



Pierce County Council

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Economic and Infrastructure Development Committee

Douglas G. Richardson, Chair
Connie Ladenburg, Vice Chair
Pam Roach, Member
Jim McCune, Member
Derek Young, Member

MEETING AGENDA

March 27, 2018 – 9:30 AM

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes: March 13, 2018
5. Presentation on the Lodging Tax Report
Presenter: Rob Allen, Economic Development Department, (253) 798-6915
6. Other Business
7. Adjournment

*Regularly scheduled meetings are broadcast live and replayed on channel 22 (Comcast and Click! Network) and on channel 20 (Rainier Connect).
Electronic meeting material can be accessed at www.piercecountywa.org/councilcommittees.
Video archives are available at www.piercecountytv.org.*

MINUTES

ECONOMIC AND INFRASTRUCTURE DEVELOPMENT COMMITTEE

March 13, 2018

(Note: These minutes are not verbatim. Video recordings are available at <http://wa-piercecountytv.civicplus.com/index.aspx?NID=100>. Audio recordings are available upon request.

1. **Call to Order**

The Economic and Infrastructure Development Committee was called to order at 9:33 a.m. by Chair Richardson.

2. **Roll Call**

The Clerk called the roll.

Committee Members present: Doug Richardson, Chair; Connie Ladenburg, Vice Chair; Pam Roach, Member; and Derek Young, Member were present. Councilmember Jim McCune, Member was excused.

Staff present: Hugh Taylor, Senior Legislative Analyst; Amy Cruver, Tammi Lewis and Mark Williams, Councilmember Assistants; and Erin Babbo, Communications. There were 5 guests present.

3. **Approval of Agenda:** The agenda was approved as presented.

4. **Approval of Minutes:**

Ladenburg moved approval of the minutes of the February 27, 2018, Economic and Infrastructure Development Committee were approved as presented.

5. **Presentation: Sewer Economic Development Program Updates**
Presenter: Karl Imlig, Planning and Public Works, (253) 798-2566

Taylor made opening remarks and introduced Karl Imlig.

Imlig gave an overview of the Sewer Economic Development Program. He answered questions of Councilmembers.

Taylor also answered questions of Councilmembers.

The Chair called for public testimony; there was no response.

6. Proposal No. R2018-33, Neighborhood Safety Improvements

A Resolution of the Pierce County Council Identifying Street Lighting and Other Neighborhood Traffic Improvements for Funding Pursuant to a Provisio to the 2018 Pierce County Budget; and Requesting the County Engineer to Take Action to Review and Authorize the Installation of Said Improvements.

The Clerk read the title into the record. Taylor explained Proposal No. R2018-33.

The Chair called for public testimony;
David Bryant, Carolyn Pascale and Horas Gasman spoke regrading Proposal No. R2018-33.

Taylor answered questions of Councilmembers. He gave examples of ideas that have come up to make the bridge safer. He also spoke to the fine involved if caught jumping.

Richardson thanked those in attendance at the meeting and providing valuable information.

In response to Richardson, Taylor stated that the proposal will be before the Council for final consideration on March 20, 2018.

Ladenburg moved Proposal No. R2018-33 with a Do Pass recommendation; motion seconded and passed on a voice vote.

7. Other Business: None

8. Adjournment

There being no further business the meeting was adjourned at 10:19 a.m.

Attest:

Jenifer Schultz, Committee Clerk
Approved:

Douglas G. Richardson, Chair

Date

Report to Council:

Pierce County Lodging Tax Five Year Summary

Presented by Pierce County
Economic Development Department

March 27, 2018

Rob Allen, Senior Economic Development Specialist
253-798-9615 - rallen3@co.pierce.wa.us



Agenda

- ▶ Overview
 - Lodging Tax Advisory Committee (LTAC)
 - Rules & Regulatory Summary
- ▶ Funding History
 - Revenue by Jurisdiction
 - Funding Awards
 - County Expenditures
- ▶ Outcomes/Results Achieved

