

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 1

CONVENE: 9:01 a.m.

PRESENT: Tumwater Councilmember & Committee Chair Eileen Swarthout and Committee members David Bills, Tumwater Area Chamber of Commerce; Brian Reynolds, Olympic Flight Museum; and Satpal Sohal, La Quinta Inn & Suites.

Staff: Finance Director Troy Niemeyer and Executive Assistant Brittaney McClanahan.

WELCOME & INTRODUCTIONS: Chair Swarthout welcomed everyone to the meeting.

**APPROVAL OF
MINUTES: LODGING
TAX ADVISORY
COMMITTEE,
SEPTEMBER 18, 2023:**

MOTION: **David Bills moved, seconded by Brian Reynolds, to approve the September 18, 2023 meeting minutes as published. Motion carried.**

Mr. Sohal questioned whether the committee attained a quorum at the September 18, 2023 meeting as no hotel member attended.

Director Niemeyer reported a quorum is dictated by the number of members on the committee and not by representation. Three of the five members were present at last year's meeting.

Chair Swarthout advised that the City is pursuing recruitment efforts to fill the vacant hotelier position on the committee.

Mr. Sohal said that he believes a quorum is a ratio between representatives representing events and representatives responsible for the collection of lodging tax. He did not receive an invitation to attend the meeting last year, which caused him some concern.

Chair Swarthout acknowledged the oversight. The City was experiencing some transition with changes in staff and the resignation of Chami Ro. It has been difficult to attract another hotelier to serve on the committee.

2025 LODGING TAX APPLICANT INTERVIEWS: Chair Swarthout reported each applicant will have 15 minutes to present their respective funding proposal.

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 2

**TEAM TOMORROW
LLC:**

Christen Greene, Owner & Founder, South Sound Block Party, reported this year's event was the largest to date featuring two international musicians. Over 2,900 tickets were sold each day of the two-day event with the average ticket cost of \$60. During the pandemic, a study was conducted to serve as a way to lobby the government to save live music. The results reflected that for every dollar spent on a concert ticket, \$12 is generated in the local economy through bars, hotels, restaurants, and parking. The event features live music. Ticket trends reflected attendees from 37 states with 26% living within a 50-mile radius. Forty-five percent of advance sales were from areas outside of the local area. The Doubletree Hotel in Olympia served as the host hotel because of its location one-third mile from the event stage. Advertising for the event included information on hotels from cities providing lodging tax funds. The event website experienced over 36,000 visitors from January through August and 200 unique visits on the various hotel links.

The event is an annual local gathering featuring national touring bands and local commerce at an affordable price providing revenue, jobs, and experience for working musicians and production workers. The site, located on the Port Plaza is near Anthony's Hearthfire Grill Restaurant.

Ms. Greene reviewed the demographics of ticket buyers. This year's event was the third and most successful to date. Patron and ticketing impact contributes to the regional economy. The event's non-profit partner, 4 The Love Foundation, provides backpacks for students, turkeys at Thanksgiving, and housing during a crisis. The event raised \$13,000 for the organization.

The event has increased its digital footprint, which is important to sponsors of the event. Paid advertising includes Thurston Talk, Meta, Bands and Town (Washington and Oregon), the local radio station, and flyers distributed throughout the state.

Ms. Greene commented on the importance of the event featuring a legacy act as a headliner to attract attendance. The goal over the next several years is to return to the format of a legacy headliner.

Ms. Greene thanked the committee for its investment over the last several years.

**OLYMPIC FLIGHT
MUSEUM:**

Teri Thorning, Olympic Flight Museum, reported the application is for the 2025 Olympic Air Show held on Father's Day weekend, June 14-15, 2025 at Olympia Regional Airport in Tumwater. The funding request is for performer fees and other incentives, such as lodging, vehicle rental, marketing, promotion, and operational costs.

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 3

The 2024 Air Show was very successful attracting over 9,000 individuals. An analysis of the electronic ticket sales revealed that 27.4% of the patrons traveled over 50 miles to attend the show. Approximately 156 visitors attended from eight other states with visitors from three the countries of Canada, United Kingdom, and Japan. Lodging outpaced last year because of featured performers. She reserved 80 hotel room nights in Tumwater hotels for performers and crew. Additionally, other guests from the United Kingdom attended and required overnight lodging. The air show partnered with a new group, Pacific Northwest Navel Air Museum from Oak Harbor, to sponsor an interactive display in the Kids Zone. The group of six stayed in local Tumwater hotels.

This year's program included headliner performers of B-17 Flying Fortress, Curtis P-40 Kittyhawk, and PBY-5 CATALINA. As all performers were based in Oregon, contracting was affordable because of reduced travel time and fuel costs. The planes flew during the show and offered rides and ground tours to visitors. The B-17 Flying Fortress has a capacity of nine seats per flight. Over eight flights were sold during the air show.

A comprehensive marketing promotional campaign is undertaken before, during, and after the event with extra programs provided during the summer until supplies are depleted. Information for tourists has a longer shelf life and is often distributed as late as November and December each year.

Ms. Thorning shared several videos. The first video featured a television commercial broadcast on a Seattle metro TV station over a five-week campaign. The commercial was funded by Olympia lodging tax. The second video was created for social media. The video was posted several times and received significant engagement and shares.

