

TUMWATER LODGING TAX ADVISORY COMMITTEE
MINUTES OF VIRTUAL MEETING
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CONVENE: 9:00 a.m.

PRESENT: Councilmember & Chair Eileen Swarthout and committee members Chami Jo Ro, Comfort Inn Conference Center Tumwater-Olympia; David Bills, Tumwater Area Chamber of Commerce; Satpal Sohal, La Quinta Inn & Suites; and Brian Reynolds, Olympic Flight Museum.

Staff: Assistant Finance Director Shelly Carter and Executive Assistant/Deputy City Clerk Hanna Miles.

WELCOME & INTRODUCTIONS: Chair Swarthout welcomed everyone to the meeting. Members provided self-introduction.

APPROVAL OF MINUTES: LODGING TAX ADVISORY COMMITTEE, SEPTEMBER 29, 2021:

MOTION: Chami Jo Ro moved, seconded by David Bills, to approve the minutes of September 29, 2021 as published. Motion carried unanimously.

2023 LODGING TAX APPLICANT INTERVIEWS AND FUNDING RECOMMENDATION:

TUMWATER MARCHING BAND:

Andrew Landowski, Band Director, Black Hills High School, thanked the committee for supporting the band in the past. The Tumwater Marching Band Festival has been held on the second Saturday each October since 2006 with the exception of the last three years because of the pandemic. The next festival is scheduled in 2023. The organization was established to keep students engaged and provide a team-oriented activity for youths. The pandemic impacted the marching band creating difficulties for both students and the organization. The major challenge is the loss of volunteer knowledge. The organization recently solicited more volunteers for the 2023 event. Prior to the pandemic, the event was one of the largest marching band festivals in the state with bands attending from Oregon, Idaho, and all areas of the state representing approximately 20 bands along with 2,500 family members and friends. The festival advertises local hotels within the festival program and registration packets and on the festival website. Registration rebates are offered for schools that book hotel rooms for parents, chaperones, and bus drivers. The festival also advertises local restaurants and attractions.

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During the pandemic, enrollment in music programs for grades 5 through 12 reduced by an average of 22%. Schools are slowly rebuilding programs and music programs. Approximately two of every three students at Tumwater Middle School are enrolled in band, choir, or orchestra.

Ms. Ro asked about the impact during the pandemic when students were required to practice at home. Mr. Landowski explained that during the pandemic he met with students online and guided students through warm-up sessions. A plan was provided to each student for them to complete. The “Smart Music” program included broadcasting the music on computer screens with the program able to advise students of the correct and incorrect notes as they played their respective instruments.

Ms. Ro asked about the status of lodging tax funds awarded last year to the band. Mr. Landowski explained that the funds were not utilized because the festival was cancelled.

**WASHINGTON CENTER
FOR THE PERFORMING
ARTS:**

Jill Barnes, Executive Director, Washington Center for the Performing Arts, presented the funding proposal. The Washington Center launched its season last year since the pandemic started. All performances were well received. Several of the shows sold out including Wilco, a show held in October 2021. The Temptations show also sold out. The Center served over 58,000 people last year. A normal year is 110,000 individuals purchasing tickets for a show. During the pandemic, the Center did not host the Olympia Junior Program. Additionally, the Center experienced an increased number of no-shows of approximately 20%-30% for each show. That rate was a national average as well because of COVID. Approximately 10% of the Center’s volunteers are residents of Tumwater. The Center is rebuilding its volunteer program as the pandemic lead to a loss of volunteers.

The Center promotes programs and shows through digital, radio, social, and print marketing. The Center is on par with national trends of one-third of attendees attending from outside the county. Art tourists spend significantly more than local art attendees. A survey completed in 2019, when the Center experienced a good year, reflected Washington State rates as number one in growth in arts and culture industries. For each dollar spent at the Center, \$2.10 is spent in local communities.

The Center was closed following the end of dance recitals in June 2022 to complete interior renovation. The project budget was \$8.8 million. The City of Tumwater has committed to contributing to the

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capital campaign as well as other municipalities. The project budget at this time is 98% funded. The project entails a major renovation of the interior of the Washington Center to include audio, lighting, curtains, rigging, carpeting, and interior spaces. Next year will be a transition year as the Center continues to rebuild to its pre-pandemic levels. The Washington Center continues to explore partnerships and is working with *Tacoma Arts Live* to present Broadway shows in Olympia. Another partnership is with Indigenous Performance Productions working with indigenous artists to feature their voices and stories on stage. Shows are incubated at the Washington Center with shows moving forward on national tours. The Washington Center has received nationwide press for the program.

Ms. Ro asked whether tickets are prepaid for those patrons who did not attend. Ms. Barnes said the Washington Center implemented a generous exchange and return policy during the pandemic. The process has since changed to some extent. During the pandemic many of the purchased tickets were from local communities and it was important to maintain those long-term relationships with local patrons. All tickets are pre-paid prior to a show. Often patrons would request a refund or exchange prior to the show while other patrons never attended. The Washington Center typically averages a 1%-3% no-show rate. During the pandemic, it increased to 20% -30%.

**OLYMPIC FLIGHT
MUSEUM:**

Teri Thorning, Olympic Air Show Coordinator, Olympic Flight Museum, reported the application is for the Olympic Air Show held on Father's Day weekend, June 17-18, 2023 at Olympia Regional Airport in Tumwater. The funding request is for marketing, promotion, operational costs, and performer fees and incentives.

The 2022 Air Show was very successful following a two-year restriction. Approximately 11, 600 individuals attended the air show last year. An analysis of electronic ticket sales reflected 44% of the patrons reside beyond 50 miles or more from Tumwater. The percentage doubled previous historical tourism percentages. The increase was likely due to patrons eager to attend an outdoor community event following two years of reduced opportunities. More tourists took advantage of the discounted electronic ticketing option while local residents familiar with the event used the traditional walk-up admission process.

