

Minutes

Lodging Tax Advisory Committee
Thursday, October 7, 2004, 11:30 a.m.
City Hall Executive Conference Room

Present:

Committee members:

Curt Pavola, Chair, Patty Belmonte, Sandra Miller, Gail Sullivan, Jeff Kingsbury.

Staff:

Cathie Butler, Communications Manager and LTAC staff liaison
Nancy Lenzi, Support Staff

Proposers:

Annamary Fitzgerald, Bigelow House Preservation Association
Bob Morse and Nina Carter, Black Hills Audubon Society
Teri Chmielewski and Jan Meyers, Capital Lakefair
Eli Sterling, Earthbound Productions
Charlotte Dickison, Greater Olympia Dixieland Jazz Society
Trudy Soucoup, Harlequin Productions
Connie Lorenz, Olympia Downtown Association
Harreld Dinkins and Joyce Mercuri, Olympia Film Society
Shanna Stevenson, Olympia Heritage Commission
Suzann Stahl, Olympia Symphony Orchestra
Tamara Garcia, Olympia-Thurston Visitor Convention Bureau
Derrick Baena, Olympic Flight Museum
Thom Abbott and Chris Lane, South Sound Maritime Heritage Assn.
Melissa Parr and Susan Rohrer, Washington State Capital Museum
Steve Hall and Linda Oestreich, City of Olympia.

Others:

Tom Iovanne, The Washington Center
Katherine Tam, The Olympian.

Call to Order:

Chair Pavola called the meeting to order at 11:30 a.m.

Introductions:

Mr. Pavola, committee members, City staff, proposers, and other attendees introduced themselves.

Mr. Pavola amended the agenda and moved agenda item #5 "Agreement on next steps in the review and recommendation process." to #4 on the agenda. The agenda was approved as amended.

Proposals for Consideration

Ms. Butler explained that sixteen proposals were received totaling \$323,143 in funding requests; plus a memorandum from the Olympia City Manager to consider recommending an annual commitment of Lodging Tax funds for a future community Arts Center. Ms Butler indicated that Mr. Dean Walz, Finance Manager for the City of Olympia, projects that the 2005 Lodging Tax receipts for that portion of the fund considered by the Committee will be between \$215,000 and \$220,000. Mr. Walz projects a 2004 year end fund balance of \$180,000.

Mr. Kingsbury asked whether the \$40,000 appropriated for the Arts and Conference Center was included in the projected \$180,000 fund balance at year's end 2004. Ms. Butler will confirm that amount with the Mr. Walz and report back at the October 15 Lodging Tax Advisory Committee meeting.

Mr. Pavola asked the Committee for a rating system with which to score the proposals. Ms. Miller responded that although the Committee has no rating process she felt the same could be achieved with open dialog, clarifying communication, and by gaining a basic understanding of each organization and its history.

Mr. Pavola asked Ms. Butler to explain to the Committee and proposers the purpose of today's Lodging Tax Advisory Committee meeting. Ms. Butler explained the first meeting is an opportunity to review each proposal and address any questions the Committee may have with representatives from the proposing organizations. At the second Committee meeting on Friday, October 15, 2004, beginning at 11:30 a.m., in the Smith Building first floor conference room, the Committee will determine which organizations receive monetary awards and the dollar amount of those awards.

Ms. Butler explained that City Attorney Bob Sterbank is out-of-town on City business, today, but will be available to answer Committee questions at the October 15 meeting.

Ms. Butler explained the general guidelines as interpreted by Mr. Sterbank in light of last year's audit report. According to Mr. Sterbank, the Committee needs to address any open ended requests and determine the exact nature of the proposal. Secondly, if staff time is listed as part of the proposal, the City will need some documentation at the contract development stage regarding how the amount was determined so that the City is contracting to pay for actual expenses.

Mr. Kingsbury questioned whether any 2004 contracts remain open and if there will be any left-over lodging tax dollars this year. Mr. Butler explained some of the proposers are still providing 2004 contracted services, and that the Committee's 2004 recommendations included a projected \$24,295 contingency. Ms. Butler will verify this figure with Mr. Walz and report back at the October 15 meeting.

