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Dunwoody, Georgia 30346
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MEMORANDUM

To: Mayor and City Council

From: Michael Starling, Director of Economic Development

Date: November 13, 2017

Subject: Amendment to City of Dunwoody Ordinance
Chapter 28, Article III – Hotel Motel Excise Tax

Background

With the passage of HB 564 earlier this year, the City has been granted the authority from the State to increase the existing Hotel Motel Tax from 5% to 8%. The final step in this process is the approval of an Ordinance by the City Council to Amend Chapter 28, Article III.

As discussed and approved at the June 12th Council meeting, staff followed a specific planning process to create a list of Priority Capital Projects to be included with the Ordinance. Although not a State requirement for increasing the Tax, the planning process and list of projects provides clarity on how the increased tax revenue will be spent. As a reminder, this is the planning process:

Draft Plan by Staff

City staff identified all eligible projects for funding with the stipulation that only projects included in a previously approved plan would be considered. Staff created the following criteria to prioritize the projects:

- Prioritization in Original Plan
- Deliverability of Project
- Does the Project leverage other funds
- Does the Project fill gaps in the system
- Proximity to the Tourism market

Stakeholder Conversations

City staff held conversations with a targeted group of stakeholders to gather information on the inventory and prioritization of the projects.

Council Sub-Committee

Similar to the annual City budget process, the Mayor appointed three Council Members to serve on a Committee to refine and prioritize the project list for final presentation to the full Council.

Public Open House

The City will host a public information open house to share the proposed ordinance and list of projects with residents and community members on November 15th.

Denis Shortal Mayor
Eric Linton, ICMA-CM City Manager
Sharon Lowery, CMC City Clerk

Pam Tallmadge City Council Post 1
Jim Riticher City Council Post 2
Doug R. Thompson City Council Post 3

Terry Nall City Council Post 4
Lynn Deutsch City Council Post 5
John Heneghan City Council Post 6

Project Recommendations

Staff Recommends creating a **Tourism Facility fund** with 15% of Hotel Motel Tax increase and funding Parks, Trails and Greenspace with the remaining revenue. The Priority List of Parks and Trail Projects is attached.

- **Perimeter Center East Park**
- **Ashford Dunwoody Trail – Phase I** (Hammond Dr. to Perimeter Center West)
- **Flyover Bridge Park**
- **Westside Connector Trail** (MARTA Station to Ashford Dunwoody Rd.)
- **Perimeter Park @ Dunwoody MARTA Station – North Phase**
- **Ashford Dunwoody Trail – Phase II** (Perimeter Center West to Mount Vernon Rd.)
- **Georgetown to Perimeter Trail** (Perimeter Center East Park to Chamblee Dunwoody Rd.)
- **Highstreet Trail** (Central Parkway to Perimeter Center Parkway)
- **Perimeter Mall Trail** (Hammond Dr. to Perimeter Center West)
- **Georgetown Gateway Trail** (Georgetown Park to Cotillion Dr.)
- **Ravinia Trail** (Perimeter Center East Park to Ashford Dunwoody Road)
- **Northfork Nancy Creek Trail – Phase I** (Perimeter Center East Park to Valley View Road)
- **Perimeter Park @ Dunwoody MARTA Station – South Phase I**
- **Northfork Nancy Creek Trail – Phase II** (Valley View Rd. to Ashford Center Parkway)
- **Winters Chapel Road Trail** (Dunwoody Club Dr. to Peeler Road)
- **Cotillion Trail** (Chamblee Dunwoody Rd. to North Shallowford Rd.)
- **Windwood Hollow Trail** (Brookrun Park to Winters Chapel Road)
- **Perimeter Park @ Dunwoody MARTA Station – South Phase II**

Staff Recommendation

Staff recommends that the City Council approve the Ordinance to raise the Hotel Motel Excise Tax and authorize the City Manager to execute the necessary documents upon review of the City Attorney.

