It is expected that a Quorum of the Personnel Committee, Board of Public Works, and Administration Committee will be attending this meeting: (although it is not expected that any official action of any of those bodies will be taken)

"Menasha is committed to its diverse population. Our Non-English speaking population and those with disabilities are invited to contact the Menasha City Clerk at 967-3603 24-hours in advance of the meeting for the City to arrange special accommodations."

CITY OF MENASHA
Special Common Council
Third Floor Council Chambers
140 Main Street, Menasha
November 23, 2015
4:30 PM

AGENDA

A. CALL TO ORDER
B. PLEDGE OF ALLEGIANCE
C. ROLL CALL/EXCUSED ABSENCES
D. PUBLIC COMMENTS ON ANY MATTER LISTED ON THE AGENDA
   (five (5) minutes time limit for each person)
E. ACTION ITEMS/DISCUSSION
   1. O-22-15 An Ordinance Repealing and Recreating Title 7, Chapter 10 of the Code of Ordinance (Hotel and Motel Room Tax) (Introduced by Mayor Merkes)
F. ADJOURNMENT
ORDINANCE O-22-15

AN ORDINANCE REPEALING AND RECREATING TITLE 7, CHAPTER 10
OF THE CODE OF ORDINANCES
(HOTEL AND MOTEL ROOM TAX)

Introduced by Mayor Merkes.

The Common Council of the City of Menasha does ordain as follows:

WHEREAS, §66.0615 of the Wisconsin Statutes authorizes the governing body of a municipality to adopt an ordinance imposing a tax on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators or other persons furnishing accommodations which are available to the public (“Room Tax”); and

WHEREAS, the geographic area encompassing the CITY OF APPLETON, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Appleton”), the CITY OF KAUKAUNA, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Kaukauna”), the CITY OF NEENAH, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“City of Neenah”), the VILLAGE OF KIMBERLY, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Kimberly”), the VILLAGE OF LITTLE CHUTE, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Little Chute”), the TOWN OF GRAND CHUTE, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Grand Chute”), the TOWN OF NEENAH, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Town of Neenah”), the TOWN OF MENASHA, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Town of Menasha”), the CITY OF MENASHA, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“City of Menasha”), and the VILLAGE OF SHERWOOD, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Sherwood”), (collectively, “Municipalities”), is hereby confirmed to be a single destination as perceived by the traveling public, and, therefore, a Tourism Zone, as that term is used in §66.0615 of the Wisconsin Statutes (“Room Tax Act”) (which single destination is referred to as the “Fox Cities Tourism Zone”); and

WHEREAS, the Common Council finds that the best interests of the City are served by passing this Ordinance.

SECTION 1: Title 7, Chapter 10, of the Code of Ordinances of the City of Menasha, Wisconsin is hereby repealed and restated as follows:
SEC. 7-10-1 HOTEL AND MOTEL ROOM TAX.

(a) DEFINITIONS. In addition to those terms defined in this Section, the terms used in this Ordinance shall have the definition, if any, ascribed to them in §66.0615 of the Wisconsin Statutes.

(1) “Pledge Agreement” shall mean that Amended and Restated Pledge and Security Agreement dated May 1, 2012 by and between the City of Appleton, Wisconsin; the City of Kaukauna, Wisconsin; the City of Neenah, Wisconsin; the Village of Kimberly, Wisconsin; the Village of Little Chute, Wisconsin; the Town of Grand Chute, Wisconsin; the Town of Neenah, Wisconsin; the Town of Menasha, Wisconsin, the Fox Cities Area Room Tax Commission and Associated Trust Company.

(2) “ARA” shall mean the Redevelopment Authority of the City of Appleton, Wisconsin, a Wisconsin body politic and corporate.

(3) “CVB” shall mean the Fox Cities Convention & Visitors Bureau, Inc., a Wisconsin corporation.

(4) “Exhibition Center Bonds” shall mean bonds issued or to be issued by the ARA as partial funding for the construction of a new Fox Cities Exhibition Center, or any refinance thereof, as well as for any other purpose authorized under that Exhibition Center Cooperation Agreement between the Municipalities located within the Fox Cities Tourism Zone, the ARA and the Fox Cities Room Tax Commission, dated as of ________________, 2015.