Mr. Reynolds inquired about the cost of the 15-second commercial. Ms. Thorning said the contract with the City of Olympia for lodging tax was for \$20,000 with \$1,100 expended for production, airtime at \$14,000, and \$4,000 allocated for a digital package advertised to all KCPQ affiliates (History Channel and other national channels).

Mr. Reynolds asked about the cost for the printed programs. Ms. Thorning said printing costs for the program were \$3,300.

Mr. Bills asked about the viewing area for the 15-second commercial. Ms. Thorning responded that the commercial was broadcast by KCPQ TV and its affiliate KZJO. Fox 13 is the number one morning program. Airtime of the commercial was during peak viewing times.

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 4

**TUMWATER
HISTORICAL
ASSOCIATION:**

Don Trosper reported that he has retired but has been a member of the Tumwater Historical Association (THA) for many years. Since the beginning of THA, he has been a member of the Board.

Similar to other smaller organizations, THA experienced problems during the pandemic with operations closing with no events and no opportunities to generate income. Many other smaller organizations closed with THA coming very close to closing. However, new volunteers have joined THA. One new member is Sandra Gray's son, who now serves as the President of THA.

Previous successful events included the Homesteader's Program at Tumwater Middle School, which featured cider pressings and other activities. Some of those activities are coming back at different community events. Lodging tax will encourage new volunteers serving on the Board to continue moving forward with programs and events to promote tourism and local history.

Mr. Bills asked how THA plans to utilize lodging tax funding. Mr. Trosper said the funds will help THA support attendance at events as well as offering programs and history events. One recent event featuring the THA was Tenino Railroad Day. Funding will also support expenses such as publicity, marketing, and supplies.

Mr. Trosper responded to additional questions on the utilization of lodging tax and explained that THA is utilizing the funds in a similar fashion as it had prior to the pandemic. THA often joins with other smaller history groups in the county to sponsor joint events. New members on the Board will determine the future direction of THA with older members remaining on the Board to mentor and advise new members. THA is seeking additional Boardmembers, especially those with a passion for local history.

Mr. Sohal asked about the number of attendees participating at THA events last year. Mr. Trosper replied that an estimate was submitted within the application because attendance is difficult to track because many THA programs/events are featured as part of another larger event. THA often tracks attendance by percentage of visitors stopping by the booth or attending hosted events. For example, THA is participating at Tumwater Falls Fest on Saturday, September 28, 2024 at the Brewery Park at Tumwater Falls.

RECESS:

Chair Swarthout recessed the meeting for a break at 9:33 a.m. to 9:48 a.m.

OLYMPIA SYMPHONY:

Jennifer Hermann, Executive Director, Olympia Symphony Orchestra,

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 5

reported the applicant is the first submittal for Tumwater lodging tax. Since 2016, she has been the Executive Director with the Symphony focused on Olympia events at its primary venue at the Washington Center for the Performing Arts. She spent time expanding the organization and was not aware of resources available from surrounding communities. Previously, the Symphony has sponsored events in Tumwater with performances at the Tumwater Falls Fest for three years.

During the planning of the Summer Concert & Beat Beethoven 5K in summer 2025, she considered Tumwater and ways to collaborate with the City for the special event. The Symphony has been performing a free outdoor summer concert since 2006 on the Capitol Campus. The concert was popular with many people enjoying the symphony and beautiful campus.

During planning for the next concert, the pandemic occurred. A decision was rendered to move the concert from Capitol Campus to a place where more people could be accommodated. The goal was to offer the Beethoven 5K in the summer of 2020; however, with the advent of the pandemic, the run was cancelled.

The 2025 event is unique as it includes a concert by the Symphony but also a running event. All 65+ members of the Symphony will be staged outside playing Beethoven's Fifth Symphony over the course of 31 minutes with runners completing the 5K run at the end of the song. The goal is to harness the energy that the summer concert has garnered over the years and incorporate another community of runners. Other music will be featured attracting people who have never attended an event featuring a symphony. The outdoor concert attracts approximately 3,000 to 3,500 people each year. The concert has been featured at Heritage Park for the last two years.

The Olympia Symphony has grown its subscriber and attendance base with patrons attending from Bellingham, Yakima, and Portland. The date of the next event is July 5, 2025, five years after originally planned. The 2024 summer concert was not held in lieu of the Symphony's collaboration with Harlequin Productions to produce Sweeney Todd, a Broadway show.

Mr. Reynolds asked about the connection between the organization and the Washington Center for the Performing Arts. Ms. Hermann responded that the Washington Center for the Performing Arts is a separate entity. The building is owned by the City of Olympia and the Washington Center for the Performing Arts, a non-profit, is housed in the building. Olympia Symphony is an artistic partner and rents space for its concerts. The Center is the only performing arts center in the

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 6

region that can accommodate the number of people attending concerts. The Center can accommodate up to 1,000 with concerts consistently attracting 850 attendees with a goal to increase attendance. As other arts organizations are recovering from the pandemic, many orchestras continue to experience attendance at 60% to 80% of the pre-pandemic attendance. It has been a slow and difficult struggle to recover for many organizations. The Olympia Symphony recently hired a music director who has expanded programming and appeal resulting in the growth of audience by 35%.

Olympia Symphony is comprised of 65 professional musicians who are compensated. Many of the musicians have advanced degrees in music and many are educators in local area school districts. Many of the musicians are private teachers and performers from the local area as well as musicians who travel from Seattle.

