



Business of the City Council City of Gig Harbor, WA

<p>Subject: Resolution 1229 Approving Amendment to 2022 Lodging Tax Expenditures</p> <p>Proposed Council Action: Move to approve Resolution 1229</p>	<p>Dept. Origin: Tourism & Communications</p> <p>Prepared by: Laura Pettitt</p> <p>For Agenda of: January 10, 2022</p> <p>Attachment: Resolution 1229</p> <div style="text-align: right; margin-top: 20px;"> <p>Initial & Date</p> <p>Concurred by Mayor: <u>Em 1/4/22</u></p> <p>Approved by City Administrator: <u>1/4/22</u></p> <p>Approved as to form by City Atty: _____</p> <p>Approved by Finance Director: _____</p> <p>Approved by Department Head: _____</p> </div>
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Expenditure Required	\$615,000	Amount Budgeted	\$615,000	Appropriation Required	\$0
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INFORMATION/BACKGROUND

Chapter 67.28 of the Revised Code of Washington and Chapter 3.27 of the Gig Harbor Municipal Code authorizes the City to collect an excise tax on lodging. The funds generated by this tax are to be used for tourist promotion, subject to recommendation by the Lodging Tax Advisory Committee (LTAC). All recipients of lodging tax funds must apply to LTAC for funding, including the City itself.

On August 24, 2021 Council passed Resolution 1184 which allocated \$125,000 of lodging tax funds for distribution to non-profits annually. LTAC recommends allocation of the full \$125,000.

LTAC met on October 12 and 18, 2021 to review all of the applications for the use of 2022 lodging tax funds, providing their recommendations to Council for review in the November 22 City Council meeting. On November 22, Council recommended LTAC re-evaluate the grant recommendations for two applicants: the APCC and Lavender Farm. On December 9, LTAC voted to accept this recommendation, removing funding from the Lavender Farm, and reallocating that amount, \$5,000 to the Asia Pacific Cultural Center for the Korean ChuSeok Festival.

The list of awards for 2022 LTAC funds will be as follows:

Recipient	Purpose	Recommended Expenditure
Gig Harbor Senior Center	Shamrockin Run	500
PTSD Foundation	Race for a Soldier, Pull for a Soldier, Prayer Breakfast	15000
Greater Gig Harbor Foundation	Cider Swig	5000
Gig Harbor Boat Shop	Operations	2000
Greater Gig Harbor Foundation	Rattle Dem Bones	1000
Gig Harbor Chamber of Commerce	Celtic Music Festival	6000
Harbor History Museum	Operations/Exhibit	11500
Asia Pacific Cultural Center	Korean ChuSeok Festival	5000
GH Sportsman Club	Sea Food Shoot	4500
Rotary North	Gallop in Gertie Half Marathon	8000
Harbor WildWatch	SVIC Operations	11000
Harbor WildWatch	Chum Fest	2500
Gig Harbor Arts Center	Sister Cities	3000
GH Canoe and Kayak Racing Team	Paddlers Cup	5000
GH Canoe and Kayak Racing Team	Narrows Challenge	5000
Peninsula Art League	Open Juried Art Show	3000
Peninsula Art League	Summer Arts Festival	4000
Downtown Waterfront Alliance	Farmers Market	17000
Gig Harbor Film Festival	2022 Festival	16000
	TOTAL EXTERNAL GRANTS	125,000
City of Gig Harbor	Operational, Event and Destination Marketing Expenses	490,000
	TOTAL RECOMMENDED EXPENDITURES	615,000
	ESTIMATED 2022 BEGINNING FUND BALANCE	919,527
	ESTIMATED 2022 REVENUES	396,000
	ESTIMATED 2022 ENDING FUND BALANCE	700,527

The City's Hotel/Motel Tax Fund has an estimated 2022 beginning balance of \$919,527. With projected 2022 revenues of \$396,000 and recommended expenditures of \$615,000 (this includes potential partnership funds received of \$115,000), the projected 2021 ending fund balance would be \$700,527.

Resolution 1229 authorizes the City to enter into agreements with the recommended organizations as listed above for the stated purposes and recommended amounts.

