



City Council

Approval of Lodging Tax Advisory Committee 2021 Lodging Tax Funding Recommendations

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Title

Approval of Lodging Tax Advisory Committee 2021 Lodging Tax Funding Recommendations

Recommended Action

Committee Recommendation:

The Lodging Tax Advisory Committee (LTAC) recommends approval of the 2021 Lodging Tax Fund recommendations.

City Manager Recommendation:

Move to approve the LTAC 2021 Lodging Tax Fund recommendations.

Report

Issue:

Whether to approve the Lodging Tax Advisory Committee recommendations for 2021 tourism funding.

Staff Contact:

Mike Reid, Economic Development Director, 360.753.8591

Presenter(s):

Mike Reid, Economic Development Director

Background and Analysis:

Annually, the Olympia LTAC makes recommendations on use of approximately one-half of the City's Lodging Tax Fund. Per a long-standing agreement that pre-dates the Committee's creation, the City uses the other half for capital and operating costs of the Washington Center for the Performing Arts, a City-owned facility.

An open call for tourism services funded by the Olympia Lodging Tax was advertised beginning October 15, 2020. The application deadline was November 19, 2020. Ten (10) proposals were received by deadline and the Committee considered a standing request of \$100,000 from the Visitors and Convention Bureau, all totaling \$436,497 in requests. No proposals were received after the deadline. The estimated 2021 LTAC revenue is \$347,788. The estimated LTAC reserve fund balance entering in to 2021 is \$830,000. Historically the LTAC has awarded 80% of the LTAC revenue and

placed 20% in to reserves. The LTAC met on December 11, 2020 to review applications and develop a recommendation.

The Committee agreed to forward the following recommendations to City Council for consideration:

1. Capital Lakefair - \$8,000
2. Hands On Children's Museum - \$66,497
3. South Sound Maritime Heritage Association - \$30,000
4. Harlequin Productions - \$60,000
5. Lake Run Organization - \$5,000
6. Olympia Film Society - \$30,000
7. Olympia & Beyond Sports Commission/VCB - \$15,000
8. Olympic Flight Museum - \$20,000
9. South Sound Reading Foundation - \$11,000
10. WSU Master Gardener Foundation - \$1,000
11. Visitor Convention Bureau - \$100,000

Total: \$346,497

Previous LTAC funding recipients and applicants did indicate that due to uncertainty about the ability to hold events due to Covid-19 restrictions and related impacts that there would be value in having a second round of application acceptance sometime in 2021 for events that typically would be held in summer, fall, and winter.

The Committee recommended opening a second round of applications in March 2021. Funding for the second round would come from fund balance, which currently is at \$830,000.

A first quarter budget amendment will come before Council to appropriate the funds. There is adequate fund balance to provide immediate funding to recommend recipients.

Neighborhood/Community Interests (if known):

N/A

Options:

1. Approve LTAC recommendation.
2. Do not approve the LTAC recommendation.
3. Propose changes and approve amended LTAC recommendation.

Financial Impact:

The estimated 2021 LTAC revenue is \$347,788.

Attachments:

Olympia Lodging Tax Award Chart