Lodging Tax Advisory Committee

Committee Members as of 03/01/18:

Douglas Richardson, Committee Chair Pierce County Council	Meilee Anderson, Fund User Visit Rainier
Eric Corp, City-Town Position City of DuPont	Dean Burke, Fund User Tacoma-Pierce County Sports Commission
Shari Campbell, At-Large	Mark Horace, Industry Group Hampton Inn & Suites, DuPont
Hunter George, At-Large	Vacant, Industry Group
Bennish Brown, Fund User Tacoma Regional Convention & Visitor Bureau	Brandy Frederich, Industry Group Rainier Guest Services
Shelly Schlumpf, Fund User Puyallup Sumner Chamber of Commerce	Kim Straight, Industry Group Holiday Inn Express & Suites, Sumner

Rules and Regulatory Summary

- ▶ Pursuant to RCW 67.28.1816, Lodging Tax revenues may be used for:
 - Tourism marketing;
 - The marketing and operations of special events and festivals;
 - Supporting the operations and capital expenditures of tourism-related facilities; or
 - Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations

Funding History:

Revenue By Jurisdiction

- ▶ 18 contributing jurisdictions:
 - 8 jurisdictions generate < \$10,000
 - 5 jurisdictions generate between \$10,000 and \$100,000
 - 5 jurisdictions/areas generate > \$100,000

	2013	2014	2015	2016	2017	5 Year Total
DuPont	256,390	307,594	351,921	341,855	533,011	\$1,790,771
JBLM	312,307	579,509	633,851	696,265	682,107	\$2,904,039
Mt. Rainier Area	537,786	498,095	572,450	695,075	681,130	\$2,984,536
Sumner	134,399	159,223	191,025	200,194	213,884	\$898,725
Other Unincorporated Pierce County	46,712	44,828	53,313	62,760	63,360	\$270,973
TOTALS	\$1,326,779	\$1,629,205	\$1,859,053	\$2,056,398	\$2,237,924	\$9,109,359

Funding History:

Funding Awards

- ▶ 14 organizations funded with 6 consistently funded over the five year time period; also includes opportunity and tourism strategic plan funding:

	2013	2014	2015	2016	2017	5 Year Total
Mt. Rainier Visitor Association	141,000	149,000	164,000	164,000	145,000	\$763,000
Stay Crystal	150,000	155,000	177,000	177,000	197,000	\$856,000
Tacoma Highland Games	10,000	11,500	11,500	12,000	5,000	\$50,000
Tacoma-Pierce County Sports Commission	30,000	60,000	60,000	75,000	100,000	\$325,000
Tacoma Regional Convention & Visitors Bureau	155,000	200,000	250,000	275,000	500,000	\$1,380,000
Visit Rainier	272,000	272,000	279,000	279,000	300,000	\$1,402,000
Opportunity Fund				300,000	200,000	\$500,000
Tourism Strategic Planning		12,500	50,000	100,000	100,000	\$262,500
TOTALS	\$871,300	\$1,111,770	\$1,109,500	\$1,477,000	\$2,026,000	\$6,595,570