Mr. Bills asked about efforts to advertise beyond word of mouth. Ms. Hermann described advertising efforts such as regional online calendars strategically placed along the I-5 corridor from Bellingham to Portland, social media advertising, local print advertising through *Showcase Magazine* and *Experience Olympia and Beyond Visitor's Guide*, and advertising for the Sweeney Todd production. Mr. Bills asked how lodging tax funds would be utilized by the Symphony. Ms. Hermann said the budget for the summer concert is approximately \$40,000 while the overall budget for the Symphony is approximately \$700,000 annually. Lodging tax funds would be used to expand marketing efforts to attract visitors from outside the region. The summer concert has attracted between 3,000 and 3,500 people for only the concert.

Mr. Sohal asked why the City of Lacey and City of Tumwater were asked to fund \$10,000 and the City of Olympia was asked to fund only \$8,000 in lodging tax. Ms. Hermann explained that the Symphony applied for Olympia lodging tax funds for the entire season. Olympia also awards a lump sum of lodging tax funds for all activities throughout the year. Subsequently, the application sought an allocation of \$8,000 for the 2025 event with the City funding much more for activities held throughout the year.

Mr. Sohal pointed out that during the summer months hotels are fully booked. He questioned whether the concert adds more room nights.

Chair Swarthout inquired about the reason to move the concert from Capitol Campus to Heritage Park. Ms. Hermann said the Symphony has performed at Heritage Park for two years (2022 & 2023). Audience participation increased as the park could accommodate more people and because of the availability of more parking. Additionally,

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 7

the location attracted a different demographic of visitors. The Symphony was also able to collaborate with local businesses to promote downtown activities and businesses. Although Capitol Campus is a lovely venue, access to local businesses and restaurants is limited.

Chair Swarthout asked about the route of the 5K run. Ms. Hermann said the route consists of two laps around the lake, which is a certified 5K distance.

**TUMWATER AREA
CHAMBER OF
COMMERCE:**

Chris Sieg, Boardmember, said that as a new Boardmember he also represents the Tumwater School District as the new CTE Director. He had the privilege and honor to inherit the Tumwater Retail and Visitor Center located in the Tumwater Fred Meyer complex. The Center is a partnership between the Chamber of Commerce and the Tumwater School District to provide local visitor and tourism services with support from Experience Olympia and Beyond, Olympia Tumwater Foundation, and the Tumwater School District. The Center offers students in the school district an array of work-based learning experiences in the retail and tourism fields. The Center celebrated its grand opening on September 3, 2024. Superintendent of Public Instruction Chris Reykdal issued a proclamation on behalf of the Governor. The Center is unique because as more grants and other sources of funds become available, the funds will be allocated to serve students with paid work experience in different organizations throughout the City, such as Chamber businesses. Students would be able to access those businesses and serve in a paid internship position funded by the Center. The Chamber plans to expand its outreach through marketing and adding a contract employee to expedite efforts for the Center this year.

Mr. Bills asked how about other ways the lodging tax funds would be used in addition to adding a contract employee. Mr. Sieg replied that during a recent Chamber forum two new businesses joined after learning about the Center to help expedite and expand the program in the community. Much of the lodging tax will be allocated to the position as the program's capabilities are increased and as the Chamber gains new members to enable the ability to provide more services for the tourism and retail sector within the community. The funds will also support marketing efforts through additional signage to represent a more thorough footprint both physically and virtually as the Chamber increases its marketing campaign to provide more opportunities.

Mr. Bills asked how a visitor to Tumwater could learn about the Center online. Mr. Sieg said the Center is featured online and can be located by a Google search. The plan is to include a link on the City's

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 8

website to the webpage currently hosted by the CTE Department at the Tumwater School District. The purpose of the Center is to provide students with working experience. The goal is to provide services to 100 students by the end of the summer, as well as hiring students interested in tourism and retail to become tourism and retail ambassadors to assist visitors.

Mr. Bills asked whether the students would be certified through the Experience Olympia and Beyond program. Ms. Sieg affirmed that the contracted employee will work with Experience Olympia and Beyond to recruit more business members and direct more activities to businesses to the virtual and physical Visitor Center. Several students received certification last year as tourism ambassadors. The goal is to increase participation.

Mr. Bills complimented Mr. Sieg for his efforts to transition the former Chamber office to the new center. Mr. Sieg acknowledged the role of his predecessor, Brian Hardcastle who developed the idea. Lodging tax funding would help grow and expedite the entire process, as there is a considerable amount of existing momentum at this time.

Mr. Sohal questioned the relationship between the Chamber, the new program, and the students. Mr. Sieg explained that the relationship is unique in that the building is owned by the Chamber. The CTE Department leases the space from the Chamber. The intent was for the space to serve as retail space for students to gain work experience. However, after further research and with assistance from others, the idea of a Visitor Center as a physical and virtual location is an important step in accelerating the program. The program is a partnership between the Chamber and the Tumwater School District. The Chamber has undergone some transition in its definition and purpose. The program is student led to enable students to learn and to provide opportunities for visitors while also creating a program for students to participate in local businesses in paid positions sponsored from other sources of funds. The request for lodging tax of \$25,000 would be used to hire the contract employee to develop and expand the program, as well as for marketing expenses for signage in cooperation with the City.