One unexpected factor was the increase in prices for operational necessities such as equipment rental, sanitation, audio equipment, and performer lodging and rental vehicles. The overall increase was approximately 33% more than pricing in 2019. It is assumed 2023 operational costs will be similar. Staff plans to decrease print advertising because of the higher cost per view to a limited audience

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and convert much of the marketing and promotion to digital formats at lower rates with increased views. Staff will continue to streamline the event budget to accommodate both marketing and operational costs while ensuring the event remains exciting with more aerobatics and event displays. A request for military support was submitted for the 2023 show to all four military branches. By December or January 2023, notification should be received as to whether the Air Show was awarded any military assets.

Mr. Bills asked about other regional shows that are available similar to the Olympic Air Show. Ms. Thorning advised that both Moses Lake and Portland sponsor air shows. Many regional shows in existence in prior years are no longer offered. The 2022 show attracted many visitors from Southwest Washington, Portland, and Snohomish County.

Mr. Sohal asked whether the City of Lacey was asked to contribute lodging tax funds to the show. Ms. Thorning said she did not receive an invitation to apply for lodging tax funds from the City of Lacey. The information on the City of Lacey's lodging tax website has not been updated since 2019. Funds from the City of Lacey were received for the 2018 air show.

Ms. Ro asked about the age group that primarily accesses print material. Ms. Thorning advised that the show attracts all ages. Print media includes ads in local publications within the entertainment section. Digital is much broader and appeals to a younger age group.

**WASHINGTON STATE
SENIOR GAMES:**

Diane Foster, President, Washington State Senior Games, reported she assumed the position of President after Jack Kiley resigned because of health issues. This year, the games sponsored 1,800 participants, which is close to the record of over 2,000 participants. She is familiar with the use of local hotels by many of the participants. The organization is transitioning as new personnel replace long-term personnel. She has received many phone calls from participants asking how to participate in the games due to the national coverage of the games. Many participants have indicated interest in visiting the area in addition to participating in the games. The 2020 games were not held with 2021 games hosted with one event cancelled because team members contracted COVID. Many participants shared information on the increased cost for attending the event from other areas of the country because of increased costs caused by the pandemic. Track and field events are held at Tumwater High School in addition to golf, racket ball, and tennis.

Ms. Ro inquired as to whether the show has contacted the City of Tacoma for funding. Ms. Foster explained that the goal was hosting

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the games within the local area; however, beach volleyball was added this year as a new competition. The City of Tacoma is the only venue available to accommodate the game. Another new competition under consideration is cornhole. One venue able to accommodate the game is located in the Yelm area.

In response to an inquiry about the Cowboy Action Shooting competition, Ms. Foster reported the event is held at the Evergreen Sportsmen's Club in Olympia/Littlerock and involves pistol and rifle shooting at targets.

Ms. Foster noted that the games produced the third highest number of participants who medaled in the National Senior Games. One couple from Barbados participated in the games this year.

CAPITAL LAKEFAIR:

Bruce Schultz reported Capital Lakefair was established in 1957. The non-profit organization has raised millions of dollars for local non-profit food and vendors and more than \$400,000 in scholarships for young women from area high schools. Lakefair was held this year following a two-year hiatus because of the pandemic. Capital Lakefair filled hotels in Thurston County during the 2022 season. The 2022 festival was the largest to date. The festival's parade attracts traveling bands from outside the region with many members staying with friends. The Main Stage includes performers who live in other areas who stay in local hotels. This year, vendor applications included hotel information. The festival includes traveling floats, drivers, and other festival officials representing different festivals outside the region. The festival features 50 vendors located throughout the Pacific Northwest. This year, he referred 10 vendors to Tumwater hotels. Capital Lakefair hosts its Ambassador Club for Capital Lakefair princesses. Lakefair princesses serve 400 hours of community service within Thurston County. Capital Lakefair is a year-round festival providing different services throughout the year. Lodging tax funds would be used for float signage, painting materials, online advertising, float insurance, community events, facility rentals, vehicle storage, and fencing. Capital Lakefair is a member of the Northwest Festival Association with members from British Columbia, Oregon, Idaho, and Washington. The association operates on a reciprocal basis with members participating in parades sponsored by other members. Many floats in the Capital Lakefair Parade are floats from other festivals.

Mr. Reynolds asked whether Capital Lakefair officials market the Capital Lakefair Festival when attending other festivals. Mr. Schultz affirmed Capital Lake representatives attend and participate in other festival parades. Each parade is scheduled at different times of the day. Capital Lakefair Parade starts at 5 p.m. while Spokane's parade starts at 7 p.m. In many instances, Capital Lakefair participants must

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travel to the destination the day before the event because of travel time and the time of the parade. Most events require a two-day visit by participants who stay in hotels and eat at restaurants.

Chair Swarthout asked about the number of floats and participants in the parade. Mr. Schultz said the participation level typically varies from year to year. Last year, the parade featured 100 units.

**TUMWATER VALLEY
GOLF CLUB:**

Dave Nickerson, Operations Manager, Tumwater Valley Golf Course, presented the funding proposal for hosting the WIAA High School State Golf Championships in May. The event is unique as it entails a competitive process to win the right to host the event. The process includes an extensive application. The event guarantees hotel nights because many of the participants travel from across the state to participate. Participants must have qualified to participate in the state tournament. The event filled many Tumwater hotels in 2019 and 2022. The tournament was cancelled in 2020 and 2021 because of the pandemic. The state tournament has been traditionally hosted in Eastern Washington because of the weather.

