

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON REALLOCATING
2020 LODGING TAX REVENUE DUE TO FINANCIAL CIRCUMSTANCES RELATED TO THE NOVEL
CORONAVIRUS COVID-19 PANDEMIC**

WHEREAS, on February 29, 2020, Governor Jay Inslee signed Proclamation 20-05 declaring that a State of Emergency exists in all counties in the State of Washington due to the number of confirmed cases of COVID-19 in the State, and that the risk of person-to-person transmission throughout Washington State and the United States of America would significantly impact the life and health of our people, as well as the economy of Washington State, and is a public disaster that affects life, health, property or the public peace. The Governor directed State agencies and departments to utilize State resources to do everything reasonably possible to assist political subdivisions of the State in responding to and recovering from the outbreak; and

WHEREAS, on March 17, 2020, the Olympia City Council enacted Ordinance No. 7233 declaring a state of public health emergency, and that the Olympia City Council will take all actions within its powers and resources to protect the public peace, health, safety and welfare of the citizens and businesses of the City of Olympia during the novel coronavirus COVID-19 pandemic to mitigate the consequences of the illness and public health emergency taking place and to maintain essential public services such as police, fire, public works and public utilities such as water and solid waste collection; and

WHEREAS, on March 23, 2020, the Governor issued Proclamation 20-25 ordering citizens of Washington to stay home, non-essential businesses to cease operations, and restricting essential business activities until midnight April 8, 2020, subject to extension by further order of the Governor; and

WHEREAS, on April 2, 2020, the Governor issued Proclamation 20-25.1, amending Proclamations 20-05 and 20-25, extending the order to stay-at-home to May 4, 2020; and

WHEREAS, on April 22, 2020, the leadership of the Washington State Senate and House of Representatives responded to Governor Inslee's request on April 17, 2020, agreeing to extend the statutory waivers and suspensions in most of the Governor's Proclamations until the termination of the COVID-19 State of Emergency or May 4, 2020, whichever occurs first. Subsequently, on April 27, 2020, the Governor issued Proclamation 20-25.2 amending and extending his stay-at-home order to May 4, 2020; and

WHEREAS, a Lodging Tax of four percent (4%) is collected by the City of Olympia from hotels, motels, and other similar facilities in the City of Olympia for the purpose of support and use for activities and operations to increase tourism. The first two percent (2%) of the revenue generated from the tax is allocated to The Washington Center for the Performing Arts (hereafter "The Center"). The second two percent (2%) is allocated to local non-profit organizations based on recommendations from the Lodging Tax Advisory Committee (LTAC) to the Olympia City Council; and

WHEREAS, the 2020 Adopted Operating Budget appropriated \$520,000 in Lodging Tax to The Center, and \$405,923 in varying amounts, to fourteen (14) non-profit organizations. However, since the 2020 Operating Budget was adopted, the COVID-19 pandemic has imposed significant adverse impacts upon the City's local economy. Projected 2020 Lodging Tax revenue needs to be adjusted, as far fewer people are traveling and staying in the City's local hotels due to the Governor's stay-at-home orders; and

WHEREAS, the Visitor Convention Bureau currently reports a twenty percent (20%) occupancy in Olympia hotels; of that, thirty percent (30%) are extended stay and are not subject to the tax. A reasonable projection of 2020 Lodging Tax actual revenue collections could be as low as fifty to eighty percent (50% to 80%) of the original appropriation by Council. Based upon current projections, the 2020 Lodging Tax Revenue will not be enough to meet the original appropriations by the City Council;

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

Section 1. Pursuant to Ordinance No. 7233 declaring a state of public health emergency, the Olympia City Council will take all actions within its powers and resources to protect the public peace, health, safety and welfare of the citizens and businesses of the City of Olympia during the novel coronavirus COVID-19 pandemic to mitigate the consequences of the illness and public health emergency taking place and to maintain essential public services such as police, fire, public works and public utilities such as water and solid waste collection.

Section 2. The Olympia City Council finds and declares that due to negative economic impacts resulting from a significant decline in Lodging Tax revenues as a result of the coronavirus COVID-19 public health emergency, the 2020 Adopted Operating Budget is amended to fully fund the Lodging Tax appropriation to The Washington Center for the Performing Arts through June 30, 2020. The Center shall re-assess its financial need and shall present any further funding request to the Council's Finance Committee. If The Center finds additional funds are needed, the Finance Committee may recommend the utilization of the Lodging Tax Reserve for Council's consideration.

Section 3. The Olympia City Council finds and declares that original funding appropriations shall be made to the following organizations: Harlequin Productions, Olympia Film Society, and the Visitor Convention Bureau, to the extent that revenues permit or the Lodging Tax Reserve may be utilized.

Section 4. The remaining organizations which were appropriated funds in the 2020 Adopted Operating Budget were directed by the City to freeze spending on April 17, 2020, so the Olympia City Council could address this emergent financial issue. Funds already spent by these remaining organizations prior to the notification on April 17, 2020 shall be paid. If the "Stay Home, Stay Healthy" restrictions are lifted and events can be held, Council could use reserves to fund the original appropriation for those organizations who were directed to freeze spending.

PASSED BY THE OLYMPIA CITY COUNCIL this 5th day of May 2020.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Mark Barber

CITY ATTORNEY