

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

ORDINANCE NO. 6223, AS AMENDED

**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]:

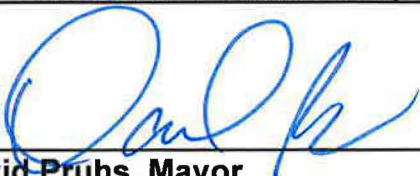
Sec. 74-117. Room rental tax purpose and limitation.

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

- (1) The City of Fairbanks will ~~retain~~ receive ~~23~~22.5 percent for fund collection, administration, and tourism impact.
- (2) Additionally, the City of Fairbanks will retain 7 percent to help offset its expenses for providing security and safety for special events as well as for other services in support of the intent of this section.
- (32) ~~\$550,000.00~~400,000.00 will be distributed annually as follows:
Fairbanks Economic Development Corporation \$100,000.00
Golden Heart Plaza and Barnette Landing Maintenance
~~\$50,000.00~~30,000.00
Discretionary Grants ~~\$400,000.00~~270,000.00
- (43) 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").~~
- (5) Any room rental tax revenues remaining after these allocations are made will be distributed equally between the City of Fairbanks and Explore Fairbanks.

Section 2. That the effective date of this Ordinance is five days after adoption.

Section 3. The current distribution will remain in effect until December 31, 2023.



David Pruhs, Mayor

AYES: Ringstad, Marney, Cleworth, Tidwell
NAYS: Rogers, Sprinkle
ABSENT: None
ADOPTED: May 22, 2023

ATTEST:


D. Danyielle Snider, MMC, City Clerk

APPROVED AS TO FORM:


Thomas A. Chard II, City Attorney