

Lodging Tax Advisory Committee Special Meeting
May 4, 2020
Meeting Minutes

In Attendance: Councilor Brandon Janisee, Anji Scalf, Namaste Cousins, Marcella Stachurski and Marsha Massey
Staff Liaison: Barbara Hanna

YTD Lodging Tax – YTD Lodging Tax was reviewed. The City of Sequim Lodging Tax numbers are up 9.8% over 2019. The Lodging Tax is 18.4% above the 2020 budget.

2020 Budget Forecast –The City Lodging Tax Fund is off to a good start, but the impacts of the COVID-19 budget will not be felt until the end of May when the numbers for March are reported. Barb went through the 2020 budget and reforecast Lodging Tax revenue at \$231,120 or 56% of the original \$412,000. She also reduced expenses from \$442,846 to \$351,343. (Please note the projected expense is different from the original spreadsheet sent to the LTAC. An error of omission of the Sunshine Festival expenses of \$69,335 was discovered after the meeting.) This takes into account fixed costs and commitments already made. These expenses may still be reduced depending on what events take place that are supported by the established Tourism Enhancement Grant program and fall marketing programs.

Proposed Tourism Sustainability Grant Program – The Sequim City Council has expressed interest in utilizing Lodging Tax Funds to help with the community recovery from the COVID-19 pandemic. Lodging Tax is a restricted fund and has specific approved uses:

- a) Tourism marketing;
- b) The marketing and operations of special events and festivals designed to attract tourists;
- c) Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or public facilities district created under chapters 35.57 and 36.100 RCW; or
- d) Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. (c)(6) of the internal revenue code of 1986, as amended.

Based on these uses staff is proposing that a new Tourism Sustainability Grant Program be developed to assist non-profit tourism organizations in Eastern Clallam County (within the Sequim School District boundaries) to weather the impacts of the COVID-19 pandemic on the tourism industry. The grant would initially be funded with \$50,000 but will be monitored and reviewed to see if additional funds are needed in the future. The committee discussed a grant award of up to \$5000 per organization. The goal

of the grant is to assist the organizations with funding that is essential to the on-going operations of or facilities owned by the organization or to help cover the additional expenses of adapting their organization or event to adhere to the new State of Washington and Clallam County Health Department to meet the standards required for public health. The intent is to keep the organizations going so they can bring tourists to their events or facilities when the regulations are lifted.

A motion was made and seconded to recommend that the Sequim City Council approve the Tourism Sustainability Grant Program with an initial investment of \$50,000 from the Lodging Tax Fund Balance. The motion passed unanimously.

2020 Meeting Schedule – The committee will continue to meet quarterly. All meetings will take place in the Community Room at the Civic Center at 12:00 noon, or virtually if an in-person meeting is not allowed. The 2020 schedule is:

- Monday, June 8
- Monday, August 17
- Monday, December 7

Meeting adjourned.