



City of Lacey, Washington

Lodging Tax Advisory Committee Meeting Agenda

Refer to bottom of the agenda for instructions on attendance and public comment.

Wednesday, August 9, 2023

1:30 PM

Council Chambers and Online

Call to Order

1. Roll Call
2. Public Comment
3. Approval of the Agenda, Previous Meeting Minutes, and Consent Items
 - A. Approval of Agenda
 - B. Approval of September 30, 2022, meeting minutes
4. Business Items
 - A. **Budget Update**
Troy Woo, Finance Director
 - B. **LTAC Policy, Procedures, and 2024 Funding Priorities Review**
Sadie Siglin, Management Analyst
 - C. **2023 Meeting Schedule**
Sadie Siglin, Management Analyst
5. Adjourn

Meeting Information:

Attendance (Remote or In Person)

The public may attend the meeting in person, or you may view or listen to the meeting using one of the following platforms:

In Person: Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503

Zoom: https://us02web.zoom.us/webinar/register/WN_sNFvAPfpTGqpl72UCkF_Bw

Website: <https://cityoflacey.org/government/public-meetings/>

YouTube: https://www.youtube.com/watch?v=g_ZqWQa8ASo

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 828 1552 3277)

Verbal Public Comment

Verbal public comment may be provided in-person or by Zoom:

In-Person: Use the sign-up sheet located in the Council Chambers

Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_sNFvAPfpTGqpl72UCkF_Bw
Instructions and access details will be provided once registration is complete.

Written Public Comment

Public Comments may be submitted by email to SSiglin@ci.lacey.wa.us.
The commenting period will close two hours prior to the meeting. Written comments will be provided to the Committee electronically prior to the meeting. Comments will not be addressed during the meeting; however, comments received will be added to the official record.



LODGING TAX ADVISORY COMMITTEE MEETING

September 30, 2022

Hybrid

12:00 P.M. – 1:30 P.M.

LTAC PRESENT: Deputy Mayor Malcolm Miller, Ruth Weigelt, Chad Carpenter, Susana Matis

STAFF PRESENT: Scott Spence, Nicole Williams, Kristy Wolf, Troy Woo

Deputy Mayor Miller called the meeting to order and welcomed the committee.

Chad Carpenter moved to approve the September 23, 2022, meeting minutes. Ruth Weigelt seconded. Motion carried.

2023 LTAC APPLICATIONS FINAL RECOMMENDATIONS

The Committee reviewed the LTAC budget and considered their recommendations for 2023 with Finance Director Troy Woo. City Manager Scott Spence advised the Committee could embed in the contracts with events the key metrics they are looking for such as how many Lacey businesses are participating in events, how many Lacey volunteers, or how many attendees outside the Lacey zip code area are participating. Reports such as the JLARC reports will be expected going forward.

Deputy Mayor Malcom Miller made a motion to fund the 2023 application asks with the exception of the South Sound Block Party and the Anonymous Golf Club Octoberfest, Ruth Weigelt seconded. Motion carried. Miller made a motion to fund the Washington Center Capital Request in the amount of \$250,000, in the 2023 LTAC funding cycle. Chad Carpenter abstained from the motion. Weigelt seconded. Motion carried.

Woo advised the total LTAC budget for 2023 \$887,230, utilizing \$520,000 in hotel motel tax, \$13,400 in interest and \$354,000 from reserves.

Lodging Tax Advisory Committee 2023 Recommendations

• Lacey Chamber of Commerce Visitor Services/Community Profile	70,000
• Lacey Chamber of Commerce South Sound BBQ Festival	20,000
• Lacey Chamber of Commerce 2022 Golf Classic	5,000
• Lacey Chamber of Commerce Winter Fest Sip, Savor, Shop	5,000
• Washington Center for Performing Arts	30,000
• Washington Center for Performing Arts Capital Renovation	250,000
• Experience Olympia & Beyond General Promotion/Visitor Services	110,000
• Lacey Fun Fair	15,000
• Senior Games	15,000
• Cultural Celebration	9,000
• Brats, Brews, and Bands Gateway Rotary Club	5,000
• Capital Lakefair	10,000
• July 3 rd Fireworks and Concert	22,000
• Polyfest	13,000
• Deschutes Rugby Club	27,230
• American Lung Association – Reach the Beach	5,000
• Regional Athletic Complex – Operation and Maintenance	180,000
• Huntamer Park Concerts & Events	18,000
• Lacey Museum Operations	48,500
• Fred U. Harris Lodge #70 Juneteenth Festival	10,000
• Spouses' Club of Lewis-McChord Kris Kringle Market Festival	9,500
• Olympia Soccer Foundation	10,000
Total	887,230

