TO: City Council

FROM: Kelly Adams, Assistant City Administrator

DATE: November 2, 2026

SUBJECT: 2027 Lodging Tax Funding Recommendations

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1) Recommended Action:

Move to include the Lodging Tax Advisory Committee's (LTAC) 2027 funding recommendation into the City's budget.

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2) Background:

The City collects a 4% lodging tax under RCW 67.28.180. Consistent with Resolution No. R2016-006, the first 2% funds historic and cultural facilities and programs, and the second 2% is awarded through a competitive process conducted by the LTAC. Awards must be consistent with Tumwater Municipal Code 3.12 and RCW 67.28.1816.

On October 14, 2026, the LTAC interviewed fourteen applicants requesting $337,000 against an estimated $275,000 available. The Committee recommended $274,800 in awards. The Committee also approved the full $225,000 Historic and Cultural request.

Attachment A provides an overview of the Committee's recent process, all funding applications, , Historic and Cultural funding, and considerations for Council. Attachment B provides additional information on the 2027 Historical and Cultural funding request.

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3) Policy Support:

RCW 67.28.1816 and 67.28.1817 Lodging tax uses and the Lodging Tax Advisory Committee

TMC Chapter 3.12 and Resolution No. R2016-006 – City lodging tax policy

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4) Alternatives:

- ❑ Approve the LTAC recommendation as presented.
- ❑ Return proposed changes to the LTAC for review and comment at least 45 days before final action, as required by RCW 67.28.1817(2).
- ❑ Some other course of action.

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5) Fiscal Notes:

The recommended awards total $499,800: $274,800 for tourism marketing and special

events, within the estimated $275,000 available, and $225,000 for Historic and Cultural programs. No fund reserve was requested by the Committee.

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6) Attachments:

A. Staff Memorandum: 2027 Lodging Tax Funding Recommendations
B. Staff Memorandum: Lodging Tax Historic and Cultural Funding for 2027