

**CITY OF OLYMPIA
Lodging Tax Advisory Committee
Draft Minutes
October 15, 2012**

Present: Julie Hankins, Chair; Committee members Nathan Allan, Russ Carstensen, Jack Kiley, Greg Taylor

Call to Order: Chair Hankins called the meeting to order at 2:00 p.m.

12-0596. Approval of Minutes.

Moved by Russ Carstensen, seconded by Greg Taylor to approve the Minutes of July 16, 2012 meeting as submitted. Unanimously approved.

12-0633. 2013 Background Information and Proposals

The committee agreed to review the proposals in alphabetical order as listed on the summary chart, with Capital City Pride scheduled last to allow their representative an opportunity to arrive from another commitment. After all of the reviews, they will firm up their recommendations to the City Council.

Cathie Butler, Communications Manager, said that staff projects about \$251,000 available for lodging tax contracts in 2013 if the committee recommends not setting aside any money for emerging needs throughout the year. The fund will still have a 2 month cash flow reserve. She reminded the committee that the lodging tax fund is to be used to spur tourism activity, and that the committee had previously agreed – due to the June 30 change in state law – to only consider applications for tourism promotion and marketing services, no regular event operating expenses.

Earthbound Productions – Nicole Mercier.

Ms. Mercier, Earthbound Board President, read a prepared statement; shared anecdotal information about out-of-area visitors to the Procession and art studio; stated that Earthbound knows how best to promote its event consistent with its philosophy. She acknowledged that the Board decided to submit a proposal for event operating expenses since their event is over well before June 30 when the State law is set to change, and she advocated full funding of the proposal submitted by Earthbound.

Mr. Taylor said that for the ten years he has been on the committee, the LTAC and Earthbound have been doing the same back and forth. The committee is looking for proposals that market events outside the area to attract tourists, and Earthbound is resistant to much in the way of outside marketing or help with promotion since its focus is on the local community. He said that there is nothing wrong with Earthbound's philosophy. He commented that the Procession is a great event - it just isn't consistent with the intent of the lodging tax which is to invest in events and marketing that results in "heads in beds."

Ms. Mercier stated that Earthbound is not interested in getting anyone and everyone to attend. She said the Board feels very strongly about retaining the community gathering aspect of the Procession. She said that their outreach is primarily from local community members and Earthbound supporters to their friends and relatives to help keep the local feel. She noted that Earthbound had an uptick in the number of people who came to the Studio, even in a downturn economy. She said that the Studio provides value as a place for the community and community guests to participate in art. She share anecdotal information about out-of-town visitors who have participated in Studio activities and came to Olympia just for the Studio and/or the Procession. She commented on national recognition received by Earthbound for the Procession and its other activities.

Mr. Kiley noted that the request to the committee is a substantial portion of the overall Earthbound budget. He prefers that groups have a way to pay for their operating costs, and that they not rely on the lodging tax fund. He

reminded Earthbound that the committee had made some suggestions in the past about how to raise some money to help with their operating expenses. He said that he was amazed that they did not want to work with George Sharp at the VCB, who has been very helpful to other groups in their marketing and budgeting.

All committee members agreed that the Procession is a great community event.

Greater Olympia Dixieland Jazz Society – Charlotte Dickison.

Mr. Kiley noted that the request is the same amount as last year, and that it is about 8% of the total budget, which he appreciated.

Mr. Taylor said that this is a great event that brings visitors who stay in area hotels. He said that what he likes most is the 5,000+ overnight stays from the event. He said that it is a very well put together proposal that does exactly what the committee hopes to do with the lodging tax.

Ms. Dickison thanked Mr. Sharp of the Visitor and Convention Bureau for the help he has given the Society this year in developing their budget and promotions.

Hands on Children’s Museum – Patty Belmonte.

