

**FY2017-18 Recommended Budget
TRANSIENT OCCUPANCY TAX REVENUE AND ALLOCATION**

The FY2017-18 Recommended General Fund Budget reflects the receipt of \$6,200,000 in Transient Occupancy Tax (TOT) revenue, which is \$800,000 (15%) more than the amount included in the FY2016-17 Adopted Budget. The Recommended Budget allocates the \$6.2 million as follows:

- A \$398,499 transfer to the Economic Development for Marketing Activities, Targeted Support, TOT program administration, and Property and Business Improvement District. This reflects a \$110,000 increase in funding for TOT administration and an additional \$100,000 for economic development marketing and targeted support.
- A \$2,726,838 transfer to the Transient Occupancy Tax (TOT) Fund that along with a TOT Fund carry-forward balance of \$378,162 will be used to fund a total of \$3,105,000 in programs. The funding for the existing "Civic" programs and Board District Community Service and Neighborhood programs is at the same level as FY 2016-17 with the following exceptions: a \$30,000 increase for Center for Sacramento History, and the deletion of funding for Powerhouse Science Center Construction. The Budget also includes \$1,000,000 in funding for a new TOT Community Grant Program, with the Board scheduled to make grant allocation decisions at Budget hearings. The fund balance is primarily composed of unspent funds from the Powerhouse Science Center due to not being able to meet the requirements to leverage the funds in FY2016-17, and other one-time unspent funds and interest. The fund balance carry-forward identified here does not include Board district unspent funds from the prior year, which will be available for the Board to allocate.
- \$25,000 to the Department of Finance to cover the cost of audits and related costs.
- The remaining \$3,049,663 is recommended to be retained in the General Fund and used to cover general Net County Cost needs.

The following table provides a more detailed comparison of the FY2016-17 Adopted TOT allocations and the FY2017-18 Recommended allocations.

| Category | FY2016-17 | FY2017-18 | |
|---|------------------|------------------|----------------|
| | Adopted Budget | Recommended | Difference |
| TOT Program Administration | 90,000 | 200,000 | 110,000 |
| Economic Development & Marketing | 90,000 | 90,000 | 0 |
| Economic Development & Marketing: Targeted Support | | 100,000 | 100,000 |
| Property Improvement District | | 8,499 | 8,499 |
| Total Transferred to Economic Development Fund | 180,000 | 398,499 | 218,499 |
| Music Circus Debt Service | 66,000 | 66,000 | 0 |
| Board of Supervisors – Neighborhood Programs | 100,000 | 100,000 | 0 |
| Sacramento Convention & Visitors Bureau | 125,000 | 125,000 | 0 |
| Sports Marketing & Events Support - SCVB | 70,000 | 70,000 | 0 |
| Special Events Support | 100,000 | 100,000 | 0 |
| American River Parkway Foundation | 16,000 | 16,000 | 0 |
| Center for Sacramento History | 202,000 | 232,000 | 30,000 |
| Powerhouse Science Center - Operating | 93,000 | 93,000 | 0 |
| Powerhouse Science Center - Construction | 344,000 | | -344,000 |
| Sacramento History Museum | 108,000 | 108,000 | 0 |
| Sacramento Metropolitan Arts Commission (Cultural Arts Awards) | 436,000 | 436,000 | 0 |
| Northern California World Trade Center | 10,000 | 10,000 | 0 |
| Sacramento Area Commerce & Trade Organization /Greater Sacramento Area Economic Council | 239,000 | 239,000 | 0 |
| Sacramento Metropolitan Chamber of Commerce | 10,000 | 10,000 | 0 |
| Community Services Projects | 500,000 | 500,000 | 0 |
| Community Grants | 0 | 1,000,000 | 1,000,000 |
| TOT Fund Balance not related to BOS Funds | -42,215 | -378,162 | -335,947 |
| Total Transferred to Transient Occupancy Tax (TOT) Fund | 2,376,785 | 2,726,838 | 350,053 |
| Finance Department for Audits, etc. (General Fund) | 50,000 | 25,000 | -25,000 |
| Total Allocated to Specific Programs | 2,606,785 | 3,150,337 | 543,552 |
| Estimated TOT Revenue (General Fund – Non-departmental Revenue) | 5,400,000 | 6,200,000 | 800,000 |
| Available to Cover General Net County Cost Needs | 2,793,215 | 3,049,663 | 256,448 |