Ms. Miller asked Ms. Butler to email any information available to the Committee members that show which contracts are closed and the dollar amounts of those closed contracts. Ms. Butler will review the information and prepare a report for the Committee.

Mr. Pavola explained lodging tax funds will only be used for the promotion of emerging or ongoing tourism events and facilities by government or nonprofit agencies so as to attract and welcome tourists, and capital and/or operating costs for city-owned tourism facilities.

Mr. Pavola reviewed the criteria used to determine high priority in judging tourism activities. The criteria are:

- Promote Olympia and/or events, activities, and places in the City of Olympia.
- Target tourists from outside Thurston County.
- Provide, maintain, operate, or enhance City-owned tourism facilities or infrastructure.
- Promote or have the potential to result in overnight stays by tourists in lodging establishments within the City of Olympia.
- Document prior or ongoing economic benefit to Olympia through promotion of their event, activity, or facility.
- Have a demonstrated history of success in Olympia, or are proposed by an individual or group with a demonstrated history or high potential of success with similar activities.
- Minimize duplication of services where appropriate and encourage cooperative marketing and/or includes an element of cooperation or partnership.

Mr. Pavola explained requests not considered are:

- Requests for community event expenses that are not directly a part of promoting the event to visitors and tourists.
- Requests to provide, maintain, operate, or enhance facilities in which the City does not have an ownership interest.
- Requests for services to be provided beyond the year 2005.
- Requests from for-profit businesses.
- Requests for services that do not promote tourism in the City of Olympia or the Olympia area.

Committee Proposal Review

Bigelow House Preservation Association, Annamary Fitzgerald, Executive Director

Ms. Miller stated that for 2004, the Committee suggested that the Bigelow House Museum collaborate with other area museums as a manner of enhancing the tour program at Bigelow House. Ms. Miller asked if that collaboration proved successful. Ms. Fitzgerald reported that collaboration resulted in increased numbers of tourists visiting Bigelow House. She noted that many tourists visit the Museum after spending time at the Olympia Farmer's Market and/or the state capitol tour.

Mr. Kingsbury questioned whether \$32,193 was the total annual budget for the Museum. Ms. Fitzgerald responded, no. She stated the total annual budget is actually \$45,000. The Museum is in the process of installing new landscaping and making capital improvements that cannot be part of the lodging tax program. Ms. Miller stated that the lodging tax is more than half of the annual budget. Mr. Kingsbury mentioned that looking at the 2003 budget, it appears the annual budget has nearly doubled. Ms. Fitzgerald responded that is due to the landscaping and capital improvements. Mr. Pavola asked how the \$22,006 budgeted amount will be used. Ms. Fitzgerald responded the funding would be used to support staffing for website enhancements,

postal expenses, site and event signage, regional advertising promoting the Holiday Home Tour in The Olympian, Tacoma's News Tribune, Lewis County's The Chronicle, and the Mason County Journal. The funding would also be used for printing promotional brochures, flyers, and event calendars distributed to area VCBs and lodging facilities in Mason, Lewis, and Thurston counties, the Stave Visitor Center, the Washington State History Museum, area antique stores and media outlets. Staff time associated with the Strategic Plan and the Tourism Marketing and Promotional Activities will be calculated at the rate of \$17.25 per hour.

Ms. Miller asked if Ms. Fitzgerald had any idea how many people visiting the Museum are from out-of-town. Ms. Fitzgerald responded 20-25 percent of the visitors are from out-of-state, and 20-25 percent of visitors are from out-of-town.