Miller discussed having future meetings in January or February of 2023, to discuss policies for application deadlines and a dedicated amount of LTAC funds for new applications. The Committee agreed to try and attend funded events in 2023 and requested a 2023 calendar of events be provided to them.

Meeting adjourned at 1:02 P.M.

**City of Lacey Lodging Tax Advisory Committee
2024 Proposed Budget**

	2022 Adopted Budget	2022 Actual	2023 Budget	2023 Y-T-D (July 31)	2024 Agency Requests	Lodging Tax Advisory Committee 2024 Recommendations
Revenues:						
Beginning Cash	174,466		353,848	-		
Hotel/Motel Tax	400,634	546,741	520,000	204,575	540,000	
Interest Income	5,400	(26,950)	13,382	17,274	20,000	
Misc. Revenue						
Total Revenues	580,500	519,790	887,230	221,848	560,000	-
Expenditures:						
Contract Services						
Lacey Chamber of Commerce						
Visitor Services/Community Profile	70,000	70,000	70,000	52,500		
Washington Center For Performing Arts	30,000	30,000	30,000	7,500		
Experience Olympia and Beyond						
General Promotion/Visitor Services	100,000	100,000	110,000	55,000		
Promotion/Advertising/Special Events						
Lacey Fun Fair	12,000	12,591	15,000	14,913		
Senior Games	15,000	14,867	15,000			
Cultural Celebration	9,000	14,232	9,000	8,977		
South Sound BBQ Festival	18,000	18,414	20,000			
Brats, Brews, and Bands/Tour de Lacey (Rotary Club of Lacey)	5,000		5,000			
Capital Lakefair	10,000	10,000	10,000			
July 3rd Fireworks and Concert	20,000	19,972	22,000	21,995		
Polyfest	10,000	2,942	13,000	8,467		
City of Lacey Art Fund - Banners	10,000	10,000				
Chamber of Commerce Golf Classic	5,000	5,000	5,000	5,000		
Chamber of Commerce Winter Fest - Sip, Savor, Shop	5,000	4,595	5,000			
TOMORROW - South Sound Block Party	10,000					
American Lung Association - Reach the Beach	5,000	5,000	5,000			
Spouses' Club of Lewis-McChord Kris Kringle Market Festival			9,500			
Anonymous Golf Club Ciderfest						
Fred U. Harris Masonic Lodge #70 Juneteenth Festival			10,000			
Olympia Soccer Foundation			10,000	11,989		
Deschutes Rugby Club			27,230	24,871		
Regional Athletic Complex - Marketing & Promotion						
Operation and Maintenance	180,000	180,000	180,000	180,000		
Lacey Parks						
Huntamer Park Concerts & Events	18,000	17,285	18,000	10,668		
Museum Operations	48,500	48,500	48,500	48,500		
Total Museum & Contract Services	580,500	563,399	637,230	450,380	-	-
Capital						
Washington Center For Performing Arts Renovation			250,000			
Wayfinding						
Total Expenditures	580,500	563,399	887,230	450,380	-	-



STAFF REPORT August 9, 2023

SUBJECT: Lodging Tax Advisory Committee Policies, Procedures, and 2024 Funding Priorities

RECOMMENDATION: Review and discuss draft Lodging Tax Advisory Committee Policies and Procedures and 2024 funding priorities.

Adopt Lodging Tax Advisory Committee Policies and Procedures.

Adopt 2024 funding priorities

TO: Rick Walk, City Manager *RW*
Shannon Kelley-Fong, Assistant City Manager *SKF*

FROM: Sadie Siglin, Management Analyst

ATTACHMENTS:

1. Draft LTAC Policies and Procedures
2. Draft LTAC Scoring Rubric and Criteria
3. Draft 2024 LTAC Funding Priorities

FISCAL NOTE: None.

