MEMORANDUM

Date: November 2, 2026
To: City Council
From: Kelly Adams, Assistant City Administrator
Subject: 2027 Lodging Tax Funding Recommendations

1. Purpose

This memorandum provides the City Council with the Lodging Tax Advisory Committee's (LTAC) 2027 lodging tax funding recommendations. This includes a summary of the applications received, the Committee's review process, the recommended awards, and information to support Council's review. Final funding decisions rest with the City Council.

2. Requested City Council Action

- Approve the LTAC recommendation to allocate $274,800 in 2027 Lodging Tax funds to fourteen tourism marketing and special event applicants (Section 6).
- Approve $225,000 in 2027 Lodging Tax funds for Historic and Cultural facilities and programs (Section 7).
- If Council wishes to change any recommended amount, submit the proposed change to the LTAC for review and comment as required by RCW 67.28.1817(2) (Section 8.1).

3. Background

3.1 Lodging Tax Authority

Pursuant to RCW 67.28.180, the City of Tumwater collects a 4% lodging tax on hotel and motel stays within the City. Resolution No. R2016-006 establishes the City's policy for investing these funds:

- The first 2% is dedicated to tourism-related historic and cultural facilities and programs.
- The second 2% is allocated each year through a competitive application process conducted by the LTAC for tourism marketing and special events. Awarded amounts may be larger than 2% due to unspent funds from previous year awards.

Allocation of funds must be consistent with Tumwater Municipal Code Chapter 3.12 and RCW 67.28.1816. State law allows lodging tax revenue to be used for tourism marketing; the marketing and operation of special events and festivals designed to attract tourists;

operations and capital expenditures of tourism-related facilities owned or operated by a municipality or public facilities district; and operations of tourism-related facilities owned or operated by nonprofit organizations.

3.2 Role of the Lodging Tax Advisory Committee

RCW 67.28.1817 requires the City to maintain a lodging tax advisory committee that includes representatives of businesses that collect the tax and of organizations involved in activities eligible for funding, chaired by an elected official. The Committee reviews applications, selects candidates, and recommends funding amounts to Council.

3.3 Reporting Requirements

Applicants provide estimates of total attendance, visitors traveling more than 50 miles, out-of-state visitors, and overnight stays. Funded organizations report actual results after their activities. The City compiles these reports and submits them each year to the Joint Legislative Audit and Review Committee (JLARC).

4. 2027 Application and Review Process

The City received fourteen applications requesting a total of $337,000. The LTAC interviewed all fourteen applicants at a public meeting on October 14, 2026, held in Council Chambers and broadcast via Zoom. Each applicant had 15 minutes to present and respond to Committee questions. Following the interviews, the Committee deliberated in the public meeting and approved its funding recommendation.

Applications fell into three categories:

- Special events and festivals: 11 applications
- Tourism promotion and marketing: 2 applications
- Tourism-related facility: 1 application

Three new organizations applied for lodging tax funds in 2027:

- Ecstatic Sound Collective (Olympia Funk Festival)
  In 2026, the PARC Foundation of Thurston County applied for Olympia Funk Festival funding. While the applicant is new, the program is not.
- Partners for Conservation (Private Lands Partners Day)
- Masterworks Choral Ensemble

Four applications, totaling $97,500 (28.9% of requests), were submitted by the City of Tumwater Parks and Recreation Department.

5. Funding Available

Staff estimated $275,000 would be available in 2027 for tourism marketing and special event awards. Total requests of $337,000 exceeded available funds by $62,000. Funding every request in full would have required a $62,000 draw on Lodging Tax fund reserves.

6. LTAC Recommendation – Tourism Marketing and Special Events

The LTAC recommends awards totaling $274,800 the total requested. The recommendation is $200 below the estimated $275,000 available and does not require use of reserves.

Applicant / Activity	2026 Award	2027 Request	LTAC Recommended	% of Request
Visitor & Convention Bureau of Thurston County (Experience Olympia & Beyond) Year-round destination marketing	$46,000	$70,000	$60,000	86%
Olympic Flight Museum Olympic Air Show	$46,833	$55,500	$52,500	95%
City of Tumwater (Tumwater Valley Golf Club) WIAA State High School Golf Championships	$7,750	$36,500	$27,000	74%
City of Tumwater Tumwater Family 4th of July Festival	New	$30,000	$25,000	83%
City of Tumwater Tumwater Artesian Brewfest	$17,500	$25,000	$21,500	86%
Washington Center for the Performing Arts 2027 tourism-generating activities	$13,500	$16,000	$15,000	94%
Tumwater Soccer Club Kick in the Grass youth soccer tournament	$16,500	$15,000	$15,000	100%
Washington State Senior Games 2027 Washington State Senior Games	$12,000	$12,000	$12,000	100%
Ecstatic Sound Collective Olympia Funk Festival (see note in section 4)	New	$15,000	$10,800	72%
Capital Lakefair Capital Lakefair 2027	$9,125	$20,000	$10,400	52%
Olympia Symphony Orchestra 2027 concert season (75th anniversary)	$9,000	$15,000	$8,400	56%
Partners for Conservation Inc., DBA Partnerscapes Private Lands Partners Day 2027	New	$12,000	$6,400	53%
Masterworks Choral Ensemble Regional Cultural Tourism Initiative	New	$9,000	$5,800	64%
City of Tumwater Tumwater Falls Fest	$3,125	$6,000	$5,000	83%
Total (14 applicants)		**$337,000**	**$274,800**	**81.5%**