(5) “Fox Cities Tourism Zone” shall mean that geographic area encompassing the City of Appleton, Wisconsin; the City of Kaukauna, Wisconsin; the City of Neenah, Wisconsin, the Village of Kimberly, Wisconsin, the Village of Little Chute, Wisconsin; the Town of Grand Chute, Wisconsin; the Town of Neenah, Wisconsin, the Town of Menasha, Wisconsin; the City of Menasha, Wisconsin and the Village of Sherwood, Wisconsin.

(6) “Fox Cities Room Tax Commission” shall mean the Room Tax Commission created by the Municipalities within the Fox Cities Tourism
Zone through that Amended and Restated Room Tax Commission Agreement dated ______________, 2015, in order to coordinate tourism promotion and tourism development within the Fox Cities Tourism Zone using the proceeds of Room Taxes imposed under this Ordinance, and having on its Board certain representatives of the Municipalities and certain representatives of the Wisconsin hotel and motel industry.

(7) “Hotel or Motel” shall mean a building or group of buildings in which the public may obtain accommodations for a consideration including, without limitation, such establishments as inns, motels, hotels, tourist homes, tourist houses or courts, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges, cabins, and any other buildings in which accommodations are available to the public, except accommodations rented for a continuous period of more than one month and accommodations furnished by any hospitals, sanitariums, or nursing homes, or by corporations or associations organized and operated exclusively for religious, charitable or educational purposes provided that no part of the net earnings of such corporations and associations inured to the benefit of any private shareholder or individual.

(8) “PAC Bonds” shall mean those bonds issued by the ARA to partially fund construction of the Fox Cities Performing Arts Center.

(9) “Room Tax” shall mean a tax on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators or other persons furnishing accommodations which are available to the public, irrespective of whether membership is required for use of the accommodations, pursuant to the Room Tax Act.

(10) “Room Tax Act” shall mean §66.0615 of the Wisconsin Statutes, as amended from time to time.

(b) IMPOSITION OF ROOM TAX. Pursuant to the Room Tax Act, there is hereby imposed upon the privilege of furnishing, at retail (except sales for resale) rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public (collectively, “Operators”), irrespective of whether membership is required for use of the accommodations within the City. Such Room Tax shall be imposed at the total rate of ten percent (10%). Operators shall remit all collected Room Tax revenues to the City Treasurer in accordance with the requirements of this Ordinance and the Room Tax Act. The proceeds shall then be paid to the Fox Cities Room Tax Commission or its designees or assigns, unless otherwise indicated herein, to be used for purposes of coordinating tourism promotion
and tourism development within the Fox Cities Tourism Zone. A Room Tax is hereby imposed at the rate of ten percent (10%) within the City to be allocated as follows:

(1) A Room Tax in the amount of three percent (3%) shall be imposed and allocated toward the support of the CVB, to be used for the promotion of the Fox Cities Tourism Zone as a tourism destination (“CVB Room Tax”), except that:

(i) The City may retain five percent (5%) of the revenues of this CVB Room Tax for general tourism support and development in the City in accordance with the requirements of the Room Tax Act.

(2) A Room Tax in the amount of two percent (2%) shall be imposed and allocated toward payment of debt service on the PAC bonds in accordance with that Cooperation Agreement dated June 1, 2000. The rate imposed as set forth in this subsection (2) shall be known as the “PAC Room Tax”. Upon full payment and satisfaction of the PAC Bonds, the PAC Room Tax shall ultimately be reallocated toward the development and support of amateur sports facilities within the Fox Cities Tourism Zone and/or other facilities which are reasonably likely to generate paid overnight stays at more than one hotel or motel establishment within the Fox Cities Tourism Zone as more fully set forth in Section (c) of this Ordinance.

(3) A Room Tax in the amount of three percent (3%) shall be imposed and allocated toward payment of debt service on the Exhibition Center Bonds in accordance with that Exhibition Center Cooperation Agreement dated ____________, 2015 to which the City is a party (“Exhibition Center Room Tax”). The Exhibition Center Room Tax shall sunset and expire upon full payment and satisfaction of the Exhibition Center Bonds at a date to be determined. Upon full satisfaction of the Exhibition Center Bonds, the Room Tax shall be reduced by three percent (3%), with such reduction being deemed to be the share of the Room Tax allocated to the Exhibition Center Room Tax. At the time that the Exhibition Center Bonds are fully satisfied, there may be an excess of Exhibition Center Room Tax proceeds collected above that amount needed to satisfy the Exhibition Center Bonds. In such an event, those excess funds shall be reallocated to the Tourism Development Fund as that term is referenced and defined in the Exhibition Center Cooperation Agreement.

