

TO: City Council
FROM: Brittaney McClanahan, Executive Assistant
DATE: October 21, 2025
SUBJECT: Lodging Tax Advisory Committee 2026 Funding Recommendations

1) Recommended Action:

Move to include the Lodging Tax Advisory Committee's (LTAC) 2026 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 2026, LTAC recommends funding a total of \$248,958.00 to generate tourism in Tumwater. LTAC received 17 applications with a total funding request of \$356,500.00.

The Lodging Tax Advisory Committee approved a motion to use \$210,000 in Lodging Tax funds for the historic/cultural preservation activities and programs.

6) Attachments:

- A. 2026 LTAC Tourism Marketing and Special Event Applicant Summaries
- B. Lodging Tax Funding History and 2026 LTAC Funding Recommendations
- C. Lodging Historic and Cultural Funding for 2026 Memo from Chuck Denney
- D. MRSC article: Informal AG Opinion Clarifies Lodging Tax Awards