

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON
ADOPTING A FUNDING STRATEGY TO ADDRESS THE WASHINGTON CENTER FOR THE
PERFORMING ARTS' FIRST QUARTER 2020 BUDGET**

WHEREAS, The Washington Center building is owned by the City of Olympia and operated by The Washington Center for the Performing Arts (The Center), a not-for-profit organization; and

WHEREAS, City funding related to The Center is accounted for in two funds: 1) The Washington Center for the Performing Arts Endowment Fund; and 2) The Washington Center for the Performing Arts Operations & Maintenance Fund; and

WHEREAS, RCW 67.28.180 and RCW 67.28.181(l) authorize the City to collect an excise tax referred to as lodging (or hotel/motel) tax; and

WHEREAS, lodging tax is collected from all lodging establishments located within the city limits of Olympia for the purpose of generating revenue that can be used for activities and operations to increase tourism; and

WHEREAS, the total lodging tax collected by the City is four percent, and the first two percent of the revenue generated is allocated to The Center, as required by The Washington Center Operating Agreement 2018-2034 between the City and The Center; and

WHEREAS, the City's 2020 Adopted Operating Budget appropriated \$520,000 in lodging tax to The Center; however, because of the severe reductions in hotel/motel stays due to the COVID-19 pandemic, the amount of revenue available has been significantly reduced; and

WHEREAS, on June 17, 2020, the Finance Committee discussed The Center's 2020 first quarter (July – Sept.) budget. The Center's Executive Director requested the use of \$80,000 in lodging tax to help cover a projected \$160,000 deficit in The Center's first quarter 2020 operating budget; and

WHEREAS, as of May 31, the actual 2020 Lodging Tax Fund revenues were \$50,000 below 2020 expenditures; however, there is a fund balance (reserves) of slightly more than \$398,000, which can only be used for The Washington Center because it represents the first 2% of lodging tax collected under RCW 67.28.180; and

WHEREAS, the Finance Committee also discussed relieving The Center of its obligation to replenish the Endowment Fund \$200,000 for funds used to replace the stage rigging system to cover the salary of The Center's Development Director rather than further reducing the Endowment Fund; and

WHEREAS, the Finance Committee approved recommending to the full Council The Center's request for \$80,000 in lodging tax, as well as relieving The Center of its obligation to replenish the Endowment \$200,000 for funds used to replace the stage rigging system;

WHEREAS, the City Council deems it to be in the best interest of the City of Olympia community to adopt the funding strategy to address The Washington Center for the Performing Arts' First Quarter 2020 Budget as recommended by the Finance Committee;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE as follows:

1. The above-stated recitals are hereby adopted as findings of the Olympia City Council and are incorporated by this reference as though fully set forth herein.
2. The Olympia City Council hereby adopts the Finance Committee's recommended funding strategy to address The Washington Center for the Performing Arts' First Quarter 2020 Budget as follows:
 - A. \$80,000 in lodging tax will be used to assist with a projected \$160,000 deficit in The Center's first quarter 2020 operating budget; and
 - B. The Center's obligation to replenish the Endowment Fund with \$200,000 for funds used to replace the stage rigging system is hereby waived.

PASSED BY THE OLYMPIA CITY COUNCIL this 7th day of July 2020.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Mark Barber

CITY ATTORNEY