



TO: Olympia City Council

FROM: Julie Hankins, Councilmember and Chair, Lodging Tax Advisory Committee

DATE: October 30, 2015

SUBJECT: 2016 Lodging Tax Committee Recommendations

The Olympia Lodging Tax Advisory Committee recommends 2016 tourism service contracts in the amount of \$250,035. As a reminder, the committee considers one-half of the Lodging Tax Fund; the other half is committed to The Washington Center for the Performing Arts per a formal agreement with the Center.

The Olympia LTAC received 18 applications for 2016 funds, seven more than were submitted for 2015. The total request for funds was \$337,640.86 -- nearly \$88,000 more than the \$250,000 available after allowing for the traditional 20 percent contingency balance. While in 2015 LTAC was able to recommend full funding for nearly all 2015 requests, the Committee clearly had to make difficult choices this year.

Given the higher competition for limited funds, the LTAC placed high priority on supporting tourism marketing and on tried and true events and activities that resulted in documented and documentable overnight stays in Olympia lodging establishments. The LTAC also thought it was important to nurture new events and support events that may not be able to get funds otherwise. The Committee supports funding activities that help bring tourists to Olympia for overnight lodging over funding operational costs for facilities or staff salaries. Because of Washington state law reporting requirements, the LTAC is emphasizing the documentation of paid overnight lodging numbers. LTAC is requesting that the Visitor and Convention Bureau provide training to Lodging Tax recipients on how to capture overnight stays that result from their activities in order to provide measurable outcomes back to the LTAC.

Regional Athletic Center Proposal:

LTAC received a proposal from the City of Lacey for \$20,000 in Olympia Lodging Tax to help pay for operating and maintenance costs of the Regional Athletic Center (RAC). As a reminder, the City of Olympia is already a regional funding partner through the Public Facilities District (PFD). 71.77% of the PFD allocated sales tax in Olympia, Lacey, Tumwater, and Thurston County is committed to the RAC. The remaining 28.23% of PFD sales tax comes to the City of Olympia for capital costs of the Hands on Children's Museum. LTAC recommends that City Council, or representatives from the City, meet with the City of Lacey regarding the need for operational assistance at the RAC before any future Lodging Tax Fund requests are made.

Attachments:

1. Chart of Recommendations
2. Draft Minutes – LTAC October 5, 2015 meeting
3. Draft Minutes – LTAC October 19, 2015 meeting