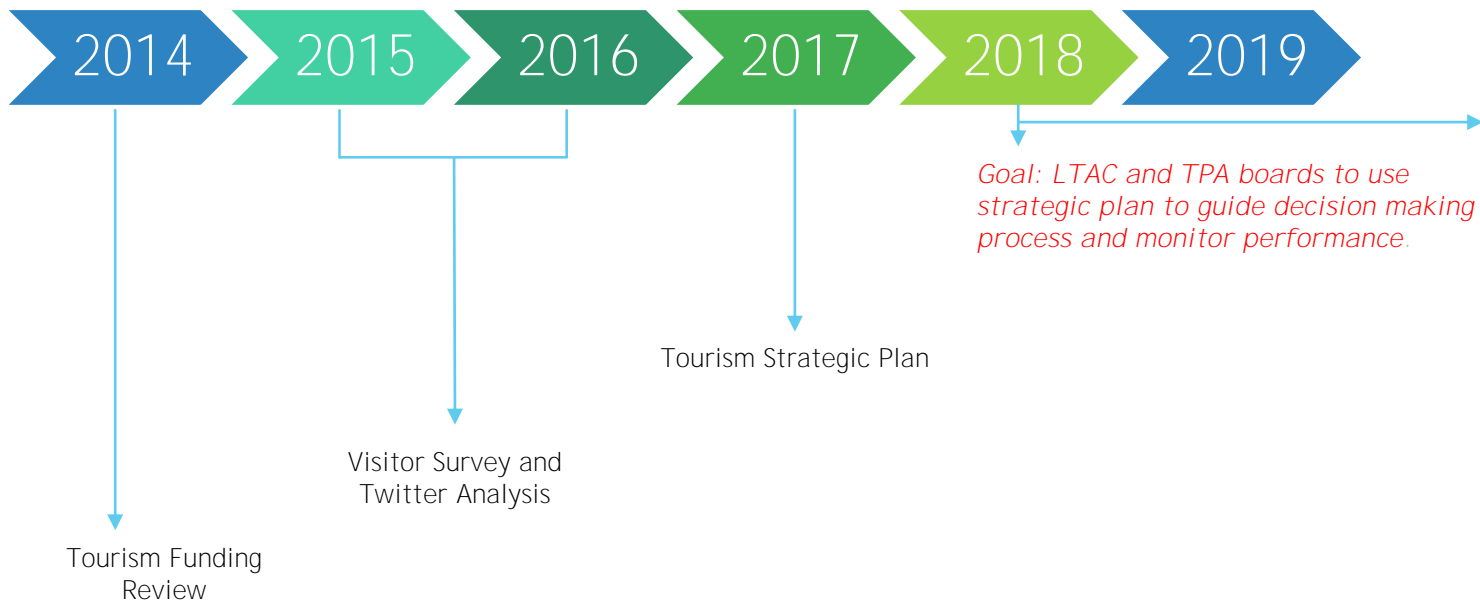
Funding History:

County Expenditures

	2013	2014	2015	2016	2017	5 Year Total
County Indirect	19,910	27,975	16,179	18,678	21,240	\$103,982
Department Expenses	11,736	7,864	2,279	2,894	12,836	\$37,609
TOTALS	\$31,646	\$35,839	\$18,458	\$21,572	\$34,076	\$141,591

Outcomes/Results Achieved

The recipients are required to provide a year-end activity report outlining results achieved from their respective programs. Those reports, from 2013 to 2016, are included on the attached flash drive/3-ring binder.