PRIOR REVIEW: None.

BACKGROUND:

In preparation for the 2024 Lodging Tax Advisory Committee (LTAC) cycle, the City of Lacey (City) recently conducted an analysis of comparable Washington State cities to see how their respective LTACs operate and utilize lodging tax revenues. During this analysis, the City reviewed operating and funding policies, application processes, including scoring, and budget allocations.

Based on the City's research and analysis, staff developed draft policies for the administration, review and approval of funding to eligible applicants for review and discussion by the Committee. The implementation of formal policies and procedures will create a clear, consistent and transparent process for the applicants and general public. It is recommended the City of Lacey adopt the attached LTAC Policies and Procedures (Attachment 1 and Attachment 2) and adopt 2024 funding priorities (Attachment 3)

Upon review and discussion, the Lacey LTAC could consider one of the following options:

Option 1: Adopt the staff recommended policies and 2024 funding priorities as proposed.

Option 2: Adopt the staff recommended policies and 2024 funding priorities with any modifications identified by the committee.

CHAPTER X.XX

The City of Lacey performs all Lodging Tax activities pursuant to state statute, see [RCW 67.28.180](#).

Lodging tax revenues are generated through a 4% hotel-motel tax, imposed by the City, on each room rental per night. The tax is collected by local hotel and motel operators and is remitted to the Washington State Department of Revenue, which distributes the tax to the City.

State law limits the use of lodging tax revenues to tourism promotion, museums, special events, and capital and operating expenses for tourism-related facilities.

Additional information about the Lodging Tax Advisory Committee is available in [Chapter 3.03.045](#) of the Lacey Municipal Code.

LTAC Mission Statement

The adopted mission statement of the LTAC is:

“To invest lodging tax revenues in community events and projects that attract the greatest number of visitors and tourism dollars to Lacey.”

X.01 Committee Roles and Responsibilities

The five-member Lodging Tax Advisory Committee makes recommendations to the Lacey City Council on lodging tax revenue use each year. The LTAC budget is approved by the Lacey City Council as a part of the annual budget.

The Lodging Tax Advisory Committee meeting times and location are determined as necessary.

X.02 Eligibility for Office

The Lodging Tax Advisory Committee is comprised of five-members who serve staggered terms. Membership must include:

- One elected official of the City;
- Two representatives of businesses that collect the lodging tax; and
- Two representatives involved in activities authorized to be funded by lodging tax revenues.

Terms

Committee members serve three-year terms. There is no limit to how many terms a committee member may serve.

Appointment

The Mayor appoints Lodging Tax Advisory Committee Members, subject to confirmation by full City Council.

X.03 General Procedures

Chair

The elected official of the City serves as Chair.

Quorum

A majority vote constitutes a quorum and is necessary for the transaction of business. If a quorum is not present, no action may be taken.

X.04 Funding Priorities

The Lodging Tax Advisory Committee makes budget recommendations aligned with the funding priorities outlined in **Table A**. Capital funds may be held in reserve for identified projects. Funding priorities are reviewed annually by the committee.

Table A

LTAC Budget Priorities		
<u>Funding Category</u>	<u>Percentage of Annual LTAC Budget Allocated</u>	<u>Ex. \$500,000 budget</u>
Marketing	20%	\$165,000
Capital Projects	40%	\$165,000
Events / Activities / Programs	20%	\$165,000

X.05 Lodging Tax Program Administration

The City Manager's office provides administrative support to members of the Committee. Administrative support includes, but is not limited to:

- Coordination of committee meetings,
- Maintenance of the LTAC web page,
- Provides budgetary updates to the committee,
- Makes recommendations to the Committee,
- Receipt and processing of the LTAC funding applications,
- LTAC funding payments, and
- Annual JLARC reporting.

X.06 Funding Applications

The City provides digital LTAC funding applications on their website.

Paper applications are available upon request. Applicants must submit paper applications in-person to the City Manager's office at City Hall. Mailed applications will not be considered.

Applications received by the City after the submission deadline will not be reviewed or considered for funding.

