



CDA STAFF REPORT

MEMO DATE: February 5, 2019
MEETING DATE: **FEBRUARY 11, 2019**

TO: Village of Cottage Grove Community Development Authority
CC: Matt Giese – Village Administrator
Lee Boushea – Village Attorney

FROM: [Erin Ruth, AICP – Village Planning Director](#)

RE: **Tourism Ordinance**

BACKGROUND

At the January meeting, the CDA discussed the Village's room tax rate, the creation of a tourism commission, and the potential use of the Cottage Grove Chamber of Commerce as a 'tourism entity.'

OVERVIEW

It was suggested at the previous meeting that the room tax rate should be lowered from 8% to 7%. Also, all references to the Village Clerk/Treasurer shall be changed to Village Treasurer or Village Clerk as appropriate in each case.

Implementation of the room tax will require the Village to have a Tourism Commission in place. An ordinance is needed to create that body. Examples of the Tourism Commission enabling ordinances for several nearby communities (Middleton, Monona, Sun Prairie, Verona, Waunakee, and Windsor) are included in the packet.

At a minimum, the following elements will need to be included in the Village's Tourism Commission enabling ordinance:

1. Composition and appointment of members
2. Election of commission officers
3. Meeting schedule
4. Powers and duties

Composition and Appointment of Members

Per Wis. Stat. 66.0615(lm)(c)(1), the Tourism Commission shall be comprised of 4 to 6 members. Among the examples Windsor's ordinance allows for 4 to 6 members, Middleton's



ordinance calls for 6 members, and the remaining communities have 5 member commissions. Staff recommends 5 members to avoid tie votes.

Also per statute, 1 member must represent the “Wisconsin hotel and motel industry.” This should be stated specifically in the ordinance.

In the examples, the composition is handled a variety of ways. Middleton is very specific about appointing a member who represents restaurants and one who represents tourist attractions in addition to the hotel representative. Sun Prairie states that the Chamber of Commerce shall designate a liaison to be a non-voting member. Waunakee designates the Administrator and Chamber Director to be voting members. Windsor assigns at least one and not more than two trustees. Verona requires one council member, while Monona states that one member may be a council member.

The statute also states that the members shall be appointed by the “principal elected official” and confirmed by a majority vote the municipality’s governing body present at the time of the vote; and that the members shall serve 1-year terms and may be reappointed. Again, all of these requirements should be stated in the ordinance.

In some of the example ordinances, the communities designate a specific date each year when the commission will be organized. In staff’s opinion this will tend to occur naturally following the annual spring election, but the CDA may choose to specify a date if they see a benefit to doing so.

Officers

State statute requires that the commission members elect a chairperson, vice-chairperson, and a secretary. This should be stated in the ordinance.

Meeting Schedule

The statute is somewhat vague on this topic, stating only that the commission shall meet “regularly.” This requirement is handled in a few different ways in the example ordinances. Middleton specifies that the commission chair shall call the meetings. Verona states that the commission shall determine its own meeting schedule and procedures. Windsor repeats the statutory “meet regularly” language. Sun Prairie broadly references statutory duties, and Waunakee does not appear to address the issue at all.

Whether specified in the ordinance or not, the commission would likely benefit from an assigned monthly meeting time to ensure staff and any trustees serving on the commission do not have conflicts with other meetings. The decision to meet in a given month could be determined by the chairperson based on the workload of the commission.



Powers and Duties

The powers and duties of the Tourism Commission are largely defined by Wis. Stat. 66.0615. In the examples, the communities reference these statutory obligations in a few different ways. Middleton and Sun Prairie simply reference the state statute. Monona, Verona, and Windsor provide and list of duties and reference the statute. Waunakee has a list of duties and no reference to the statute.

Other Considerations

The Village's room tax ordinance (16-9) is somewhat vague about how the tax revenue shall be distributed, stating that "the Village shall distribute the room tax as provided by the Wisconsin Statute."

The CDA should consider whether more description is needed either in the room tax ordinance or in the Tourism Commission ordinance about how the revenue is spent.

Wis. Stat. 66.0615(d)(1) states that "any amount of room tax collected that must be spent on tourism promotion and tourism development shall be forwarded to the commission for its municipality." Furthermore, 66.0615(d)(4) states that "the commission shall report annually to each municipality from which it receives room tax revenue the purposes for which it was spent." It appears the intent of the statute is that the commission has the final spending authority on the 70% used for tourism, as opposed to making a recommendation to the Village Board. At the very least, it may make sense for the ordinance to specify this arrangement to avoid confusion later.

STAFF RECOMMENDATION

Staff is requesting direction from the CDA on the following issues, the responses to which will be used to draft the Tourism Commission ordinance for the next meeting:

1. Number of commission members? – 4 to 6 required, staff recommends 5.
2. Number of trustees? – staff recommends 2.
3. Other specified members? – 1 hotel rep. required. Staff recommends no other specifications, may specify that citizen members may either live or work in Village.
4. Designate a specific annual organization date? – most committees are typically adjusted after the spring election, so a specific date may not be necessary.
5. Meeting schedule? – staff recommends that a recurring monthly date is established, but this could be left to the commission to organize. At a minimum the ordinance should state the commission is to "meet regularly" per statute.
6. Reference statutes for powers and duties, or list specifics? – staff recommends referencing statutes primarily to avoid inconsistencies if the statutes change. To clarify expectations it may be helpful to describe the use of a "tourism entity" and to specify the spending authority of the commission.