(4) A Room Tax in the amount of one percent (1%) (“Municipal Room Tax”) shall be retained by the City to be used for general tourism support and
development in the Fox Cities Tourism Zone in accordance with the requirements of the Room Tax Act.

(5) A Room Tax in the amount of one percent (1%) shall be imposed and allocated toward the support of amateur sports facilities within the Fox Cities Tourism Zone and/or other facilities which are reasonably likely to generate paid overnight stays at more than one hotel or motel establishment within the Fox Cities Tourism Zone (“Tourism Facilities Room Tax”). The proceeds of the Tourism Facilities Room Tax shall be remitted to CVB to be held and administered under as part of the Tourism Development Fund, as that term is referenced and defined in the Exhibition Center Cooperation Agreement.

(c) PROCEEDS OF PAC ROOM TAX. Notwithstanding anything in this Ordinance to the contrary, in order to honor existing contractual obligations, the proceeds of the PAC Room Tax shall continue to be directed to the Trustee under the Pledge Agreement until the PAC Bonds have been paid in full. Notwithstanding the foregoing, the Common Council may arrange for the proceeds of the PAC Room Tax to be paid to any other Municipality in the Fox Cities Tourism Zone under an express agreement with such Municipality that the proceeds shall ultimately be paid to the Trustee as provided herein. Following full payment and satisfaction of the PAC Bonds, the proceeds generated from the PAC Room Tax for the calendar quarter in which the PAC Bonds were fully paid and satisfied shall be directed toward payment of debt service on the Exhibition Center Bonds, capitalized interest payments on the Exhibition Center Bonds or may be deposited into reserve and stabilization funds associated with the issuance of the Exhibition Center Bonds. Commencing on the first day of the next calendar quarter, all proceeds from the PAC Room Tax shall be directed toward the support of amateur sports facilities within the Fox Cities Tourism Zone and/or other facilities which are reasonably likely to generate paid overnight stays at more than one hotel or motel establishment within the Fox Cities Tourism Zone.

(d) PRIORITY OF PAYMENT. In the event any Operator or Municipality fails to remit the full amounts owed in any quarterly payment (“Deficient Payment”) the Deficient Payment amounts actually received by the Commission shall be applied in the following priority order:

(1) The Deficient Payment amounts received shall first be applied toward the three percent (3%) Room Tax imposed for the support of the CVB; and

(2) The Deficient Payment amounts remaining after payment to the CVB as required in subsection (1) above, shall be applied toward the two
percent (2%) Room Tax pledged as collateral for payment of the PAC Bonds; and

(3) The Deficient Payment amounts remaining after payment toward the PAC Bonds as required in subsection (2) above, shall be applied toward the three percent (3%) Room Tax pledged as collateral for payment of the Exhibition Center Bonds; and

(4) The Deficient Payment amounts remaining after payment toward the Exhibition Center Bonds as required in subsection (3) above, shall be applied toward the one percent (1%) Municipal Room Tax; and

(5) All remaining Deficient Payment amounts shall be applied toward the one percent (1%) Tourism Facilities Room Tax.

(e) TO TOURISM ENTITY. The CVB shall act as the “tourism entity” as that term is defined in the Room Tax Act, for purposes of providing staff, support services and assistance to the Fox Cities Room Tax Commission in developing and implementing programs to promote the Fox Cities Tourism Zone to visitors, as more fully set forth in an agreement between the Fox Cities Room Tax Commission and the CVB.