6.1 Applicant Summaries

The summaries below describe each proposal and the intended use of funds as described in the applications.

Visitor & Convention Bureau of Thurston County (Experience Olympia & Beyond). Year-round destination marketing for Thurston County, including Tumwater. Funds would support targeted marketing to visitors more than 50 miles away using lodging data, visitor research, and geofencing; integrated digital and print advertising in priority markets; and photo, video, social media, and website content featuring Tumwater.
Requested $70,000; recommended $60,000.

Olympic Flight Museum – Olympic Air Show. The air show, held June 19–20, 2027 at the Olympia Regional Airport, is the museum's primary fundraising event and supports its year-round operation as a visitor attraction. Funds would be used for promotion and operation of the 2027 show and for aerobatic demonstrations and related expenses.
Requested $55,500; recommended $52,500.

City of Tumwater – WIAA State High School Golf Championships. Tumwater Valley Golf Course hosts the WIAA State High School Golf Championships (May 18–19, 2027). Funds would support improvement and expansion of the 25,000-square-foot practice facility, including tee renovation, irrigation expansion, an ADA practice pad, additional bleacher seating, and a shade structure, to help retain the championships.
Requested $36,500; recommended $27,000.

City of Tumwater – Tumwater Family 4th of July Festival. Tumwater's largest free one-day event. Funds would support marketing and promotion, entertainment, and youth and teen activities intended to reach a larger audience more likely to generate hotel stays.
Requested $30,000; recommended $25,000.

City of Tumwater – Tumwater Artesian Brewfest. Held August 21, 2027. Funds would support targeted social media, brewing publication, newspaper, radio, television, and online advertising, and posters and coasters distributed to breweries and restaurants in Washington and Oregon.
Requested $25,000; recommended $21,500.

Washington Center for the Performing Arts. The region's largest theater, with more than 1,000 seats. Funds would support marketing to audiences beyond Thurston County, including digital and social media advertising, print, radio and TV placements, ticketing, email marketing, and partnerships with tourism organizations. *Requested $16,000; recommended $15,000.*

Tumwater Soccer Club – Kick in the Grass. A youth soccer tournament held July 16–18, 2027, now in its 47th year. The application describes uses similar to prior years, with no

major changes since the last funding cycle.
Requested $15,000; recommended $15,000.

Washington State Senior Games. Twenty-five sport competitions held at venues across the South Sound from June 19 to September 12, 2027. The application describes no major changes from prior years.
Requested $12,000; recommended $12,000.

Ecstatic Sound Collective – Olympia Funk Festival (new applicant organization). The fourth annual three-day funk and soul festival, January 29–31, 2027. Funds would support marketing and promotion, festival operations, and payments to performing artists and technical staff. *Requested $15,000; recommended $10,800*.

Capital Lakefair. A five-day community festival held July 14–18, 2027. Funds would support promotional travel and float expenses, as well as Capital Lakefair's Tumwater office, facility rental, and storage costs.
Requested $20,000; recommended $10,400.

Olympia Symphony Orchestra. Six season concerts, masterclasses, community events, and a Young Artist Competition as part of the orchestra's 75th anniversary season. Funds would support performances, a live statewide radio broadcast, family programming, and anniversary events.
Requested $15,000; recommended $8,400.

Partners for Conservation Inc., DBA Partnerscapes – Private Lands Partners Day (new applicant). A national conservation conference held September 27–29, 2027. Funds would support advertising, event programs, video and photography of the local community, and maps highlighting local sites and restoration work at Brewery Park and Tumwater Falls, and would help attendees find local lodging and dining.
Requested $12,000; recommended $6,400.

Masterworks Choral Ensemble – Regional Cultural Tourism Initiative (new applicant). A cultural tourism campaign built around four 2027 performances at the Washington Center. Funds would support geographically targeted advertising, professional marketing support, visitor-focused content, promotion of Tumwater lodging, and tourism analytics.
Requested $9,000; recommended $5,800.