Black Hills Audubon Society, Bob Morse, Birding Trail Chair, Nina Carter, National Audubon Society

Ms. Carter distributed an Audubon Society brochure highlighting the Audubon program. Mr. Morse stated the Black Hills Audubon Society is requesting funding in the amount of \$10,000 to facilitate the creation, printing, and distribution of two Birding Trail maps for the Olympic and Southwest Washington loops. The maps provide detailed routes of the specific area and identify the best places to watch birds. The unique opportunity for Thurston County is that each map is a loop trail that begins and ends in our community. The Society will print and distribute 50,000 maps for each loop. Maps will be distributed to local Chambers of Commerce, government agencies, and Visitor and Convention Bureaus. Copies of the maps can be requested over the internet or via a toll-free telephone number and will be available in local libraries and information kiosks.

Ms. Miller asked what the shelf life of the maps is anticipated to be. Mr. Morse responded the maps will be current for five to seven years. Mr. Pavola asked what percentage of the maps will be distributed outside of Thurston County. Mr. Morse replied 90 percent will be distributed outside Thurston County.

Capital Lakefair, Teri Chmielewski, Marketing Chair

Mr. Pavola asked whether historically Lakefair has been marketed outside Thurston County. Ms. Chmielewski responded that Lakefair has not been advertised outside the local area; however the Lakefair Board realizes the need exists to better market the event, specifically, in Mason, Grays Harbor, and Kitsap counties in 2005. Ms. Chmielewski stated the vendors noted an increased number of customers at this year's event. Mr. Pavola asked if there was any way to measure where customers to the event come from. Mr. Chmielewski responded the organization can track the vendor participants but have no way to track others. Ms. Miller stated that Lakefair could ask the hoteliers for a special Lakefair rate which, in turn, furnishes an easy tracking tool. The hoteliers also can provide a survey to customers for tracking traveling distances. This is an additional tool Lakefair can use as a tracking mechanism.

Ms. Chmielewski stated Lakefair plans to continue sponsoring 50+ in the park during Lakefair. This event is represented by almost all of the retirement community facilities in Thurston County. Lakefair intends to further promote this event in the King, Snohomish, Pierce, Lewis and Thurston County areas.

Ms. Butler explained the Lakefair proposal may contain an item that is not eligible for lodging tax funding, specifically, the Royalty Alumni Program.

Earthbound Production, Eli Sterling

Mr. Pavola asked Mr. Sterling what the results of the spring 2004 survey revealed about the impact of Olympia events on the business community. Mr. Sterling explained that in spring 2004, Earthbound Productions, with the guidance from the City Arts Office, the Olympia Downtown Association, and the VCB, conducted a survey of over 100 downtown businesses in order to better gauge the impact of Olympia events on their businesses. The survey results ranked the Spring and Fall Arts Walks and the Procession as the number one and two events in Olympia with the most impact on their businesses.

Mr. Pavola asked if there is a tracking method to ascertain whether customers are from inside or outside the community and/or staying overnight. Mr. Sterling responded there is a need to get participants more involved in order to assimilate better tracking results. For instance, a teaming with TESC could be beneficial with this task.

Mr. Pavola noted this year's request is for \$30,500. Mr. Kingsbury noted the 2004 budget was \$21,883, the 2003 budget was \$51,000; however, the 2005 budget is \$129,000. Mr. Sterling responded the 2005 budget lists in-kind donations as well as cash donations. Mr. Kingsbury asked if Earthbound Productions also received money from the City's General Fund. Mr. Sterling responded that Earthbound also receives \$3,500 from the City general fund, not \$10,000. Ms. Miller asked what the intent of the general fund money is. Mr. Pavola responded it is not related to tourism promotion, but is for other activity expenses. Mr. Pavola clarified that the City Council supports a number of worthwhile community activities in a special account fund.

The Greater Olympia Dixieland Jazz Society, Charlotte Dickison, President

The request this year is for \$7,945 from lodging tax funding. Mr. Pavola asked Ms. Dickison how the funding will be used since it is not broken out by line item on the proposal. Ms. Dickison explained the funding will be used for newsletters, postage, long distance telephone costs, fliers, and website advertising. Mr. Pavola asked how the Society promotes Olympia hotels to the attendees. Ms. Dickison responded the Society has arranged special rate agreements with the hotels in Olympia. Mr. Pavola asked if the special rates provide a tracking mechanism. Ms. Dickison replied, yes, the Society tracked 100-150 trackable nights in Olympia during the 2004 event.