Mr. Sohal remarked that the program is a great idea but he is concerned as to how it would increase hotel room nights. Lodging tax funds are intended to increase the number of hotel room nights. Although the intent of the program is for a good cause, lodging tax is not likely the right source of funding.

Mr. Sieg shared some information on his previous experience in the hotel and hospitality industry. The program provides the ability to

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 9

collaborate with local businesses to increase hotel room nights. It would be a specific area the program would explore with some of the funding to increase hotel business within the City.

**OLYMPIA TUMWATER
FOUNDATION:**

Madeline Pennington, Assistant Director, Olympia Tumwater Foundation, reported the funding from last year was used to produce two promotional videos on the history of the Deschutes River canyon highlighting the geological, pioneer settlers, and indigenous history along the river. The second video featured the history of the salmon run. The videos will be featured on the Foundation's website and through social media.

This year, the funds would for a marketing campaign for the Brewery Park at Tumwater Falls targeting out of area markets that have the greatest potential to attract visitors. Those areas include Longview, Portland, and Seattle based on a market summary completed by Experience Olympia and Beyond completed last year. The funding request for 2025 is for \$5,000 to create the campaign.

Campaign points would highlight the new website and the page dedicated to the park that currently receives 2,000 visits a month. The page includes links to City hotel accommodations. The Foundation plans to contract with a media firm to expand advertising and social media. Building on the current visitors to Tumwater's page, the goal is to increase more visitors from those locations.

Based on a Thurston Economic Development Council (EDC) study completed last year, the park generates over \$1 million a year in economic impacts to surrounding communities. The goal is to generate more impact through more visitors from the markets that are currently successful, as well as driving increased traffic from those areas to Tumwater lodging, restaurants, and attractions.

Mr. Bills asked whether the funds would be devoted exclusively to producing the videos. Ms. Pennington replied that the funds from last year promoted the website with links to Tumwater accommodations on the parks' page. Next year, the funds would support a large marketing campaign to increase search engine visitors to the Foundation's website to drive more visitors to the City. The page includes links to Tumwater hotel accommodations, restaurants, and attractions. Social media marketing includes analytics and reporting. The campaign will span January 2025 through June 2025.

Chair Swarthout asked about other marketing efforts for other facilities, such as the Schmidt House. Ms. Pennington replied that marketing efforts have primarily focused on the park; however, the website features listings about the Schmidt House and activities in

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 10

conjunction with the City's Parks and Recreation Department, such as Falls Fest and River Talks. The website features many attractions and activities in the area in addition to the park.

Ms. Sohal asked about the traffic count to the website. Ms. Pennington said the website attracts 3,000 and 4,000 monthly visitors with less during the winter season and more during the peak summer season from May through September. The park page is visited by approximately 2,000 visitors monthly.

**TUMWATER
DOWNTOWN
ASSOCIATION:**

Todd Anderson, City of Tumwater Parks and Recreation Manager, presented the proposal on behalf of the Tumwater Downtown Association.

Mr. Anderson played a video of last year's 4th of July Festival and Fireworks Show. The festival is held at the Tumwater Valley Golf Course driving range of 10 acres. Approximately 13,000 to 15,000 visitors attend the event each year. The festival features numerous inflatable activities, food vendors, and other activities such as face painting and a stage featuring entertainment. The event is free to the community and visitors. All activities are free of charge in large part because of lodging tax funding and the support from festival sponsors. The parking lot can accommodate approximately 900 vehicles in the brewery parking lot. The fireworks show is approximately 25 minutes in duration.

The Tumwater Downtown Association is requesting \$30,000 in lodging tax for the 2025 4th of July Family Festival and Fireworks Show. The funds are for direct expenses for the festival to include the fireworks show, advertising and marketing, insurance, and entertainment. The festival is the largest one-day event held in Tumwater. As July 4th is on Friday in 2025, attendance will likely be more than 15,000 people. The free festival has been held for 23 years.

Mr. Sohal asked whether the 2025 festival will be the first time that parking is charged. Mr. Anderson said parking has been charged at a rate of \$10 per vehicle. Parking revenue is shared equally by the Special Olympics and the Tumwater Downtown Association.

RECESS:

Chair Swarthout recessed the meeting from 10:34 a.m. to 10:55 a.m. for a break.

**WASHINGTON STATE
SENIOR GAMES:**

Diane Foster, President, Washington State Senior Games, said efforts are underway to complete the schedule for the 2025 games. The locations are typically the same but can change depending on availability of venues. The games have been offered since 1997. This year, an original founder competed at age 96. The games attracted

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 11

1,819 registered athletes, the third highest number of competitors. Pickleball experienced a record turnout with over 500 players, representing one of the game's largest events. Tumwater High School hosted the third largest event with 227 athletes competing in track and field events. The second most attended event is soccer with 263 players. Team sports attract the most athletes with many staying over the weekend. The games strive to attract teams from other states. Soccer attracted participants from Canada, California, and Oregon in addition to many Washingtonians. A recent email from a participant from Mexico inquired about next year's event.

The games attract volunteers and officials with a focus on utilizing local organizations to assist in various tasks from setting up, lap counting in swimming, and preparation of the fields for track and field events.

This year's games were nationally qualifying for participants. Athletes who finished in top places are able to compete in the Des Moines, Iowa National Senior Games in June/July 2025.

