

STAFF RECOMMENDATION

VILLAGE OF OAK PARK HOTEL / MOTEL TAX AND SHORT-TERM RENTAL SURCHARGE INFORMATION

OPTION A- No increase to Hotel/Motel tax, with a new 3.5% surcharge instituted for just short-term rental licenses and only that surcharge dedicated to the Housing Trust Fund. Short-term rentals continue to also pay 4% hotel motel tax

Reflecting 1% Escalation Annually, With New Hotel Included in 2026

	2023 <i>Existing 4% Tax</i>	2024 <i>4.0%</i>	2025 <i>4.0%</i>	2026 <i>4.0%</i>	2027 <i>4.0%</i>	2028 <i>4.0%</i>	2029 <i>4.0%</i>	2030 <i>4.0%</i>	2031 <i>4.0%</i>	2032 <i>4.0%</i>	2033 <i>4.0%</i>
Annual Estimated Collection (Curent 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	360,718	364,325	367,968	371,648	375,364	379,118	382,909	386,738
<i>Total Annual Estimated Return For Hotel/Motel Tax</i>	258,000	260,580	263,186	360,718	364,325	367,968	371,648	375,364	379,118	382,909	386,738
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
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Annual Estimated Short - Term Rental Surcharge (3.5% Plus Conservative 1% Natural Growth Increase)		123,054	124,285	125,527	126,783	128,050	129,331	130,624	131,931	133,250	134,582
Housing Trust Fund Support (Only 3.5% surcharge for short-term rentals)	-	123,054	124,285	125,527	126,783	128,050	129,331	130,624	131,931	133,250	134,582
TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS		\$ 1,287,417									

VILLAGE OF OAK PARK HOTEL / MOTEL TAX AND SHORT-TERM RENTAL SURCHARGE INFORMATION

OPTION B-1 - Hotel/Motel Tax Increases (5.1.23) to 7.5% with 3.5% (47% of total) allocated to the Housing Trust Fund (Previous Direction Provided by Village Board 10.23) and 4% (53% of total) allocated to the General Fund

Reflecting 1% Escalation Anually, 7.5% (No New Hotel)

	2023 <i>Existing 4% Tax</i>	2024 <i>7.5%</i>	2025 <i>7.5%</i>	2026 <i>7.5%</i>	2027 <i>7.5%</i>	2028 <i>7.5%</i>	2029 <i>7.5%</i>	2030 <i>7.5%</i>	2031 <i>7.5%</i>	2032 <i>7.5%</i>	2033 <i>7.5%</i>
Annual Estimated Collection (Curent 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	265,818	268,476	271,161	273,872	276,611	279,377	282,171	284,993
Annual estimated return resulted from increase (3.5% tax difference)	-	71,442	225,200	225,432	227,686	229,963	232,262	234,885	236,931	239,300	241,693
Total Annual Estimated Return	258,000	332,022	488,386	491,250	496,162	501,124	506,134	511,496	516,308	521,471	526,686
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support (3.5% or 47% of total collected)	-	71,442	225,200	225,432	227,686	229,963	232,262	234,885	236,931	239,300	241,693

TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS **\$ 2,164,794**

OPTION B-2 - Hotel/Motel Tax Increases (5.1.23) to 7.5% with 3.5% (47% of total) allocated to the Housing Trust Fund (Previous Direction Provided by Village Board 10.23) and 4% (53% of total) allocated to the General Fund

Reflecting 1% Escalation Anually, 7.5% Tax (New Hotel January 2026)

	2023 <i>Existing 4% Tax</i>	2024 <i>7.5%</i>	2025 <i>7.5%</i>	2026 <i>7.5%</i>	2027 <i>7.5%</i>	2028 <i>7.5%</i>	2029 <i>7.5%</i>	2030 <i>7.5%</i>	2031 <i>7.5%</i>	2032 <i>7.5%</i>	2033 <i>7.5%</i>
Annual Estimated Collection (Curent 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	360,718	364,325	367,968	371,648	375,364	379,118	382,909	386,738
Annual estimated return resulted from increase (3.5% tax difference)	-	71,442	225,200	308,655	311,742	314,859	318,008	321,188	324,400	327,644	330,920
Total Annual Estimated Return	258,000	332,022	488,386	669,373	676,067	682,827	689,656	696,552	703,518	710,553	717,658
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support (3.5% or 47% of total collected)	-	71,442	225,200	308,655	311,742	314,859	318,008	321,188	324,400	327,644	330,920

TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS **\$ 2,854,058**

OPTION B-5 - Biennial Hotel/Motel Tax Increases at one-half percent, Effective May 1, 2024

Reflecting 1% Escalation (No New Hotel)

	2023 <i>Existing 4% Tax</i>	2024 <i>4.5%</i>	2025 <i>4.5%</i>	2026 <i>5.0%</i>	2027 <i>5.0%</i>	2028 <i>6.5%</i>	2029 <i>6.5%</i>	2030 <i>7.0%</i>	2031 <i>7.0%</i>	2032 <i>7.5%</i>	2033 <i>7.5%</i>
Annual Estimated Collection (Curent 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	265,818	268,476	271,161	273,872	276,611	279,377	282,171	284,993
Annual estimated return resulted from increase (tax difference)	-	19,001	32,898	61,138	61,749	108,464	109,549	118,943	120,132	134,031	135,371
<i>Total Annual Estimated Return</i>	258,000	279,581	296,084	326,956	330,225	379,625	383,421	395,554	399,509	416,202	420,364
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support	-	19,001	32,898	61,138	61,749	108,464	109,549	118,943	120,132	134,031	135,371
TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS											\$ 901,277

OPTION B-6 - Biennial Hotel/Motel Tax Increases at one-half percent, Effective May 1, 2024

Reflecting 1% Escalation (New Hotel January 2026)

	2023 <i>Existing 4% Tax</i>	2024 <i>4.5%</i>	2025 <i>4.5%</i>	2026 <i>5.0%</i>	2027 <i>5.0%</i>	2028 <i>6.5%</i>	2029 <i>6.5%</i>	2030 <i>7.0%</i>	2031 <i>7.0%</i>	2032 <i>7.5%</i>	2033 <i>7.5%</i>
Annual Estimated Collection (Curent 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	360,718	364,325	367,968	371,648	375,364	379,118	382,909	386,738
Annual estimated return resulted from increase (tax difference)	-	19,001	32,898	72,144	72,865	139,828	141,226	157,653	159,230	181,882	183,701
<i>Total Annual Estimated Return</i>	258,000	279,581	296,084	432,861	437,190	507,796	512,874	533,017	538,347	564,791	570,439
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support	-	19,001	32,898	72,144	72,865	139,828	141,226	157,653	159,230	181,882	183,701
TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS											\$ 1,160,426