Manager Nickerson added that the golf course also focuses on expanding activities at the golf course during shoulder months. A major focus is attracting young golfers from across the state. The golf course also hosts several local golf teams that have transitioned to hosting the WIAA district tournaments, as well as the OB Junior Open, which is celebrating its ninth season at the golf course. All programs resulted in the golf course successfully winning the bid in 2019 representing the first time in the history of the tournament for hosting an event in this area. To compete against Eastern Washington and larger communities, the golf course must address every detail in operating the tournament. Previous lodging tax funds were used to line Capitol Boulevard and Tumwater Valley Drive with state banners on the light posts to greet participants arriving at the May tournament. The banners display "Tumwater Welcomes all WIAA State Golf Participants." During the morning of the tournament, practice range golf balls were arranged as pyramids. A tunnel of champions was created leading to the first tee with signs listing all schools participating in the state tournament complete with a color image of each school's mascot logo. A signature area was created for parents to take photographs of players and teams. Players were introduced prior to their opening tee shot on the first hole over a PA system. People notice and appreciate the additional touches. He wants the community to continue to rally around the event and build upon the overall experience for high school students. The funding request is \$6,500 for the purchase of portable bleachers for spectators, custom logo pin flags, and a custom logo hospitality pop-up tent. The additions positively affect all user groups from the spectators to the

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players to the officials and the coaches. The application has been submitted for 2023-2026 tournaments. The winning hosts will be announced in the next several months. The tournament also includes a tremendous amount of practice rounds by students throughout the year building up to the state tournament. Many players and coaches travel and spend the night in the City throughout the year to familiarize themselves with the course. The tournament not only attracts visitors during the tournament, the City gains the benefits throughout the year in small increments. Manager Nickerson requested consideration of the funding proposal for spectator bleachers for other WIAA tournaments hosted by the golf course. Additionally, the championship tournament requires a minimum of four golf courses to host the event. However, Tumwater serves as the major site. WIAA has been extremely pleased with the site and indicated the model provided by the golf course should be the same model employed by other courses.

Manager Nickerson responded to questions about how the golf course was able to expand youth tournaments at the golf course. The effort has been consistent, is labor intensive, and included ongoing conversations with players, coaches, and athlete directors to encourage consideration of the golf course for tournament play. The bleachers are important because spectators are often on their feet for over five hours as they follow the golfers. Installing several bleachers around the ninth green, similar to the PGA and LPGA tournaments, affords an area of rest for spectators for several minutes. Those types of amenities are remembered by both parents and officials.

Manager Nickerson said the application is extensive and includes information about the availability of hotels in the area, as well as other local information. WIAA officials want to ensure the golf course is able to accommodate golfers, officials, and parents.

Mr. Bills questioned whether the previous success of hosting a WIAA tournament increases the possibility of selection. Manager Nickerson affirmed it would help influence the selection as long as three other local courses submit an application as well. At the onset, he personally visited other golf courses to discuss the opportunity, as well as attending a Sports Commission meeting with Experience Olympia Beyond. He was able to work with Jeff Bowe, Vice President, Sales and Development with Experience Olympia and Beyond. Mr. Bowe also works with other courses to solicit participation.

Mr. Bills inquired about the extent of advertising by the golf course for the tournament. Manager Nickerson explained that advertising would not draw additional players as the players are selected. The

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tournament provides a guarantee of hotel room nights as the participants are traveling from across the state. The tournament is advertised on the webpage for the golf course. Some local players are recruited to serve as volunteers during the tournament. If selected for 2023, the tournament would be held at the golf course from 2023 through 2026. The tournament rotates different classifications of players. The first year the golf course hosted, the classification was small schools. This year, the golf course hosted 2A girls. The tournament rotates school classifications to ensure players and families experience a different course each year. The funding proposal is a one-time request for the four-year tournament cycle.

Ms. Ro asked about any comments received concerning local accommodations. Manager Nickerson replied that the hotels were provided with signs to post in hotel lobbies that are not typically provided at other tournament locations. Visitors expressed appreciation for the close locations of hotels and restaurants to the golf course.

**TEAM TOMORROW,
LLC:**

Christen Greene, Founder, South Sound Block Party reported the event is a two-day music festival held at Northpoint at the Port of Olympia. The event is scheduled on August 25 & 26, 2023. Ms. Greene reported she has over 20 years experience in the music industry. She relocated to the area and decided to leverage her knowledge and connections to sponsor a musical event featuring music acts, food, and other activities. The event has a capacity of 3,500 participants featuring local food vendors and many local and national music groups. Over 50% of the talent is from local sources. The last event generated over 1,100 tickets at an average cost of \$62. According to a tourism study, each dollar spent on a concert ticket, generates \$12 to the local economy. Twenty-three percent of ticket buyers lived 50 miles or more beyond Thurston County and 11% were residents from other states. Event sales were somewhat lower as per the industry average, which has been difficult to quantify for a new event. She contacted all local hotels in Lacey, Olympia, and Tumwater for housing musicians and visitors. One hotel followed up, which was assigned as the host hotel. The Doubletree Hotel in Olympia sold out Thursday through Sunday. Many hotel rooms were purchased for bands and staff. The website featured all Tumwater hotels attracting over 100 visitors visiting Tumwater hotels online.

