

AGENDA

Lodging Tax Advisory Committee

November 14, 2014

BOCC Conference Room

9 a.m. to 10:30 a.m.

CALL TO ORDER, ROLL CALL

REQUEST FOR MODIFICATIONS/APPROVAL OF AGENDA

**APPROVAL OF MINUTES FOR THE MEETING OF NOVEMBER 25, 2013
ITEMS TO DISCUSS**

- **Reports**
 - **Clallam County/Chamber Memberships**
 - **Clallam County Parks**
 - **Clallam Bay-Sekiu Chamber**
 - **Olympic Peninsula Visitors Bureau**
 - **Financial Report**
- **Final review of funds**
- **Recommendations for 2015 LTAC funding**
- **Next meeting date**

ADJOURN

Clallam County LTAC – Hotel/Motel Tax Advisory Committee Minutes ... November 25, 2013 at 1:00 p.m.

Committee Members present: Chair Mike Doherty (Clallam County Commissioner), Vice Chair/Secretary Sande Balch (Juan de Fuca Scenic Byway Association), Laurel Black (Laurel Black Design), Bobbi Fuller (Elwha Dam RV Park). **Absent:** Diane McGann (Rainbow's End RV Park).

Also present: Jim Jones (Clallam County Administrator) and Diane Schostak (Olympic Peninsula Visitor Bureau).

Call to Order: The meeting was called to order by Chairman Mike Doherty at 1:30 p.m. The agenda was accepted with the following additions:

- Ratification of electronic vote in February 2013
- Hotel/Motel tax law changes
- Maritime Heritage Area
- Peninsula College project concerning Native American art

Ratification of Electronic Vote in February 2013: Diane Schostak contacted the LTAC committee on January 31, 2013 with a request for an additional \$7,000 based on the increased total revenue for the previous year (projected \$380,000/actual \$400,300). Funds would be used to support projects underway, including a geocaching program, two campaigns in Victoria and Puget Sound, building a mobi website for pads and smart phone users and a host of marketing efforts, communications, and advertising coops.

An e-vote was taken on February 5th with the question: Shall the Lodging Tax Advisory Committee authorize an additional one-time payment to the Olympic Peninsula Visitor Bureau of \$7,000 based on increased revenues from 2012? The response to this electronic vote on disbursement of funds was: Sande Balch yes, Laurel Black yes, Bobbi Fuller yes, Diane McGann (no response). The Board of Clallam County Commissioners authorized the expenditure by Resolution 06, 2013 on February 12, 2013.

A motion to ratify the electronic vote to authorize this expenditure was approved by the LTAC committee at this scheduled meeting (Bobbi/Laurel).

Hotel/Motel tax law changes: Jim Jones reported two items of concern that came up in a recent audit of the use of and record keeping for hotel/motel funds. One was that the documents presented as reports/request for funding each year need to be kept physically in a file and available for review. The second being that there was a question about whether the people appointed to the committee as "tax users" (as opposed to "tax collector") are appropriate. The auditor will follow up on that concern and let the County know when the report is filed. Clallam County/Chamber of Commerce memberships and Clallam Bay Sekiu Chamber/tourism will be asked to submit written reports/requests. Clallam County will seek further information on the "user" positions before any further appointments are made.

The current law allows use of funds for operations under certain circumstances. The law specifies that all funding requests go through the LTAC to be put on an approved list for funding, rather than directly contacting the municipality. The municipality (in our case the BOCCC) can choose all, some, or none of the LTAC funding recommendations on the approved list. The municipality cannot change the funding amounts and cannot fund any entities/projects outside of the approved list.

Diane Schostak commented that specific reporting requirements will be in place for 2015 concerning use of 2014 hotel/motel tax funds. The reporting requirements (measurements/metrics) are directed more toward events, not destination marketing. These reporting requirements are not intended to slow down/stop the use of the hotel/motel tax funds, but rather to make people accountable for the proper use of funds. After some information is received from these reports and it is learned how funds are used, there will be a clearer idea of how to tighten up the rules. Each project will have to find a way to measure its effectiveness in "putting heads in beds." The OPVB will develop a reporting form to help those receiving funds from the Tourism Enhancement Grants.

