

Introduced by: Council Members Marney
and Tidwell
Date: November 14, 2022

**ORDINANCE NO. 6223, AS AMENDED
PROPOSED SUBSTITUTE**

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE
CHAPTER 74, ARTICLE V, ROOM RENTAL TAX, TO CHANGE
THE ALLOCATIONS TO GOLDEN HEART PLAZA/BARNETTE'S
LANDING AND DISCRETIONARY GRANTS**

WHEREAS, the room rental tax was first enacted as the hotel/motel tax in 1979;
and

WHEREAS, the rate of the tax was increased to the current 8 percent in 1985; and

WHEREAS, the "purpose and limitation" section of the ordinance has been
amended at least 10 times since 1979; and

WHEREAS, Explore Fairbanks deserves recognition for its diligent, hard work,
which has resulted in an increase in year-round tourism for the Fairbanks North Star
Borough, especially during the winter tourist season; and

WHEREAS, the allocations for discretionary grants and to Golden Heart Plaza/
Barnette's Landing have not been changed since 2003; and

~~**WHEREAS**, Golden Heart Plaza is a historical landmark that annually attracts
many thousands of visitors from all over the world; and~~

~~**WHEREAS**, in 2021, the City received discretionary grant applications from 32
organizations requesting a combined total of \$857,512; and~~

~~**WHEREAS**, in 2022, the City received discretionary grant applications from 29
organizations requesting a combined total of \$784,156; and~~

WHEREAS, as recognized from the original enactment of the hotel/motel tax,
discretionary grant applicants play an important role in attracting visitors to Fairbanks;
and

~~**WHEREAS**, had discretionary grant funding been adjusted for inflation, today's
grants would total \$585,000.~~

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY
OF FAIRBANKS, ALASKA, as follows:**

Section 1. FGC Sec. 74-117(b) is amended as follows [new text in **bold/underline** font; deleted text in ~~strikethrough~~ font]:

Sec. 74-117. Room rental tax purpose and limitation.

(b) Subject to annual appropriation, revenues collected under this article shall be allocated as follows:

- (1) The City of Fairbanks will ~~retain~~ receive ~~30~~^{22.5} percent **and any remaining room rental tax revenues** for fund collection, administration, and tourism impact.
- (2) ~~\$600,000~~^{\$400,000} will be distributed annually as follows:

Fairbanks Economic Development Corporation
~~\$150,000.00~~^{\$100,000.00}

Golden Heart Plaza and Barnette Landing Maintenance
~~\$50,000.00~~^{\$30,000.00}

Discretionary Grants ~~\$400,000~~^{\$270,000.00}
- (3) **Up to \$2.2 million**~~All remaining room rental tax revenues~~ will be distributed to the Fairbanks Convention and Visitors Bureau, dba Explore Fairbanks (hereinafter "Explore Fairbanks").
- (4) **The allocations under this section will be reviewed by the city council at least once every five years.**

Section 2. That the effective date of this Ordinance is **five days after adoption** the _____ day of _____ 2022.

David Pruhs, Mayor

AYES:
NAYS:
ABSENT:
FAILED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, MMC, City Clerk

Thomas A. Chard II, City Attorney