AN ORDINANCE TO LEVY AND IMPOSE AN EXCISE TAX (HOTEL-MOTEL TAX) PURSUANT TO O.C.G.A § 48-13-51(b)(2) AND AMEND CHAPTER 28, ARTICLE 3 OF THE CODE OF THE CITY OF DUNWOODY (THE DUNWOODY HOTEL/MOTEL TAX ORDINANCE) TO FURTHER PROVIDE FOR THE LEVY, IMPOSITION AND COLLECTION OF SUCH EXCISE TAX; TO PROVIDE FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES

WHEREAS, the Mayor and Council of the City of Dunwoody (the “City Council”) desire to promote, attract, stimulate, and develop conventions and tourism in the City of Dunwoody (the “City”); and

WHEREAS, in furtherance thereof, the City Council desires to expend funds for the creation and operation of tourism products within the City that improves destination appeal to visitors, supports visitors’ experiences, and is used by visitors; and

WHEREAS, the City currently imposes an excise tax of five percent (5%) of the charge for the furnishing for value to the public of any room or rooms, lodgings, or accommodations furnished by any person or legal entity licensed by, or required to pay business or occupation taxes to, the City for operating a hotel, motel, inn, lodge, tourist camp, tourist cabin, campground, or any other place in which rooms, lodgings, or accommodations are regularly furnished for value; and

WHEREAS, the City Council adopted a Resolution on February 21, 2017, authorizing the imposition of an excise tax rate of eight percent (8%) in accordance with O.C.G.A. § 48-13-51(b) and;

WHEREAS, thereafter, the Georgia General Assembly, through the passage of Act 135 (HB 564) of the 2017-2018 Regular Session of the General Assembly, granted the City the authority to levy an excise tax at the rate of eight percent (8%); and

WHEREAS, the City Council desires to adopt a formal ordinance to levy an excise tax at the rate of eight percent (8%) and;

WHEREAS, to further implement same and provide for the imposition and collection of such excise tax, the City Council desires to amend the Dunwoody Hotel/Motel Tax Ordinance, as currently set forth in Article 3 of Chapter 28 of The Code of the City of Dunwoody, Georgia.

STATE OF GEORGIA
CITY OF DUNWOODY

ORDINANCE 2017-XX-XX

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF DUNWOODY
HEREBY ORDAINS AS FOLLOWS:**

Section 1. There is hereby levied and imposed, effective January 1, 2018, an excise tax pursuant to O.C.G.A. § 48-13- 51(b)(2) at the rate of eight percent (8%) of the charge for the furnishing for value to the public of any room or rooms, lodgings, or accommodations furnished by any person or legal entity licensed by, or required to pay business or occupation taxes to, the City of Dunwoody for operating a hotel, extended stay hotel, motel, inn, bed and breakfast, lodge, tourist camp, tourist cabin, campground, or any other place in which rooms, lodgings, or accommodations are regularly furnished for value. In each fiscal year during which the excise tax is collected pursuant to O.C.G.A. § 48-13-51(b)(2), an amount equal to not less than fifty percent (50%) of the total amount of taxes collected that exceeds the amount of taxes that would be collected at the rate of five percent (5%) shall be expended for “promoting tourism, conventions, and trade shows” by a “destination marketing organization” designated by the City. The remaining amount of taxes collected that exceeds the amount of taxes that would be collected at a rate of five percent (5%), which are not otherwise expended above, shall be expended for “tourism product development”, and, more specifically, for the purpose of developing and operating a convention center in the City of Dunwoody. Further, the City shall expend an amount equal to the total amount of taxes collected pursuant to O.C.G.A. § 48-13-51(b)(2) which would have been collected at the rate of five percent (5%) in accordance with the provisions of O.C.G.A. § 48-13-51(a)(3). Contemporaneously with the adoption of this Ordinance, and prior to the effective date of the levy and imposition of the foregoing tax at the rate of eight percent (8%), the City has adopted a budget plan specifying how the proceeds of such tax are to be expended. Further, prior to each fiscal year hereafter in which the foregoing tax is imposed, the City shall adopt a budget plan specifying how the proceeds of such tax are to be expended. (See, Paragraphs (1), (4) and (6) of O.C.G.A. § 48-13-50.2 for definitions of “destination marketing organization”, “promoting tourism, conventions, and trade shows”, and “tourism product development”).