Ms. Foster shared that former Washington Senior Games President Jack Kiley passed away in January. His daughter, Erin Kiley, has been instrumental in assisting the Board in continuing.

Ms. Bills inquired as to how the funds would be utilized. Ms. Foster said the games have been expanded to mid-June to mid-August. Lodging tax supports all the competitions for venues and officials.

Mr. Bills and Mr. Reynolds acknowledged the many years of service by Mr. Kiley in supporting the games.

**CITY OF TUMWATER –
ARTESIAN BREWFEST:**

City of Tumwater Parks and Recreation Director Chuck Denney reported the 2025 Tumwater Artesian Brewfest will celebrate its eleventh year. The Brewfest was established in 2014 to honor the legacy of brewing in Tumwater, promote brewing in Tumwater, and to focus on redevelopment of the old Olympia Brewery campus. The Brewfest has been very successful.

All lodging tax is focused on attracting visitors and generating tourism from beyond the area to visit the City and stay and participate in activities offered by the City. Most of the hotels are fully booked during the night of the Brewfest. Lodging tax funds are used for marketing and social media through Facebook, Instagram, *The Olympian* sites, *Showcase Magazine*, *Pacific Northwest Magazine*, *The Stranger* (weekly Seattle alternative newspaper), industry sites for distilling and brewery, Northwest military publications, several radio stations, City's website, Eventwright (ticketing agency), and through

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 12

close collaboration with Experience Olympia and Beyond and its publications.

Tumwater Brewfest began in 2004 with five breweries and fourteen beers. One tent was featured. The event has grown to host 55 brewers and features approximately 200 beers, which has since been scaled because of COVID and staffing. In 2011, 41 breweries offering 123 beverage choices participated in the Tumwater Brewfest. The Brewfest continues to expand with a goal to attract 5,000 attendees in 2025. The event attracts brewers, distillers, cider makers, and eateries from across the state and Oregon.

Feedback from brewers and distillers speak to the success of the event. Each year, vendors complete a Survey Monkey survey with comments received on their experience and suggestions for any improvements. Mr. Denney shared several survey responses from brewers who indicated the Brewfest is the best and most organized brewfest in the state.

Mr. Denney shared a video of highlights of the 2024 Brewfest.

The Brewfest supports Thurston County Special Olympics with profits from the event. This year, the Brewfest was able to contribute approximately \$4,000 to the organization, as well as approximately \$1,000 to the Tumwater Valley Panthers Special Olympics Golf Team.

**WASHINGTON CENTER
FOR THE PERFORMING
ARTS:**

Jill Barnes, Executive Director, Washington Center for the Performing Arts, presented the funding proposal. She shared highlights from the previous year and how lodging tax has supported the Washington Center. The Washington Center supports five venues with two located at the Washington Center, two located at South Puget Sound Community College, and a partnership with Harlequin Productions through the end of 2024. The Washington Center serves residents of and visitors to Thurston County as well as 17 local artistic partners serving as performers at the Washington Center during the year. Last season (2023-2024) represented a recovery from the pandemic with 416 events hosted throughout the five venues with 47 sold out performances and over 103,000 patrons. Ticket sales have increased and surpass national trends for subscribers. The national average for renewing subscribers is 69% with the Washington Center experiencing 75% in renewed subscriptions in addition to new subscribers. The national trend of new subscribers is approximately 46% each year with the center currently trending at 81%. The numbers represent growth for the Washington Center that is not necessarily replicated by other peer venues along the I-5 corridor. Last season, the Washington Center hosted 13 sold out shows.

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 13

Not only is the Washington Center serving the community well by offering local companies and residents a home stage, as well as access to international artists when they attend as patrons, but arts and culture activities have proven to be magnets for travelers. Local businesses benefit when travelers extend the length of their trip to attend cultural events. Travelers who include art and culture spend more than other visitors and are likely to stay in overnight lodging and spend \$1,000 or more during their stay. One third of the nation's arts attendees are from outside the county in which the arts event was held. That trend matches the center's ticket sales.

The Washington Center works closely with Experience Olympia and Beyond to inform patrons about hotels, dining, and other attractions as well as providing information for patrons on the website for electronic ticketing, reservations, and performance reminder emails. More resources have been dedicated to digital marketing strategy. Recently, the Washington Center contracted with Capacity Interactive, a premier digital marketing consultant firm for the arts to focus on website analytics and optimization to improve the user experience and increase revenue.

Lodging tax funds support the Washington Center's strategic marketing plan to promote events and activities. Extensive advertising reaches markets beyond the immediate Olympia, Thurston County, Tumwater, and Lacey areas targeting cities beyond a 50-mile radius. The Washington Center serves Tumwater residents and has many volunteers and sponsors from Tumwater.

The 2025 season is the largest season to date for the Washington Center. The season includes more events, bigger events, and the addition of an Education and Community Engagement Director to pursue all unique opportunities for local residents and middle and high school students.

RECESS:

The meeting was recessed from 11:31 a.m. to 11:44 a.m. for a break.

**OLYMPIA HARBOR
DAYS:**

Megan Ready, Executive Director, South Sound Maritime Heritage Association, presented the funding proposal.

