



**Lodging Tax Advisory Committee
March 15, 2017 – 10:00 AM
Auburn City Hall
MINUTES**

LTAC BOARD MEMBERS:

Nancy Backus, Aman Ghag, Andy Cho, Bob Fraser, Chantelle Herburger, Satpal Sohal, Susan Roberts

STAFF:

Doug Lein, Lorraine Chachere

In Attendance: Aman Ghag, Andy Cho, Chantelle Herburger, Satpal Sohal, Susan Roberts

Not Present: Bob Fraser

AGENDA:

I. Call to Order – Mayor Backus

II. Roll Call

III. Introductions and Orientation for New Members

Lorraine presented the binder that gives information about the most recent ordinance passed as well as information on the workshop in April that talked about the hotel market and outlook in the regional area. Doug explained the role of the LTAC as well as the Auburn Tourism Board (ATB) and the Business Improvement Area (BIA) Board. The new Ordinance separates the LTAC function with the Tourism function. The LTAC by statute is required to be the final recommending body to City Council for both budgets, taxation, and business plan. LTAC oversees the Tourism Board as far as how they are implementing the plan that they present for approval. By statute, Mayor Backus is the automatic chair of the LTAC Board because the City Council is the taxation authority. There are only two dates in the year when LTAC would have to meet: In May, if a budget amendment is needed and in December, when the Committee would accept and pass along the recommendation for a business plan and budget to City Council so that it coincides with the functions that the City has to do and to make sure that Tourism is represented correctly in that budget and work plan.

IV. Approve January 11, 2017 Meeting Minutes:

Satpal moved and Aman second to approve the January 11, 2017 Meeting Minutes.

MOTION CARRIED UNANIMOUSLY. 5-0

V. Review of Budget

Lorraine discussed the budget packet and how it reflects what came in, what we need to set aside, and what there is to work with. It's a state statute to have a 20% reserve to carry into the next year.

There was a question from Chantelle: \$10,000 was budgeted for the grant program, and more money is wanted for some of these grants, so is the Committee able to do a motion to take some of the unrestricted reserve balance out to increase that budget, and what is that process? Mayor Backus answered: For the last year or so, any adjustments to the budget need to be approved through Council. As the LTAC, you can make a motion to recommend to Council for approval. The Committee can check with Shelley to confirm exactly what would need to be done. Doug clarified that moving money around within the existing budget number can be done, but if you want to go into the reserve funds, you have to put in for a budget amendment.

VI. Review 2017 Lodging Tax Grant Applications Received

All the previous years' recipients were invited to reapply, and of those nine, only four applications were received.

The budget is \$10,000. Doug stated that at the end of the year, whatever is not spent of that projected budget goes back into the restricted reserve account. Mayor pointed out that the four applications total \$26,500 in requested funds of a \$10,000 budget:

\$12,500 Tough Mudder
\$5,000 Petpalooza
\$3,500 Geocaching
\$3,500 Veteran's Parade

Last year Geocaching requested \$3,500 and received \$3,500. Because of the weather, there was not a good turnout.

Satpal moved and Andy second to give Geocaching \$0.

MOTION CARRIED UNANIMOUSLY. 5-0

- Tough Mudder was a huge success. Auburn received national TV network coverage. They had 10,000 participants at their event with a large number of participants overnighing in Auburn. Over 90% said they are likely to return to King County for a Tough Mudder Event in 2017.

Doug said the result of the discussion at the workshop last April was that the emphasis was going to be put on open-marketing dollars so that tourism would be able to be more robust, to advertising these events in the way the Committee wants to do it rather than giving the money to the event. From a regional marketing perspective, this would have more impact. The radio ads were effective for driving thousands people to the tourism website.

- Petpalooza, who requested \$5,000, is a one-day event that is very well-attended.

- Veterans Parade requested \$3,500. This money goes to the City of Auburn Parks, Arts and Recreation. The funds would be used for extra advertising that's not already in the budget. They are asking for less this year because of the branding contract they did with KOMO which gave them a real depth of push for the market advertising, so the lesser amount they are asking for gives them the ability to market outside of this area. It was stated that Parks did a good job of directing people through the website to the hotels more than some of the other recipients had.

Satpal moved and Andy second to give a \$5,000 grant to the Tough Mudder, Inc., \$2,500 to the City of Auburn Parks, Arts and Recreation for Petpalooza, and \$2,500 to the City of Auburn Parks, Arts and Recreation for the 2017 Veterans Parade and Observance.

MOTION CARRIED UNANIMOUSLY. 5-0

Doug presented information about the newly received retail data that is fully described on the website. Also discussed was an update on a PowerPoint presentation he gave at Rotary showing that even with a \$12 million decrease in commercial construction, which we would have collected sales tax on, we still had a \$1.5 million increase in sales tax collections. We are seeing a solid uptick to additional retail spending.

Chantelle announced that Marshall's is relocating out of Auburn, but Dave & Buster's will be opening late fall of 2017. It will be visible from Highway 18, and will be a big draw to the area. It is the first one in the state of Washington. Advertising will begin late summer. It was suggested that there be a collaboration with hotels to partner with them to create an incentive package. Doug thought we should get some video from them so the web developer and the video production company would be able to edit some of that into the work product that's being done now.

Andy reported the renovation at the Comfort Inn is about two weeks away from being done. They are planning on having a grand opening with the community and will share that information when they get closer.

Doug announced the need for an Executive Session.

VII. Next LTAC Meeting –Wednesday, December 13th at 10:00 AM in the Council Chambers

VIII. Adjournment