

AGENDA

Clallam County Lodging Tax Advisory Committee

Thursday, February 13, 2020

Clallam County Courthouse

Rm. 160 Commissioners' Board Room

2:30 pm

- I. CALL TO ORDER, ROLL CALL**
- II. REQUEST FOR MODIFICATIONS/APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES FOR THE MEETINGS ON: December 12, 2019**
- IV. BUSINESS**
 - A. Current Lodging Tax Funding balance – Mark Lane**
 - B. Update on Strategic Plan – Marc Abshire/Randy Johnson**
 - C. Discussion of minimum balance recommendations carryover reserve in 2020 LTAC budget for 2021 Strategic Plan**
 - D. Recommended allocation of available funds by category in March/October (Marketing/Facilities/other)**
 - E. Application process and recommended requirements**
- V. PUBLIC COMMENT**
- VI. ADJOURNMENT**

LTAC 2020 meeting dates:

- March 12, 2020
- April 9, 2020
- May 14, 2020
- June 11, 2020
- September 10, 2020
- October 8, 2020
- November 12, 2020
- December 10, 2020

Clallam County LTAC – Hotel/Motel Tax Advisory Committee
Minutes ... December 12, 2019 2:30 p.m.
Room 160 ... Commissioners' Board Room

LTAC
2/13/20
Item III

Committee Members present: Chair Randy Johnson (Clallam County Commissioner and Chair of LTAC), Ryan Malane (Black Ball Ferry Line), Lissy Andros (Forks Chamber of Commerce), Lorrie Mittmann (Peninsula Adventure Sports), Linda Keen (Quillayute River Resort), Vanessa Fuller (Dungeness River Audubon Center), and Marc Abshire (Port Angeles Chamber of Commerce); Robert Utz (Lower Elwha Tribe).

Call to Order: The meeting was called to order by Chair Johnson at 2:30 p.m.

Agenda: Mittmann moved to approve the agenda, Abshire seconded motion, motion carried, agenda approved as presented.

Minutes: Fuller moved to approve the minutes, Keen seconded motion, motion carried, minutes approved as presented.

Business:

Current Lodging Tax Funding balance and commitments

Johnson presented updated LTAC fund information prepared by Mark Lane, Clallam County Chief Financial Officer.

Johnson stated he thinks the consensus was for the LTAC to have at least \$400,000 in reserve until the strategic study is completed.

Discussion was held regarding the updated fund information and how Lodging Tax money is allowed to be spent as it relates to overhead.

Johnson stated the changes to include overhead costs in the LTAC allocation was due to State Auditors looking at how the County has allocated overhead in the past. Johnson will provide information regarding how the overhead amount was calculated at the next meeting.

Lodging Tax Funding presentations and allocations

Clallam Bay/Seki Chamber

Patricia Hutson, President Clallam Bay/Seki Chamber of Commerce presented her request for funds in the amount of \$20,000.

Fuller moved to grant the funding request in the amount of \$20,000 as requested for 2020, Andros seconded motion, motion carried.

Lane stated he was not able to get the information related to Clallam Bay/Seki Lodging Tax paid due to the way it is tracked.

Clallam County Road Department – Olympic Discovery Trail

Steve Gray, Clallam County Transportation Program Manager, presented a request for funds in the amount of \$250,000.

Abshire moved to grant the funding request in the amount of \$250,000 as requested for 2020, Utz seconded motion, motion carried.

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Keen requested that the funding goes specifically towards the repair of the Dawley slump and paving with signage that identifies that LTAC helped fund the work.

Abshire amended his motion to grant the funding request in the amount of \$250,000 as requested for 2020 with the addition of the requirement that the funding goes specifically towards the repair of the Dawley slump and paving with signage that identifies that LTAC helped fund the work, Utz seconded motion, motion carried.

Update strategic plan involvement – Marc Abshire/Commissioner Johnson

Johnson provided an update, he has heard from two of the entities he contacted regarding funding the Strategic Plan.

Abshire stated he was at the Port Angeles City LTAC meeting and they approved \$10,000. He noted it will have to go to the City Council next week for consideration of approval. Johnson stated a memorandum of understanding will be needed with all of the entities.

Discussion on 2020 application and guidelines

Review City of Port Angeles application/reporting requirements

Johnson noted if money is allocated he appreciates having reports detailing how the money was spent and what were the results. He wants to ensure there will be a way to measure those and everyone can review the reports. He wants everyone to be accountable including the County.

