

COUNCIL MEMORANDUM

Memorial City Hall
24 South Street
Auburn, New York 13021

TO: Members of City Council

FROM: Chuck Mason, City Clerk

DATE: April 2, 2024

RE: Council Resolution #46 of 2024 Requesting the Cayuga County Legislature to Split Hotel Occupancy Tax Revenue Collected in Auburn With the City

Background:

On December 14, 2023 the City Council had a presentation that discussed the establishment of a Hotel and Short-Term Rental Occupancy Tax for the City. At that meeting there was consensus of the Council to send a letter to our State representatives to ask them to start a State Home Rule Request legislative process to allow this to happen. In December Mayor Quill and at the time Mayor-Elect Giannettino co-signed a letter to get that process started. On March 21, 2024 the City Council held a meeting with Assemblyman Lemondes regarding establishing the hotel occupancy tax in the City of Auburn. This is a process we are diligently moving forward and as of this date the Home Rule Request Bill has been introduced in the New York State Senate by Senator May and we are still waiting to hear from the Assemblyman on introduction of the bill in the Assembly.

Along with this process, at the City Council presentation on March 21, 2024 it was discussed that 2024 is also the year that the Cayuga County Hotel Bed Tax is up for renewal. Renewal of the County Hotel Room Tax requires adoption of a County Local Law and that requires a public hearing. The Public Hearing regarding renewal of the Cayuga County Hotel Occupancy Tax has been scheduled for Tuesday, April 23, 2024 at 6pm at the sixth floor of the Cayuga County Office Building, 160 Genesee St., 6th Floor, Auburn, New York, 13021.

This public hearing is the time and place where comments can be placed on the record about the future use of hotel occupancy tax collected by Cayuga County. Future uses of the County Hotel Room Tax could include support for City of Auburn tourism programs, as well as, designating some of the funds to support historic and cultural sites that draw tourist visitation to our City and County.

The attached Council Resolution makes a request of the Cayuga County Legislature that they split County Hotel Room Tax revenue that is collected specifically within the municipal boundaries of the City of Auburn with the City, similar to how local sales tax is split with half going to the County and half going to the City.

If the County Legislature was to consider and enact the City's request it would impact revenue collected in the future, after January 1, 2025, not current revenue. Following an analysis with financial data obtained by our City Comptroller we estimate that this could generate annual revenue of \$250,000. The City's intent would be to use this funding to support tourism initiatives and programs of the City, including our Historic and Cultural Sites Commission which

would include direct support for the sites under a grant program to be developed. An example of such a grant program can be found in neighboring Tompkins County. The Tompkins County Arts & Cultural Organizational Development program is funded by Hotel Room Occupancy Tax collected in Tompkins County, NY. This Tompkins County program provides a clear example for how hotel room tax revenue can be used.

The City of Auburn established the Historic and Cultural Sites Commission in 2000. The City has funded this program every year since establishment. In recent years the City of Auburn has made it a priority to invest in our cultural sites with capital program support for our sites prioritized in the City's NYS Downtown Revitalization Initiative Grant (DRI) as well as the Federal American Rescue Plan Act funding (ARPA). The City Council has made investing in our cultural sites an economic priority and here is the list of funding support:

Seward House Museum

- DRI, \$ 863,925.
- ARPA, \$ 250,000.

Schweinfurth Art Center & Cayuga Museum

- DRI, \$ 1,868,974. for West End Arts Campus
- ARPA, \$ 250,000. to each organization

Auburn Public Theater

- DRI, \$ 700,000.
- ARPA, \$ 250,000.

Willard Memorial Chapel

- DRI, \$ 267,500.
- ARPA, \$ 250,000.

To conclude, City staff recommends adoption of Council Resolution #46 of 2024. Once adopted the resolution will be sent to the Cayuga County Legislature as the City Council's formal input for consideration at the Cayuga County Legislature's April 23, 2024 Public Hearing on the Cayuga County Local Law to Renew the Hotel Room Tax.