X.07 LTAC Funding Application Scoring: Events, Activities, and Programs

Eligible applications for events, activities, and programs will be evaluated by the Lodging Tax Advisory Committee using the scoring rubric in **Table B**. Scores are determined by the criteria outlined in **Table C**.

Table B		
LTAC Event Funding Application Scoring Rubric		
<u>Category</u>	<u>Details</u>	<u>Points</u>
New Event, Activity, or Program	Has existed three years or less. Does not include cancelled events.	10 points
Tourist Attraction	Demonstrates the ability to attract visitors from 50 miles or more.	20 points
Marketing	Demonstrates the ability to promote tourism in Lacey or the Lacey UGA that encourages the support of businesses, restaurants, and retail.	10 points
Safe, Inclusive, and Welcoming Events	Demonstrates the City's commitment to being a safe, inclusive and welcome place for all.	10 points
Project Impact	Increases the number of people traveling to Lacey or the Lacey UGA.	10 points
Community & Business Collaboration	Demonstrates community appeal and support, while generating positive economic impact in Lacey or the Lacey UGA.	20 points
Program Sustainability	Demonstrates the ability to implement a successful event.	5 points
Financial Sustainability	Demonstrates the ability to secure additional funding beyond the City of Lacey.	5 points
Location	Location is in Lacey or the Lacey UGA	10 points
Multi Day Events	Duration is two days or more days.	20 points
Shoulder Season	Occurs October thru April.	10 points
Total Points Available 130		

Table C**LTAC Event Funding Application Scoring Criteria for Rubric**

Category	Details	Point Criteria	Points
New Event, Activity, or Program	Has existed three years or less. Does not include cancelled events.	0 - Has existed for four years or longer 10 - Has existed for three years or less	10 points
Tourist Attraction	Demonstrates the ability to attract visitors from 50 miles or more.	0 - Demonstrates the ability to attract only City of Lacey residents 10 - Demonstrates the ability to attract visitors from surrounding areas 20 - Demonstrates the ability to attract visitors from areas 50 miles or greater	20 points
Marketing	Demonstrates the ability to promote tourism in Lacey or the Lacey UGA that encourages the support of businesses, restaurants, and retail.	0 – Does not demonstrate the ability to market Lacey businesses, restaurants, and retail 10 - Demonstrates the ability to market Lacey businesses, restaurants, and retail	10 points
Safe, Inclusive, and Welcoming Events	Demonstrates the City's commitment to being a safe, inclusive and welcome place for all.	0 – Does not demonstrate the ability to be safe, inclusive, or welcoming 10 - Demonstrates the ability to be safe, inclusive, and welcoming for all	10 points
Project Impact	Increases the number of people traveling to Lacey or the Lacey UGA.	0 – Does not demonstrate the ability to increase the number of people traveling to Lacey or the Lacey UGA 10 - Demonstrates the ability to increase the number of people traveling to Lacey or the Lacey UGA	10 points
Community and Business Collaboration	Demonstrates community appeal and support, while generating positive economic impact in Lacey or the Lacey UGA.	0 – Does not demonstrate community appeal or collaboration 10 - Demonstrates community appeal 20 - Demonstrates community appeal and has collaborated with local businesses for support with their event	20 points
Program Sustainability	Demonstrates the ability to implement a successful event.	0 – Does not demonstrate the ability to implement a successful event 5 - Demonstrates the ability to implement a successful event	5 points
Financial Sustainability	Demonstrates the ability to secure additional funding beyond the City of Lacey.	0 – Does not demonstrate the ability to secure other funding 5 - Demonstrates the ability to secure other funding	5 points
Location	Location is in Lacey or the Lacey UGA	0 - Is not located in Lacey or the Lacey UGA 10 - Is located in Lacey or the Lacey UGA	10 points
Multi Day Events	Duration is two days or more days.	0 – Is only one day 20 - Is two days or greater	20 points

Shoulder Season	Occurs October thru April.	0 - Does not occur October thru April	10 points
		10 - Occurs October thru April	

X.08 Supplemental Presentations

The Lodging Tax Advisory Committee may require applicants to give a presentation on a case-by-case basis. The Lodging Tax Advisory Committee will determine presentations for Events, Activities, and Programs applicants with the assistance of the score rubric.