Article 3 Section 28-56 of the Dunwoody Hotel/Motel Tax Ordinance is hereby amended by deleting the first paragraph of Section 28-56 and substituting in lieu thereof the following:

“Commencing on the first day of January, 2018, there is hereby imposed and there shall be paid to the City an excise tax in the amount of eight percent (8%) of the gross rental charge for every occupancy of a guest room in a hotel in the city in accordance with O.C.G.A. 48-13-51(b)(2).”

Section 3. This Ordinance shall become effective on January 1, 2018. At such time this ordinance becomes effective, the excise tax previously levied in the City of Dunwoody under O.C.G.A. 48-13-51(a)(4) shall cease; provided, however, taxes collected and any liabilities or debts otherwise incurred prior to said date shall be paid over in the manner provided by law and continue to be due and owing until the duty to pay, collect and remit the tax has been fully satisfied. Subject to the foregoing provisions, all ordinances and Code sections, or parts thereof, in conflict with this Ordinance are expressly repealed. The Dunwoody Hotel/Motel Tax, as amended by Section 2 of this Ordinance, shall be codified as Article 3 of Section 28-56 of The Code of the City of Dunwoody, Georgia.

STATE OF GEORGIA
CITY OF DUNWOODY

ORDINANCE 2017-XX-XX

SO ORDAINED this _____ day of _____,
2017.

Approved:

Dennis Shortal, Mayor

Attest:

Sharon Lowry, City Clerk

Approved as to Form and Content:

Ben Prickett, City Attorney



Hotel Motel Tax

Michael Starling
November 13, 2017



Hotel Motel Tax

- Proposing to increase the tax by 3%
 - 50% Tourism Product Development
 - 50% Tourism Promotion
- Tourism Product Development means:
 - Available and open to the public
 - Improve destination appeal to visitors
 - Are used by and support the visitor's experience

Current Tax

3% to City

2% to CVB

3% Increase

1.5% to City

1.5% to CVB

Why Parks & Trails?

- Visitor Unmet Needs:
 - Visitors wished for green space/parks and trails accessible by their hotel for walking, jogging or just enjoying nature
 - Special dining experiences/local or unique restaurants/social event venue
- Citizen Unmet Needs:
 - Residents mentioned they would most like to see more walking trails, bike paths, and parks
 - 39% supported Pathways and Trails, 33% supported more park amenities, and 28% requested more city-wide special events