Mr. Allan asked how Sand in the City went at the new location. He said he heard some concern about the Gala. Ms. Belmonte acknowledged that there were lessons learned, and it was a challenge since the Museum was not yet open. She said that overall she feels the move is a positive – people make a more direct link now between the Sand in the City event and the Museum. She said there were some challenges with the Gala, and they should be resolved next year when the Museum is open and the outdoor area is complete. She noted that this year there were more out-of-town visitor names entered at their registration area from people who want follow-up information about when the Museum opens.

Mr. Taylor said that he loves the Museum, but noted that next to the VCB, it is the second largest ask of the committee. He said there appears to be a huge disparity on return for investment when compared to the 5,000 overnight stays generated by the Jazz Festival.

Ms. Belmonte commented that their request is for marketing throughout the year, particular in the spring, summer, and holidays when children are out of school. She also said that the Museum is only able to capture visitor information from people willing to share it.

Mr. Allan noted that the committee and the City have already made a huge investment in the Museum, and he feels that we have an obligation to fund the marketing so that we realize the return on investment. He noted that the request is for about 5.5% of their overall budget, which is well within the parameter the committee likes to see.

Olympia Film Society – Audrey Henley.

Ms. Henley said that the Society is requesting marketing / promotion assistance with the annual film festival.

Mr. Taylor complimented the Society on the completeness of their application, and he thanked the Society for coming back with an application after several years of absence.

Mr. Carstensen asked for clarification about the amount they would invest in marketing without lodging tax money. Ms. Henley acknowledged that there was some confusion with that portion of the application. She said that their focus with the lodging tax money will be on promotion in the Portland area, which they feel is a very receptive tourism audience for their event. She said that their staff met with Mr. Sharp at the Visitor and Convention Bureau and they appreciate his ideas for expanding their outreach.

Mr. Taylor commented that this is one of the few activities during the time of year the committee would like to target for tourism promotion – November. He suggested that the Society be more thoughtful on how it intakes and processes ticket sales to gather data on out-of-area attendees. Ms. Henley said that the Society is putting in a new ticketing system to do just that, which is a big change for the Society. She said that they are also working on a web redesign that will include information about area lodging and attractions. Mr. Taylor suggested adding information on the website about how to financially support the festival.

Olympia-Lacey-Tumwater Visitor and Convention Bureau – George Sharp.

Mr. Sharp said that the VCB Board directed submittal of a proposal for \$115,000, which is \$15,000 more than last year. The extra money will be put into marketing and to purchase space for the Visitor Guide to be distributed at SeaTac airport.

Mr. Kiley asked about the status of forming the Tourism Promotion Area. Mr. Sharp responded that he is helping local hoteliers form a TPA which would result in a \$2 per night assessment on occupied rooms at establishments with 40 or more rooms. He said that they are still gathering signatures from hotelier agents, and he believes that they have reached the 60% of signatures needed for a valid petition to the County to form a TPA. The TPA is expected to generate \$600,000 annually for tourism marketing and promotion.

Mr. Taylor said that next year, he would like to see more specifics from the VCB on numbers of actual rooms secured through RFPs and other direct outreach by the VCB.

Mr. Allan said that he would like to see the VCB open in the evenings and on weekends. Mr. Kiley commented on the great help Mr. Sharp has been to the Senior Games in coming up with a new way to look at their budget and sponsorships. He said there has been a complete positive turn around with the VCB since Mr. Sharp came on board.

Olympic Flight Museum – Teri Thorning.

Ms. Thorning said the Museum is asking for the same amount, \$6000, to produce the air show commercial aired in the Seattle market. She said that she was not able to document any definite stays in Olympia this year since the appearance by one of the planes was cancelled at the last minute. She had planned to house the group at an Olympia hotel. She said they are looking at ways to promote Olympia lodging for 2013. Mr. Taylor suggested putting a link to lodging on their website.

Mr. Carstensen noted that the request to Olympia is about 5% of the total budget. Ms. Thorning said the flight museum also gets lodging tax support from the City of Tumwater.

Committee members thanked Ms. Thorning for moving the date of the air show away from Father's Day weekend – which has been a longstanding suggestion by the Olympia LTAC. In 2013, the air show will be on July 13-14.

