



City of Olympia

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Meeting Minutes - Draft Lodging Tax Advisory Committee

Monday, July 16, 2012

3:00 PM

Room 112

1 Roll Call

Present 5 - Chair Julie Hankins, Nathan Allan, Russell Carstensen, Jack Kiley, and Greg Taylor

2. CALL TO ORDER

Chair Hankins called the meeting to order at 3:00 p.m. As the new Chair, she introduced herself to the committee and said she was looking forward to working with them and learning about the lodging tax.

3. BUSINESS OF THE EVENING

3.A 12-0359 Update on Tourism Promotion Area and Community Event Marketing/Outreach

Attachments: [1. TPA Information](#)
[2. VCB 2012 Contract](#)

George Sharp, Executive Director of the Lacey-Olympia-Tumwater Visitor and Convention Bureau and Greg Taylor, committee member representing the Phoenix Inn, gave an update on hotelier efforts to form a Tourism Promotion Area. They said that over 60% of Olympia hotels have signed the petition to form a county-wide TPA. Efforts are now focused on obtaining more signatures from hotels in the City of Lacey.

Mr. Taylor mentioned that when the TPA is formed, the intent is to add to the resources of the VCB, not take away lodging tax funding. Mr. Sharp said that TPA money will allow the VCB to hire staff focused specifically on sales and marketing. The VCB would still request the same level of lodging tax support for its regular operations. Mr. Sharp said he is hopeful that all of the steps needed to form a county-wide TPA will be complete by Spring 2013.

Regarding community event marketing and outreach, Mr. Sharp said that he has talked with all of the 2012 Olympia lodging tax agencies and some other groups, such as Lakefair, about event marketing. He will be working directly with Lakefair, the Dixieland Jazz Society, and Senior Games to explore ways to expand their marketing and funding efforts. He said that all of the groups were very appreciative of the VCB's outreach efforts and, except for Earthbound Productions, have been very willing to participate in external marketing efforts. He said that Eli Sterling with Earthbound Productions declined assistance with external marketing.

Mr. Kiley complimented Mr. Sharp on his outstanding job and the outreach he is doing with other groups.

The report was received.

3.B 12-0365 Lodging Tax Receipts ("new 2%)

Attachments: [1. LT Receipts Spreadsheet](#)

Committee members reviewed the spreadsheet prepared by City Finance Manager Dean Walz. Lodging Tax receipts this year are maintaining pace with 2011 although there doesn't appear to be much growth in the fund. The two hotelier representatives on the committee said the projections are consistent with their experience.

The report was received.

3.C 12-0367 2013 Tourism Promotion Proposal Process

Attachments: [1. State Law](#)

Cathie Butler, Communications Manager, said that the provision in State law that allows lodging tax money to be used for event operating expenses is set to end mid-2013. She noted that the Olympia City Council included on its State legislative agenda this year a request to permanently extend the ability of cities to use lodging tax for event operating expenses, and that local legislators – including Senator Fraser and Representative Hunt – have been very supportive and are working to restore this ability. For consistency and ease of administration, she said staff recommends not accepting proposals for event operating expenses in 2013.

Mr. Kiley expressed frustration with the pending change in state law. He noted that sometimes the event itself is the tourist draw.

After discussion, committee members agreed to not accept 2013 proposals for event operating expenses.

Committee members discussed whether to open proposals to groups who have not previously had tourism/lodging tax funded contract with Olympia. Mr. Carstensen advocated for opening the process. Mr. Kiley noted that the process has been very competitive each year, and revenue is flat. Mr. Taylor said he would prefer to use the same process as last year and wait until after a TPA is formed to discuss future changes in the lodging tax process. He noted that when the TPA is formed some money may be available through that source to pay for event costs for those activities that truly attract overnight stays to Olympia.

After discussion, committee members agreed to use the same process and format as this year and to limit proposals to groups with past Olympia tourism/lodging tax contracts. The committee set the following dates:

- *Friday, September 28, 4:00 p.m. – deadline to submit proposals*
- *Monday, October 15, 2:00 p.m. – Committee meeting to review proposals and develop recommendations.*

The report was received.

4. ADJOURNMENT

There being no further business, Chair Hankins adjourned the meeting at 4:30 p.m. and thanked the Committee members for their dedication. She said she learned a lot from the discussion.