Ms. Ready said she recently joined the organization and has over 20 years organizing the Olympia Wooden Boat Fair. Olympia Harbor Days is the last known tugboat festival of its kind. The event offers vintage tugboat races, vendors featuring small business vendors offering a range of products and services. The free community event offers music, dockside boat tours, and other activities featuring sand

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 14

and woodcarving contests, Lego builds, games for children in the park, two stages of live entertainment, roaming entertainment and artists providing painting onsite, wandering musicians, face painting, roaming pirates and clowns with balloons for children, remote controlled boats, free toys for children at the Harbor House Treasure Chest, illuminated dancers, fire dancers, a drone show, and a new night market feature. Over 300 different activities are offered during the two-day festival. Cruises are offered on the Steamer Virginia V and Lady Washington bringing visitors to the Port of Olympia from Seattle for the weekend and returning with passengers to Seattle.

The organization works closely with tribal partners to include historical information and activities, as well as with many other non-profit organizations for support for setup, takedown, and other support activities. Booth space is provided to participating non-profits or funds are donated to help support the non-profits.

Harbor Days is one of the featured events at the Washington National Heritage Area and is a tourism-based National Parks Service destination. By offering a unique and diverse variety of opportunities for education, history, community, and STEM based focused activities, the event draws a large number of people from over 50 miles away to Olympia and to the surrounding area.

The goals are to continue to share the history of the tugboats, the community, and tribal history through educational and outreach opportunities during the event. Many guests have often reported staying in Tumwater hotels and often extend their stay beyond the weekend to tour other attractions in the area.

Advertising consists of a variety of media from printed materials, social media, radio, TV, and giveaways to draw visitors to the event. Geo-fencing has demonstrated that the event attracts 45% of all visitors living 50 miles or more from the area and 5% are from other states and Canada. Local hotels are advertised to visitors.

The event has grown over the last 50 years to include many new attractions in addition to the tugboats to include the Friday night market and show. Part of the ability to offer so much at no cost to the community is because of local grants. The goal is to continue hosting the event and expanding the event that reflects the community with inclusive, engaging, educational, and historical opportunities.

Ms. Ready advised that the application is the first submittal for the event.

Mr. Sohal cited the use of geo-fencing and asked whether the

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 15

information reflects the number of hotel nights spent in Tumwater. Ms. Ready said she has not reviewed the data from this year's event. The use of geo-fencing was initiated beginning in 2023. The tool is able to document visitors who live outside the region.

CAPITAL LAKEFAIR:

Chris Rae, Office Manager, Capital Lakefair, thanked the committee for considering the proposal for LTAC funds.

Capital Lakefair, established in 1957, will celebrate its 68th anniversary in 2025. The non-profit organization has raised millions of dollars for local non-profit vendors and provided more than \$400,000 in scholarships for young women from area high schools. Between March and October each year, Capital Lakefair participates in 15 other community service events. The organization collaborates with seven non-profit organizations to help raise funds and award approximately \$17,000 in post K-12 scholarships to several local area students each year. Lakefair and scholarship ambassadors contribute approximately 150 volunteer hours each year. Chaperones, members of the Board, and others provide hundreds of hours of volunteer time.

Capital Lakefair fills hotels in Thurston County during the event. Tumwater lodging is much more affordable than lodging in downtown Olympia. Parade participants, vendors, and entertainers are often referred to Tumwater hotels for lodging needs.

Parade participants come from Washington, Oregon, and Canada. Capital Lakefair participates in other area parades with its parade float. Stage performers are in addition to bands and crew. Over 80 arts and crafts and food vendors participate in the fair each year.

Tumwater lodging tax funds would fund promotional float travel to promote Tumwater at other festivals and parades in communities located between Oregon and Canada. The budget is approximately \$35,000 to include travel, lodging, food, and to develop and outfit the float with its new theme, which is changed each year. Costs to redo the parade theme each year are costly and include the décor and maintenance. Other expenses include Tumwater office space for storage of the float and trailers. Rental costs in Tumwater total \$39,000. The funding request is for \$8,000 to fund those expenses.

Mr. Sohal asked about the City of Olympia's contribution to the organization. Ms. Rae advised that Olympia's lodging tax process has not been completed. The organization is hopeful the City of Olympia will contribute lodging tax funds as well.

**EXPERIENCE OLYMPIA
& BEYOND - VISITORS**

Annette Pitts, CEO, Experience Olympia & Beyond, reported the funding request would support an annual tourism, promotion, and

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 16

**AND CONVENTION
BUREAU (VCB) OF
THURSTON COUNTY:**

marketing campaign. The organization is the official destination management organization for Thurston County including the City of Tumwater. The VCB is a party to an interpositional agreement to produce a scope of work on the behalf of the City. All public funds received by the VCB are committed to outreaching visitors who live 50 or more miles from the county. The funds are targeted to increase the number of hotel room nights.

The VCB focuses on yearly needs for Tumwater hotels by reviewing historical data and current data to identify where efforts are needed the most through marketing initiatives or direct sales promotions. As a member of several data/statistical organizations including Destinations International, the VCB identifies current industry standards, explores different ways to document visitation, and utilizes technologies for marketing efforts by ensuring all advertising placements can be documented. Advertising is pursued using Media Attribution. Several years ago, the VCB initiated a program, Lodging Tax Award Recipients Support Program to provide a suite of services to support organizations receiving lodging tax funds.

