

TOURISM AND CONVENTION FUND SUMMARY

The Tourism and Convention Fund is established by Charter Ordinance (No. 83) to receive distributions of monies collected from the Transient Guest Tax. Effective July 1, 1990, the tax was increased from five to six percent. The additional one percent is earmarked for capital improvements to local tourist attractions (on a matching basis), improvements to Lawrence-Dumont Stadium, and extraordinary convention promotion expenses. The one percent increase has a sunset provision effective in ten years. Revenue from the remaining five percent are expended under priorities established in the charter ordinance.

Budget Highlights

- A total of \$400,230 in guest tax funds was expended for the Miss USA pageant in 1991. Private contributions covered \$293,400 (73%) of the expense. In 1992, \$275,000 is budgeted for pageant event expenses and location fees, and in 1993, \$150,000 is budgeted in location fees.
- All delegate agency budgets in 1992, including Convention and Visitors Bureau and Community Marketing, have been reduced by 6%, based on projected revenues and to balance the budget. An expenditure contingency of \$62,100 was adopted for 1992 and may be used to increase allocations if revenues are received above the estimated amounts.
- Expo Hall debt service continues to represent the largest expense within the fund (41%) and is projected to continue claiming an increasing portion of the fund's expenditures through 1993. After 1993, the debt service payment will level and decline as a percentage of the fund's expenditures.
- The 1991 revised budget and 1992 adopted budget eliminate the earlier amounts identified to support operating deficits for Expo Hall, because Expo Hall revenue projections are favorable.

Budget Summary

	<u>1990</u> <u>Actual</u>	<u>1991</u> <u>Adopted</u>	<u>1991</u> <u>Revised</u>	<u>1992</u> <u>Adopted</u>
Administrative Charges	\$ 29,570	\$ 34,160	\$ 34,160	\$ 34,160
Black Historical Society	0	2,500	5,000	2,350
Community Marketing	21,000	21,000	21,000	21,000
Convention Promotion				
Contingency	0	24,000	0	0
Cultural Attractions - Capital				
Improvements	0	170,000	112,090	129,540
Expo Hall Operation	0	5,700	0	0
General Debt & Int. Fund	1,083,980	1,159,860	1,159,860	1,181,050
Historic-Wichita (Cowntown)	85,000	85,000	85,000	79,900
Lawrence-Dumont	19,324	300,000	300,000	300,000
Mid-America All-Indian Center	40,852	40,000	40,000	37,600
Miss USA Pageant	230,000	250,000	170,230	275,000
Sister Cities	10,766	10,700	10,700	10,060
Wichita Arts Council	7,000	7,000	7,000	6,580
Wichita Convention & Visitors	812,524	867,060	827,060	850,020
Wichita Children's Museum	7,000	7,000	7,000	6,580
Advance Adjustment	0	0	66,650	0
Contingency Expenditure	0	0	0	62,100
Appropriated Reserve	0	80,000	0	0
Total	<u>\$2,347,016</u>	<u>\$3,063,980</u>	<u>\$2,845,750</u>	<u>\$2,995,940</u>

Administrative Charges - Administrative charges are transferred to the General Fund, compensating for the central service functions. The services provided for the committee include contract development and monitoring, proposal review, purchasing, investment of funds, check writing and staff support.

Black Historical Society - The 1992 budget provides \$2,350 for the promotion of activities sponsored by the Black Historical Society.

Community Marketing - A transfer of \$21,000 is made to the General Fund, offsetting the cost of the City Council's budget for travel related to the Sister Cities program and other projects deemed appropriate by the Council.

Convention Promotion Contingency - Many conventions have extraordinary requirements for logistic support, e.g., bussing, seating, registration, etc. This account is established to provide funding for those needs.

Cultural Attractions Capital Improvements - This item represents a transfer to the debt service fund to retire bonds to be issued on behalf of local tourist attractions, which have successfully generated matching donations, to make capital improvements to their facilities. This item was one of the three projects earmarked for funding from the additional 1% increase in the guest tax, effective July 1, 1990.

Expo Hall Operation - In accordance with the second expenditure priority in Charter Ordinance No. 83, the Tourism and Convention Fund budget contains an amount equal to the difference between Expo Hall projected revenues and projected operating expenses. The difference is transferred to the General Fund.

General Debt and Interest Fund - In accordance with the first expenditure priority in Charter Ordinance No. 83, this fund is budgeted to pay debt service on Expo Hall.

Historic-Wichita (Cowntown) - The 1992 budget provides \$79,900 for promotional expenses, including artwork, brochure printing, advertising, photography, membership development, seminars and special events.

Lawrence-Dumont - Financing for the second phase of improvements to Lawrence-Dumont Stadium, required by lease agreement, was accomplished through the issuance of long-term debt. This debt is to be retired from the proceeds of the additional 1% guest tax increase, effective July 1, 1990.

Mid-America All-Indian Center - The 1992 budget provides \$36,669 of the Center's utility costs, in addition to \$940 for promotional expenses.

Miss USA Pageant - The City has entered into a long-term contract with promoters of the Miss USA pageant to ensure Wichita as a regular site for the pageant. Costs of the agreement in 1993 include location fees (\$300,000) and event expenses (\$125,000). Costs are to be offset by contributions from private donors.

Sister Cities - The 1992 budget provides \$10,060 for Sister Cities. This program exists to support, coordinate, develop and sponsor Sister City exchange programs of a cultural, educational, social, business, or governmental nature. The budget includes funding for official visits to the sister cities, an official visit to Wichita from each of the four sister cities, and other cultural exchange programs.

Wichita Arts Council - The Council promotes art and cultural institutions in Wichita. The 1992 budget allocates \$6,580 to help offset the administrative costs of providing a recognition awards reception, Wichita Arts Festival, and an Artist-in-Residence tour.

Wichita Convention and Visitors Bureau - The purpose of the Visitors Bureau is to promote conventions and tourism and attract visitors to Wichita. The 1992 budget allocates \$850,020 for this purpose.

Wichita Children's Museum - The 1992 budget provides \$6,580 to offset a portion of exhibit development costs.

Appropriated Reserve - This account is for emergency expenses associated with new conventions and major events or to absorb unanticipated shortfalls in revenue collections.

CHARTER ORDINANCE NO. 83 PROVISIONS

Revenues from this tax are expended in accordance with the provisions of Charter Ordinance No. 83 in the following priority order:

1st To pay any obligation including but not limited to bonds, leases or contracts resulting from or directly attributable to the construction or use of new facilities for convention or exhibition purposes.

2nd To pay any deficit incurred in the operation or maintenance of new facilities for convention or exhibition purposes.

3rd To pay for convention and tourism activities which result from the annual consideration of requests for such funds by the Tourism and Convention Committee established by Section 12 Charter Ordinance No. 83 as amended June 24, 1988, and which, upon recommendation by said committee, receives final approval by the City Council.

4th Any funds remaining shall be held in reserve to pay any deficit incurred in the operation or maintenance of Century II; to establish a building fund for future facilities; to pay for extraordinary facility repairs or replacement; and to fund attractions deemed to have advantage or interest to the City of Wichita.

5th None of the revenue from said tax shall be expended for promotion of convention and tourism facilities or activities for Sedgwick County outside the city limits of Wichita unless and until an equal transient guest tax is levied by the board of County Commissioners of Sedgwick County, Kansas, and the City Council authorize by resolution such expenditures.
