



## Staff Report

June 6, 2023 Council Workshop Meeting

Lodging Tax Advisory Committee Decision

Presenter: Doug Quinn

Time Estimate: 5 minutes

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**BACKGROUND:** The Lodging Tax Advisory Committee meets annually to review applications for Lodging Tax funds per RCW 67.28.1817, with their most recent meeting on May 23, 2023.

**SUMMARY:** The City of Camas uses lodging tax funds to support and encourage tourism and cultural activities in Camas. The City is working on ways to strengthen our position for day and overnight visitors and to position Camas as one of the region's premiere shopping, dining, and entertainment destinations.

The City of Camas collects a 2% charge on overnight stays in the hotel in the City. These funds are commonly referred to as lodging tax funds or hotel funds.

Washington State law strictly limits how lodging tax funds can be used ([RCW 67.28.1815-.1816](#)). Lodging tax funds must be used for activities, operations, and expenditures designed to increase tourism (day and overnight). Specifically, lodging funds can be used for the following:

Tourism marketing:

- Marketing and operations of special events and festivals designed to attract tourists;
- Operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district; or
- Operations of tourism-related facilities owned or operated by nonprofit organizations.

Governmental entities and nonprofit organizations can request lodging tax funds directly from the City for events, activities, and marketing initiatives intended to bring more people to the City. However, for-profit entities and individuals are not eligible for direct funding.

State law requires that lodging tax funding applications be reviewed and approved by the City's Lodging Tax Advisory Committee (LTAC) with consensus by City Council. All applications must include projections on the number of estimated visitors to/population impacted by the event or activity being funded.

The committee is comprised of the two owners of the Camas Hotel, the Administrative Assistant at the Camas-Washougal Chamber of Commerce, and chaired by City Council Member Boerke.

Applications were received by the Camas-Washougal Chamber of Commerce for Camas Days, the City of Camas Parks & Recreation Department for Hometown Holidays, the Downtown Camas Association for regional advertising, WHY Community non-profit for the Santa's Holiday Hustle 5K, Camas School District Athletics for regional advertising of Friday night Varsity games and Columbia Premier Soccer Club for their Clash of the Border and Summer Slam tournaments.

Here are the recipients and amounts awarded by the committee:

\$6,000 to the Downtown Camas Association

\$4,500 to the Camas Washougal Chamber of Commerce

\$1,050 to the City of Camas – Hometown Holidays

\$5,000 to Why Community

\$1,500 to Camas School District Athletics

**\$18,050 TOTAL**

**BENEFITS TO THE COMMUNITY:** Community events like Camas Days, Hometown Holidays, the Plant Fair, Santa's Holiday Hustle 5k, and local youth sporting events provide opportunities for community members to come together and celebrate our unique heritage and traditions and help foster a sense of belonging and inclusivity. Events like these also attract visitors from outside the area, stimulating the local economy by increasing patronage at restaurants, hotels, and shops.

**POTENTIAL CHALLENGES:** Tracking the exact number of overnight stays and tourists visiting from outside areas can be challenging. To improve accuracy, the committee suggested funding recipients provide specific event dates and projected participant numbers to the hotel and downtown merchants just before their event so they can track occupancy and revenue before, during, and after an event. The committee also discussed the desire to have other businesses join the committee to better account for tourism revenue.

**BUDGET IMPACT:** The Finance Department reported an estimated fund balance of \$74,970 at the beginning of 2023 with a budget of \$35,000. The estimated fund balance at the end of 2023 is \$63,627.

**RECOMMENDATION:** Staff recommends placing the item on the June 20, 2023 Consent Agenda.