The VCB continues to produce the Tumwater Community Guide along with maintaining an expanded position within the Visitor Guide. The VCB offers geo-fencing information about specific event attendance. In 2025, the City will receive a proof of performance report identifying every LTAC award recipient and social media coverage each organization received as well as respective listings in different newsletters and other publications containing event information in addition to geo-fencing reports.

Ms. Pitts shared some examples of social media promotions. One example is the Brewery Park at Tumwater Falls.

This year, as the VCB pursues some transition, efforts will include auditing all practices and examining industry standard comparisons on how the VCB logs and accounts for sales for sports. The VCB plans to incorporate best practices for sports promotion.

The VCB offers City visitor services by providing a tremendous amount of information to visitors through the website generating over 749,000 page views during 2023 and over 350,000 unique individual visits to the site. All activities of the VCB are based on data.

Media Attribution is a geo-fencing platform that can track personal devices, but not personal information. The VCB uses two geo-fencing platforms of Data Find and Placer.ai. Both platforms provide good information. At the beginning of the year, Thurston County and each jurisdiction is geo-fenced to identify points of interest, hotel

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 17

properties, different sectors of food and beverage, attractions, and performing arts, etc. After all geo-fences are in place, data is analyzed by each visitor to those locations. After identifying the locations of visitors, ads are created and transmitted through the system and onto visitor devices. When visitors click on the ad via Placer.ai's SDK-enabled apps, it is possible to measure and interpret consumer visits to physical establishments in the different sectors.

Mr. Bills questioned the basis for a specific funding request of \$43,933. Ms. Pitts explained that the amount is based on both the work by the VCB and the amount of lodging tax generated by Tumwater in 2023. The same formula was applied to the City of Olympia, City of Lacey, and the City of Yelm as signatories of an interlocal agreement. The VCB also reviewed the ratio of funding awards. The City of Tumwater funds at a significantly lower ratio than the other three jurisdictions. This year's funding request was an effort to reach closer parity with the other jurisdictions while also being significantly lower than the other jurisdictions. Also considered were data on room nights booked that could be tracked through geo-fencing along with the addition of sports event bookings for the City of Tumwater. The City of Yelm awarded funds to the VCB this year for the first time. Yelm desires to have access to geo-fencing data and for visitor marketing support.

Mr. Sohal disclosed that he owns the only hotel in the City of Yelm.

Mr. Bills asked whether the other jurisdictions have a similar webpage as Experience Olympia and Beyond. Ms. Pitts advised that all jurisdictions have their own *Experience Beyond* webpage with each page was created by using different style guides and a graphic standards manual.

Ms. Pitts addressed questions on the distribution of various advertising materials.

TUMWATER SOCCER CLUB:

Megan Edwards, President, Tumwater Soccer Club said lodging tax funds offset costs for coordinating and running the annual Kick in the Grass soccer tournament. Tumwater Soccer Club provides soccer opportunities while maintaining low costs to the extent possible within Thurston County to enable players to participate in soccer games. The annual tournament is the organization's only fundraiser and is coordinated entirely by volunteers with no paid staff. The tournament subsidizes player fees as the lowest priced recreational soccer club in the area by keeping costs low for players from 5 to 18 years of age. Costs include field rentals, equipment expenditures, referee fees, tournament costs, and awards. The Club purchases new field goals for soccer fields at schools and parks. Scholarships are awarded to high

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 18

school graduating seniors. The tournament is the longest soccer tournament in the state.

In 2024, 91 teams participated in the tournament playing 162 games on 16 fields. The event generated over 6,000 participants to Tumwater. Ms. Edwards shared statistics on expenses and location of visitors from across the state. This year, 1,502 players participated along with 182 coaches and 4,506 spectators. Thirty-two teams traveled over 50 miles with 500 players, 64 coaches, and 1,500 spectators. Twenty-nine teams traveled over 60 miles with 554 players, 58 coaches, and 1,362 spectators. Most of the players and coaches stayed in local hotels in Tumwater. Nearly 1,900 participants stayed in local hotels during the tournament representing 1,024 lodging nights at local hotels and campgrounds.

Ms. Edwards shared a video of the 2024 soccer games.

All games are played on Tumwater fields at Pioneer Park, Tumwater High School, and Capital Soccer Fields.

**CITY OF TUMWATER
LODGING TAX
HISTORIC AND
CULTURAL FUNDING
FOR 2025:**

Director Denney reported the City has historically divided its 4% of lodging tax funds into categories designated as the “first 2%” and the “second 2%.” In 2016, the City Council designated the first 2% for tourism-related, historic, and culture programs, as well as supporting historical sites owned by the City. The second 2% of funds are allocated for tourism-generating events and marketing. To continue the practice, approval by the committee is required for the first 2% of lodging tax funds.

During 2024, 70% of the first 2% was allocated to historic buildings (Crosby House, Brewmaster’s House, and Union Cemetery), \$60,000 was allocated in a contract to the Olympia Tumwater Foundation for the Brewery Park at Tumwater Falls and Schmidt House to assist in producing City historical and cultural programming. The programming is both tourism-related and educational within the City of Tumwater promoting the City’s history through programs at the historic homes, tours along the Deschutes River, and historic research by the Olympia Tumwater Foundation for the City. Approximately \$30,000 supported the old Brewhouse tower. The City is upgrading the security camera system at the old brew tower to provide remote access and Wi-Fi capability.