FISCAL CONSIDERATION

The allocation of Lodging Tax funds is provided for in the 2022 Budget.

BOARD OR COMMITTEE RECOMMENDATION

The recommendation of the Lodging Tax Advisory Committee is stated above.

RECOMMENDED MOTION

Move to approve Resolution 1229

RESOLUTION 1229

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, AMENDING RESOLUTION 1224 APPROVING 2022 LODGING TAX EXPENDITURES

WHEREAS, Chapter 67.28 of the Revised Code of Washington and Chapter 3.27 of the Gig Harbor Municipal Code authorizes the City to collect an excise tax on lodging, which tax is to be used for tourist promotion; and,

WHEREAS, the City Council established a Lodging Tax Advisory Committee in GHMC Chapter 2.53 to make recommendations to the Council for expenditure of the funds; and,

WHEREAS, on October 12 and 18, 2021, the Committee adopted its recommendations for 2022; and,

WHEREAS, on December 13, 2021, the City Council adopted Resolution 1224 approving 2022 lodging tax expenditures and requested that Lodging Tax Advisory Committee reconsider recommending a \$5,000 grant to the Asia Pacific Cultural Center for the Korean ChuSeok Festival; and,

WHEREAS, on December 9, 2021, the Lodging Tax Advisory Committee recommended that the City Council authorize a \$5,000 grant to the Asia Pacific Cultural Center for the Korean ChuSeok Festival; and,

WHEREAS, on December 9, 2021, the Lodging Tax Advisory Committee also recommended that the City Council designate the Gig Harbor Chamber of Commerce as the recipient of the \$5,000 grant for the Celtic Music Festival in lieu of Dunagan Brewery;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gig Harbor:

Section 1. The City Council amends Exhibit A of Resolution 1224 to include a \$5,000 grant for the Asia Pacific Cultural Center's Korean ChuSeok Festival and to designate the Gig Harbor Chamber of Commerce as the recipient of the \$5,000 grant for the Celtic Music Festival in lieu of Dunagan Brewery, as set forth in Exhibit A.

Section 2. The Mayor is authorized to enter into agreements with the recipients of these revenues up to the amounts authorized by this Resolution.

Section 3. This Resolution takes effect on its adoption.

ADOPTED by the City Council of the City of Gig Harbor at a regular meeting thereof, held this 10th day of January, 2022.

Tracie Markley
Mayor

Attest:

Joshua Stecker
City Clerk

EXHIBIT A

2022 Gig Harbor Lodging Tax Advisory Committee FINBudget Recommendations

Recipient	Purpose	Recommended Expenditure
Gig Harbor Senior Center	Shamrockin Run	500
PTSD Foundation	Race for a Soldier, Pull for a Soldier, Prayer Breakfast	15000
Asia Pacific Cultural Center	Korean ChuSeok Festival	5000
Greater Gig Harbor Foundation	Cider Swig	5000
Gig Harbor Boat Shop	Operations	2000
Greater Gig Harbor Foundation	Rattle Dem Bones	1000
Gig Harbor Chamber of Commerce	Celtic Music Festival	6000
Harbor History Museum	Operations/Exhibit	11500
GH Sportsman Club	Sea Food Shoot	4500
Rotary North	Gallop in Gertie Half Marathon	8000
Harbor WildWatch	SVIC Operations	11000
Harbor WildWatch	Chum Fest	2500
Gig Harbor Arts Center	Sister Cities	3000
GH Canoe and Kayak Racing Team	Paddlers Cup	5000
GH Canoe and Kayak Racing Team	Narrows Challenge	5000
Peninsula Art League	Open Juried Art Show	3000
Peninsula Art League	Summer Arts Festival	4000
Downtown Waterfront Alliance	Farmers Market	17000
Gig Harbor Film Festival	2022 Festival	16000
	TOTAL EXTERNAL GRANTS	125,000
City of Gig Harbor	Operational, Event and Destination Marketing Expenses	495,000
	TOTAL RECOMMENDED EXPENDITURES	620,000
	ESTIMATED 2022 BEGINNING FUND BALANCE	919,527
	ESTIMATED 2022 REVENUES	396,000
	ESTIMATED 2022 ENDING FUND BALANCE	695,527