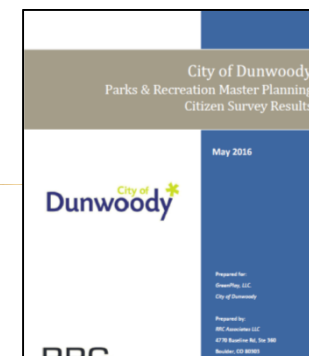
2015 CVB
Visitor Survey



2015 Dunwoody Citizen Survey

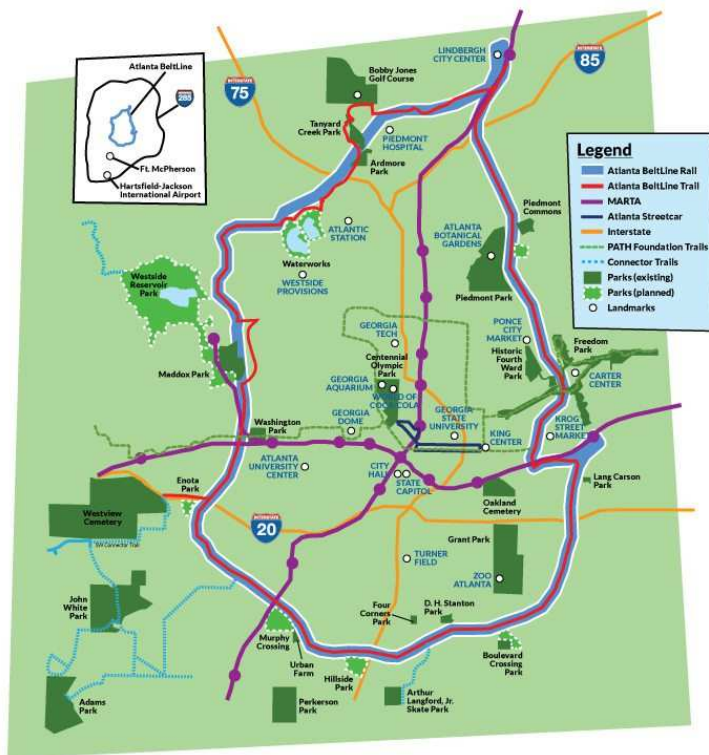


2016 Parks Master Plan Survey

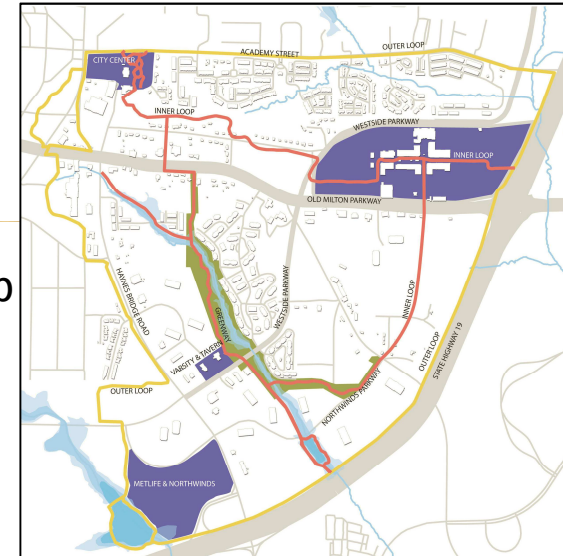


Why Parks & Trails?

The Beltline



Alpha Loop

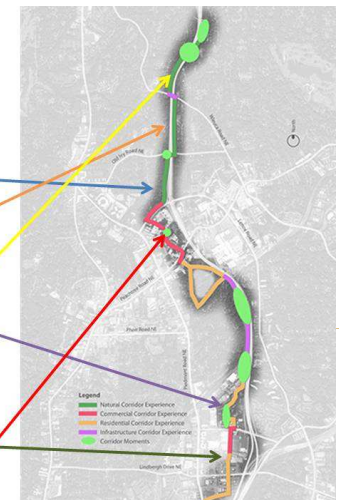


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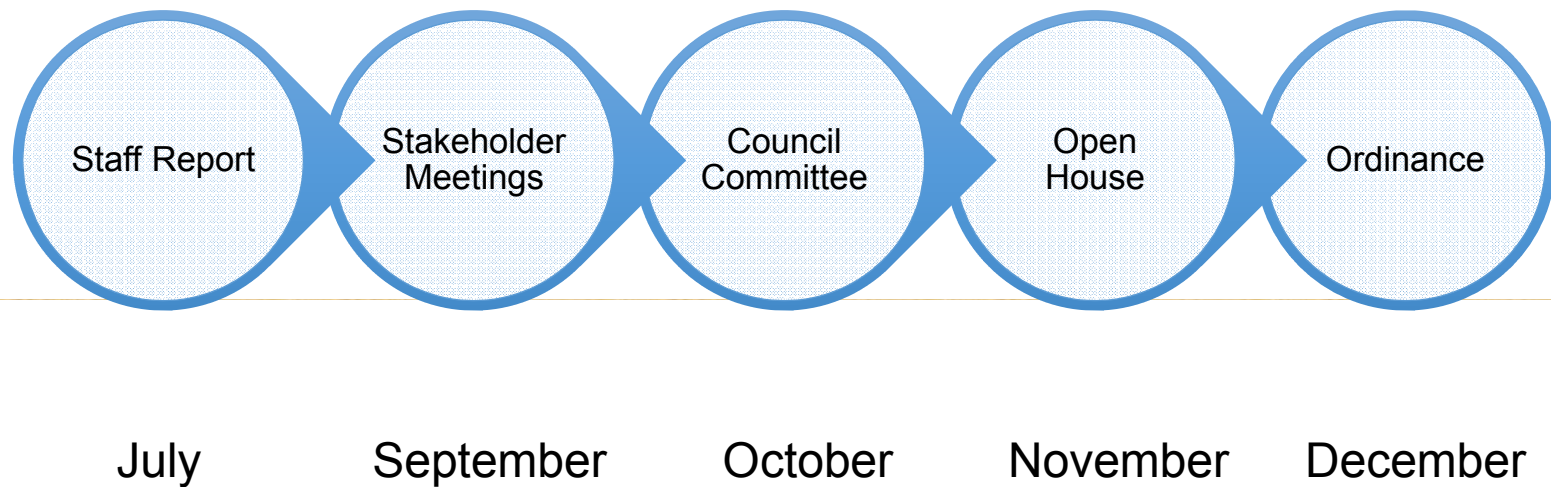


