

# CITY OF OCEAN SHORES, WASHINGTON

## RESOLUTION NO. 738

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEAN SHORES, WASHINGTON, SETTING FORTH A PLAN FOR USE OF LODGING TAXES

**WHEREAS**, Sections 67.28.1816 and 67.28.1817 of the Revised Code of Washington (hereinafter "the relevant RCWs") set forth certain requirements and rules for Lodging Tax Advisory Committees (hereinafter "LTACs") as well as the City's executive and legislative body dealings with LTACs and LTAC's recommendations; and

**WHEREAS**, in order to best serve the public interest, the City of Ocean Shores (hereinafter "City") wishes to clarify the requirements set forth in the relevant RCWs as amended in 2013 and as interpreted by the Municipal Research and Services Center, and our City Attorney;

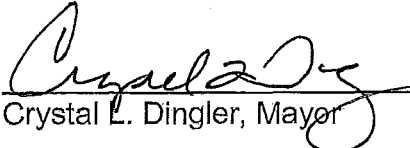
**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Ocean Shores, Washington, that

- 1) **LTAC Funds Available Each Year.** The City shall determine how much it expects to be available for LTAC funding of proposals by estimating the amount of Lodging Tax it expects to receive and has on-hand, then subtracting debt obligations (such as the Convention Center debt payment and the inter-fund loan payments, and the like, where the City relied upon the Lodging Tax to pay such debt). The City does not make multi-year commitments for tourism promotion services; however, applicants are not limited or prohibited from making annual requests of the same nature.
- 2) **LTAC Membership.** Each year, prior to September 14<sup>th</sup>, the Mayor or designee shall receive recommendations for membership in the LTAC. The Mayor or designee shall then review membership of the LTAC and appoint individuals as necessary or desirable with City Council concurrence. Such members shall consist of one (1) City Council member who shall be the Chair of the Committee, two (2) representatives of lodging businesses required to collect the tax, and two (2) individuals representing possible recipient entities (such as the City's Director of the Ocean Shores Convention Center and the Executive Director of the Chamber of Commerce). At any time during the year, whether or not the LTAC meets again, the Mayor may replace any member who resigns, retires, or the like, creating a vacancy, again, with Council concurrence. LTAC members may serve no more than two (2) terms consecutively.

- 3) **Proposals.** For the first two weeks of September of each year, including the Monday after which the 14<sup>th</sup> day may fall on a weekend, the City Clerk shall accept proposals from parties interested in competing for estimated Lodging Tax funds available in the following year. Such proposals shall be submitted in written form using the attached form. Any proposals which are not eligible under the relevant RCWs or which are not selected for recommendation to the City Council shall be returned by the LTAC to the City Clerk who shall give timely written notice to the submitters.
- 4) **LTAC Meeting(s) and Recommendation(s).** After September 14 but before October 31, the LTAC shall meet at least once. If a quorum is present (three of the five members present), the LTAC shall determine by majority vote which, if any, of the proposals to recommend to the City Council for funding and in what individual amounts. LTAC meetings shall be conducted under the regulations of the Open Public Meetings Act with appropriate notice, minutes posted, and written recommendations which shall become public documents. All written communications between LTAC members for LTAC purposes are also public records and have retention schedules. LTAC members, like those of other City boards, commissions and committees must take Open Public Meetings Act training within ninety (90) days of appointment to the LTAC.
- 5) **City Council Vote on LTAC Recommendation(s).** Assuming that the LTAC recommends that one or more proposals be funded in certain amounts, the City Council shall then vote to fund those recommendations, or not. The Council may not change the amount recommended by the LTAC for any recommended proposal. The City Council may, however, ask the LTAC to consider an amendment to the amount proposed and the LTAC shall meet as above.
- 6) **City Budget.** The proposals funded by the City Council shall then become part of the City's Lodging Tax budget for the following year. If the estimated lodging tax amount falls short of expectations at any time during that year, the City Council may amend the budget and withhold any unpaid amounts.
- 7) **Final Report to City on Awarded Funds.** Within ninety (90) days of the end of the project(s) which received funding under the LTAC process, the party receiving the award shall provide a report to the City Clerk. These reports shall be shared by the City with the City Council and the public; and copies of the report shall be furnished to the Joint Legislative Audit and Review Committee ("JLARC"), and members of the local LTAC. Final Reports shall contain all of the information required in the application (see attached 2015 application form).
- 8) **Biennial Report to JLARC.** Beginning in 2015, the City must report biennially all Lodging Tax use to the JLARC using the JLARC Municipal Reporting website. Final reports described under 8) above shall also be provided to JLARC.