City of Tumwater – Tumwater Falls Fest. Held September 25, 2027. Funds would support marketing to audiences beyond the South Sound, including Seattle and Portland, to generate hotel stays.
Requested $6,000; recommended $5,000.

6.3 City of Tumwater Applications

The Parks and Recreation Department submitted four applications totaling $97,500 and is recommended for $78,500. City department events received 14.4% of recommended awards in the 2026 cycle and would receive 28.6% in 2027. The difference reflects two applications: the Tumwater Family 4th of July Festival, recommended for $25,000 with no 2026 City award for this event, and the WIAA State High School Golf Championships, which rose from a $7,750 award in 2026 to a $27,000 recommendation for practice-facility improvements at the City-owned Tumwater Valley Golf Course.

7. Historic and Cultural Funding

The Parks and Recreation Department presented the proposed use of the first 2% of lodging tax at the October 14, 2026 meeting. The LTAC approved the full request of $225,000 for 2027, an increase of $15,000 from 2026.

Category	2026	2027
Historic Buildings (City)	$70,000	$155,000
Historic Programs (Olympia Tumwater Foundation)	$110,000	$60,000
Historic Old Brewhouse Tower (City)	$30,000	$10,000
Total	**$210,000**	**$225,000**

- **Historic Buildings.** Operating costs for the Crosby House, Brewmaster's House, and historic cemetery. In 2027 the City plans to replace the cedar shake roof and install gutters at the Crosby House, and to continue volunteer maintenance at the cemetery.
- **Historic Programs.** Continued contract with the Olympia Tumwater Foundation for historic programs and services, including the Heritage Builders Program, the rotating historical display at City Hall, historic home program support, and walking tours.
- **Old Brewhouse Tower.** The tower remains closed to visitors. Brick replacement and masonry repair are complete, and seismic stabilization engineering is in draft. No construction is anticipated in 2027; funds would improve site security, fencing, and window protection.

8. Considerations for Council

8.1 Council Options Under State Law

Council may approve the recommendation as presented. Under RCW 67.28.1816(2)(b), Council may choose recipients only from the list of candidates provided by the LTAC. If Council wishes to award amounts different from those recommended, RCW 67.28.1817(2)

requires the proposed change to be submitted to the LTAC for review and comment at least 45 days before final action.

8.2 Timing

Several 2027 activities occur early in the year; the Olympia Funk Festival is scheduled for January 29–31, 2027. If amounts are returned to the LTAC on November 2, the 45-day review period would place final Council action no earlier than mid-December 2026, which may affect the timing of funding agreements for early-year events. Appendix B shows a calendar of the proposed events.

8.3 Applicant Estimates

Attendance, visitor, and overnight figures are estimates provided by each applicant. Methods vary, ranging from ticketing and registration data to surveys and structured estimates, and some figures are reported in different units. For example, the Washington Center reports room nights rather than visitors, and the Olympia Funk Festival reports attendance per day. Comparisons across applicants should be made with care. Appendix A summarizes the estimates as reported.

9. Fiscal Impact

Funding Category	Available	Recommended	Unallocated
Tourism marketing and special events (second 2% with unspent funds from previous years)	$275,000	$274,800	$200
Historic and cultural (first 2%)	$225,000	$225,000	$0
Total	**$500,000**	**$499,800**	**$200**

No draw on Lodging Tax fund reserves is needed. Of the combined $499,800, $243,500 supports City of Tumwater events and facilities: $78,500 for four Parks and Recreation events and $165,000 for City historic buildings and the Old Brewhouse Tower.

10. Next Steps

- **November 2, 2026**: City Council considers the LTAC recommendation.
- **Following Council approval**: Staff prepares and executes funding agreements with each recipient and confirms eligible uses.
- **Following each funded activity**: Recipients submit reports of actual attendance and lodging outcomes.
- **Annually**: The City reports lodging tax use and outcomes to JLARC.