Ms. Greene reviewed some demographics of visitors to the last event. The non-profit partner was For the Love Foundation, a local mutual aid foundation providing backpacks for students, holiday dinners, re-homing people affected by a fire in downtown Olympia, and meals for the elderly. The event offered free drinking water to patrons. Toyota served as the title sponsor for the event. Additionally, the

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organization collaborated with Girls Build, a non-profit organization in Portland, Oregon. The organization sponsors a girl's summer camp on how to use tools. The organization constructed 45 chairs and benches for the event. The venue offers both vehicle and bike parking. The Flaming Pig from Tumwater was a featured food vendor. This year's marketing included radio, digital ads, ticket giveaways, flyers, posters, and a billboard located in Tacoma. A volunteer street team hung flyers in different cities. Engagement results were obtained through QR codes. The City of Tumwater was the third highest in QR code scanned. Email addresses increased to over 5,000 people. Ms. Greene commented on how the organization amplified messages from local communities that were specific to the arts or of interest to the community. The event highlights venues, shops, restaurants, and hotels in the area

Feedback from patrons was solicited through scrap-a-daps. Much of the feedback reflected the good location, affordable ticket pricing, free drinking water, and a party for VIPs. Additional funding is required specific to adding security and staffing, lighting infrastructure, and improving ADA accessibility. Funding from the LTAC last year was used for fencing and toilets. This year, funding would support artist fees. The 2022 event was the organization's first event.

Ms. Ro asked whether the organization received any funding from the Port of Olympia. Ms. Greene reported the Port provided all in-kind spaces comprised of an upper and lower parking lot. The Port also contributed \$1,500 in funding.

Chair Swarthout remarked that she learned about the event through Facebook. Ms. Greene affirmed that with the support of volunteers, the organization was able to host the event, which was a success. Tickets were 50% lower than the industry average. The retention of both staff and volunteers speaks to the success of the event.

**TUMWATER ARTESIAN
BREWFEEST:**

Tumwater Parks and Recreation Director Chuck Denney reported the Artesian Brewfest is a craft brewing and distilling event sponsored by the City of Tumwater on the driving range at Tumwater Valley Golf Course. The event celebrates the City's brewing heritage and supports bringing brewery back to the City by working with local brewers, distillers, and cider makers to locate their business in Tumwater. The City has worked with South Puget Sound Community College and the WSU Food Science Program to assist in the development of the Craft Brewing and Distilling Center off Capitol Boulevard. The Brewfest highlights and promotes those efforts by offering an annual craft beer, wine, and spirits festival for over the last 10 years. The first festival was held in 2014 and expanded to over 5,000 participants and 55 brewers and distillers in 2014. In 2020, with the advent of the

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pandemic, the festival was cancelled. In 2021, staff worked with the Department of Health to sponsor a smaller version of the festival. The festival held last month attracted 40 brewers and distillers, 3,300 participants, and 14 food trucks. Because the event was recently held, not all event statistics are available as well as the video of the event. A promo video is [produced for event sponsors and for future sponsors. Lodging tax funds were used for marketing. The City mails approximately 20,000 coasters to all participating breweries, wineries, distillers, and cider makers. The coasters are featured in their taprooms promoting Tumwater and the Brewfest. Those businesses feature the Brewfest on their social media pages and invite their clientele from their breweries to come to Tumwater to attend the Brewfest.

All brewers and distillers complete an online Survey Monkey of the event each year. The results and comments generated positive feedback about the event and comparison with other similar events. Director Denney shared some of the comments that spoke to the best Brewfest in the state and the best-organized and planned Brewfest. Tumwater produces one of the best festivals. Several of the brewers shared that since all Tumwater hotels were full, they were required to stay at hotels in Lacey. For the 2023 Brewfest, the goal is to increase participation to pre-pandemic levels.

**GATEWAY ROTARY
CLUB OF THURSTON
COUNTY:**

Nathan Magee, Rotary Member, Gateway Rotary of Thurston County, reported historically, the Rotary has utilized funding for its Brats, Brews & Bands (BB&B) Festival. The funds have been used for advertising, security, and hygiene requirements for the event. The Rotary is in process of reestablishing and reenergizing the BB&B event and bringing the cities together. The BB&B is a food and music festival. The organization supports local businesses by renting equipment and supplies from businesses.

Mr. Bills inquired as to the location of the event. Mr. Magee said the traditional location has been at The Hub in Lacey. The event in 2022 was cancelled because of the lack of a project manager. The funds would be used for the 2023 festival.

Mr. Bills asked whether the Rotary plans to seek lodging tax funds from other jurisdictions. Mr. Magee affirmed that the Rotary would be seeking lodging tax funds from all jurisdictions.

Ms. Ro asked whether the festival is the major event for the Rotary Club. Magee said the event is the major fundraising event for the Rotary. The funds are used to support the Food Bank of Thurston County, as well as other youth-based organizations. The Rotary also partners with the Boys and Girls Club in Lacey.

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Mr. Sohal asked about the number of tickets sold at the last event. Mr. Magee said the festival sold approximately 800 tickets and did not generate a profit. Typically, the Rotary provides \$20,000 in funds to different organizations. The ticket price for the 2022 event was \$30 with 10 tasting coupons. The most successful event was in 2017-18 with nearly 3,200 participants. The event is held on the first Saturday following the Labor Day holiday.

RECESS: Chair Swarthout recessed the meeting at 10:41 a.m. for a break

RECONVENE: Chair Swarthout reconvened the meeting at 10:49 a.m.

**TUMWATER
HISTORICAL
ASSOCIATION:**

Don Trosper, Tumwater Historical Association, said the Association has been in existence to enhance the heritage of Tumwater. The association has offered hands-on living history for youths, quilting, and the Tumwater Middle School Homesteaders Program. The pandemic negatively affected small historical associations and museums. With the lack of any events, it was difficult to maintain the organization. Membership in the Association has been aging as well. The Association focuses on local and regional tourism and enhancing educational value and the visibility of Tumwater's rich heritage.