Discussion was held regarding reporting requirements of City of Port Angeles LTAC applicants and the Visitors Bureau grant applicants.

Review Lewis County application/reporting requirements

Discussion was held regarding the score sheets for deciding who to give the grants to in the Lewis County application and how score sheets work.

Discussion was held regarding applications and reports being event driven which is difficult when the grant is used for marketing.

The LTAC determined to table building a scoring matrix until after the Strategic Plan process.

Discussion held regarding meeting schedule.

Discussion of allocation percentages for Lodging Tax money

Discussion held regarding which months to schedule for considering applications for Lodging Tax. The LTAC determined April 9 and October 15 would be appropriate for considering applications.

Discussion held regarding allocation percentages. Decision was made to continue discussion at February 13 meeting.

Next meeting date is February 13, 2020 at 2:30 p.m.

The meeting adjourned at 4:43 p.m.

**CLALLAM COUNTY
HOTEL/MOTEL TAX--FUND 19925
STATEMENT OF SOURCES, USES AND RESERVES
2015-YTD JANUARY 2020 ACTUALS, 2019 PROJECTION & 2020 BUDGET**

ACTUALS--CURRENT YEAR WITH 5 YEAR LOOK BACK

	2020 BUDGET (BASED ON CURRENT COMMITMENTS AND IN-PROCESS BUDGET REVISIONS SUBMITTED FOR BOCC APPROVAL)	PROJECTED YEAR-END 2020	ACTUALS--CURRENT YEAR WITH 5 YEAR LOOK BACK					
			YTD THRU JANUARY 2020	2019	2018	2017	2016	2015
REVENUE (SOURCES OF FUNDING)								
291.31331.00.0030 HOTEL/MOTEL TRANSIENT LODGING TAX	542,500	542,500	16,379	499,196	481,653	394,239	313,770	262,806
291.31331.00.0040 HOTEL/MOTEL LODGING ADDITIONAL TAX	542,500	542,500	16,177	492,412	436,419	394,191	313,770	262,806
291.36700.00.0000 CONTRIBUTIONS AND DONATIONS	-	-	-	940	-	-	-	-
291.39797.90.0240 TRANSFER FROM OPERATING TRANSFERS OUT	-	-	-	-	-	-	-	-
TOTAL REVENUE (SOURCES)	1,085,000	1,085,000	32,556	992,548	918,071	788,430	627,540	525,611
EXPENDITURES (USES OF FUNDING)								
291.55730.41.0020 PROFESSIONAL SERVICES (REMAINING UNCOMMITTED)	-	-	-	-	-	-	-	-
291.55730.41.0116 CLALLAM BAY-SEKIU CHAMBER OF COMMERCE	30,000	30,000	-	10,086	21,363	22,971	25,760	28,164
291.55730.41.0117 CHAMBERS OF COMMERCE	3,000	3,000	-	2,972	1,822	1,822	822	1,822
291.55730.41.0121 OLYMPIC PENINSULA VISITOR BUREAU	600,000	600,000	41,667	514,167	527,500	391,667	486,500	399,000
291.55730.41.5110 PARKS/FAIR/FACILITIES	40,000	40,000	-	24,025	28,596	30,000	30,000	24,500
291.55730.41.5120 PUBLIC WORKS	250,000	250,000	-	220,000	-	105,000	-	-
291.55730.41.5130 SHERIFF	-	-	-	-	-	-	5,000	5,000
291.55730.41.0118 FEIRO MARINE LIFE CENTER	-	-	-	-	50,000	54,000	-	75,000
291.55730.41.0122 VICTORIA/S VANCOUVER ISLAND MARKETING	-	-	-	-	-	-	-	-
291.55730.41.0123 PACKAGING THE OLYMPIC DISCOVERY TRAIL	-	-	-	-	-	-	-	-
291.55730.49.0036 SEQUIM PICKLERS	-	-	-	-	-	34,000	-	-
291.55730.49.0056 PENINSULA AREA PUBLIC ACCESS	-	-	-	-	-	33,000	-	-
291.55730.49.0151 DUNGENESS RIVER AUDUBON CENTER	-	-	-	-	-	69,710	-	-
291.55730.49.0155 NOR'WESTER ROTARY CLUB/FOUNDATION	-	-	-	5,000	-	-	-	-
291.55730.49.0160 PA CHAMBER OF COMMERCE	-	-	-	35,000	-	-	-	-
291.55730.49.0161 NEAH BAY CHAMBER OF COMMERCE	30,000	30,000	-	25,700	-	-	-	-
291.55730.49.0162 STRATEGIC STUDY	150,000	150,000	-	-	-	-	-	-
291.55730.51.0050 WASHINGTON STATE PATROL	-	-	-	-	5,290	4,831	-	-
291.55730.52.0130 Hurricane Ridge Road	-	-	-	-	-	-	-	-
291.55730.91.0029 PARKS/FAIR/BUILDING MAINTENANCE	-	-	-	-	-	-	-	-
291.55730.91.0048 CLALLAM COUNTY PUBLIC WORKS	-	-	-	-	-	-	-	-
291.55730.41.0124 NOVCB Marketing/Advertising Campaign	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES (USES)	1,103,000	1,103,000	41,667	836,950	634,571	747,001	548,082	533,486
EXCESS OF REVENUE(SOURCES) OVER EXPENDITURE	(18,000)	(18,000)	(9,111)	155,598	283,501	41,430	79,458	(7,875)
ENDING FUND BALANCE/RESERVES	1,033,157	1,033,157	1,042,046	1,051,157	895,559	612,058	570,628	491,170