Next year, the budget for historical buildings remains the same at \$70,000 with work in progress on the Crosby House to fortify and support the foundation. Next year’s work includes replacement of the cedar shake roof, siding, adding gutters, and painting the house. The Crosby House is the oldest home in Tumwater. The City will

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 19

continue working with the Daughters of the Pioneers who maintain the house for meetings and tours.

Historic programs with the Olympia Tumwater Foundation are proposed for an increase at the request of the Olympia Tumwater Foundation for \$110,000 over the next two years. Support provided by the Foundation benefits the City and helps the Foundation support and maintain two facilities that attract many visitors to the City.

The City plans to move forward on the next phase of construction at the old brew tower for seismic structure improvements costing approximately \$6 million. The project is currently on hold as staff assesses different funding sources. Consequently, work in 2025 will focus on resealing the building to protect the structure. An engineer designed an air circulation system to maintain movement of air within the building.

The total funding request is \$210,000 of 2% lodging tax not dedicated for allocation to tourism agencies. Action is required by the committee to approve the funding request. The increase in the funding amount is primarily for the Olympia Tumwater Foundation for the Brewery Park at Tumwater Falls and the Schmidt House.

MOTION:

Brian Reynolds moved, seconded by David Bills, to allocate \$210,000 from first 2% of lodging tax for Historic Buildings (City) of \$110,000, Historic Programs (Olympia Tumwater Foundation) of \$110,000, and Historic Old Brewhouse Tower (City) of \$30,000 for 2025. Motion carried unanimously.

**2025 LODGING TAX
FUNDING LEVEL:**

Director Niemeyer reported on his review of the fund balance for lodging tax (tourism). The fund balance is increasing substantially primarily because some awardees beginning in 2015 have not expended their full award. Actual spending for many years has been below the funding level. Some of the decrease can be attributed to COVID and cancellation of events because of required social distancing.

Several years ago, the committee recommended maintaining a fund balance of at least \$75,000 as a reserve to serve as a safety net in case of a down in the economy or in the hospitality industry. The committee could potentially fund all applications at the requested amounts based on a projection of both 2024 and 2025 revenue. The committee has the option of increasing the total funding amount to \$250,000 to begin reducing the fund balance. Director Niemeyer cautioned that increasing the funding amount too much might convey to organizations that funding could continue at the higher level. However, he also noted that at some point, the fund balance would

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF HYBRID MEETING
September 23, 2024 Page 20

decrease necessitating lower funding awards in the future.

Mr. Reynolds supported increasing the 2025 LTAC budget to \$250,000.

MOTION:

Brian Reynolds moved, seconded by Satpal Sohal, to increase the 2025 LTAC budget from \$175,000 to \$250,000. Motion carried unanimously.

Director Niemeyer inquired about approving the same funding level for 2026. Following discussion, the committee agreed not to act on any budget for 2026 because of the uncertainty involving the number of applicants as well as a preference to address the budget each year.

RECESS:

Chair Swarthout recessed the meeting at 12:47 p.m.

RECONVENE:

Chair Swarthout reconvened the meeting at 2:30 p.m.

**2025 LODGING TAX
FUNDING
RECOMMENDATION:**

Director Niemeyer tracked funding recommendations by each member for each applicant. Members affiliated with any applicant recused themselves from rendering a funding recommendation:

- Team Tomorrow - \$7,767
- Olympic Flight Museum - \$44,333
- Tumwater Historical Association - \$5,000
- Olympia Symphony- \$9,375
- Tumwater Area Chamber of Commerce - \$17,500
- Olympia Tumwater Foundation - 5,000
- Tumwater Downtown Association - 28,750
- Washington Senior Games - \$12,750
- Tumwater Artesian Brewfest -\$17,000
- Washington Center for the Performing Arts - \$14,500
- Olympia Harbor Days - \$10,000
- Capital Lakefair - \$7,250
- Tumwater Soccer Club - \$15,000
- Experience Olympia & Beyond - VCB - \$43,825

The recommended funding allocations totaled \$238,050.00.

MOTION:

David Bills moved, seconded by Brian Reynolds, to recommend the City Council allocate \$238,050.00 in 2025 LTAC funds as listed on the spreadsheet (provided by staff) to the following organizations in the following amounts:

- 1. Team Tomorrow LLC - \$7,767**
- 2. Olympic Flight Museum - \$44,333**

TUMWATER LODGING TAX ADVISORY COMMITTEE

MINUTES OF HYBRID MEETING

September 23, 2024 Page 21

- 3. Tumwater Historical Association - \$5,000**
- 4. Olympia Symphony- \$9,375**
- 5. Tumwater Area Chamber of Commerce - \$17,500**
- 6. Olympia Tumwater Foundation - 5,000**
- 7. Tumwater Downtown Association - 28,750**
- 8. Washington Senior Games - \$12,750**
- 9. Tumwater Artesian Brewfest -\$17,000**
- 10. Washington Center for the Performing Arts - \$14,500**
- 11. Olympia Harbor Days - \$10,000**
- 12. Capital Lakefair - \$7,250**
- 13. Tumwater Soccer Club - \$15,000**
- 14. Experience Olympia & Beyond - VCB - \$43,825**

The motion carried unanimously.

ADJOURNMENT:

With there being no further business, Chair Swarthout adjourned the meeting at 2:22 p.m.

Prepared by Valerie Gow, Recording Secretary/President,
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