The pandemic nearly closed the organization with members encountering health issues and aging, which took some toll on the organization. Additionally, the lack of any public events was discouraging. The organization maintains a core group of approximately four members working in conjunction with other small history groups. Several recent events include the Thurston County Fair and Tenino Railroad Day. Tumwater Falls Festival is planned for October 1, 2022. The Association will participate with a booth and provide hands-on children activities with a focus on pioneer and rope making skills. The funding request will assist the Association in regaining its focus. As the pandemic lessened, the Association pursued a membership mailing, which resulted in encouraging results. It is likely the organization will be welcoming new members to promote growth of the organization following the pandemic. The funding request is \$5,000 similar to prior funding requests.

Mr. Bills asked about the identity of the core group of members. Mr. Trosper advised that Sandi Gray serves as the Secretary. Other members include Ann Kelleher, Karen Johnson, and Dave Shade, Treasurer. Lodging tax funds would be used for marketing and promotion of events and activities.

Chair Swarthout inquired about the next session of Pioneer University. Mr. Trosper said the last session was hosted prior to the pandemic.

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The Association was in the process of expanding the program to include adults as well as children to learn about rope making, candle making, quilting, and other pioneer activities.

Ms. Ro asked whether the association has sponsored any events this year. Mr. Trosper replied that no events were held because of COVID and none have been scheduled. Members participate in events hosted by other entities.

**VISITOR &
CONVENTION BUREAU
OF THURSTON COUNTY
– DBE: EXPERIENCE
OLYMPIA & BEYOND:**

Annette Pitts, Executive Director, Visitor & Convention Bureau (VCB), reported the funding request is for \$61,000 for next year. The amount requested is based on the inability of conducting year-round tasks associated with marketing, tourism, direct sales, and promotion of sports within the region at the same level of funding as last year. For example, the VCB is currently working on a video suite as a promotional video along with a suite of other videos to be promoted throughout the country. The cost of the video package is more than the entire lodging tax award last year from Tumwater. The Tumwater video centers on the impact of the Schmidt family, Olympia Brewing, and the implications to the community. The organization is required to comply with RCWs to receive lodging tax funds by focusing on activities to attract visitors to the region from over 50 miles away who seek lodging accommodations in the area resulting in lodging tax revenue. Efforts by VCB do not occur during a finite window of time but rather throughout the year by a team of professionals. The level of support this year was insufficient to meet needs. The organization is strategically pursuing a course by focusing on events and activities funded by lodging tax dollars. Community events funded by LTAC funds will be promoted through social media, advertising, public relations, and direct sales efforts. The increased funding amount would assist the VCB in pursuing those efforts more effectively. Through the process, the VCB identified that the City of Tumwater wants its image and information publicized. The VCB has a body of work to expand on Experience Tumwater.com, as well as producing more professional images and video of the City of Tumwater. This year, the VCB created a shared image and video clip library for all municipalities at no charge. Additional funding will enable continued management of the programs. The funding increase is not exclusively about the body of work. The funding will promote equity in terms of how much each municipality is receiving in lodging tax revenue. The VCB believes lodging tax awards should be balanced because of the efforts by the VCB to increase tourism in each municipality. One option for achieving a balance is through a percentage of approximately 20% of each jurisdiction's tax collections, which speaks to the request to the City for \$61,000. Throughout the year, the VCB completes research to generate heads and beds to each community to generate lodging tax revenue. The budget request is

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reflective of those efforts over the course of the year. The VCB also pursues outbound sales initiatives for groups and sports. For example the WIAA Golf High School qualifying events use many hotel room nights in the City of Tumwater in addition to small group meetings and leisure travelers visiting the City as a result of marketing work by the VCB.

As the City's tourism economy increases, the VCB can monitor lodging tax performance generated by the number of people staying at local hotels and overlay that information with sales tax performance to determine the multiplier factor. Sales taxes fund municipal programs, which benefits from increased tourism.

Mr. Sohal asked whether other municipalities in 2022 awarded the VCB 20% of its lodging tax. Ms. Pitts responded that in 2022, the City of Lacey awarded 20%, the City of Olympia awarded less than 20%, and the City of Tumwater was less than 20%. The VCB did not apply to the City of Yelm because the VCB was not aware of the funding opportunity.

Chair Swarthout noted that the City of Yelm typically does not award lodging tax funds and retains the funds for internal programs.

Mr. Bills asked how the City's lodging tax funds would be utilized by the VCB. Ms. Pitts advised that the funds are used to support the sales team as they attend trade shows to advertise the region for tourism and small and medium-sized business meetings. The VCB funds the website, photography, videos, digital advertising, public relations, and story pitches to major media outlets during the year. The funds are allocated through a combination of sports sales and marketing work during the year. The VCB is strategically planning how the funds would support the funding decisions by each city for community activities and events to promote advertising to increase attendance and tourism-related activities.

Ms. Ro asked about the most recent sports event benefitting from the VCB's efforts. Ms. Pitts said the VCB recently booked the USSA Tournament that will require over 5,400 hotel rooms during the month of July in 2023. The VCB has been working on the substantial project for some time. The event will affect the entire county. She offered to follow-up with Ms. Ro on other sports events booked through the efforts of the VCB.

Ms. Pitts added that it is possible to identify audiences by utilizing research tools which provide information on a visitor's home state, their travel destination, whether they are a couple, income bracket, and how much money they spend during their stay, as well as where they

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are staying. The VCB has the capability of tailoring individual marketing messages and advertisements to those types of people. Event planners often visit the website to identify space for an event. The website enables meeting planners to enter a submission. The submission is reviewed by the VCB team. The team researches the type of property they are seeking with the leads forwarded to properties meeting the event criteria.

TUMWATER SOCCER CLUB:

Wayne Graham, Vice President, Kick in the Grass Soccer Tournament, reported the tournament was affected substantially by the pandemic. In 2020, the tournament was the only tournament in the state due to the collective effort by the Board and volunteers. Although the tournament was small, it was possible to maintain the tournament.