Construction Phasing

- First** – Lenox Road to Old Ivy Complete
- Second** – Old Ivy to Wieuca Launched – Complete end of 2015
- Third** – Sidney Marcus to Miami Circle Begin 2015 – Complete 2016
- Fourth** – Wieuca to MWC Begin 2016 – end Early 2017.
- By Others**
 - Greystar – Morosgo block Underway
 - Tower Place – Regent Partners - 2016

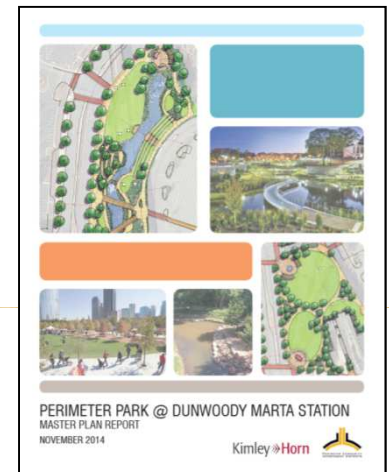
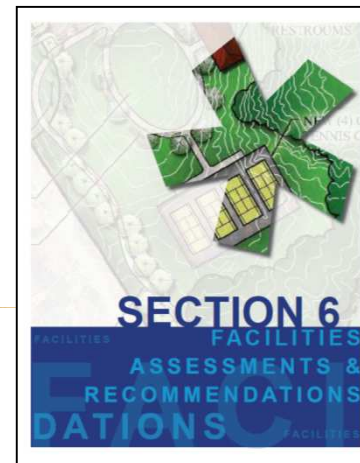
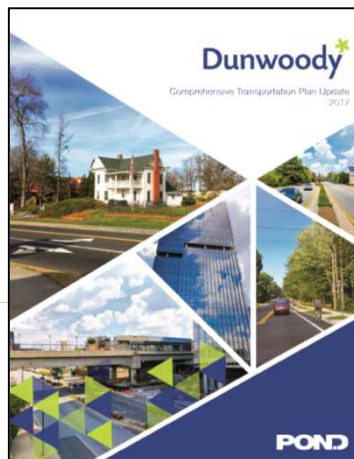


Planning Process



Staff Report

- Projects had to meet the Definition of Tourism Product
- Projects taken directly from Approved Plans





Staff Report

Selection Criteria

- Prioritization of the Project in the original Plan
 - Deliverability of Project
 - Does the Project Leverage other funds
 - Does the Project Fill Gaps in the System
 - Proximity to Tourism Market
-