Appendix A. Applicant-Reported Tourism Estimates

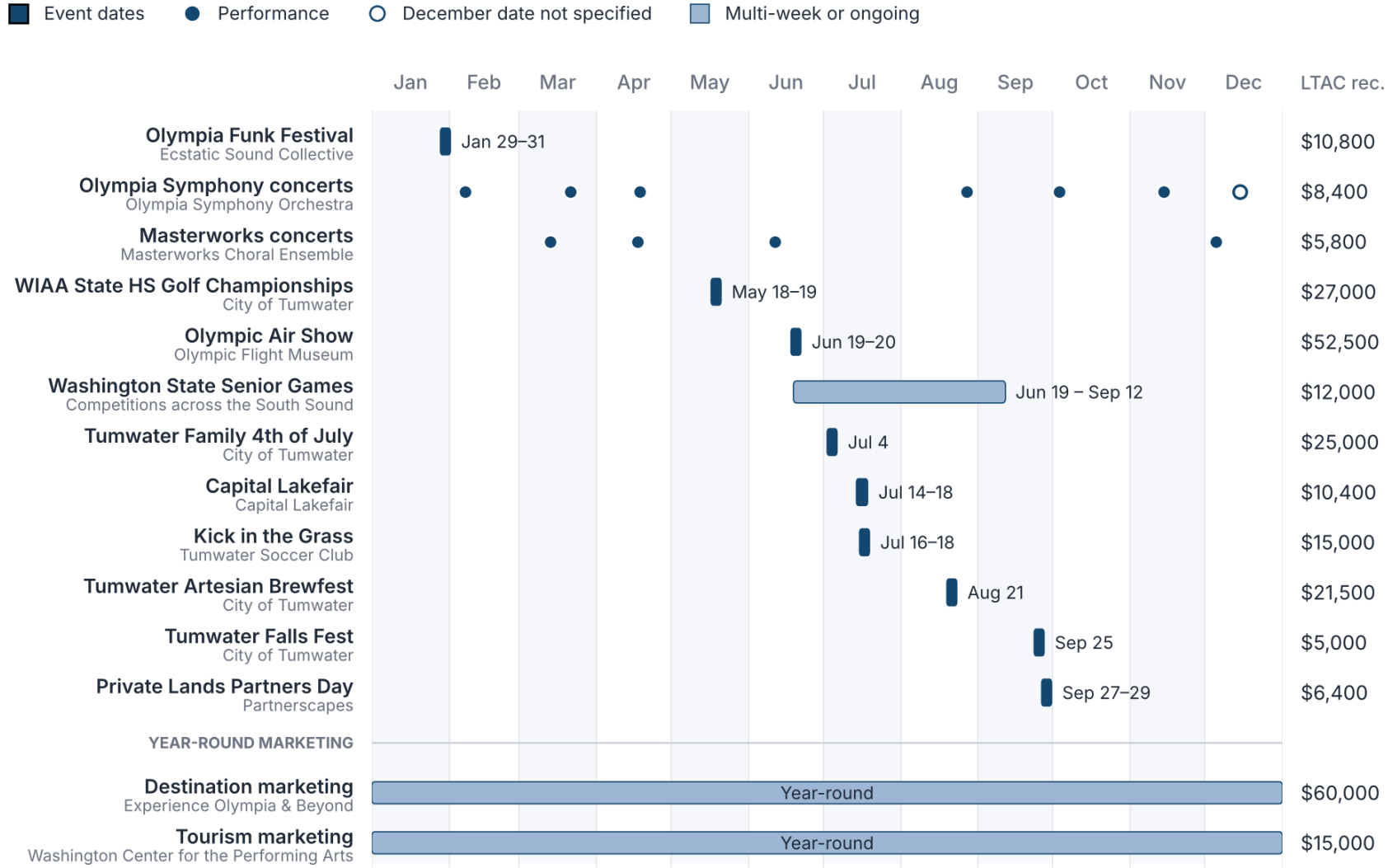
The figures below are taken from the 2027 applications as reported by each applicant. They have not been independently verified.

Applicant	2027 Dates	Total Attendance	Day Visitors 50+ Miles	Out of State	Overnight (Paid Lodging)
Visitor & Convention Bureau	Year-round	47,068	47,068	18,827	7,663
Olympic Flight Museum	Jun 19–20	10,500	4,000	150	1,200
WIAA State Golf (City)	May 18–19	400 players	50	175	150 players
4th of July Festival (City)	Jul 4	16,000–18,000	150	100	50
Artesian Brewfest (City)	Aug 21	3,500–4,500	600	200	100
Washington Center	Year-round	100,000	11,500	2,875	4,612 room nights[1]
Tumwater Soccer Club	Jul 16–18	8,500	5,500	200	2
WA State Senior Games	Jun 19–Sep 12	1,800	1,044	285	360
Olympia Funk Festival	Jan 29–31	~1,200 per day[2]	600+ per day	350 per day	500
Capital Lakefair	Jul 14–18	200,000 (5 days)	5,000	500	1,600
Olympia Symphony Orchestra	2027 season	9,500	700	150	150
Partnerscapes	Sep 27–29	200 attendees; 500 visitors	160	120	400[3]
Masterworks Choral Ensemble	2027 season	2,300	225	15	25
Tumwater Falls Fest (City)	Sep 25	3,000–4,000	200	100	50

[1] *Total room nights, including artists and patrons; not a count of visitors.*
[2] *Includes approximately 200 artists, staff, and volunteers per day.*
[3] *Applicant also estimates 360 paid lodging nights.*

Appendix B. 2027 Proposed Event Calendar

Activities recommended for 2027 Lodging Tax funding, by dates stated in each application



Attachment A