Mr. Graham shared a copy of the logo during the 2022 event, which incorporates Mt. Rainier. People from across the state attend the tournament. The 2022 event was the 43rd annual tournament and is the longest running tournament in the state. The goal is to provide youth opportunities for soccer. The tournament serves as the club's only fundraiser during the year. Most of the funds are used to control costs. The club offers the lowest per player league in the county. The club provides equipment for players, as well as equipment for local groups. The club reinvests in the community by purchasing equipment for other groups. The club recently signed a Memorandum of Understanding with the Capital Soccer Complex located off 93rd Avenue to expand two fields. The club has committed to irrigate, sand, and seed the fields for investment in local soccer. Two additional fields represent a significant opportunity for soccer players. Most clubs have experienced difficulty in booking fields. The club also provides an annual scholarship for both Tumwater and Black Hills High Schools graduating seniors. Last year, scholarships totaling \$5,000 were awarded to four students. To qualify for the scholarship, the student was required to participate in the Tumwater Soccer Club. The award of the scholarship is based on an evaluation of the student in terms of service to the community and membership in the club.

At the last tournament, 56 teams participated in the event. The pandemic has had some affect in terms of the number of teams, as many people are nervous about attending public events. Many tournaments are experiencing similar results although attendance is beginning to increase. The event featured nearly 100 games on 14 fields at Pioneer Park and the Tumwater Soccer Complex. Over 5,000 people attended the event. Tournament expenses include referee fees, balls, nets, other costs associated with the tournament, field rentals, and support by Tumwater police for traffic assistance at Pioneer Park, and ancillary costs. Next year, the club is considering hiring a drone

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to video the complex to highlight the number of cars. Other expenses are registration costs, printing, food and water for referees, and awards. Over half of the teams traveled from outside the region.

Mr. Graham described efforts by the club to increase the number of teams to pre-COVID levels of at least 100 teams based on current field availability without the need to extend play to other communities. The club plans to increase advertising on the webpage and marketing materials to promote the Tumwater community.

Normally, the ratio of spectators is 2.5 per player for a tournament. This year, the average was 3.5 spectators based on observations at both facilities. The club estimates the tournament generated 600 lodging nights. The club focuses on rewarding sportsmanship rather than winning or losing. Trophies are awarded to the teams exhibiting the best sportsmanship. Mr. Graham described the scoring process for players.

Ms. Ro inquired as to how families book their hotel stays and whether the club utilizes a travel agency for hotel bookings as they have in the past. Mr. Graham said most hotel bookings are completed online through different travel websites. The club's website includes a list of hotels in Tumwater with contact information.

Ms. Ro and Mr. Sohal recommended the club's website should include a link to Tumwater hotel properties so guests do not utilize online travel companies. They both offered the possibility of including a discount for participants booking directly with their hotel properties.

**TUMWATER
DOWNTOWN
ASSOCIATION:**

John Morton, President, Tumwater Downtown Association, presented the proposed application. Tumwater Downtown Association sponsors the Artesian Festival and the Fireworks Show on the 4th of July. The 2023 festival will celebrate its 23rd year. The festival will continue to grow and expand with children's activities and live entertainment. The association enjoys its partnership with the City to sponsor a festival. It is the largest fireworks show in the South Sound area. One change to the festival next year is featuring live music with local musicians. He thanked the committee for its ongoing support of the annual event.

**TUMWATER AREA
CHAMBER OF
COMMERCE:**

Brian Hardcastle, Career and Technical Education (CTE) Director and Curriculum Supervisor, Tumwater School District, and a member of the Chamber Board of Directors, reported the Chamber recently created an Education Committee to serve as a portal and resource for high school students to provide new business talent in the community. He introduced Tiffany Wright, Program Manager, who is working at

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the Chamber's Visitor Center. The Chamber's Visitor Center will be located within the Fred Meyer complex between Starbucks and Washington State Employees Credit Union. The Chamber is investing \$50,000 to renovate the existing building to provide an apprenticeship program in partnership with the Tumwater School District for students to receive training and experience in tourism and retail services. The Chamber is collaborating with Experience Olympia and Beyond, Tumwater School District, and the Washington Retail Association. Mr. Hardcastle said he was recently certified as a Tourism Ambassador. The Chamber is embarking on a program to train staff and students to become Certified Tourism Ambassadors. The Chamber is working with the Washington Retail Association to assist students in achieving certification in tourism, hospitality, and business and marketing through the RISE Up program, a training and credentialing program providing foundational employability skills to help youths obtain employment in retail and other sectors. The Chamber plans to hire an individual to oversee the educational program for students. The Tumwater Visitor Center will be operated by a team of Tumwater School District educators and students. The partnership with Experience Olympia and Beyond provides the Certified Tourism Ambassador training to students. The goal of the school district's CTE program is supporting all students to receive at least one certification before graduation. The Tumwater School District is currently achieving 83% of students leaving school with at least one certification. The CTE Program offers a worksite learning opportunity for students.

Mr. Hardcastle addressed questions about the location and condition of the building. The building served as the former office of the Chamber and has been vacant for several years. It took some time for the Chamber to develop the plan and program. The Chamber is working with the City on the permitting process for renovation of the building. The school district and the Chamber entered into a five-year lease agreement for the building to support the program. The building will serve as the Chamber's Visitor Center staffed by student CTEs and a supervisor. Two to three students will work in rotating shifts to receive credit for community service hours and qualify for other certifications within the RISE Up Program. The Center will open initially Monday through Friday. The goal is to open the center in January 2023 with a grand opening. Hours would be from 12:00 p.m. to 6:00 p.m. Monday through Saturday with the possibility of expanding to Sundays at a future date.

Chair Swarthout questioned the request for funding a consultant. Mr. Hardcastle explained that the funding would fund student work support.

