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# MEETING AGENDA

## LODGING TAX ADVISORY COMMITTEE

### VIRTUAL MEETING

Click here to visit the City's Virtual Meetings Page for access and information about our live virtual meetings:

<https://www.cityofpa.us/984/Live-Virtual-Meetings>

November 3, 2022

2:00 – 4:00 p.m.

#### I. CALL TO ORDER

#### II. ROLL CALL

#### III. APPROVAL OF MINUTES

#### IV. PUBLIC COMMENT

*The Lodging Tax Advisory Committee desires to allow the opportunity for public comment. However, the business of the Committee must proceed in an orderly, timely manner. At its most restrictive, Public Comment shall be limited to a total of 15 minutes.*

#### V. ACTION/DISCUSSION ITEMS/OTHER BUSINESS

1. **Discussion/Action Item: Review and Award Funding to Non-Event Lodging Tax Fund Application Proposals**

Continue review 2023 non-event lodging tax fund application proposals and Lodging Tax Advisory Committee scoring and provide a decision on individual awards.

2. **Discussion/Action Item: Review and Award Funding to Event Grant Lodging Tax Fund Application Proposals**

Review 2023 event grant lodging tax fund application proposals and Lodging Tax Advisory Committee scoring and provide a decision on individual awards.

3. **Discussion/Action Item: Review and Award Funding to Staff Recommended Reserve Balance Projects**

Review staff recommendation for proposals to be funded by approved reserve balance and provide decision.

#### VI. STAFF UPDATES

#### VII. COMMITTEE MEMBER UPDATES

#### VIII. ADJOURNMENT



**Date:** November 3, 2022  
**To:** Lodging Tax Advisory Committee  
**From:** Ben Braudrick, *Senior Planner*  
**Subject:** Lodging Tax Fund Reserve Budget Recommendation

**Background / Analysis:**

At the previous September 15, 2022 meeting staff made the Committee aware of a surplus reserve of approximately \$633,400 in the Lodging Tax (LTAX) fund due to better than perceived lodging outcomes during the COVID-19 pandemic. Staff recommending the expenditure of 75 percent, or approximately \$475,000 of this reserve over the next biennium on capital projects based upon priority and need. The Committee unanimously approved a motion to provide \$425,000 towards capital projects and \$50,000 towards destination marketing.

Staff is recommending two separate projects that qualify for the use of this reserve funding:

Joint funding for North Peninsula Sustainable Tourism Development Plan – \$25,000 (Marketing)

Clallam County Commissioner Randy Johnson and Olympic Peninsula Visitor Bureau Executive Director Marsha Massey are requesting Port Angeles provide \$25,000 of \$185,000 budget and the opportunity for one staff and Committee member to act as representatives of the City for the plan's development. Letters from Randy Johnson and Marsha Massey and a similar plan for the City of Sedona are provided as attachments to this memo.

Public Art for Phase 1 of the Race Street trail connection to Olympic National Park Visitor and Backcountry Information Center – \$40,000 (Capital)

The Race Street project to redevelop half of the existing right of way to a non-motorized trail that will eventually connect the Olympic Discovery and Waterfront Trail to the Olympic National Park Visitor and Backcountry Information Center is in need of funding for public art to celebrate this new civic space. Construction of Phase 1 is set for 2023 and the bid opening for the project is set for November 3, 2022. The City's Art Framework Plan provides a goal to make civic projects such in the Waterfront Transportation Improvement Plan memorable. Race Street is listed as a project within this plan. The \$40,000 amount represents approximately one percent of the Phase 1 project cost. One percent is the amount generally agreed upon minimum best practice by various Arts Commissions within the United States for the inclusion of art in Civic projects (See Percent for Art Program). Several areas for an art wall and concrete foundations for sculptures have already been set aside in the project's design. The City will use the funding for a Request for Proposal and creation of art at each individual art site using the Art Framework Plan to guide evaluation criteria and the juried selection process. The Race Street CFP and Art Framework Plan are provided as attachments to this Memo.

**Staff Recommendation:**

Staff recommends the Lodging Tax Advisory Committee forward the recommended Lodging Tax Reserve Budget request of \$65,000 for the North Peninsula Sustainable Tourism Development Plan and Race Street Phase One Public Art to City Council for inclusion into the 2023 LTAX Fund Budget.

**Attachments:**

- [Attachment A: Letter from County Commission Johnson to City Manager West](#)
- [Attachment B: Email from OPVB Executive Director Marsha Massey to Commissioner](#)
- [Attachment C: Sedona, AZ Sustainable Tourism Plan](#)
- [Attachment D: Port Angeles Art Framework Plan](#)
- [Attachment E: Race Street CFP Documentation](#)

## 2023 Lodging Tax Available Funds

**Total 2023 projected Revenues** 764,100

**Expenditures Per Allocation:**

<i>5% to Capital Reserves (Restricted; See Below)</i>	<i>5%</i>	<i>38,200</i>
Capital	20%	152,800
Master Plan priorities	5%	38,200
Marketing	25%	191,000
Operations*	33%	<b>252,200</b>
Events	12%	91,700
<b>Total</b>	<b>100%</b>	<b>764,100</b>

**\*Fixed costs included in Operations:**

Utilities; Electric Car Chargers Downtown	1,500	
Memberships	500	
Debt Service (Expires in 2026)	19,500	
Administrative Costs for City Staff	38,000	
5-Year Contract with Chamber of Commerce (2022-2027)	117,300	
<b>Total Fixed Costs</b>	<b>176,800</b>	
<b>Amount Available for Operations</b>	<b>75,400</b>	

Total amount of operating reserves (estimated)	824,400
Less 25% reserve balance	(191,000)
<b>Available Excess Reserves</b>	<b>633,400</b>

Restricted Capital Reserves	53,600
Plus 5% of 2022 Designated Capital Reserves (From Above)	35,100
Plus 5% of 2023 Designated Capital Reserves (From Above)	<b>38,200</b>
<b>Total Capital Reserves</b>	<b>126,900</b>

## 2022 Lodging Tax Budget Expectations

	Budget	YTD Actual
Revenue	701,400	469,000
Expenditures (Includes funds held for Capital Reserve)	701,400	440,900
Net Difference	-	28,100