**PASSED AND ADOPTED** by the City Council of the City of Ocean Shores, Washington, at an open public meeting thereof on this 27th day of April 2015.

ATTEST:

  
Crystal L. Dingler, Mayor

  
Rachel D. Carl, City Clerk

APPROVED AS TO FORM:

  
Brent F. Dille

**Amount of Lodging Tax Requested: \$**

Organization/Agency Name:

Federal Tax ID Number:

Event or Activity Name (if applicable):

Contact Name and Title:

Mailing Address: City State Zip

Phone: Email Address:

Check all service categories that apply to this application:

- Tourism Promotion/Marketing
- Operation of a Special Event/Festival designed to attract tourists
- Operation of a Tourism Promotion Agency
- Operation of a Tourism-Related Facility owned or operated or non-profit organization
- Operation and/or Capital Costs of a Tourism-Related Facility owned by the City

Check which one of the following applies to your agency:

(Note: per Ocean Shores' guidelines, only non-profit or public (government) agencies are eligible to apply for Lodging Tax funding)

- Non-Profit *(Attach copy of current non-profit corporate registration with Washington Secretary of State)*
- Public Agency

**CERTIFICATION**

I am an authorized agent of the organization/agency applying for funding. I understand that:

- I am proposing a tourism-related service for 2015. If awarded, my organization intends to enter into a Municipal 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.
- The City of Ocean Shores 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, including copies of invoices and payment documentation.
- My agency will be required to submit a report documenting economic impact results in a format determined by the City.

Signature:

Date:

Printed or Typed Name:

**Supplemental Questions – You may use this form or a separate sheet of paper for answers**

1. Describe your tourism-related activity or event.
  - If an event, list the event name, date(s), and projected overall attendance.
  - Describe why tourists will travel to Ocean Shores to attend your event/activity/facility.
2. If you received funds in the prior year, you need to have submitted your Final 2014 Report before submitting a new request.

| 2015 Tourism-Impact Estimate and 2014 Annual Report   |               |             |
|---|---------------|-------------|
| As a direct result of your proposed tourism-related service, provide:   | 2015 Estimate | 2014 Actual |
| a. Overall attendance at your event/activity/facility   |               |             |
| b. Number of people who travel more than 50 miles for your event/activity   |               |             |
| c. Of the people who travel more than 50 miles, the number of people who travel from another country or state   |               |             |
| d. Of the people who travel more than 50 miles, the number of people who stay overnight in Ocean Shores or the Ocean Shores area  |               |             |
| e. Of the people staying overnight, the number of people who stay in PAID accommodations (hotel/motel/bed-breakfast) in Ocean Shores or Ocean Shores area                                   |               |             |
| f. Number of paid lodging room nights resulting from your event/activity/ facility<br><i>(example: 25 paid rooms on Friday and 50 paid rooms on Saturday = 75 paid lodging room nights)</i> |               |             |

3. What methodology did you use to calculate the 2015 estimates?
4. What methodology did you use to calculate / document the 2014 actual numbers?
5. Is there a host hotel for your event (yes or no)? If yes, list the host hotel.
6. Describe the prior success of your event/activity/facility in attracting tourists.

7. Describe you target tourist audience (location, demographics, etc).
8. Describe how you will promote your event/activity/facility to attract tourists.
9. Describe how you will promote lodging establishments, restaurants, and businesses located in the City of Ocean Shores.
10. Are you applying for Lodging Tax funds from another community (yes or no)? If yes, list the other jurisdiction(s) and amount(s) requested.
11. What is the overall budget for your event/activity/facility? What percent of the budget are you requesting from Ocean Shores Lodging Tax Fund?
12. What will you cut from your proposal or do differently if full funding for your request is not available or recommended?