**Amount Requiring Debatable Emergency to Still be Submitted to BOCC for Public Hearing/Approval
 **Amount Currently Submitted as Debatable Emergency and/or Budget Revision to BOCC for Public Hearing and Approval in February

LTAC
2/13/20
1/15/20 - A

LTAC
2/13/20
Item IV-E



LODGING TAX FUNDING APPLICATION 2020

GUIDELINES

Clallam County lodging tax paid by visitors is a consumer tax on lodging charges for periods of less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities within the unincorporated areas of Clallam County.

This application is for applicable large-scale events, projects or infrastructure improvements only. Minimum grant is \$5,000. Please do not use this application if your organization has already made application for the same project to the Olympic Peninsula Visitor's Bureau or any individual city's Lodging Tax Committees.

I **AMOUNT of Lodging Tax Requested:** \$ _____

II **Agency/Organization Name:** _____

Organization is Government Entity 501(c)3 501(c)6 Other
Federal Tax ID No. _____ UBI Number _____

III **Project/Activity/Event:** _____

IV **Representative Contact Information:**

Name, Title _____
Mailing Address _____
Phone(s) _____
Email _____

V **Service Categories, check all applicable:**

- _____ Tourism Promotion/Marketing
- _____ Operation of a Special Event/Festival designed to attract tourists
- _____ Operation of a Tourism-Related Facility owned or operated by Non-Profit Organization
- _____ Operation and/or Capital Expenditure of a Tourism-Related Facility owned by a Municipality

CERTIFICATION

- I am the authorized agent of the Agency/Organization applying for Lodging Tax funding. I understand and affirm that:
- If awarded, my organization intends to enter into a contract with Clallam County, and meet all specified requirements of that contract.
- My Agency/Organization is required to submit a report documenting economic impact results in a format determined by Clallam County.

Signature

Date: _____

Print or Type Name

LODGING TAX APPLICATION – REQUIRED SUPPLEMENTAL QUESTIONS

(You may use this Supplemental Questions form or type the questions and answers on separate sheets)

