelwein Celebrations	12/1/2022	\$15,000	12/19/2022	\$5,000
OCAD - 150 year celebration	12/12/2022	\$ 25,000	12/12/2022	\$25,000

The City awarded Oelwein Celebrations \$5,000 for the process to get their stage funding started. This is contingent on them receiving other grant funds. The 150 Sesquicentennial has only requested \$12,500 and is working toward not needing all the \$50,000. Plus, the 150 Sesquicentennial funding is split between hotel motel and local option sales tax.

With this update in mind, the city will need to make a tough decision on the Fayette County Fair. The fair has done an incredible job of building the event back up to be a premier event for Fayette County. The City does not have the funding to support the fair this year and will need to make decisions on future years. Below is a four-year history of the Hotel Motel Tax:

	FY2023	FY2022	FY2021	FY2020	FY2019	Total
Organization						
Williams Center	\$4,500	\$6,000	\$4,500	\$4,500	\$5,500	\$25,000
Oelwein Celebrations		\$10,000	\$5,000	\$5,000	\$5,000	\$25,000
Fayette County Agricultural Society (Fair)		\$6,000	\$6,000	\$6,000	\$5,000	\$23,000
Junior Husky Basketball Club		\$4,000		\$3,105		\$7,105
Oelwein Soccer Club			\$4,430		\$4,200	\$8,630
Rotary Club				\$2,000		\$2,000
Italian Days					\$1,200	\$1,200
United Way					\$1,040	\$1,040
Pawsitively Oelwein Inc					\$3,900	\$3,900
O-Town Mania	\$2,500					\$2,500



Waste Industry Historical Society	\$4,951					\$4,951
Grand Theater		\$20,000				\$20,000
Total	\$11,951	\$46,000	\$19,930	\$20,605	\$25,840	\$124,326

Each year the city estimates \$20,000 in revenue for Hotel Motel funding. In a typical year, the city provides the following:

Williams Center	\$6,000
Oelwein Celebrations	\$5,000
Fayette County Agricultural Society (Fair)	\$6,000

If City Council wants to continue funding the fair, they may miss out on local events that could use the funding. The City Council should at minimum provide more funding to the Celebration than the fair. The City Administrator recommends reducing the fair requests each year until the amount is minimal, allowing for more local events to apply for funding. If the City fulfilled all of the requests this year, the City will be short \$2,209.62. Fortunately, the 150 Sesquicentennial funding should be less allowing the city to pick up the last Williams Center payment. If City Council is set on providing funding to the fair, the City is only able to provide \$4,000 or less.