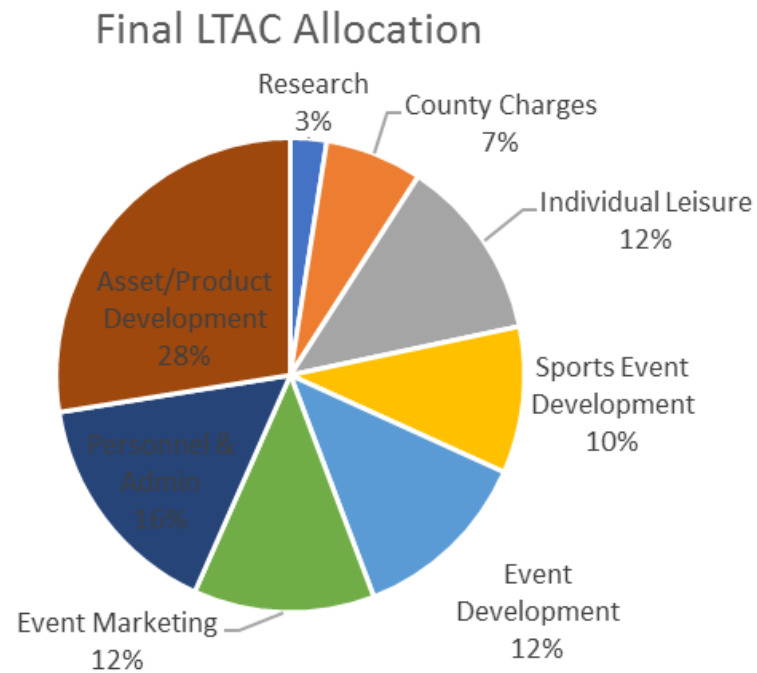
Strategic Plan and Future Allocation

- *The strategic plan marks a fundamental shift in how LTAC funds are allocated.*
- *It will serve as the foundation for funding allocation decisions into the future, and provide a benchmark to measure agency performance*

Approved Funding Categories

*Leisure Marketing
Events Marketing
Sports Event Development
Leisure Event Development
Asset/Product Development
Personnel & Admin.
Research
County Charges*

*Total amount allocated for 2019:
\$2,237,930*



Pierce County Economic Development Department

LODGING TAX REPORT — FIVE YEAR SUMMARY

GENERAL INFORMATION AND BACKGROUND

As requested by Council Ordinance 2017-62s2, the Economic Development Department (EDD) is pleased to provide the following information regarding Pierce County Lodging Tax administered by the Department.

Pierce County established the Lodging Tax in 1981, through Ordinance 81-17, and for many years it was administered by the Community Services Department. The EDD assumed administration responsibilities of the fund in 2012.

LODGING TAX ADVISORY COMMITTEE (LTAC)

How Appointed:

State law is prescriptive about who will serve on the LTAC Board in RCW 67.28.1817. At least two members must represent businesses that collect the tax and at least two members must represent those authorized to use the tax (and must be equal numbers), plus an elected official who serves as Committee Chair.

Administration of the LTAC is governed locally by Pierce County Code (PCC), and PCC 2.93.030 addresses Committee composition. The code directs that four members will be “representatives of businesses required to collect the tax” and four members “who are involved in activities authorized to be funded by revenues received.” In addition, Pierce County’s LTAC includes two at-large members and a city council member from “a city or town within Pierce County that collects lodging tax which goes to the County,” as well as a member of the County Council who serves as the Chair of the Committee, for a total of twelve members. Committee members are appointed by the Pierce County Executive, subject to confirmation by the Pierce County Council.

Committee Members as of 03/01/18:

Douglas Richardson, Committee Chair Pierce County Council	Meilee Anderson, Fund User Visit Rainier
Eric Corp, City-Town Position City of DuPont	Dean Burke, Fund User Tacoma-Pierce County Sports Commission
Shari Campbell, At-Large	Mark Horace, Industry Group Hampton Inn & Suites, DuPont
Hunter George, At-Large	Vacant, Industry Group
Bennish Brown, Fund User Tacoma Regional Convention & Visitor Bureau	Brandy Frederich, Industry Group Rainier Guest Services
Shelly Schlumpf, Fund User Puyallup Sumner Chamber of Commerce	Kim Straight, Industry Group Holiday Inn Express & Suites, Sumner

Pierce County Economic Development Department

LODGING TAX REPORT — FIVE YEAR SUMMARY

RULES AND REGULATIONS SUMMARY

Enabling Legislation:

- State – RCW 67.28
- County – PCC 4.16, 2.93 & 4.48.020(G)

The Lodging Tax is an excise tax on “the furnishing of lodging at any hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property” (RCW 82.04.050(f)). People who purchase lodging pay between 4% and 7% in lodging taxes. Lodging tax is 2% on all lodging and there is an additional 3% on all lodging facilities with 25 rooms or more. In addition, the State contributes 2% of room sales tax back the Lodging Tax fund. Fife, Gig Harbor, Lakewood, Puyallup and Tacoma keep all the lodging taxes generated in their jurisdictions, DuPont and Sumner keep a portion of the taxes generated in their areas, and the remaining lodging taxes raised are administered by Pierce County.