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Mr. Reynolds said the requested funds represent 74% of the program budget. He asked about any other sources of funds for the program. Mr. Hardcastle said the school district receives enhancements for students participating in the CTE Program. Over the last five years, student participation has increased 300% because of the addition of more programs. The enhancement affords reinvestment for opportunities for students. The program has saved some funds over time to develop an apprenticeship program. When the program receives enhancement funds, the funds are reinvested into the programs.

Mr. Sohal questioned the nexus between the apprenticeship program and the Chamber. Mr. Hardcastle explained that the Chamber's Education Committee supports the business pipeline primarily through youth. The Chamber's intent is to help students grow and experience next steps for careers either in business or with state government. Additionally, students serve as the ambassadors for the community. At this time, the City lacks a tourism center. The program would be providing tourism services and a center. The school district supports his time and investment in the program. Students desire hands-on experience and relevancy, which the program supports.

Mr. Hardcastle reported students must complete 30 hours of community service for graduation. However, school district CTE organizations require leadership activities. The program links the CTE organizations and its leaders to the project to develop a vibrant workforce. The program is specific to the Tumwater School District only.

Chair Swarthout asked about the likelihood of people visiting the center when most visitors use the internet to obtain information about an area. Mr. Hardcastle responded that because of the center's hours and the addition of the Tumwater branded retail experience, parents will be visiting the center as well as visitors participating in other community activities. The retail aspect of the center could attract more visitors to the center. He anticipates the center will attract parents and visitors who are attending local high school sporting events.

**OLYMPIA TUMWATER
FOUNDATION:**

John Freedman, Executive Director, Olympia Tumwater Foundation, introduced Assistant Director, Megan Ockerman. The proposal pertains to the Tumwater Historic District. The proposal includes contracting with a videographer and drone pilot to create a promotional video of the Tumwater Historic District with narration focusing on the past, present, and the future. The video will focus on the Brewery Park at Tumwater Falls, Tumwater Historical Park, and the Old Brewhouse, as well as the City's historic houses. The story

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will highlight the traditional sacred Native American historic use of the area, as well as the trade and industry of Tumwater's history. The Brewery Park at Tumwater Falls is one of the top five visited sites in Thurston County. The video will feature all seasons with a focus on the Falls and salmon with a tie to the new Washington Department of Fish and Wildlife (WDFW) fish hatchery. The video will include some archival footage and will be featured on the Foundation's website, Tumwater's website, and on social media.

Ms. Ockerman noted that the drone will also film both historic homes in the district and the video will include narration on the houses.

Mr. Bills inquired about the length of the video. Mr. Freedman said that overall, the video would be less than ten minutes and reproduced into other short segments dependent upon the specific application.

Mr. Freedman shared information on a proposal by the Foundation to create a new history, nature, and education center at Brewery Park at Tumwater Falls at a cost of approximately \$8 million. The state approved funding of \$1.25 million and Thurston County contributed \$100,000. The Foundation secured funding through Merrill Strickland for \$750,000 with an additional \$1.75 million proposed by Senator Patty Murray in a Senate appropriations package. The Foundation submitted a funding proposal to WDFW for \$2 million.

Mr. Freedman responded to questions about the timing of the reopening of Fall Terrace Restaurant. The owner closed the restaurant during COVID and has since remodeled and upgraded the restaurant with the reopening planned prior to the new year.

Mr. Reynolds noted the funding request represents 83% of the project budget. He asked how the project would be affected if the award is not fully funded. Mr. Freedman said it would likely affect the final work on the production of the video. The Foundation would likely continue to pursue the drone video production and cutback on narration and other features of the video.

**TUMWATER CRAFT
MARKETING:**

Communications Manager Ann Cook, City of Tumwater, presented the funding application for Tumwater Craft Marketing. The request is for \$20,000. The City's overall economic redevelopment plan for the City focuses on brewery redevelopment building on brand equity of Tumwater Craft. The brand drives destination marketing to the City, businesses, hotels, and attractions. The City has experienced some visitor growth with some visitors expressing interest in returning to the City to visit other attractions in the City. The budget request of \$20,000 does not include any additional budget requests for an opening celebration at the Craft District. Because of COVID, those

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events were cancelled. This year, that budgeted amount will be rolled into the \$20,000 request.

Through efforts with Jeff Bowe with Experience Olympia and Beyond, Tumwater Craft has resonated with some of the meeting planning familiarization tours. Mr. Bowe was successful in attracting specialty groups within the brewing, distilling, and cider-making industries. Another group has been booked and some of the funds will support the visit.

Tumwater Craft extends beyond alcohol and focuses on local and locally made giving a sense of place that is uniquely Tumwater. All local makers are featured in event marketing for fairs, festivals, and other events.

Mr. Bills asked for additional details as to what is involved in a marketing campaign. Manager Cook replied that the City created a Tumwater Craft Facebook page that is used in collaboration with Thurston Economic Development Council (EDC) and South Puget Sound Community College. The City is not allowed to promote an individual business; however, the City working in partnership can promote many businesses and industries. The funding would assist in placement of media on the Facebook page. Another recent product is a greeting card featuring a short video.

Ms. Ro inquired about accomplishments during the last year. Manager Cook said two of the events were cancelled. One event was a pre-event at the Craft District prior to the Tumwater Brewfest and the second event not held was exhibiting at the Brewfest. The intent is to use the balance within the last allocation for next year or return the funds. Ongoing expenses include renewal of domain names, website costs, and other costs.

**LODGING TAX
HISTORIC AND
CULTURAL FUNDING
FOR 2023:**

Parks and Recreation Director Chuck Denney, City of Tumwater, reported the City has historically divided lodging tax funds into categories designated as the “first 2%” and the “second 2%.” The first 2% has been used for the City’s historical and cultural programming through a contract between the City and the Olympia Tumwater Foundation, as well as maintenance of the City’s historic homes (Crosby House & Brewmaster’s House), Union Cemetery, and the historic brew tower. To continue the practice, approval by the committee is required. He asked the committee to consider a motion for approval of lodging tax historical funds for 2023 of 2% for cultural facilities and programs.

