

AGENDA
GIG HARBOR LODGING TAX ADVISORY COMMITTEE
SPECIAL MEETING
Friday, June 30, 2023
9:00 a.m.
Community Rooms

Optional Virtual Meeting Link: <https://zoom.us/j/93352757315>
Call-in: (253) 215-8782 Meeting ID: 933 5275 7315

I. CALL TO ORDER / ROLL CALL

II. BUSINESS ITEMS

A. Review of Application from Gig Harbor Chamber of Commerce to Conduct Direct Marketing Organization Service for Tourism in the City of Gig Harbor

Suggested Motion: Move to recommend funding of a lodging tax grant to the Gig Harbor Chamber of Commerce in the amount of \$275,650 in 2023 and \$500,000 in 2024, with a reduction in the lodging tax grant to the City of Gig Harbor from \$975,000 to \$700,000 in 2023.

III. ADJOURN



CITY OF GIG HARBOR 2023 LODGING TAX FUNDING APPLICATION

**Lodging Tax Funds Requested: \$ 275,650 (2023); \$500,000 (2024)
For events/operations during the 2023 calendar year.**

APPLICATION DEADLINE: WEDNESDAY, AUGUST 31, 2022

For application assistance please contact City Clerk Josh Stecker at (253) 853-7613 or cityclerk@gigharborwa.gov prior to Friday, August 26.

Organization/Agency Name: Gig Harbor Chamber of Commerce

Event Name (if applicable): Destination Marketing Organization (DMO) for Gig Harbor

Contact Name and Title: Miriam Battson, President/CEO

Mailing Address: PO Box 102

City: Gig Harbor State: WA Zip Code: 98335

Phone: (253) 851-6865 Email Address: mbattson@gigharborchamber.com

Check all service categories that apply to this application:

- Tourism Marketing
- Marketing and operations of special events and festivals designed to attract tourists
- Operations and capital expenditures of tourism-related facilities owned or operated by a municipality
- Operations of tourism-related facilities owned or operated by nonprofit organizations

Complete Application packet **must** include the following:

- Completed Application
- Copy of Non-Profit Registration (required for all applicants other than municipalities)
- IRS Form W-9
- Itemized budget (event budget or tourism-related facility operation budget – see sample budget at the end of the application)

Application Questions

1. Describe your tourism-related event/facility.

- If an event, list the name and date(s) of the event
- If a capital expenditure, list the projected impact to tourism to the greater Gig Harbor area, both short- and long-term.
- Describe why tourists will travel to Gig Harbor to attend your activity/facility.

The Gig Harbor Chamber of Commerce would like to be considered to operate the Destination Marketing Organization (DMO) for the Gig Harbor area. We have been running one of two visitor centers in Gig Harbor and have listened and observed what has brought people to our community over the years. In addition, we have built good relationships within the business community who will ultimately benefit from this work. It would be an honor to represent our community in this manner.

What we envision for the remainder of 2023 is using this time to set up the program and tackle the low hanging fruit for tourism. Our anticipation is that it will include firming up the feel to portray & message the Gig Harbor vibe, brand management with design and strategy. This process will include hiring staff and taking over management of the VisitGigHarborWA.com website, FB page and creating an IG page. We will work with the city to acquire master files for previous brochures and content that may be available. Our thought is that all marketing print/digital will have a cohesive look/feel and be an extension of the website where we will be able to draw analytics.

One goal is to create an event that will occur in the shoulder season of early 2024 that will draw tourism to our community. We see several avenues to target with the goal to increase visitors, make a positive economic impact and increase overnight lodging throughout the year (focusing on non-peak months).

Our vision for 2024, is to improve upon the data we learn from in the second half of 2023, add additional targets for content, programs that increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists. We will continue developing strategies to expand tourism; operate the DMO under the Chamber umbrella; and market and/or hold special events and festivals designed to attract tourists.

2. As a direct result of your proposed tourism-related service or facility, provide an estimate of:

Overall attendance at your proposed event:	Increased #
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Number of attendees staying overnight in paid accommodations:	Increased #
Number of attendees travelling more than 50 miles one-way for the event:	Increased #
Number of attendees from another state/country:	Increased #

By working with Datafy, we will be able to see historical data from previous campaigns to compare to. The city should also see an increase in sales tax and lodging tax revenue. Our goal is a year-over-year increase to reach a comfortable level of consistent tourism for our area.