Stakeholder Meetings

- Hotels
 - Tourism Partners
 - Citizens
 - Commercial Property Owners
-
-
-



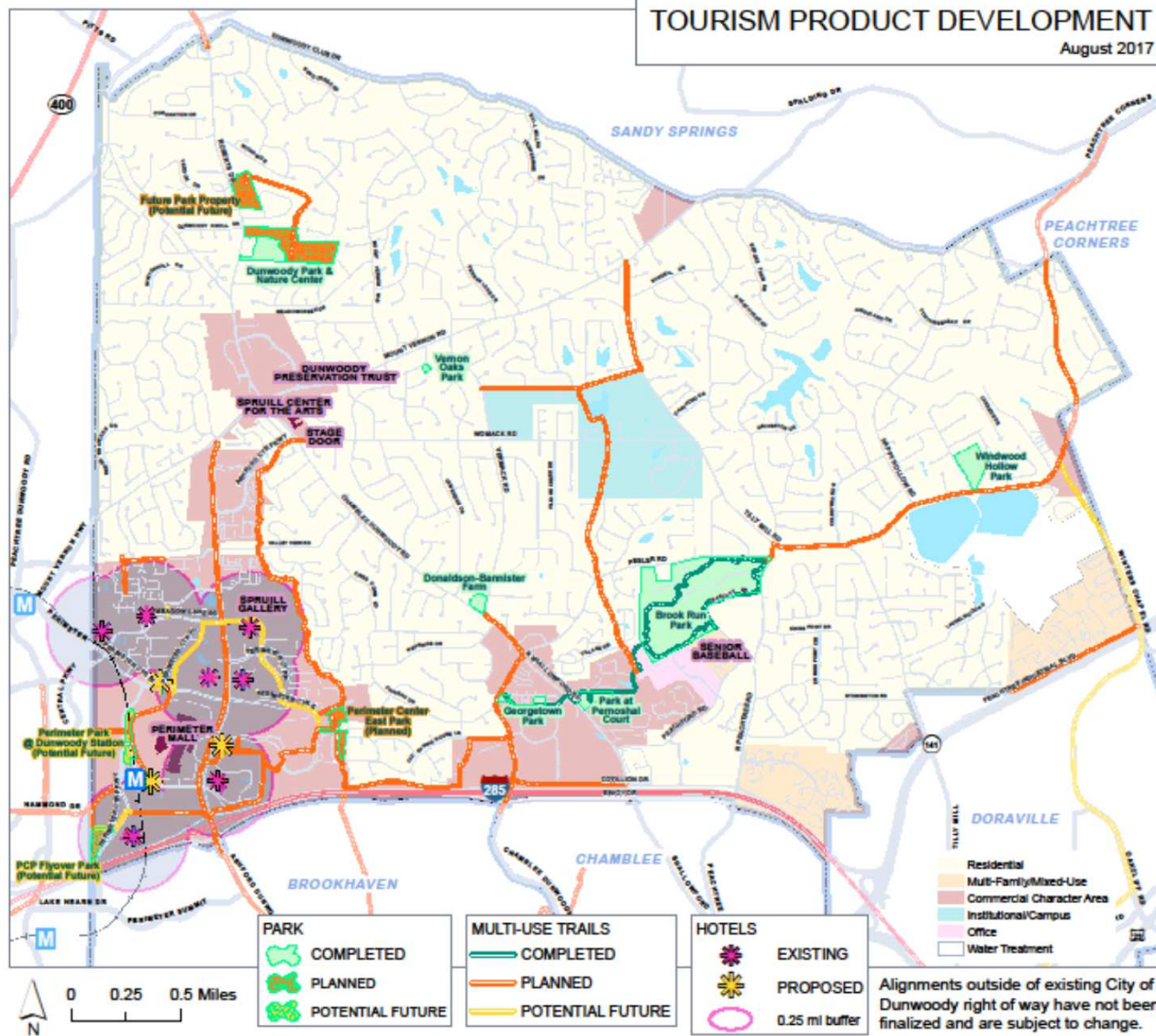
First Recommendation:

“Tourism Facility Fund”

- 15% of the Hotel Motel Tax = \$127,500 Annually (based on \$850,000)
 - Dunwoody Cultural Plan could provide basis for these investments?
-
- Could combine with City Revenue
-

TOURISM PRODUCT DEVELOPMENT

August 2017





Project List

- Perimeter Center East Park
- Ashford Dunwoody Trail – Phase I
- Flyover Bridge Park
- Westside Connector Trail
- Perimeter Park @ Dunwoody MARTA Station – North Phase
- Ashford Dunwoody Trail – Phase II
- Georgetown to Perimeter Trail
- Highstreet Trail
- Perimeter Mall Trail



Project List

- Georgetown Gateway Trail
- Ravinia Trail
- Northfork Nancy Creek Trail – Phase I
- Perimeter Park @ Dunwoody MARTA Station – South Phase I
- Northfork Nancy Creek Trail – Phase II
- Winters Chapel Road Trail
- Cotillion Trail
- Windwood Hollow Trail (Peeler Road)
- Perimeter Park @ Dunwoody MARTA Station – South Phase II