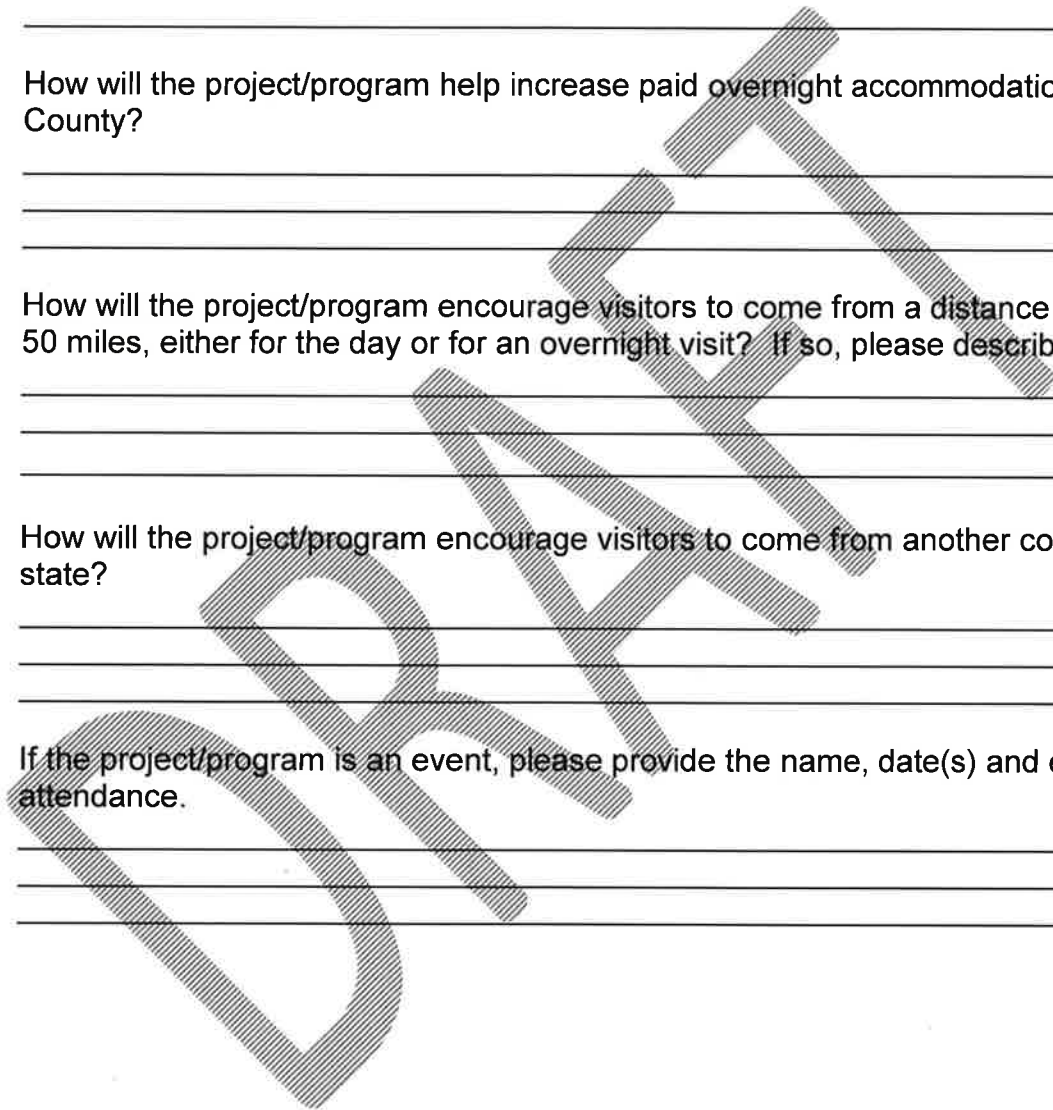
- 1. How will the project/program help increase the number of people traveling to Clallam County for business or pleasure on a trip?

- 2. How will the project/program help increase paid overnight accommodations in Clallam County?

- 3. How will the project/program encourage visitors to come from a distance greater than 50 miles, either for the day or for an overnight visit? If so, please describe how.

- 4. How will the project/program encourage visitors to come from another country or state?

- 5. If the project/program is an event, please provide the name, date(s) and estimated attendance.



6. 2019 Tourism-Impact Estimate and 2018 Annual Report.

(2017 Actual must be completed by applicants who had a Clallam County Lodging Tax Contract in 2017)

State law governing the distribution of lodging tax funds requires they be used primarily to encourage visitors from out of the area, so do your best!

As a direct result of your proposed tourism-related service, please provide:	2019 Estimate	2018 Actual	Methodology
a. Overall attendance at your event/activity/facility			
b. Number of people who travel more than 50 miles for your event/activity/facility			
c. Of the people who travel more than 50 miles, the number of people who travel from another country or state.			
d. Of the people who travel more than 50 miles, the number of people who stay overnight in the unincorporated Clallam County area.			
e. Of the people staying overnight, the number of people who stay in PAID accommodations e.g. hotel, motel, bed-breakfast, RV park, in the unincorporated Clallam County area.			
f. Number of paid lodging room nights resulting from your event/activity/facility.			

7. Is there a host hotel for your event? If yes, please identify.

8. Describe the prior success of your event/activity/facility in attracting tourists.

9. Describe your target tourist audience (location, demographics, etc.)

10. Describe how you will promote your event/activity/facility to attract tourists.

11. Describe how the event will help promote lodging establishments, restaurants, and businesses located in the unincorporated area of Clallam County.

12. Are you applying for Lodging Tax funds from another community (yes or no)? If yes, attach a copy of the other jurisdiction(s) application(s).

13. What is the overall budget for your event/activity/facility? \$ _____
What percent of the budget are you requesting from Clallam County Lodging Tax Fund? _____ %

14. Please describe your plans for securing the remainder of the funds necessary to complete your event/activity/facility.