DRAFT

Event/ Activity/Program Application Rubric Score Card

Category	Details	Total Point Weight	Correlating Application Question
New Event, Activity, or Program	Has existed three years or less. This does not include cancelled events.	10 points	Event info.
Tourist Attraction	Demonstrates the ability to attract visitors from 50 miles or more.	20 points	1
Marketing	Demonstrates the ability to promote tourism in Lacey or the Lacey UGA that encourages the support of businesses, restaurants, and retail.	10 points	2
Safe, Inclusive, and Welcoming Events	Demonstrates the City's commitment to being a safe, inclusive and welcome place for all.	10 points	3
Project Impact	Increases the number of people traveling to Lacey or the Lacey UGA.	10 points	4
Community and Business Collaboration	Demonstrates community appeal and support, while generating positive economic impact in Lacey or the Lacey UGA.	20 points	5
Program Sustainability	Demonstrates the ability to implement a successful event.	5 points	6
Financial Sustainability	Demonstrates the ability to secure additional funding beyond the City of Lacey.	5 points	14
Location	Location is in Lacey or the Lacey UGA	10 points	19
Multi Day Events	Duration is two days or more.	20 points	20
Shoulder Season	Occurs October – April.	10 points	21
		Total Available Points 130	

Event/ Activity/Program Application Rubric Criteria

Category	Details	Point Criteria	Total Point Weight
New Event, Activity, or Program	Has existed three years or less.	0 – Has existed for four years or longer	10 points
	This does not include cancelled events.	10 – Has existed for three years or less	
Tourist Attraction	Demonstrates the ability to attract visitors from 50 miles or more.	0 - Demonstrates the ability to attract only City of Lacey residents 10 - Demonstrates the ability to attract visitors from surrounding areas 20 - Demonstrates the ability to attract visitors from areas 50 miles or greater	20 points
Marketing	Demonstrates the ability to promote tourism in Lacey or the Lacey UGA that encourages the support of businesses, restaurants, and retail.	0 - Does not demonstrate the ability to market Lacey businesses, restaurants, and retail 10 - Demonstrates the ability to market Lacey businesses, restaurants, and retail	10 points
Safe, Inclusive, and Welcoming Events	Demonstrates the City's commitment to being a safe, inclusive and welcome place for all.	0 - Does not demonstrate the ability to be safe, inclusive, or welcoming 10 - Demonstrates the ability to be safe, inclusive, and welcoming for all	10 points
Project Impact	Increases the number of people traveling to Lacey or the Lacey UGA.	0 - Does not demonstrate the ability to increase the number of people traveling to Lacey or the Lacey UGA	10 points

Event/ Activity/Program Application Rubric Criteria

		10 - Demonstrates the ability to increase the number of people traveling to Lacey or the Lacey UGA	
Community and Business Collaboration	Demonstrates community appeal and support, while generating positive economic impact in Lacey or the Lacey UGA.	0 - Does not demonstrate community appeal or collaboration 10 - Demonstrates community appeal 20 - Demonstrates community appeal and has collaborated with local businesses for support with their event	20 points
Program Sustainability	Demonstrates the ability to implement a successful event.	0 - Does not demonstrate the ability to implement a successful event 5 - Demonstrates the ability to implement a successful event	5 points
Financial Sustainability	Demonstrates the ability to secure additional funding beyond the City of Lacey.	0 - Does not demonstrate the ability to secure other funding 5 - Demonstrates the ability to secure other funding	5 points
Location	Location is in Lacey or the Lacey UGA.	0 - Is not located in Lacey or the Lacey UGA 10 - Is located in Lacey or the Lacey UGA	10 points
Multi Day Events	Duration is two or more days.	0 - Is only one day 20 - Is two days or greater	20 points

Event/ Activity/Program Application Rubric Criteria

Shoulder Season	Occurs October – April.	0 - Does not occur October – April	10 points
		10 - Occurs October – April	

Proposed 2024 LTAC Budget Priorities		
<u>Funding Category</u>	<u>Percentage of Annual LTAC Budget Allocated</u>	<u>Ex. \$500,000 budget</u>
Marketing	20%	\$100,000
Capital Projects	60%	\$300,000
Events / Activities / Programs	20%	\$100,000