Washington State Historical Society – Shanna Stevenson.

Ms. Stevenson said the Society is planning to have a Heritage Conference in Olympia on February 4-5 to coincide with the traditional Arts & Heritage Advocacy Day at the State Capitol. She said they expect about 100 overnight attendees for the conference. Ms. Stevenson commented that the Society is working with Mr. Sharp at the VCB on promotion for the conference and coordinating with local hoteliers.

Mr. Kiley asked if it is a problem administratively for staff with the request amount only being \$2,000. Ms. Butler said that she did not foresee a problem.

Washington State Senior Games – Jack Kiley.

Mr. Kiley declared that he is Executive Director of the Games. He said that as such, he was available to answer committee member questions about the Games' proposal, but would not take part in any of the committee's discussion or deliberation about the proposal. He noted that he had just returned from Utah where the annual

Huntsman Senior Games were held, and that it was very helpful to see how a much larger and more well funded Games is organized.

Mr. Taylor said that next year, he would like to see more data on number of stays and how many people are from outside the area. He said that this should be information that could be gathered as part of the registration process.

Wolfhaven International – Patt Poinsett.

Ms. Poinsett noted that this year Wolfhaven hosted the Mexican Grey Wolf Conference and the host hotel was The Governor Hotel in Olympia. She said that international dignitaries attended the conference and they were very impressed with the city. She noted that they are planning to do more conferences in the future which bolsters Wolfhaven's standing in the scientific community. Ms. Poinsett said that Wolfhaven has a mailing list of over 30,000 individuals who receive their outreach materials, and most of their funding is from private donations.

Mr. Allan said that he continues to have overnight guests at the Swantown Inn who are here specifically to go to Wolfhaven.

Mr. Carstensen complimented Wolfhaven on their continued effort to encourage their visitors to come to Olympia.

Capital City Pride Festival – Anna Schlecht.

Ms. Schlecht said that the festival has tried to document overnight stays, but is it a challenge since there is no registration for the event. She mentioned that they have had a conversation with Mr. Sharp about a uniform way to survey people who attend Olympia events. Mr. Sharp said the concept is still being refined. Ms. Schlecht said that the pride festival would be happy to be a pilot for a survey.

Mr. Taylor asked if Festival is a community event that grows organically similar to Earthbound's Procession, or is it a full on event that marketed for the purpose of driving people to Olympia. Ms. Schlecht said it is a combination of both. She said that they rely heavily on word of mouth and free market advertising, which is commonly used for pride type of events. She noted that they only request advertising money from the lodging tax fund and that they use it very judiciously to target potential out of area attendees, particularly from the Portland area. She commented that they are very interested in growing the event and attracting visitors to the Capital City.

Committee Recommendations:

Committee members commented on the overall quality of the applications. After discussion, the committee agreed to recommend \$221,000 in lodging tax funded contracts in addition to the final year of \$30,000 commitment for Hands on Children's Museum Building:

| Agency | Amount | Agency | Amount |
|--|----------|-----------------------------|-----------|
| Capital City Pride Festival | \$ 5,000 | Olympia-Lacey-Tumwater VCB | \$103,500 |
| Earthbound Productions | \$ 3,500 | Olympic Flight Museum | \$ 6,000 |
| Greater Olympia Dixieland Jazz Society | \$14,000 | WA State Historical Society | \$ 2,000 |
| Hands on Children's Museum | \$53,500 | WA State Senior Games | \$10,000 |
| Olympia Film Society | \$ 5,000 | Wolfhaven International | \$18,500 |

Mr. Allan moved, seconded by Mr. Taylor to recommend the \$221,000 in contracts as listed plus the prior \$30,000 commitment, for a total of \$251,000. Unanimously approved with Mr. Kiley abstaining from any action related to the Senior Games.

There being no further business, Chair Hankins adjourned the meeting at 4:30 p.m. She thanked the service applicants and committee members.