DRAFT

APPLICATION INSTRUCTIONS – GENERAL GUIDELINES

APPLICATION DEADLINE: _____ Board of County Commissioner's Office, 223 East 4th Street, Suite 4, Port Angeles WA 98362-3015 (Clallam County Courthouse, main level, Room 150); 360-417-2233.

The Clallam County Lodging Tax Advisory Committee (LTAC) will review 2019 Lodging Tax funding proposals in a public meeting as determined at the Clallam County Courthouse, Commissioner's Boardroom, main level. Applicants will be notified and attendance by the applicant's representative is recommended for presentation and questions. Following review, LTAC will forward its recommendation to the Board of County Commissioners.

APPLICATION, SUPPLEMENTAL QUESTIONS, INFORMATION SUBMITTAL:

Submit the original application and one copy to:
Clallam County Lodging Tax Advisory Committee
Board of Commissioner's Office
223 East 4th Street, Suite 4
Port Angeles WA 98362-3015

Required Additional Information – In addition to the application and supplemental questions answers, it is required that you attach the following:

- An itemized budget for your event/activity/facility (income and expense).
- Description and budget showing the intended use of the amount requested from the Clallam County Lodging Tax Fund.
- If the applicant is a non-profit organization, a copy of your agency/organization's current non-profit corporate registration with the Washington Secretary of State, and current annual budget.

Optional Information - Brochures/information concerning your event/activity/facility, in particular, items showing recent tourism promotion efforts.

Contract Requirement – In order to be a recipient of Lodging Tax funds, a contract is required between Clallam County and the receiving Agency/applicant.

Post Reporting

Reporting Requirements enacted by the Washington State Legislature in 2013 (RCW 67.28.1816) requires the County to file an annual report to the State of Washington Joint Legislative Audit and Review Committee regarding the use of funds for the year including a requirements to quantify how many individuals were attracted from more than fifty miles away and spent the night in paid lodging, and the reporting of expenditures and activities shall meet those requirements. It is required that all recipients submit a post-event activity report that provides information to the Clallam County Administrator as specified by the contract.

GUIDELINES

Clallam County lodging tax paid by visitors is a consumer tax on lodging charges for periods of less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities within the unincorporated areas of Clallam County. CCC 5.13.020 Special fund.

Eligibility

Clallam County's Lodging Tax Fund will be the primary source of County funding for activities, operations, and expenditures designed to increase tourism in the unincorporated areas. Applications may be submitted by any non-profit entity, any public entity, or any group of eligible organizations (RCW 67.28).

Appropriate Uses

The guiding principle for the use of lodging taxes is that they must be used for activities, operations and expenditures designed to increase tourism. Specifically, lodging taxes can be used for:

- Tourism marketing;
- Marketing and operations of special events and festivals designed to attract visitors;
- Operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district; or
- Operations of tourism-related facilities owned/operated by nonprofit organizations (RCW 67.28.1816)

A tourism-related facility is a real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is (a) owned by a public entity, nonprofit organization (including a non-profit business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce) and (b) used to support tourism, performing arts, or to accommodate tourist activities (RCW 67.28.080) The guiding principle is that the facilities should be used by tourists.

Tourism Marketing and Operations includes activities defined as "tourism promotion" in state law (RCW 67.28.080)

- Advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming visitors;
- Developing strategies to expand tourism;
- Operating tourism promotion agencies; and
- Funding the marketing or operation of special events and festivals designed to attract visitors.

HIGH PRIORITY will be given to tourism activities that:

- Have a demonstrated potential or high potential from the Committee's perspective to result in overnight stays by visitors in lodging establishments within unincorporated Clallam County.
- Promote Clallam County events, activities, and places in the unincorporated area of Clallam County to potential visitors from outside the County.
- Have demonstrated a high potential from the Committee's perspective to result in documented economic benefit to Clallam County.
- Have demonstrated history of success in Clallam County, or are proposed by a 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.
- Provide, maintain, operate, or enhance County-owned tourism facilities or infrastructure.

Lodging Tax Advisory Committee Considerations

In developing its recommendations, the Committee considers:

- The estimated amount of Lodging Tax Fund available for the coming year as provided by the County's Finance Director.
- Completeness of the proposal information.
- % of the proposal request to the event/facility promotions budget and overall revenues.
- % of increase over prior year Clallam County Lodging Tax funded proposals, if any.
- Projected economic impact within the unincorporated area of Clallam County, in particular projected overnight stays in this area lodging establishments.
- The applicant's financial stability.