Mr. Pavola suggested that next year, the Society provide stronger trackable data in the proposal.

Ms. Miller asked if there was anything substantially different for 2005. Ms. Dickison responded the Society increased the mailing list by adding 600 new Canadian addresses.

For the October 15 LTAC meeting, Mr. Pavola requested a line item budget identifying the intended use for the \$7,945 funding request.

Hands On Children's Museum, Patty Belmonte, Executive Director

Ms. Patty Belmonte declared that she is the Executive Director of the Hands On Children's Museum and sits on the Lodging Tax Advisory Committee as a representative of groups eligible for funding. Ms. Belmonte clarified that with regards to the overview from the Museum, she representing the Hands On Children's Museum to answer questions the Lodging Tax Advisory Committee may have for her as Executive Director of the Museum. Ms. Belmonte declared that she would be refraining from deliberating about the HOCM proposal and would not participate in a vote on the proposal.

Mr. Pavola asked Ms. Belmonte to discuss the funding difference between this year's and last year's proposal. Ms. Belmonte explained the number of tourists visiting the Museum and the Sand in the City event has grown substantially over the past two years. For 2005, the Museum has requested lodging tax funding in the amount of \$41,542. The funding will be used to provide year-round tourism promotion for the Museum and regional promotion for the Sand in the City event. The funding will also be used for staff costs relative to website development and maintenance. The Museum secured \$125,000 in free advertising airtime and space which is why the bulk of the costs include staff time to negotiate the agreements, write copy, design art, etc. The Museum was able to secure the technical web work through donation, but a staff person provides ideas and planning for the technical person.

Mr. Pavola stated this proposal is very detailed and explained that Ms. Belmonte conducts the Lodging Tax Workshop for potential lodging tax proposers. He encouraged other proposers to use the HOCM proposal and a model.

Ms. Miller stated that her son works at the Hands On Children's Museum and because of this association, she will not be voting on the proposal when considered by the Committee next week.

Harlequin Productions, Trudy Soucoup

Ms. Soucoup stated Harlequin Productions is requesting \$5,128 in lodging tax funding which will be used to offset the cost of designing, printing, and mailing 2,216 pieces of promotional material which will be sent to current and potential patrons who reside outside Thurston County. During calendar year 2005, Harlequin Productions will present six separate productions which are estimated to bring more than 20,000 people to downtown Olympia.

Mr. Kingbury asked Ms. Soucoup to describe plans not outlined in the proposal that will enhance overnight stays. Ms. Soucoup stated there are presently no current plans in place. She explained the majority of overnight stays are for summer productions.

Ms. Miller asked for an explanation of the major loss noted in the Income & Expense Statement in 2003 versus the gain of \$80,000 in 2004. Ms. Soucoup explained the \$80,000 gain resulted from major fundraising to offset the 2003 loss and monies generated from increased ticket prices. Ms. Soucoup will provide the Committee with 2005 budget figures before the October 15 Committee meeting.

Olympia Downtown Association (ODA), Connie Lorenz, Executive Director

Mr. Kingsbury declared he is the President of the Olympia Downtown Association and will not be deliberating or voting on the proposal.

Ms. Belmonte asked why the ODA decided to start "Music at the Port." Ms. Lorenz responded the ODA has been talking with the Port about this program for a very long time. It will be an extension of the successful Music in the Park series. The venue at the Port is now operational and was created for community events of this type. The activity is for the purpose of creating a special event designed to attract tourists. Ms. Belmonte asked whether Music at the Port will draw visitors from outside the community. Ms. Lorenz responded the venue can accommodate at least 1,000 people and is expected to have a regional draw and attract tourists for multi-day stays. The program will begin in July 2005 with the last concert at the end of August 2005.

Mr. Pavola stated the shopping guide, restaurant guide, Downtown Newspaper, and web site information does not seem to be externally focused. Ms. Lorenz replied these items are tools for people when visiting Olympia. They provide information to welcome people to Olympia and provide information about what is available for them to do.