3. What methodology did you use to calculate the estimates?

- Direct Count:** Actual count of visitors using methods such as paid admissions or registrations, clicker counts at entry points, vehicle counts or number of chairs filled. A direct count may also include information collected directly from businesses, such as hotels, restaurants or tour guides, likely to be affected by an event.
- Indirect Count:** Estimate based on information related to the number of visitors such as raffle tickets sold, redeemed discount certificates, brochures handed out, police requirements for crowd control or visual estimates.
- Representative Survey:** Information collected directly from individual visitors/participants. A representative survey is a highly structured data collection tool, based on a defined random sample of participants, and the results can be reliably projected to the entire population attending an event and includes margin of error and confidence level.
- Informal Survey:** Information collected directly from individual visitors or participants in a nonrandom manner that is not representative of all visitors or participants. Informal survey results cannot be projected to the entire visitor population and provide a limited indicator of attendance because not all participants had an equal chance of being included in the survey.
- Structured Estimate:** Estimate produced by computing known information related to the event or location. For example, one jurisdiction estimated attendance by dividing the square footage of the event area by the international building code allowance for persons (3 square feet).
- Other:** *Datafy, google analytics, etc. We will be able to use the geofenced data along with social and web analytics to measure increased interaction with the DMO brand.*

4. Have you requested LTAC funds previously?

- a. For a different event? Yes or No

If "Yes", was it approved by LTAC? Yes or No

b. For the same event? Yes or No

If "Yes", was it approved by LTAC? Yes or No

5. Describe the prior success of your event/facility in attracting tourists.

As the Chamber, we have been able to bring new businesses to town as a place where people want to live, work and play. As one of the visitor centers for the city, we are uniquely prepared to take on this role as we have been listening to what has brought people to Gig Harbor for a visit and their interests. These individuals range from only having a few hours on their way out toward the ocean or before heading to the airport to choosing this location for a longer stay. Some have visited for a day and then planned their trip to return. Others are visiting family nearby and have chosen to stay in a hotel. Of these visitors, many are looking for things to do and excursions.

As for event management, we have successfully run the Maritime Gig Festival for over 26 years. We look forward to coming up with events that draw people in the shoulder season.

6. Is there a host hotel/lodging for your event (Yes or No)? If yes, list the host hotel/lodging.

We will be working on ways to draw people to stay in Gig Harbor at all our lodging options. One of the areas of focus will be on small conferences and corporate retreats which would include the hotels/lodging. Other events we are considering will include hotels.

7. Describe your target tourist audience (location, demographics, etc.)

The target will be people traveling from mostly more the 50 miles. From our research, there are routine travelers from WA for weekend getaways, along with those from Portland, OR, southern California, Arizona, and Idaho. The ages do range from what we briefly saw in the previous Datafy account. As we do a deeper dive into current data and from conversations within the community, there are several target markets that each will have unique messaging that will draw tourist. Families, couples (babymoon, honeymoon, anniversaries, etc.), friends trips, sports teams, ecotourism, etc.

8. Describe how you will promote your event/activity/facility to attract tourists.

Marketing Gig Harbor as a destination takes a multi-prong approach. Overall, we plan to work with the VisitGigHarborWa.com website to make sure the community brand shines through. From there we create messaging that carries through to social media, digital

marketing, rack cards, things to do booklets, visitor guide/relocation guide, magazines, create sample itineraries for if you have 2-4 hours, 1-day, a week, etc.

We will be participating in various tourism organizations to get the word out and increase Gig Harbor's visibility as a destination to come for various activities that could include small-medium sized corporate retreats, small conferences, family getaways, anniversaries, friends weekends, etc.

9. Are you applying for Lodging Tax funds from another community (Yes or No)? If yes, list the other jurisdiction(s) and amount(s) requested.

10. Are you applying for, or have you received, grants or funds pledged from other sources for the event (including for-profit businesses, national sources, etc)? Please list grants applied for or received.

n/a

11. What is the overall budget for your event? What percent of the budget are you requesting from the City of Gig Harbor Lodging Tax Fund (attach event budget)?

See attached for details. 275,650 (2023); \$500,000 (2024)

12. What specific expenses will you use LTAC funds to cover (if not shown on event budget)?

Operations of a Destination Marketing Organization & promotion of Gig Harbor. See attached for details.

13. What will you cut from your proposal or do differently if full funding for your request is not available or recommended? How is Lodging Tax funding essential to the success of your proposal?

Tourism is the goal, if the funding is changed, we would simply adjust what we work on for the advertising to reduce expenses.

CERTIFICATION

I am an authorized agent of the organization/agency applying for funding. I have read the application instructions and understand that:

- I am proposing a tourism-related service for 2023 and can provide evidence and reporting to support tourism-related attendance for the greater Gig Harbor area. If awarded, my organization intends to enter into a Professional Services Contract with the City; provide liability insurance for the duration of the contract naming the City as additional insured and, in an amount, determined by the City; and file for a permit to use City property, if applicable.
- My organization will only use lodging tax funds, if awarded, for the purposes stated on this application and as outlined in the signed contract with the City.
- The City of Gig Harbor will only reimburse those costs actually incurred by my organization/agency and only after the service is rendered, paid for if provided by a third party, and a signed Request for Reimbursement form (or other form acceptable to the City) has been submitted to the City.
- My agency will be required to submit a report documenting economic impact results in a format determined by the City.

Signature: *Miriam Battson* Date: 5/9/2023

Application Instructions

Application Deadline: To be eligible for consideration, your complete proposal must be received by August 31, 2022. The Committee will review proposals in a public meeting and determine funding recipients and levels of funding.

