

**ORDINANCE NO. 5909**

**AN ORDINANCE TO AMEND FGC SEC. 74-117 HOTEL/MOTEL TAX PURPOSE AND LIMITATION, TO APPROPRIATE FUNDS REGARDING FUNDING FOR THE COMMUNITY SERVICE PATROL**

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

**SECTION 1.** That Fairbanks General Code Chapter 74, Article IV, Sec. 74-117(c) is hereby amended as follows [new text in **underlined bold** font; deleted text in ~~strikethrough~~ font]:

**Sec. 74-117. Hotel/motel tax purpose and limitation.**

(a) The tax on the daily rental of hotel and motel rooms levied by this article is for the primary purpose of funding services for the promotion of the tourist industry and other economic development, and for the funding of services for the general public.

(b) Any organization, public or private, or any person may submit a discretionary grant application and proposal to the city council no later than October 31st for distribution in the next calendar year. The city council shall establish standards and criteria for selection and publish them for a reasonable period before the applications are to be submitted. A committee shall be appointed by the mayor with city council concurrence to review the proposals and make recommendations to the city council no later than the first regular meeting in January.

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

- (1) The City of Fairbanks will receive 22.5 percent for fund collection, administration and tourism impact.
- (2) \$400,000 will be distributed annually as follows:

Fairbanks Economic Development Corporation	\$100,000.00
Golden Heart Plaza and Barnette Landing Maintenance	\$30,000.00
Discretionary Grants	\$270,000.00

- (3) All remaining hotel/motel tax revenues to the Fairbanks Convention and Visitors Bureau.

- (4) From the City's 22.5 percent under (1), \$50,000 annually shall be granted for the Community Service Patrol for 2011, 2012, 2013 and 2014 only.

(d) Revenue collected under this article shall be made available to the Fairbanks Convention and Visitors Bureau, the Fairbanks Economic Development Corporation, and Golden Heart Plaza and Barnette Landing Maintenance no later than the last day of the month directly following the month in which the revenues are collected.

(e) Any recipient of funding under this article shall execute a contract with the city setting forth terms and conditions deemed necessary to enable the city to assure compliance with the purposes and limitations under this section. In addition, the Fairbanks Convention and Visitors Bureau and the Fairbanks Economic Development Corporation board of directors and/or director shall remit complete and fully detailed budget documents and a plan outlining projected goals and objectives directly to the city council before November 1st of each year for presentation and review and as a condition of funding. At the same time each of these agencies shall submit a complete and detailed report of current year's progress and accomplishments. ~~The grant for the Community Service Patrol set out in (e)(4) shall require a yearly cash match of \$140,000.~~ As a further condition for the city grant, the Community Service Patrol shall engage tactical coordination with the Fairbanks Police Department and, if different, make seasonal adjustments to the patrol boundary.

(f) Organizations and agencies will be required to report to the City of Fairbanks Chief Financial Officer that funds were used exclusively for the purposes stated in the grant application. Ten percent of these appropriations will be withheld until a the complete report is filed with the chief financial officer. Prior to receiving any funding under this section, applicants must agree to reimburse the City the full amount of any grant proceeds not used for the purposes stated on the application.

Certification that funds were used as approved is due by October 31 of the year of grant funding; funds not spent or encumbered for approved purposes must be returned by that date. An organization that fails to comply with the October 31 deadline is ineligible to seek funding for the following year, but if complete reporting and repayment is made by October 31 of the following year, the organization may reapply for future funding. An organization that does not comply within one year of the deadline is ineligible to receive funding for three additional years.

(g) The city council establishes the following criteria and process for the selection and application for discretionary funds.

(1) The City of Fairbanks stipulates that applicants must provide and indicate to the committee on the appropriate forms supplied by the City of Fairbanks the following information:

a. If an applicant has the disbursement responsibility for other organizations, they must list all organizations that they represent.

b. The applicant must complete the application in its entirety and may submit financial information in their format including:

1. Balance sheet for the last fiscal year.
2. Income and expense statement for the last fiscal year.
3. Applicant's projected budget for the upcoming year.
4. Wage and salary information for employees for current and upcoming year.

c. An applicant must answer questions in the order provided but need not have the questions and answers appear on specific pages.

(2) As per subsection 74-117(f), successful applicant is required to report to the City of Fairbanks Chief Financial Officer how bed tax funds were spent. Ten percent of these appropriations will be withheld until a report is filed with the chief financial officer.

(3) The City of Fairbanks Discretionary Fund's primary purpose is promotion of the tourist industry and other economic development in the City of Fairbanks. The Fund cannot support requests for the following:

- (a) Loans, deficits, or debt reduction.
- (b) Endowments.
- (c) Scholarships.
- (d) Health and social services activities.

(4) Grant guidelines:

a. Show how use of the funds will contribute significantly to the growth and promotion of Fairbanks.

b. Show how the grant monies will be used to supplement a successful ongoing program of activities or a new program that will need initial support to accomplish its stated goals.

(5) Grant applications must be picked up or requested to be sent by mail from the office of the city clerk and must be submitted by and postmarked no later than October 31 of each year.

(6) The discretionary fund committee shall be composed of five community members and a council person who will function as the chairman, six total, all appointed by the mayor.

(7) The members of the committee shall serve a three-year term with staggered appointment with a limit of two consecutive full terms, (i.e., two members for a three-year term, two members for a two-year term and one member for a one-year term. Initially this will be decided by the committee at its first meeting by drawing lots.) Unless appointed to fill a vacancy, terms begin July 1 and terms expire June 30.

(8) Citizens desiring to be members of the committee must apply to the office of the mayor on the date specified by the mayor and city council for appointment to the committee.

(9) a. Procedures for scoring proposals from applicants shall be decided by the committee as a whole during the first organizational meeting. Members at this meeting should be made aware of procedures in place in case of conflicts of interest.

b. Members shall have a distribution meeting to review and discuss their numerical valuations and weightings assigned to each grant application. Prior to the distribution meeting committee members must submit their numerical assessments to the chief financial officer to verify that they are true and correct on the Monday of the week when the distribution will become public. Members shall disclose their numerical valuations by reading them into the record during the distribution meeting.

**SECTION 2.** That the effective date of this Ordinance shall be the \_\_\_ day of December 2012.

AYES: Eberhart, Matherly  
NAYS: Hilling, Walley, Staley, Gatewood  
ABSENT: None  
ADOPTED: Failed

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**Jerry Cleworth, City Mayor**

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Janey Hovenden, CMC, City Clerk

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Paul J. Ewers, City Attorney