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## **Port Angeles Lodging Tax Advisory Committee Funding Work Plan and Procedures**

### **Vision:**

To best utilize lodging tax funds to create a welcoming and inviting community with facilities and activities that increase tourism-related revenue through a sustainable visitor experience.

### **Goals:**

1. Foster and maintain a healthy and diverse tourism sector that continues to thrive.
2. Fully utilize and promote creative uses of existing facilities.
3. Improve the quality of experience and relationships for tourists and residents while diminishing any negative impacts from tourism-related activities and traffic.
4. Promote partnerships and increase tourism by concentrating on priorities identified by both residents and the tourism industry.
5. Focus on our unique Port Angeles assets that make us a premier destination for environmentally and fiscally sustainable recreation and tourism.
6. Encourage collaboration recognizing that Olympic Peninsula-based tourism supports and benefits all communities.

### **Definitions:**

1. "Events or Festivals" are held on specific dates related to programming for entertainment, competition, education, arts and culture, and celebration. Events are not required to occur within city limits but must demonstrate support of tourism-related facilities and/or lodging facilities within Port Angeles.
2. "Operation" includes, but is not limited to, operation, management, and marketing.
3. "Peak tourism season" is defined by the period of the year where lodging tax revenue is at its peak in the months of June through September.
4. "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
5. "Tourism promotion" means activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists.
6. "Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned by a nonprofit organization described under section 501(c)(3) of the federal internal revenue code of 1986, as amended; or (iii) owned by a nonprofit organization described under section 501(c)(6) of the federal internal revenue code of 1986, as amended, a 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.

**Funding Priorities:**

1. Support the increase of tourism capacity, where capacity is defined as the broad number activities within the community a visitor can attend, visit, or take part in when staying overnight.
2. Assist the maintenance and establishment of tourism-related capital facilities including:
  - a. Wayfinding and interpretative signage
  - b. Public restrooms
  - c. Public art
  - d. Transportation facilities,
  - e. Passive recreational park facilities (benches, walkways, pedestrian scale lighting, landscaping etc.)
  - f. Active recreational facilities (ball fields, trails, playgrounds, wheel-based recreation, water-based recreation, etc.).
3. Support efforts to improve information on attractions and facilities.
4. Support Port Angeles as its own destination marketing organization.
5. Support regional Olympic Peninsula-wide collaborative tourism marketing.
6. Support a long-term established visitor center facility.
7. Fund proposals that encourage and enhance tourism during the off-peak season (October-May)
8. Promote tourism that highlights Port Angeles assets – its natural beauty, geology, outdoor activities, anthropology, community events, lifelong learning opportunities, history, culture, and the arts.
9. Develop key community assets that function as destinations or venues for multipurpose events and festivals on a year-round basis.
10. Create partnerships and synergies with existing organizations to develop and promote attractions and events for visitors.
11. Develop innovative opportunities that improve the tourist/resident relationship
12. Improve effectiveness of coordinated transportation and trail linkages.
13. Support of organizations and projects that promote coordination and cooperation in tourism activities.
  
14. Lend support to a diverse range of tourism sustainable activities to encourage visitors to enjoy longer stays and return often.
15. Encourage events to become self-sufficient or demonstrate innovative techniques in marketing, event expansion, or extending participant stays in Port Angeles.
16. Encourage the creation of new events and festivals in the off-peak seasons that drive an increase in lodging tax.
17. Encourage the potential growth of existing events. Support of organizations and projects that promote coordination and cooperation in tourism activities.

18. Support the development of innovative opportunities that improve the tourist/resident relationship.
19. Support operations that demonstrate regional marketing and marketing partnerships with other local/regional marketing organizations.
20. Support projects that demonstrate a clear marketing strategy and business goals.

**HIGH PRIORITY may be given to tourism activities that:**

1. Have a demonstrated potential or high potential from the Committee's perspective to result in overnight stays by visitors in lodging establishments for projected nonpeak periods in Port Angeles.
2. Promote Port Angeles events, activities, and places in Port Angeles to potential visitors from outside the County.
3. Have demonstrated a high potential from the Committee's perspective to result in documented economic benefit to Port Angeles.
4. Have demonstrated history of success or are proposed by a group with a demonstrated history or high potential of success with similar activities.
5. Minimize duplication of services where appropriate and encourage cooperative marketing and/or includes an element of cooperation or partnership.
6. Provide, maintain, operate, or enhance City-owned tourism facilities or infrastructure.