Pursuant to RCW 67.28.1816, Lodging Tax revenues may be used for:

- a) Tourism marketing;
- b) The marketing and operations of special events and festivals designed to attract tourists (please note: PCC 4.16(F)(2) limits this to funding marketing and does not allow funding of operations of events);
- c) 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; or
- d) Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations

People wishing to use Lodging Tax revenues to support tourism must submit applications with “estimates of how any moneys received will result in increases in the number of people traveling for business or pleasure” (RCW 67.28.1816(2)(a)). Then, “the local lodging tax advisory committee must select the candidates from amongst the applicants applying for use of revenues in this chapter and provide a list of such candidates and recommended amounts of funding to the municipality for final determination”.

Further, RCW adds, “The municipality may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee” (RCW 67.28.1817(2)(b)(ii)).

The Lodging Tax Committee serves in an advisory capacity and makes funding recommendations each year to the Pierce County Executive and Pierce County Council through the annual County budgeting process.

**Pierce County Economic Development Department
 LODGING TAX REPORT — FIVE YEAR SUMMARY**

FUNDING HISTORY

Revenue by Jurisdiction:

	2013	2014	2015	2016	2017	5 Year Total
Auburn in Pierce County	0	0	0	13	31	\$ 44
Bonney Lake	0	67	124	723	1,547	\$2,461
Buckley	12,516	13,714	14,036	17,104	20,643	\$78,013
DuPont	256,390	307,594	351,921	341,855	533,011	\$1,790,771
Eatonville	10,488	12,381	15,962	18,330	15,286	\$72,447
Edgewood	0	0	0	32	22	\$ 54
Fircrest	0	0	345	437	1,221	\$2,003
JBLM	312,307	579,509	633,851	696,265	682,107	\$2,904,039
Milton	8,728	7,360	7,257	6,491	5,271	\$35,107
Mt. Rainier Area	537,786	498,095	572,450	695,075	681,130	\$2,984,536
Orting	1,693	1,792	1,701	76	256	\$5,518
Roy	0	0	0	121	87	\$ 208
Ruston	0	0	0	490	1,086	\$1,576
South Prairie	414	498	523	1,434	1,906	\$4,775
Steilacoom	1,996	1,986	2,479	2,798	2,504	\$11,763
Sumner	134,399	159,223	191,025	200,194	213,884	\$898,725
Other Unincorporated Pierce County	46,712	44,828	53,313	62,760	63,360	\$270,973
University Place	3,350	2,158	14,066	12,200	14,572	\$46,346
TOTALS	\$1,326,779	\$1,629,205	\$1,859,053	\$2,056,398	\$2,237,924	\$9,109,359

**Pierce County Economic Development Department
LODGING TAX REPORT — FIVE YEAR SUMMARY**

Funding Awards:

	2013	2014	2015	2016	2017	5 Year Total
City of DuPont*					163,000	\$163,000
Mt. Rainier Festival & Event Center	90,000	90,000				\$180,000
Mt. Rainier Visitor Association	141,000	149,000	164,000	164,000	145,000	\$763,000
Nisqually Land Trust	17,000					\$17,000
Pierce County Parks & Rec-Chambers Bay					240,000	\$240,000
Points NE Historical Society	6,300					\$6,300
Puyallup Sumner Chamber of Commerce					60,000	\$60,000
Stay Crystal	150,000	155,000	177,000	177,000	197,000	\$856,000
Tacoma Highland Games	10,000	11,500	11,500	12,000	5,000	\$50,000
Tacoma-Pierce County Sports Commission	30,000	60,000	60,000	75,000	100,000	\$325,000
Tacoma Regional Convention & Visitors Bureau	155,000	200,000	250,000	275,000	500,000	\$1,380,000
Town of Wilkeson & Carbon Valley Communities					16,000	\$16,000
Visit Rainier	272,000	272,000	279,000	279,000	300,000	\$1,402,000
Western Forest Industries Museum		161,770	118,000	95,000		\$374,770
Opportunity Fund				300,000	200,000	\$500,000
Tourism Strategic Planning		12,500	50,000	100,000	100,000	\$262,500
TOTALS	\$871,300	\$1,111,770	\$1,109,500	\$1,477,000	\$2,026,000	\$6,595,570

*Capital Project

Any funds not drawn by the recipient remain in the Lodging Tax reserves.