Laurel Black commented that marketing is based on inspiring human behavior and the effect cannot always be counted.

Reports/Funding Requests:

Clallam County Parks, Fair and Facilities Department: Joel Winborn

Funding Request: \$24,500

Due to scheduling conflicts, Joel Winborn of Clallam County Parks could not attend, rather he submitted a written report and funding request.

His report stated that Clallam County Parks provide:

- Outdoor recreational opportunities at 20 County Parks and the Olympic Discovery Trail which are tourism attractions and services from one end of the county to the other.
- Public access points to saltwater and freshwater beaches used by thousands of tourists each year.
- Six launch facilities that provide year round recreational use.
- Needed access to facilities, beaches and recreational resources that tourists want.
- Tourist activities close to motels, bed and breakfast inns, and other lodging areas.
- Nationally recognized wildlife viewing areas like the Salt Creek turkey vulture migration, tide pools, and Dungeness Wildlife Refuge.
- Five access points on the National Scenic Byway (Hwy 112) which are Salt Creek Recreation Area, Freshwater Bay, Pillar Point, Clallam Bay and Clallam Bay "West".

The Clallam County Fair and Fairgrounds provide:

- Annual Clallam County Fair attracts approximately 30,000 fairgoers each year, many of whom are from outside the area.
- Off-season events which consist of RV rallies, weddings, Jr. Rodeo, Lipizzaner Horse shows, Antique Car rallies, and various other events.

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Approval of requested funding totaling \$24,500.00 will help the department to:

- Continue improved maintenance of day use and beach access areas.
Funding request for day use parks seasonal ranger \$9,400.00
- Hire Clallam Bay Park Ranger for 5 months to maintain Clallam Bay and Clallam Bay "West" parks.
Funding request for Clallam Bay Park seasonal ranger \$8,400.00
- Continue to improve promotional program and use of County Parks and Fairgrounds via website and marketing brochures informing visitors of existence/location/offering of these areas.
Funding request for out of area promotion ... Parks \$5,500.00
Funding request for out of area promotion ... Fair \$1,200.00

**Clallam Bay-Sekiui Tourism: Ali Baker, Tourism Committee Chair (no report/request)
Funding Request: \$20,000**

(additional funds paid, if appropriate, when final yearly tax collected information is received)

These funds are paid to the Clallam Bay-Sekiui Chamber by agreement based on the hotel/motel tax actually collected. In light of recent changes in the tax use and reporting laws, Clallam County needs to request a written report/request for 2014 funds and should keep Clallam Bay Sekiui Chamber abreast of new reporting requirements for 2014 fund use.

Strait of Juan de Fuca Scenic Byway Association ... The Juan de Fuca Scenic Byway Association does not request funds directly from the LTAC/Clallam County. Past reports were informational only as to activities in tourism promotion and impact on local lodging facilities. No funds are being requested at this time. This report should be removed from future agendas unless there is a specific request from the Association to be included.

**Olympic Peninsula Visitors Bureau ... Diane Schostak
Funding Request: \$340,000.00**

Diane reported that the OPVB continues to do the destination marketing work for Clallam County, and acts as the springboard for a regional marketing effort across four Olympic Peninsula counties (Clallam, Jefferson, Mason, Grays Harbor) as the administrator for the Olympic Peninsula Tourism Commission. By leveraging marketing dollars and working together, a much broader reach and specific benefit to the many rural communities around the Peninsula has been achieved.

Tourism in Clallam County brings \$212.3 million in direct visitor spending with a payroll of \$62.2 million. Tourism industry employment is 3,240 jobs. State and local tax revenues generated by tourism spending totals \$14.9 million. Clallam County has seen an increase in room tax revenues of over 9% in 2013. There are 132 lodging establishments in Clallam County, representing 2,211 rooms.

The OPVB works cooperatively with the Olympic Peninsula Tourism Commission partners:

- Web site olympicpeninsula.org
- Olympic Peninsula travel planner ... printed 95,000 in 2013
- Olympic Culinary Adventure ... "Take Your Taste Buds on Tour" campaign
- Radio and print ads
- FAM tours (one such investment of \$5000+ resulted in \$11.3 million in media)
- South Vancouver Island outreach
- Social Media
- Film office ... one small, 3-person crew (UK) visited seven states, one of which was Washington ... seven days in Washington/three days on the Olympic Peninsula. Resulted in coverage in 70 countries, 5 languages, 5 years = \$15 million value
- Washington Tourism Alliance founding member
- Research to begin in February... changing audience ... who is the customer, what inspires them, where are they looking for info, what is the competition doing ... and then enter into a branding process (when done could be effective 5-7 yrs.)