**Annual Funding Disbursement:**

The expected outcome of the funded activities is to increase economic activity in Port Angeles through the overnight lodging of tourists, through tourism-related expenditures, and construction of tourism-related facilities in accordance with RCW 67.28.1816.

Funding categories and their percentage of annual budgeted expenditures should approximate:

1. Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district created under chapters 35.57 and 36.100 RCW. Reserves are to be taken from the initial annual projected available revenues prior to LTAC consideration of expenditure allocation and budget for the annum. – 20% plus 5% reserved
2. Tourism-related marketing; the marketing and operations of special events and festivals designed to attract tourists; and 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. Sec. 501(c)(6) of the internal revenue code of 1986, as amended. – 75%

**Annual Excess Reserve Funding**

As a part of the annual budget process, and in accordance with City Financial Policies, staff reserve 25% of planned budgetary expenses into a reserve fund only to be used in the event of a budget shortfall. The remainder of this reserve is excess to the immediate annual reserve needs. The excess reserves shall be used annually in the following manner:

1. An additional \$200,000 of excess reserve shall be added to the annual 25% reserve to only be used in the event of a budget short fall. This additional amount may be released for other uses upon recommendation from the committee if economic conditions improve.

2. The remainder of the total excess reserves shall be made available in the following year's annual budget for disbursement to eligible application proposals.
3. Any remaining excess reserves not allocated to proposals during the LTAC annual budget recommendation may be considered for use each spring will require the same application process.

**Scoring Criteria for Capital Expenditures and Public Facilities Districts – 25 possible points:**

1. There is evidence provided that this project will help increase opportunities for sustainable tourism activities.
2. There is evidence provided that the expenditure will encourage visitors to enjoy longer stays and return.
3. The proposal provides a clear-timeline for action defined and the proposal reflects enough detail to effectively determine potential for success.
4. The budget provided reflects a clear understanding of the costs associated with this project and there is evidence that this budget is based on market research, structured estimates, or estimates provided by contractors.
5. The proposal will support our local economy through local contracts, retail purchases, or partnerships.

**Scoring Criteria for Tourism Marketing, Tourism-related Operations, and Events – 25 possible points:**

1. There is evidence provided that the proposal will help increase or sustain opportunities for tourism related activities.
2. There is evidence provided that this organization or proposal will encourage visitors to enjoy longer stays or engage in return visits.
3. The proposal provides clear evidence that this organization can successfully draw tourists and demonstrate a history of high success with similar activities.
4. The proposal clearly reflects how the funds will be used to help sustain a tourism-related business.
5. The project lends itself to the complement of other events in the community and helps create a diversity of opportunities (arts, culture, recreation, education, historic significance, or conference).
6. Bonus (Staff allocated) Operations and efforts are targeting the tourism shoulder season – 3 points or off season – 5 points.

Each criterion will be evaluated on the following spectrum:

Strongly Agree – 5 pts

Agree – 4 pts.

Neutral – 3 pts.

Disagree – 2 pts.

Strongly Disagree – 1 pt.

Did not answer – 0 pts.

### **Meeting Procedures and Workplan**

1. Regular LTAC meetings are two hours long.
2. Meetings are held on the second Thursday of the month.
3. The LTAC regularly holds a minimum of four open public meetings per year and requests for LTAX Fund application proposals a minimum of once per year:
  - a. **March:** New business, LTAC and LTAX fund orientation, Guidance document review.
  - b. **June:** Recommended revisions to guidance document, Destination Marketing Presentation.
  - c. **September:** Committee Orientation to LTAX Application Review
  - d. **November:** Annual LTAX Fund RFP award recommendation to City Council.

### **LTAX Fund RFP Application Procedures**

1. The annual application window will open the Friday after City Council approves the annual budget recommendation.
2. The RFP application window is at minimum 14 days.
3. Applications must be sent to [ced@cityofpa.us](mailto:ced@cityofpa.us) on or before 5:00 PM of the closing date. Late applications will not be accepted.
4. Applications requesting funding for events must be for events that have not yet taken place.
5. At the request of CED, the City Attorney's office will review all applications and determine whether the request is eligible for funding prior to LTAC review.
6. Events requesting operations funding must demonstrate annual service and operational impact to the LTAX Fund.
7. All Committee application criteria scoring will be compiled and made available in the meeting agenda packet.

### **Please note:**

- All capital requests on city owned property or within city right of way requires explicit written City permission that may include City Council approval.
- Public works as defined by RCW's 39.04.010 and 39.12.020 require prevailing wage for reimbursement.
- All LTAX Fund recipients must provide a final report detailing the results of the LTAX Award expenditures that includes information for the State Joint Legislative Audit Review Committee.