Applications may be submitted digitally to cityclerk@gigharborwa.gov or mailed to:

City Clerk
City of Gig Harbor
3510 Grandview St.
Gig Harbor, WA 98335

Please direct questions to the City Clerk at 253-853-7613 or cityclerk@gigharborwa.gov.

Applications filed with the City are public records. The City may choose to post on its website copies of the applications and proposed budgets.

What is the Lodging Tax Fund?

Funding for this program comes from the City of Gig Harbor Lodging Tax Fund which receives a percentage of hotel/motel taxes from lodging establishments inside the city limits. The City collects a tax on charges for overnight lodging. These funds are distributed by the Department of Revenue back to the City of Gig Harbor for the funding of tourism related capital facilities, non- event operations, and event marketing and operations.

What can be funded with Lodging Tax Revenue?

Lodging taxes can be used for:

- Tourism Promotion/Marketing
- Operation of a Tourism Promotion Agency
- Operation of a Tourism-Related Facility owned or operated by a non-profit organization
- Operation and/or Capital Costs of a Tourism-Related Facility owned by a municipality

State Law Defining the Use of Lodging Tax

Revised Code of Washington (RCW), Chapter 67.28 'Public Stadium, Convention, Arts and Tourism Facilities' provides detailed information about the use, award and reporting of tourism funds.

Important Terms Relating to RCW 67.28

Tourism: Economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs

Tourism promotion: 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.

Tourism-related facility: Real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities

Who May Apply?

Lodging Tax funding is open to non-profit organizations and municipalities with the demonstrated ability to achieve tourism related goals as outlined below:

- Increase hotel/lodging occupancy in the City of Gig Harbor by creating overnight stays.
- Increase the number of visitors to the City from more than 50 miles away.

All applications must include estimates of how funding the activity will result in increases to people staying overnight, travelling 50 miles away or more, or coming from another state or country. To ensure this data is collected, the City is required to have applicants provide additional information in the lodging tax application.

Selection and Award Process

Funding of the program and specific awards are dependent on recommendations of the City's Lodging Tax Advisory Committee (LTAC). LTAC will receive all applications and recommend a list of candidates and funding levels that will be forwarded to the Gig Harbor City Council for final determination. Funds will be awarded on a competitive basis.

The City of Gig Harbor Lodging Tax Advisory Committee Considerations

In developing its recommendations, the committee may consider:

- The estimated amount of Lodging Tax Fund available for the coming year as provided by the City's Finance Office.
- Thoroughness and completeness of the proposal.
- Percent of the proposal request to the event/facility promotions budget and overall revenues.
- Percent of increase over prior year City of Gig Harbor Lodging Tax funded proposals, if any.
- Projected economic impact within the City of Gig Harbor, in particular projected overnight stays in Gig Harbor lodging establishments.
- The applicant's financial stability.
- The applicant's history of tourism promotion success.

- Committee member general knowledge of the community and tourism-related activities.

Reporting

Reporting requirements enacted by the Washington State legislature in 2013 requires the City to report to the State regarding the use of funds for the year. All recipients of lodging tax revenue, regardless of what the revenue is to be used for, must submit a post-event activity report to the City describing the actual number of travelers generated. The City will, as part of the contract with the recipients, require that the report be provided immediately after the event or activity. The City will file an annual report to the State of Washington Joint Legislative Audit and Review Committee (JLARC).

The post-event activity report must include the following:

- Total amount spent on the facility/operation/product.
- The number of participants who attended the activity/facility in each of the following categories:
 - Staying overnight in paid accommodations away from their place of residence or business;
 - Staying overnight in unpaid accommodations (e.g. with friends and family) and traveling fifty miles/two hours away or more one way from their place of residence or business;
 - Staying for the day only and traveling more than fifty miles/two hours away or more one way from their place of residence or business;
 - Attending but not included in one of the three categories above.
- The estimated number of participants in any of the above categories that attended from out-of-state (includes other countries).
- A description of methods used to determine attendance and distinguish among the visitor categories at the event/activity.

Any recipient awarded funding must complete the reporting requirements.

DMO Budget Detail

2023 (partial year)		
Salaries (Marketing, Information Services staff)		\$85,000.00
Office & Operating Supplies		\$5,000.00
Small Tools & Equipment		\$10,000.00
Tourism – Professional Service		\$22,000.00
Web/mobile/ eNews (hosting and maintenance)		\$24,500.00
Communications		\$5,000.00
Travel		\$3,350.00
Advertising		\$30,800.00
Eat, Drink, Explore Guides		\$25,000.00
Visitor Guide		\$60,000.00
Media Hosting		\$5,000.00
TOTAL		\$275,650.00

2024		
Salaries (Marketing, Information Services staff)		\$170,000.00
Office & Operating Supplies		\$10,000.00
Small Tools & Equipment		\$10,000.00
Tourism – Professional Service		\$27,000.00
Web/mobile/ eNews (hosting and maintenance)		\$28,000.00
Communications		\$10,000.00
Travel		\$6,700.00
Advertising		\$73,300.00
Eat, Drink, Explore Guides		\$90,000.00
Visitor Guide		\$65,000.00
Media Hosting		\$10,000.00
TOTAL		\$500,000.00