Olympia Film Society (OFS), Harreld Dinkins, Joyce Mercuri

The Olympia Film Society is requesting the Committee to cover the expense of printing and distribution of its 2005 Film Festival Program Guide at its current circulation of 10,000 copies. In addition, OFS requests funds to expand current advertising levels in other cities' newspapers, radio stations throughout Puget Sound, and promotional trailer screenings in other independent theaters.

Ms. Belmonte asked if the Festival Program will be distributed locally and outside the community. Mr. Dinkins explained the OFS Program will be bulk mailed as far reaching Vancouver, British Columbia, Tacoma, Seattle, and Portland, Oregon areas. Ms. Belmonte asked whether there is a method to track the percentage of out-of-town visitors attending the annual Olympia Film Festival. Ms. Mercuri stated that information is available and will be provided to the Committee before the October 15 LTAC meeting.

Mr. Pavola emphasized the Committee needs information showing how the Olympia Film Society attracts tourists from outside the community as recommended by the City Attorney's interpretation of case law. Mr. Pavola also requested that in the future, the OFS provide a complete promotion budget that includes donation of in-kind promotional materials.

Olympia Heritage Commission, Shanna Stevenson, Senior Planner, Olympia Heritage Commission

Ms. Butler explained the Olympia Heritage Commission is a function of the City of Olympia. It is not a nonprofit organization, but rather a government entity.

Ms. Belmonte asked when the Heritage Commission plans to conduct the living history presentation. Ms. Stevenson replied one weekend during the month of May 2005. May is designated National Historic Preservation Month.

Ms. Miller asked if there are any other funding sources available for the Commission because 80% of this request is being requested from lodging tax funds. Ms. Stevenson replied in the past the Commission has applied for federal funds for promotions. However, the federal cycle has already allotted funds for next year.

Mr. Kingsbury requested more information about the \$3,449 requested for overall coordination of activities and programs by Heritage Commission staff. Ms. Stevenson stated this would be the City matching funds and the lodging tax funds would buy the products.

Olympia Symphony Orchestra (OSO), Suzann Stahl, Executive Director

The Olympia Symphony Orchestra is asking for lodging tax monies to promote the February 13, 2005 concert, "The Orchestra Romances" featuring a performance by Pianist Robin McCabe, a Puyallup native. The OSO will promote this event using radio advertising on KING FM, print ads in The Olympian and Tacoma News Tribune, and direct mailing to constituents in a five-county area. Funding from the lodging tax will enable the organization to expand its reach with additional advertising on KING-FM, Puget Sound's only commercial classical radio station.

Mr. Pavola asked how far-reaching the KING FM audience is. Ms. Stahl replied the radio station reaches all along the I-5 corridor west of the mountains. Mr. Pavola stated he would like to see on a map the coverage area supplied by KING FM.

Ms. Miller asked if there are promotional partnering possibilities with symphonies in other cities, such as Spokane. For example, would Spokane be willing to partner with the Olympia Symphony for a reciprocal event? Ms. Stahl responded that could be possible for future exploration.

Olympia Thurston Visitor Convention Bureau, Tamara Garcia, Executive Director

Ms. Belmonte declared she is a member of the VCB Board and will not vote on this proposal. Mr. Kingsbury stated Capital Playhouse is a VCB member organization and asked if that prohibits him from voting on the VCB proposal. Ms. Miller stated the Ramada Inn also is a VCB member. Ms. Butler will check with the City Attorney to determine whether this association prohibits Mr. Kingsbury and Ms. Miller from voting on the VCB proposal.

Ms. Miller referred to item #6 of the proposal, Information Kiosks, and asked Ms. Garcia the location of the kiosks. Ms. Garcia explained the kiosks will provide a 365/7 outlet for visitors to obtain tourism information at times when the Chambers and VCB are not open for business. The VCB will work with the Port of Olympia and the cities of Olympia, Lacey, and Tumwater to identify and create structures to house kiosks or posting boards providing areas to display printed tourism information. The plan is to provide three kiosks, one in each city.

