

TO: City Council
FROM: Troy Niemeyer, Finance Director
DATE: October 3, 2023
SUBJECT: Lodging Tax Advisory Committee 2024 Funding Recommendations

1) Recommended Action:

Approve a motion to include the Lodging Tax Advisory Committee's (LTAC) 2024 funding recommendations into the City's budget.

2) Background:

Pursuant to RCW 67.28.180, Tumwater collects a 4% lodging tax on hotel/motel stays within the City. Each year, the Lodging Tax Advisory Committee recommends to Council the use of 2% of Lodging Tax funds for programs to generate tourism in Tumwater. The other 2% is allocated to fund historic/cultural preservation activities as presented to the Committee. RCW 67.28.1816 allows the municipality to accept the LTAC funding recommendations or some of the recommendations. The municipality cannot fund an applicant not recommended by LTAC. See the process outlined in Attachment D to change the LTAC recommendations.

3) Policy Support:

VISION | MISSION | BELIEFS: Our Vision - Tumwater of the future will be people-oriented and highly livable, with a strong economy, dynamic places, vibrant neighborhoods, a healthy natural environment, diverse and engaged residents, and living connection to its history.

4) Alternatives:

☐ Return the recommendation to LTAC for further consideration.

5) Fiscal Notes:

For 2024, LTAC recommends funding a total of \$190,000.00 to generate tourism in Tumwater. LTAC received 15 applications with a total funding request of \$265,471.00. Due to canceled events caused by COVID-19 travel/event restrictions in 2020-2022, the Committee had unspent funds from prior years, resulting in a higher allocation in the 2023 funding cycle. Those were spent down in 2023. As a result, 2024 has returned to a more "normal" funding year.

For the historic/cultural preservation activities and programs, the Lodging Tax Advisory Committee approved a motion to use \$160,000 in Lodging Tax funds. To the extent funding falls behind, the City's General Fund would cover additional costs, specifically the costs for the Historic Programs. See Attachment C.

6) Attachments:

- A. 2024 LTAC Tourism Marketing and Special Event Applicant Summaries
- B. Lodging Tax Funding History with 2024 LTAC Funding Recommendations
- C. Lodging Tax Historic and Cultural Funding for 2024 Memo from Chuck Denney
- D. MRSC article: Informal AG Opinion Clarifies Lodging Tax Awards