

MEMO

Date: September 18, 2023
To: Lodging Tax Advisory Committee
From: Chuck Denney, Parks and Recreation Director



Proposed Action

This memo outlines the distribution of Lodging Tax funds for tourism-related historic and cultural events and activities in Tumwater.

Background

Based on the imposed 4% Lodging Tax, the City receives two allocations of revenue. The first 2% funds are designated by City Council (Resolution No. R2016-006) for tourism-related historic and cultural programs. The second 2% funds are for tourism-generating events and marketing. This memo addresses the use of the first 2% historic and cultural program funds.

In 2023, funding was distributed as follows:

Historic/Cultural	<u>2022</u>
Historic Buildings (City)	\$60,000
Historic Programs (OTF)	\$60,000
Historic Old Brewhouse Tower (City)	\$30,000

Because of COVID-19 economic conditions, LTAC revenues plummeted significantly. Costs to maintain the historic programs and the Old Brewhouse Tower, houses, and cemetery did not go down. The City also maintained the support of the Olympia Tumwater Foundation for their continued operation. They provided background information, support, and research related to City activities, including work on assessing and organizing the City's historical archive.

In 2023, the City maintained the City's historic house inventory (Brewmaster's House and Crosby House) and the historic cemetery with minor improvements, utilities, security, repairs, pest control, landscaping and insurance. The City has received state grant funding to improve conditions and security at the historic cemetery and this work will continue into 2024. The City's Volunteer Program also dedicated hours to a number of major maintenance improvements to the cemetery. The Parks Department has continued to work with Mills & Mills, the adjacent private cemetery and funeral home, to help maintain and improve the cemetery property.

The City continued to contract with the Olympia Tumwater Foundation for provision of historic programming and services. This included the Heritage Builders Program, a rotating historical

display at City Hall, research regarding the historic home registry and process, event participation, support of the historic home program, and adapting historical district walking tours. Public access and events are planned to re-start at the historical homes in 2024.

Work to preserve and restore this iconic old brewhouse structure and provide public access to one of Washington's important heritage stories is underway. The brick replacement and masonry repair project is complete and engineering for seismic stabilization is in the design phase. In 2022, over \$140,000 has been spent on geoengineering, architectural and engineering services. The City is currently conducting an analysis of future use and occupancy requirements. The Brewhouse Tower is closed to visitors during rehabilitation.

Lodging tax funds are an important part of the project viability as they provide a source of cash for improvements outside of the grant that can be used for capital improvements and marketing.

2024 Proposal

Based on the prior City Council direction and the City's inventory of historic assets, the funds for 2024 are planned to be expended in the following fashion:

Historic/Cultural	<u>2024</u>
Historic Buildings (City)	\$70,000
Historic Programs (OTF)	\$60,000
Historic Old Brewhouse Tower (City)	\$30,000

The City had \$150,000 in LTAC revenue in 2021 and 2022, which was sufficient to cover these programs. Funding for 2022 was less than previous years due to COVID-19 reductions in revenue. To the extent funding falls behind, the City's General Fund would cover those additional costs, specifically the costs for the Historic Programs.

Funds will be spent similar to prior years. The building portion pays for operational costs for the Crosby and Brewmaster houses and the historic cemetery. We will continue to work with volunteers to do minor maintenance of the cemetery.

The City is continuing to contract with the Olympia Tumwater Foundation for historic programs and services. The City has found this partnership to be an effective and efficient means of providing quality programming to the community and resource for City and other historic projects in Tumwater. The presentation and interpretation of Tumwater's history is an important aspect to the overall "Tumwater Craft" initiative that celebrates and builds upon the community's legacy around brewing.

To meet JLARC's reporting requirements, we will need a motion from the Committee to approve the \$160,000 for the Historic and Cultural Program funds as described above for 2024.