(f) COLLECTION AND ADMINISTRATION OF ROOM TAX. This Ordinance shall be administered by the City Treasurer. The tax imposed by this Ordinance shall be payable quarterly and shall be due on the last day of the month next succeeding the calendar quarter in which it was imposed. A return shall be filed with the City Treasurer by all Operators on or before the same date on which such tax is due and payment. Such return shall show the gross room receipts of the preceding calendar quarter from such retail furnishing of rooms or lodging, the amount of taxes imposed for such period and such other information as the City deems necessary. Every person required to file such quarterly return shall, with his first return, elect to file an annual calendar year or fiscal year return. Such annual return shall be filed within ninety (90) days of the close of each such calendar or fiscal year. The annual return shall summarize the quarterly returns, reconcile and adjust for errors in the quarterly returns, and shall contain certain such additional information as the City requires. Such annual returns shall be signed by the person required to file a return or his duly authorized agent, but need not be verified by oath. The City may, for good cause, extend the time of filing any return, but in no event longer than one (1) month from the filing date.

(g) PERMIT REQUIRED. Every Operator under this Ordinance shall file with the City Treasurer an application for a permit for each place of business that is required to collect Room Tax hereunder. Every application for a permit shall be
made upon a form prescribed by the City and shall set forth the name under which the applicant transacts or intends to transact business, the location of his place of business, and such other information as the City requires. The application shall be signed by the owner if a sole proprietor and, if not a sole proprietor, by the person authorized to act on behalf of such sellers. At the time of making an application, the applicant shall pay the City an initial fee of twenty dollars ($20.00) for each permit. A permit issued hereunder is non-transferable.

(h) **PENALTY FOR VIOLATIONS.** In addition to the Schedule of Forfeiture set forth in subsection (j) herein, any Operator in violation of the terms of this Ordinance by failing to obtain and maintain a permit, when such permit is required, shall be subject to a penalty as set forth in Section 1-1-7 of the Menasha Code of Ordinances for each violation. Each room or unit separately rented or offered for rent, and each day of such rental or offer for rental of such unit shall be a separate violation. In addition, injunctive relief is hereby authorized to discontinue any violation of this Ordinance. Any party deemed to have violated any of the provisions of this Ordinance shall be obligated to pay the costs of prosecution, in addition to actual attorney fees expended in the course of said enforcement. The City may revoke or suspend any permit issued hereunder for failure to comply with the provisions hereof.

(i) **LIABILITY FOR TAX ON SALE OR TRANSFER OF BUSINESS.** If any Operator liable for any amount of tax under this Ordinance sells or transfers all or substantially all of its interest in the hotel, motel or other accommodation, its successors or assigns shall withhold sufficient amounts from the purchase price to cover the amount of tax liability until the Operator produces a receipt from the City Treasurer that its liability has been paid in full or a certificate stating that no amount is due. If a successor subject to the tax imposed by this Ordinance fails to withhold such amount from the purchase price as required, it shall become personally liable for payment of the amount required to be withheld by it.

(j) **SCHEDULE OF FORFEITURE.** In addition to paying the Room Taxes due hereunder, each Operator shall be required to forfeit an amount equal to twenty-five percent (25%) of the Room Tax due from the Operator to the City for the precious year or Five Thousand Dollars ($5,000), whichever is less, for a failure to pay the Room Tax due hereunder.

(k) **CONFIDENTIALITY OF INFORMATION.** To the extent permitted by law, the information provided to the City under §66.0615(2) of the Wisconsin Statutes shall remain confidential; provided, however, that the City or any employee thereof may use such information in the discharge of duties imposed by law or
of the duties of their office or by order of a court. Persons violating the provisions of this subsection may be required to forfeit not less than $100 nor more than $500.

(l) **ENFORCEMENT.** The City shall enforce this Ordinance in accordance with the Room Tax Act.

(m) **EXPIRATION OF EXHIBITION CENTER ROOM TAX.** The Exhibition Center Room Tax shall expire upon full payment of the Exhibition Center Bonds; provided that Operators may not discontinue collection of the Exhibition Center Room Tax until the City provides notice that the Room Tax allocated to the Exhibition Center has been termination by operation of this Ordinance and the Exhibition Center Cooperation Agreement.

(n) **SUPERSEDE CONFLICTING ORDINANCES; SEVERABILITY.** All ordinances or parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

(o) **EFFECTIVE DATE.** This Ordinance shall take effect on January 1, 2016.

SECTION 2: This ordinance shall become effective upon its passage and publication as provided by law.

Passed and approved this day of , 2015.

________________________________________
Donald Merkes, Mayor

ATTEST:

________________________________________
Deborah A. Galeazzi, City Clerk