**Pierce County Economic Development Department
 LODGING TAX REPORT — FIVE YEAR SUMMARY**

County Expenditures:

	2013	2014	2015	2016	2017	5 Year Total
County Indirect	19,910	27,975	16,179	18,678	21,240	\$103,982
Department Expenses	11,736	7,864	2,279	2,894	12,836	\$37,609
TOTALS	\$31,646	\$35,839	\$18,458	\$21,572	\$34,076	\$141,591

Recipient Program Description Summaries:

Recipient Name	Project Description
City of DuPont	DuPont I-5 Welcome Station at Iafrati Park (2017)
Mt. Rainier Festival & Event Center	Marketing various events in the Mt. Rainier region (2013 & 2014)
Mt. Rainier Visitor Association Ashford, Elbe, Alder, and Mineral	Marketing the Nisqually Entrance side of Mt. Rainier (2013-2017)
Nisqually Land Trust	Logo design for the Road to Rainier: Scenic Byway Plan (2013)
Pierce County Parks & Rec- Chambers Bay University Place	Marketing Chambers Bay Golf Course (2017)
Points NE Historical Society	Marketing the Brown's Point Lighthouse (2013)
Puyallup Sumner Chamber of Commerce	Marketing Puyallup & Sumner (2017)
Stay Crystal Crystal Mountain area	Marketing the Crystal Mountain and Sunrise side of Mt. Rainier (2013-2017)
Tacoma Highland Games Association Pierce County Frontier Park in Graham	Marketing the Tacoma Highland Games held in June (2013-2017)
Tacoma-Pierce County Sports Commission	Marketing & promoting the region as a premier destination for amateur sports events (2013-2017)
Tacoma Regional Convention & Visitors Bureau	Sales & marketing organization that works to bring leisure and group travel to Pierce County (2013-2017)
Town of Wilkeson & Carbon Valley Communities	Interpretive markers with QR codes, website, and new marketing brochure focusing on SR 165 (2017)

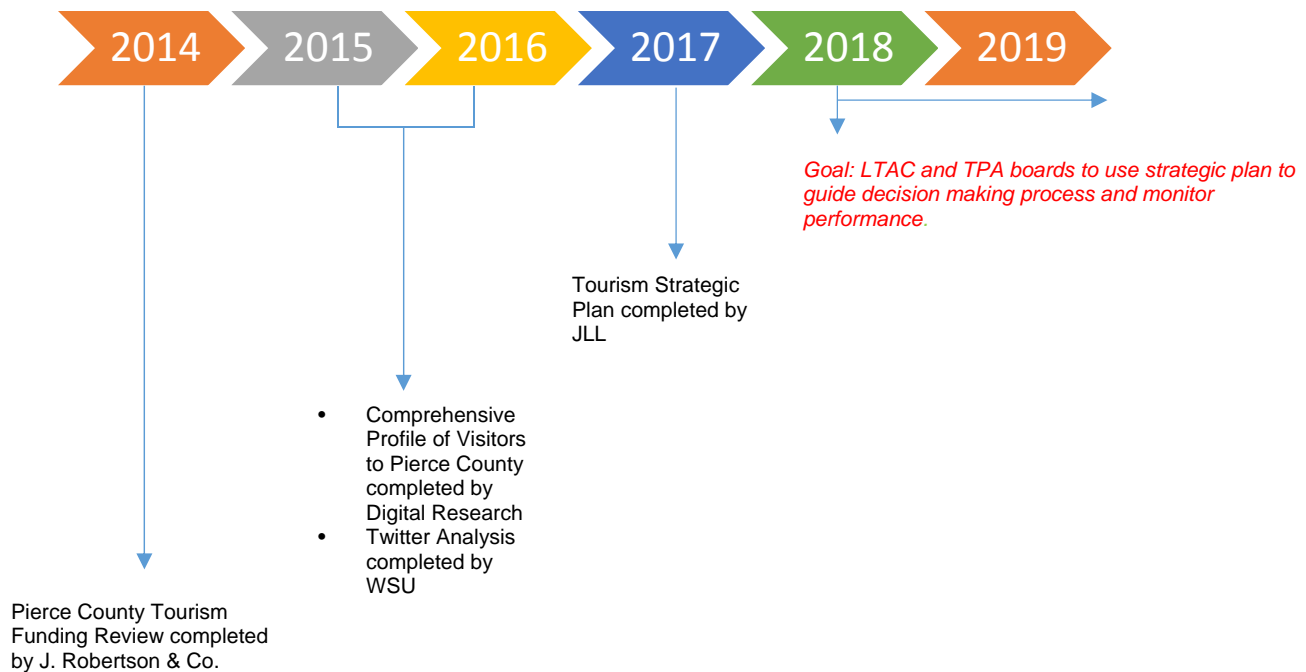
**Pierce County Economic Development Department
 LODGING TAX REPORT — FIVE YEAR SUMMARY**