## Application Instructions and Information

**Application Deadline: Monday, September 14, 2015, 4:00 p.m. – received at Ocean Shores City Hall. To be eligible for consideration, your complete proposal must be received by the deadline. The Committee will review proposals in a public meeting prior to October 31 at a time and place to be announced. The City Council will review the LTAC recommendations as part of its annual budget process.**

**Submit original AND 5 copies (application and attachments) to:**

City of Ocean Shores Lodging Tax Advisory Committee  
c/o Rachel Carl, City Clerk  
PO Box 909; Ocean Shores, WA 98569

Email: rcarl@osgov.com

City Hall Street Address: 585 Pt. Brown Ave. NW, Ocean Shores

- ⇒ **You must complete and sign the cover sheet with this packet.**
- ⇒ **You may use the Supplemental Form or type the questions & answers separately.**
- ⇒ **Please number each page in your packet, except for the optional brochures/information.**

### **Attach:**

1. Itemized budget for your event/activity/facility (income and expenses).
2. Description and budget showing how you intend to use the amount requested from the City of Ocean Shores.
3. A copy of your agency's current non-profit corporate registration with the Washington Secretary of State.
4. A copy of your agency's City of Ocean Shores business license.
5. (Optional) Brochures or other information about your event/activity/facility, in particular items showing recent tourism promotion efforts.

The proposal and all documents filed with the City are public records. The City may choose to post on its website copies of all or parts of the proposals and attached documents.

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### **City of Ocean Shores Plan for Use of the Lodging Tax Fund**

*Adopted by Resolution # \_\_, passed by the Ocean Shores City Council, \_\_\_\_\_ 2015.*

The City does not make any multi-year commitments for tourism promotion services. However, service providers are not limited or prohibited from making annual requests of the same nature.

The City will assess on an annual basis how much of the Fund to appropriate in a given year.

The Mayor has appointed a Lodging Tax Advisory Committee with City Council concurrence to conduct an annual process to review and recommend Lodging Tax funded services for City Council consideration.

The City of Ocean Shores will only consider proposals for use of the Lodging Tax Fund from public and non-profit agencies.

**HIGH PRIORITY**, in no particular order, will be given to tourism activities that:

- Have a demonstrated potential or high potential from the Committee's perspective to result in overnight stays by tourists in lodging establishments within the City of Ocean Shores.
  - Promote Ocean Shores and/or events, activities, and places in the City of Ocean Shores to potential tourists from outside Grays Harbor County.
  - Have demonstrated or high potential from the Committee's perspective to result in documented economic benefit to Ocean Shores.
  - Have a demonstrated history of success in Ocean Shores, or are proposed by a group with a demonstrated history or high potential of success with similar activities.
  - Minimize duplication of services where appropriate and encourage cooperative marketing and/or includes an element of cooperation or partnership.
  - Provide, maintain, operate, or enhance City-owned tourism facilities or infrastructure.
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### **Ocean Shores Lodging Tax Advisory Committee Considerations**

In developing its recommendations, the Committee considers:

- 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 Ocean Shores Lodging Tax funded proposals, if any.
  - Projected economic impact within the City of Ocean Shores, in particular projected overnight stays in Ocean Shores 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.
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## State Law Excerpts

### **RCW 67.28.1816 – Use of Lodging Tax Fund.**

Lodging tax revenue under this chapter may be used, directly by any municipality or indirectly through a convention and visitors' bureau or destination marketing organization for:

- a. Tourism marketing;
- b. The marketing and operations of special events and festivals designed to attract tourists;
- 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 described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec 501(c)(6) or the internal revenue code of 1986, as amended.

### **RCW 67.28.080 – Definitions.**

- "Municipality" means any county, city or town of the State of Washington.
- "Operation" includes, but is not limited to, operation, management, and marketing.
- "Person" means the federal government or any agency thereof, the state or any agency, subdivision, taxing district or municipal corporation thereof other than county, city or town, any private corporation, partnership, association, or individual.
- "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
- "Tourism promotion" means activities 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 marketing of special events and festivals designed to attract tourists.
- "Tourism-related facility" means 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.
- "Tourist" means a person who travels from a place of residence to a different town, city, county, state, or country, for purposes of business, pleasure, recreation, education, arts, heritage, or culture.