

TO: City Council
FROM: Hanna Miles, Executive Assistant/Deputy City Clerk
DATE: October 18, 2022
SUBJECT: Lodging Tax Advisory Committee 2023 Funding Recommendations

1) Recommended Action:

Approve a motion to include the Lodging Tax Advisory Committee's (LTAC) 2023 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 2023, LTAC recommends funding a total of \$193,550.00 to generate tourism in Tumwater. LTAC received 16 applications with a total funding request of \$278,800.00. Due to canceled events caused by COVID-19 travel/event restrictions in 2020/2021, the Committee had \$29,400 left in additional one-time funds. The Committee used \$20,600 of those funds for 2022. This funding recommendation uses the remaining one-time funds.

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. Applicant Summaries* and 2023 LTAC Funding Recommendations
- B. Lodging Tax Funding History with 2023 LTAC Funding Recommendations
- C. Lodging Tax Historic and Cultural Funding for 2023 Memo from Chuck Denney
- D. MRSC article: Informal AG Opinion Clarifies Lodging Tax Awards

*Applications are available at: <https://mccmeetings.blob.core.usgovcloudapi.net/tumwater-pubu/MEET-Packet-114ed2eacab245c3b84258d5f5a5ab8d.pdf>