Ms. Miller asked Ms. Garcia to describe how the VCB tracks customer visits and area tourism statistics. Ms. Garcia explained the VCB tracks everything. The VCB works with the state to track impact spending. It tracks all information from visitors calling for information to the VCB office. In 2003, there were 5,000 visitor requests logged and tracked. There is a mid-year

statistical report which Ms. Garcia will provide Ms. Butler before the October 15 LTAC meeting.

Mr. Pavola asked Ms. Garcia what percent of operational expense is eligible for funding from the lodging tax. Ms. Garcia replied that 100% is eligible as the operating expenses of tourism marketing associations such as the VCB are explicitly allowed in the State law. Mr. Pavola asked Ms. Garcia to clarify why the VCB has requested \$90,000 in funding from Olympia, especially compared to the level of funding requested from other local jurisdictions. Ms. Garcia replied that Olympia is the largest city in Thurston County with the most tourism and hotel activity.

Olympic Flight Museum, Derrick Baena, Deputy Director

Mr. Pavola confirmed with Mr. Baena that the formerly known *Annual Gathering of the Warbirds* has been renamed *Annual Olympic Air Show*.

Ms. Miller asked how the organization tracks the number of visitors attending the air show. Mr. Baena explained there is a guest book which visitors sign upon entering the event, and event staff performs actual head counts at the event. Mr. Baena explained their statistics show over 50 percent of visitors are from outside the region, and 25 percent of event attendees are from out-of-state.

Mr. Pavola asked if the 25 percent from out-of-state stay in local hotels. Mr. Baena responded the Museum fills 100 rooms just for the pilots. Mr. Pavola asked whether the event promotes certain lodging properties. Mr. Baena replied the event organizers have not targeted specific lodging properties.

Ms. Belmonte referred to the 2003/2004 Event Financial Report and asked if the \$96,653 gross earnings is from the 2003 5th Annual Gathering of Warbirds and if that figure is totally separate from the museum budget. Mr. Baena replied that assumption was correct, the figure was completely separate from the museum budget. In fact, the \$96,653 was the amount pulled from the general admission ticket sales.

Ms. Belmonte questioned whether the event planners sought corporate sponsorship to which Mr. Baena replied yes. He explained the event vendors provide approximately 20 percent of the event funding and the remaining funding comes from other grants and municipalities such as the City of Tumwater. Mr. Pavola asked what percentage the City of Tumwater provides. Mr. Baena replied Tumwater provides \$19,000 to the event fund annually.

Mr. Pavola asked the intended use of the \$15,000 marketing and event promotion funding. Mr. Baena responded the funding will be used to promote the event using a broad spectrum of multi-media applications. This includes international and national aviation publications, Seattle-Tacoma-Olympia newspapers, radio and internet advertising. In addition, 50,000 event posters will be produced for distribution in The Olympian newspaper and along the I-5 corridor including truck stops.

South Sound Maritime Heritage Association, Chris Lane

Ms. Belmonte stated that in her opinion the proposal does not provide enough specific information to explain the use of lodging tax funding. Mr. Lane stated that after hearing the other proposals, he recognizes that the Association's could use some more work. He explained the intent of the ticket purchase proposal is to provide an attractive package to entice people to come for the event and stay overnight in Olympia hotels. He said details could be worked out with individual hotels to ensure that only those people who were guests at the establishments were eligible to receive the ticket package.

Mr. Butler indicated that the City Attorney would need to address whether or not it would be considered a "gift of public funds" to use City money to purchase event tickets to give away free of charge to select individuals.

Washington State Historical Society's State Capital Museum, Melissa Parr, Susan Rohrer

Ms. Rohrer noted errors on the lodging tax request ledger, specifically the column titled "Other Requests" should total \$16,660; and the column titled "Total" should display \$53,835 on the total line.