Recipient Name	Project Description
Visit Rainier Virtual presence	Tourism-marketing program to make the entire Mt. Rainier region a priority tourist destination (2013-2017)
Western Forest Industries Museum	Marketing & promoting the scenic railroad in Elbe (2014-2016)

OUTCOMES/RESULTS ACHIEVED

The recipients are required to provide a year-end activity report outlining results achieved from their respective programs. Those reports, from 2013 to 2016, are included in the attached flash drive.

Tracking outcomes is difficult in tourism. Due to this difficulty and the desire to ensure these funds are invested to achieve the best possible outcomes, a multi-year planning process is underway to implement a more strategic, structured, and results driven process.



Pierce County Economic Development Department LODGING TAX REPORT — FIVE YEAR SUMMARY

A NEW DIRECTION FOR PIERCE COUNTY TOURISM PROMOTION FUNDING

- *The strategic plan marks a fundamental shift in how LTAC funds are allocated.*
- *It will serve as the foundation for funding allocation decisions into the future, and provide a benchmark to measure agency performance*

Strategic Direction

Priority 1: Driving Overnight Visitors

Priority 2: Leveraging Proven or Identified Demand Generators

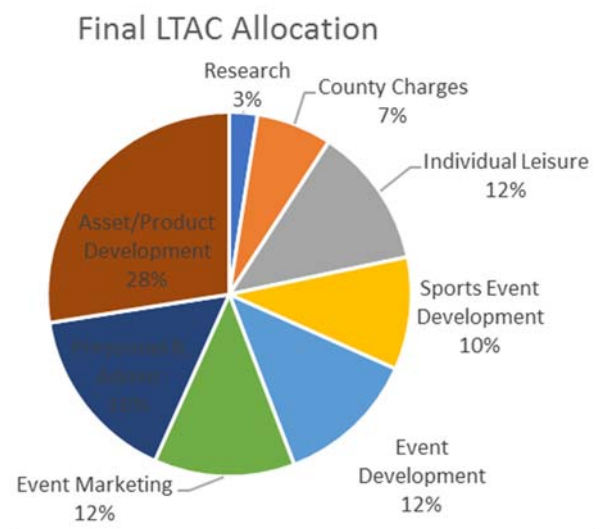
Priority 3: Focus on Specified Overnight Target Markets

Priority 4: Award Funding Based on a Balanced Approach

Approved Funding Categories

Leisure Marketing
Events Marketing
Sports Event Development
Leisure Event Development
Asset/Product Development
Personnel & Admin.
Research
County Charges

Total amount allocated for 2019:
\$2,237,930



If you have any questions regarding this report, please contact Rob Allen or Kathy Sorgenfrei at 253-798-6150. Thank you.