



Item: Res. 9753 Designating the Great Falls Convention Visitors Bureau to receive Lodging Facility Use Tax (Bed Tax)

From: Cheryl Patton, Assistant City Manager

Initiated By: Great Falls Convention and Visitors Bureau

Presented By: Carol Lindseth, GFCVB President

Action Requested: Adopt Resolution 9753

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission adopt Resolution 9753 contingent upon the Great Falls Convention and Visitors Bureau receiving 501(c)(6) status from the IRS.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Recommendation: The newly formed Great Falls Convention and Visitors Bureau recommends that the City Commission adopt Resolution 9753 approving the change in designated non-profit to receive Lodging Facility Use Tax Revenues. Passage of the resolution is recommended to be conditioned upon GFCVB receiving the 501 (c)(6) IRS status.

City Staff further recommends that the GFCVB report annually to the City Commission on its accomplishments over the past year. The first report would be due by July 1, 2009.

Background: In 1987, by Resolution 8126, the City Commission designated the Great Falls Area Chamber of Commerce to receive Lodging Facility Use Tax Revenue (bed tax) for the City of Great Falls. This year, the Convention and Visitor’s Bureau of the Great Falls Chamber of Commerce has formed a separate non-profit to be known as the Great Falls Convention and Visitors Bureau (GFCVB). The GFCVB is requesting that the City Commission designate the new non-profit as the official agency to receive the community’s lodging facility use tax revenue as provided for in section 15-65-121 M.C.A. The GFCVB has applied for 501 (c)(6) status from the IRS as is a requirement of the agency receiving use of funds. The GFCVB has provided a copy of their new Organizational Chart, List of Board Members, Bylaws, and the Marketing Plan for 2008-2009.

Two city employees are listed as members of the GFCVB and were prior members of the CVB Committee of the Chamber of Commerce, they are Patty Rearden and Dona Hughes. The GFCVB must submit its Marketing Plan and qualifying documents to the Montana Tourism Advisory Committee on June 2, 2008. In order to comply they must be designated by the City of Great Falls to receive the funds.

The GFCVB has been formed exclusively to promote the economic well being of the community through effective marketing, attracting conventions, meetings, tourism and events for Great Falls, Montana and the surrounding area.

Concurrences: The Great Falls Area Chamber of Commerce Executive Committee and staff support the decision of the CVB to separate from the Chamber and form their own non-profit. (letter from Jim Strauss, Chairman of the Great Falls Area Chamber of Commerce attached).

Fiscal Impact: The projected revenue figure for bed tax funds for Great Falls is estimated at \$107,664 for FY 2009. The City has received funding from the CVB in FY 2008 of \$15,000 for the Visitor's Center. The 2008-2009 Marketing Plan of the GFCVB again includes \$15,000 for the Visitor's Center for FY 2009. There is no fiscal impact or organizational impact to the City organization beyond the revenue for the Visitor's Center.

Alternatives: The City Commission can choose to adopt or deny Resolution 9753. If the Resolution is denied then the community's share of the Lodging Facility Use Tax (bed tax) would go by default to the regional non-profit tourism corporation known as Russell Country. (15-65-121 M.C.A.)

Attachments/Exhibits:

Resolution 9753

Letter of request from GFCVB President, Carol Lindseth

Letter of support from Jim Strauss, Chairman, Chamber of Commerce

Organizational Chart

List of Board Members

Bylaws

Marketing Plan 2008-2009

Attachments (except for Resolution 9753) are not available online but are on file in the City Clerk's Office.