The OPVB supports tourism projects and promotions:

- Partners with OPTC
- Tourism Enhancement Grants (\$30,000 annually)
- Print ads
- Internet
- Social Media
- Campaigns/contests
 - Take Your Taste Buds on Tour
 - Ask Our Vampire (contest)
 - You Want Amazing?
 - Fall Into the Olympic Peninsula (Pinterest contest)
 - Get Off the Rock ... Partnership with COHO ferry, radio/print/media relations/web specials/guest services show aimed at Vancouver Island residents

OPVB 2014 projects in addition to maintaining current projects and promotions:

- Heritage Tourism
- Promote Olympic Peninsula without Olympic National Park/Olympic National Forest
- Olympic Water Trail
- Continue to build social media reach and engagements
- Explore and create a Group Tour Cooperative
- Utilize the research and branding information to reach and inspire customers

Diane closed by saying that the money used in these ways is an investment in the community. She was told that "tourism is the front door to economic development." The funding request from the OPVB is \$340,000.00

Chambers of Commerce: Clallam County

Funding Request: \$1500.00

The annual cost of Clallam County being a member of each of the local Chambers of Commerce is \$1,500. Membership is at the discretion of each Commissioner who represents that area. The amount used might be less, but the total would not exceed \$1,500.00. It was noted that Clallam County should have a written request for these funds in the file to meet the procedural requirements. Commissioner Doherty will request such.

Financial Report: Jim Jones

The 2013 revenue to date is \$316,148.96 which is 83.2% of the budgeted \$380,000.00. This is the best year-to-date (January through October revenues) total for this period. If there is an impact from the 16-day National Parks shut down it will not be reflected until the December reporting (reporting is two months behind collection). 2013 expenditures are on track with \$343,912.65 having been used (88.29%) of the adjusted appropriation of \$389,539.00.

A projected budget for the Hotel/motel tax expenditures was presented for discussion, including \$20,000 for Clallam Bay Sekiu Chamber of Commerce. \$1,500 for Chambers of Commerce, \$333,000 for OPVB, \$24,500 for Clallam County Parks.

Revenue from hotel/motel tax for 2013 is anticipated to meet or exceed the \$400,000 revenue figure for 2012.

Any requests for further/increased funding (for example: OPVB based on revenue exceeding the projected revenue) requires a budget modification to be submitted to the BOCCC and include a justification for the expenditure (specific use of/need for the funds).

Recommendations for 2014 LTAC Funding

The listed budgeted expenditures for 2014 presented by County Administrator, Jim Jones, was accepted by motion with the one change, to increase the OPVB amount from \$333,000 to \$340,000. (Laurel/Bobbi)

Based on a projected tax revenue of \$400,000 for 2014, it is to be recommended to the BOCCC the following 2014 expenditures from the hotel/motel taxes:

OPVB	340,000.00
Clallam County Parks/Fair	24,500.00
Clallam Bay Sekiu Chamber	20,000.00
Chamber Memberships	<u>1,500.00</u>
Total requests to be funded	\$386,000.00

This list constitutes the "approved applicants list" as presented by the LTAC committee.

Maritime Heritage Area:

The LTAC would encourage the Clallam County Commissioners to write a letter to our state legislative delegation and to Congressman Kilmer to support the designation of Washington's coast as a state Maritime Heritage Area. (Bobbi/Laurel)

Peninsula College Project:

Olympic Peninsula Native Arts Loop is a project at Peninsula College working to tie all the Native Tribes together for native art tourism marketing. June Claypool is the Grant Director at Peninsula College. The LTAC committee is supportive of this effort and suggested that the college contact Diane at OPVB for product development assistance and to apply for available Tourism Enhancement Grant funding.

Adjourn: The meeting was adjourned at 4:00 p.m.

Submitted by Sande Balch, Secy.