

Greater Louisville Lodging Management District
FY 2025/2026 Budget
Exhibit A

	<u>FY 25/26</u>
<i>Revenue/Sources</i>	
GLLMD assessment revenue	\$ 7,620,815
Interest income	<u>\$ 150,000</u>
Total Revenue/Sources	\$ 7,770,815
 <i>Expenditures/Uses</i>	
Sales, marketing, and programs	\$ 7,068,850
Management fee	\$ 381,041
General and administration	\$ 70,924
Contingency & reserve	<u>\$ 250,000</u>
Total Expenditures/Uses	\$ 7,770,815
 Net Revenue/Sources over Expenditures/Uses	 <u><u>\$ -</u></u>

Greater Louisville Lodging Management District (GLLMD)

FY 2025/2026 Economic Improvement Plan

I. Economic Improvement Plan

GLLMD services shall be administered by the Board as described in Section II of this Plan. The Metro legislative body shall not reduce services to assessed properties because of the implementation of the GLLMD. Projects and services approved and executed by the GLLMD shall be in addition to and not in the place, of municipal projects and services. Assessment revenues must be spent in accordance with the financial plan. The costs of forming the GLLMD shall be repaid from GLLMD assessment revenues. Services may include, but are not limited to:

Sales, Marketing, & Programs

A strategic sales, marketing, and program plan will promote and position Jefferson County as a preferred leisure, meetings and event destination with an overarching goal of driving increased overnight visitation to the benefit of the assessed properties. The programming may include, but is not limited to:

- Dedicated funds to support incentives, hosting fees and other offsetting costs associated with securing strategic industry events, incremental group and convention business, high-profile sports tournaments and/or large-scale events for the destination that generate room nights for the assessed businesses.
- Strategic partnerships, sponsorships, programs, or other alliances that enhance and reinforce the Louisville/Jefferson County area as a destination of choice within the travel marketplace for meetings, events, conventions, sports tournaments and leisure travel – in turn, generating greater room night sales to the assessed businesses.
- Attendance at tradeshow, conferences, sales missions and professional industry/partner events to promote the destination and the assessed businesses.
- Site inspections and familiarization tours showcasing the destination and the assessed businesses.
- Client events and client development to build strong relationships with clients, such as meeting planners, travel agents, tour operators, and media representatives to educate them about the destination's hotels, facilities, and attractions.
- Leisure and hospitality talent attraction and workforce development initiatives in the Louisville/Jefferson County area.
- Tourism infrastructure program considerations:
 - Partnership with the airport to develop new direct airline service in Louisville.
- Advertising to boost the market's visibility, appeal, and brand awareness to drive additional visitation.
- Marketing, branding, and promotion initiatives driving in-bound meetings, sports tournaments, conventions and leisure travel to the Louisville/Jefferson County area – in turn, benefitting the assessed businesses through increased consumer demand and increased room night bookings.

Management Fee

Understanding that the proposed GLLMD sales, marketing and promotional services are based on Louisville Tourism delivering enhanced and/or new programs and businesses opportunities, the

administration and operations portion of the budget shall be utilized for additional administrative and operational staffing costs, office costs, advocacy, and other general administrative and operational costs incurred by Louisville Tourism.

General and Administration Expenses

A portion of the budget will be allocated to general and administration expenses of the organization. General and administration expenses are the costs incurred by an organization in the regular course of its operations to support and maintain its activities. General and administration expenses may include fees paid to external professionals such as accountants, lawyers, consultants, and business advisors for services related to financial management, legal compliance, tax consultation, business strategy, and other specialized expertise, insurance costs, and other miscellaneous expenses such as bank fees, etc.

Contingency/Reserve

A portion of the budget will be allocated to a contingency fund to account for lower than anticipated collections. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program or administration costs at the discretion of the GLLMD Board of Directors. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the Board of Directors. Contingency/reserve funds may be spent on GLLMD programs or administrative and renewal costs in such proportions as determined by the Board. The contingency/reserve fund may be used for the costs of renewing the GLLMD.

Annual Budget and Assessment

The legislative body of Metro Louisville approves the annual budget and receives a copy of the annual economic improvement plan for the district; the annual increase in assessments caused by inflation, new growth, and other factors shall be limited.

II. GLLMD Assessment

a. Assessment Rate

The GLLMD includes all lodging properties located within the boundaries of Jefferson County with fifty-one (51) rooms or more. The assessment is based upon the benefits received method and the annual assessment rate is one and one-half percent (1.50%) of gross short-term room rental revenue. Pursuant to KRS 91A.390 (d), assessments shall not be levied upon the rental or lease of any room or set of rooms that is equipped with a kitchen, in an apartment building, and that is usually leased as a dwelling for a period of thirty (30) days or more by an individual or business that regularly holds itself out as exclusively providing apartments.

b. Collections

GLLMD assessments are collected in accordance with the procedures dictated in KRS 91.758 utilizing Metro Revenue Commission with Metro Revenue Commission making regular remittances of the amounts collected to the Board.

c. Baseline

After the establishment of the GLLMD, the legislative body shall not decrease the level of publicly funded services in the GLLMD existing prior to the creation of the GLLMD or transfer the burden of providing the services, unless the services at the same time are decreased throughout Louisville Metro.

d. Penalties, Interest, and Contesting Assessment

The penalties and interest for delinquent taxes will be applied to delinquent assessments, or separate penalties and interest may be imposed; however, no discount shall be provided for early payment. Any affected property owner within the GLLMD shall be afforded the right to contest the amount of assessment, or the inclusion of their property pursuant to KRS 91.758 (c).

III. Proposed GLLMD FY 2025/2026 Budget

The proposed budget for fiscal year 2025/2026 is shown in the chart below. Note that actual revenues may fluctuate due to market conditions. The Board shall have the authority to adjust budget allocations between the categories by no more than twenty percent (20%) of the total budget per year.

FY 2025/2026 Budget

Services	%	Total
Sales, Marketing, & Programs	91%	\$7,068,850
Management Fee	5%	\$381,041
General and Administration	1%	\$70,924
Contingency and Reserves	3%	\$250,000
TOTAL OF ALL GLLMD FUNDS	100%	\$7,770,815

IV. Changes to the Boundaries of the GLLMD

The boundaries of the GLLMD may be changed at any time by the legislative body in the same manner as provided in KRS 91.750 to 91.762 for the establishment of the GLLMD.

V. Renewal

The initial term for the GLLMD shall end seven (7) years from the date of formation. The GLLMD may subsequently be renewed for an additional term by following the procedures for establishment as provided in KRS 91.750 through 91.762.

VI. Dissolution

Pursuant to KRS 91.762, the GLLMD may be dissolved by the legislative body upon the receipt of a petition requesting dissolution signed by owners of real property equal to at least fifty and one-tenth percent (50.1%) of the assessed value of the property and thirty-three percent (33%) of the number of property owners within the management district, except that the GLLMD shall not be dissolved if the GLLMD has any outstanding indebtedness. If the GLLMD is dissolved, excess revenues must be utilized for the continued provision of economic improvements until the excess funds are fully spent, as outlined in KRS 91.762 (3)(b).