In 2022, most of the funds were utilized to maintain the Crosby House and the Brewmaster’s House. Both houses receive

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continuous maintenance from staff. The funds also support the City's historic cemetery off Littlerock Road. The cemetery is one of oldest in Washington State. Staff works closely with Mills and Mills Cemetery to maintain the cemetery. The City applied for a grant through the State Historical Society for improvements to the cemetery.

The Olympia Tumwater Foundation works closely with the Parks and Recreation Department to produce historical programs and interpretations throughout the Historic District. One major accomplishment was the review of the City's historic photo archive of approximately 15,000 historical photos to catalog, describe, and digitize. Today, it is possible for the community to access and research all photographs online. The pictures can also be downloaded.

The proposed budget of \$160,000 is divided into \$70,000 for historic buildings, \$60,000 for historic programs, and \$30,000 for the old brewhouse tower.

Next year, the Department will continue work on the historic homes with additional funding from the City for major structural repairs to the Crosby House to preserve the house. Events are planned at each house. The Brewmaster's House has not hosted an event for several years. Next summer, public events will be featured in conjunction with the Schmidt House and the Crosby House.

Approximately \$30,000 will be used for the old brewhouse project. Manager Cook continues to lead efforts on the project. The brick repair and masonry project has been completed. Manager Cook is currently working with engineers on seismic stabilization of the structure.

Director Denney reported the funding proposal for 2023 is \$160,000 for the three programming needs as described. He asked for the committee's approval of the funding allocation for 2023.

MOTION:

Brian Reynolds moved, seconded by Chami Ro, to recommend the City Council approve \$160,000 of 2023 Lodging Tax funds for the Historic and Cultural facilities and programs. The motion carried unanimously.

LODGING TAX UPDATE:

Executive Assistant Miles reported no changes have occurred since last year from the Joint Legislative Audit & Review Committee (JLARC). The only change in the application process was for applicants to include website addresses for events. She asked for

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any changes on the applications for next year.

Mr. Sohal recommended adding the date of the last event for sponsors hosting recurring events. Assistant Miles noted that no invoices from the applicants are processed until the event has been hosted. Funding for events that were cancelled has been included in the balance moving forward. Last year, excess funds totaled \$50,000 of which \$20,400 was expended. The remaining funds are included in the allocation of \$160,000 as well as the funds awarded to two events that were cancelled in 2022. The total funding allocation for 2023 is \$190,000. Chair Swarthout has requested increasing the amount to \$195,000, which requires approval by the committee as the additional amount would be from the fund's reserve.

RECESS:

Chair Swarthout recessed the meeting at 12:27 p.m. for lunch until 3:00 p.m.

RECONVENE:

Chair Swarthout reconvened the meeting at 3:00 p.m. A meeting quorum was confirmed.

**2023 LODGING TAX
FUNDING
RECOMMENDATIONS:**

Assistant Finance Director Carter tracked funding recommendations by each member for the following applicants:

1. Tumwater Marching Band – requested \$5,000
2. Washington Center for the Performing Arts – requested \$15,000
3. Olympic Flight Museum – requested \$42,500
4. Washington State Senior Games – requested \$15,000
5. Capital Lakefair – requested \$6,000
6. Tumwater Valley Golf Club - requested \$6,500
7. Team Tomorrow LLC - requested \$10,000
8. Tumwater Artesian Brewfest – requested \$18,000
9. Gateway Rotary Club of Thurston County New Event – requested \$5,000
10. Tumwater Historical Association – requested \$5,000
11. Visitor & Convention Bureau of Thurston County – requested \$61,000
12. Tumwater Soccer Club – requested \$15,000
13. Tumwater Downtown Association – requested \$30,000
14. Tumwater Area Chamber of Commerce – requested \$15,000
15. Olympia Tumwater Foundation – requested \$10,000
16. Tumwater Craft Marketing – requested \$20,000

Chair Swarthout, Brian Reynolds, and David Bills abstained from offering a funding recommendation for their respective

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organizations.

The committee discussed, adjusted, and recommended a final funding amount for each applicant.

MOTION:

David Bills moved, seconded by Brian Reynolds, to recommend the City Council allocate \$193,550.00 in 2023 LTAC funds to the following organizations in the following amounts:

- 1. Tumwater Marching Band – \$4,800**
- 2. Washington Center for the Performing Arts – \$11,300**
- 3. Olympic Flight Museum – \$36,250**
- 4. Washington State Senior Games – \$13,000**
- 5. Capital Lakefair – \$3,400**
- 6. Tumwater Valley Golf Club – \$5,250**
- 7. Team Tomorrow LLC – \$4,900**
- 8. Tumwater Artesian Brewfest – \$14,000**
- 9. Gateway Rotary Club of Thurston County – \$2,000**
- 10. Tumwater Historical Association – \$3,800**
- 11. Visitor & Convention Bureau of Thurston County – \$36,300**
- 12. Tumwater Soccer Club – \$11,900**
- 13. Tumwater Downtown Association – \$19,200**
- 14. Tumwater Area Chamber of Commerce – \$7,000**
- 15. Olympia Tumwater Foundation – \$6,200**
- 16. Tumwater Craft Marketing – \$14,250**

MOTION:

Motion carried unanimously.

ADJOURNMENT:

With there being no further business, Chair Swarthout adjourned the meeting at 3:30 p.m.

Prepared by Valerie Gow, Recording Secretary/President, Puget Sound Meeting Services,
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