Ms. Rohrer explained the Museum is planning a Public Symposium on April 8 and 9, 2005 entitled 150 Years of Northwest Treaties: Indian Tribes as Sovereign Governments. The event is expected to bring nearly 500 people to Olympia from Washington, Idaho, western Montana, and Oregon. The symposium will be held at two locations, The Evergreen State College Longhouse Education and Cultural Center and the Washington State Capital Museum.

Mr. Pavola questioned which hotels the Museum will be using to partner for this event. Ms. Parr responded no plans are in place as yet.

Ms. Rohrer explained the request for \$8,500 will cover costs to mail an event postcard nationwide to educators, students, policymakers, and those associated with the Washington, D.C. new Indian museum. Approximately 5,000 postcards will be mailed to 35 tribes, those federally mandated and those that are not. The Museum also has an extensive email listing that will be used for promotion of the event.

Ms. Miller asked if Ms. Rohrer feels this could be the start of some sort of annual gathering. Ms. Rohrer replied this is the 150 year celebration of the Northwest Treaties and will not be an annual event.

Community Art Center and Sculpture Garden, Steve Hall, Linda Oestreich

Mr. Pavola indicated that this request did not need to be presented to the Committee in the format of the other requests since it was a request to reserve funds for a tourism-related municipal purpose being brought to the committee for consideration by the City Manager with concurrence from the City Council to do so.

Ms. Miller noted the City's proposal was submitted after the September 13, 2004, the closing deadline. Because of this, Ms. Miller felt the proposal should not be considered for funding in the 2005 LTAC process.

Ms. Butler indicated that the City Council can refer items to the Committee at any time during the year, and that City Manager received authorization from the City Council to forward the proposal to the Committee. Because of City Council's vacation schedule, the Council authorization was on September 14.

As clarification, Ms. Butler read the statement from RCW 67.28.1817:

“(2) Any municipality that proposes imposition of a tax under this chapter, an increase in the rate of a tax imposed under this chapter, repeal of an exemption from a tax imposed under this chapter, or a change in the use of revenue received under this chapter shall submit the proposal to the lodging tax advisory committee for review and comment. The submission shall occur at least forty-five days before final action on or passage of the proposal by the municipality. The advisory committee shall submit comments on the proposal in a timely manner through generally applicable public comment procedures. The comments shall include an analysis of the extent to which the proposal will accommodate activities for tourists or increase tourism, and the extent to which the proposal will affect the long-term stability of the fund created under RCW 67.28.1815. Failure of the advisory committee to submit comments before final action on or passage of the proposal shall not prevent the municipality from acting on the proposal. A municipality is not required to submit an amended proposal to an advisory committee under this section.”

Mr. Kingsbury commented that the City proposes half of the annual lodging tax funds be withheld annually as reserves toward a future Community Art Center and Sculpture Garden. Mr. Kingsbury stated that translates to 1 percent of the funding be reserved for this proposal. And secondly, the criteria guidelines do not address an annual commitment toward funding a proposal.

Ms. Miller commented that after the LTAC completes its work on the 2005 lodging tax proposal process, the Committee needs advice from the Olympia City Council regarding a vision for tourism.

Mr. Kingsbury commented that it appeared that the City's proposal would meet the criteria for lodging tax funding. He asked whether an amount could be put into an account yearly for an arts and conference center. Mr. Hall stated the Lodging Tax Advisory Committee is chartered with making recommendations on the use of the lodging tax, including whether or not to set aside monies for a specific purpose.

Mr. Hall explained there are citizens wanting to donate artwork to the City, and the City does not have a center to display the works. The concept of an arts center remains alive in the community. The lodging tax is an avenue that could allow the creation of an arts center. This is an avenue for the LTAC to approve use of lodging tax money for another purpose.

Mr. Pavola stated the LTAC will table the City's proposal for a Community Art Center and Sculpture Garden for the LTAC to October 15 meeting. He suggested that City staff develop additional background information on the proposal and that Mr. Hall attend the meeting to address Committee concerns and questions.

Mr. Pavola also tabled the Synergy proposal to be addressed at the LTAC October 15 meeting.

Adjournment

The meeting adjourned at 2:50 p.m.