Minutes of Lodging Tax Advisory Committee (LTAC) Meeting  
Dated February 2, 2021

Members
Present: Council Member Stephanie Wright – LTAC Member, Chair  
Shawn Walker – LTAC Member, Lodging  
Debbie Copple – LTAC Member, Tourism  
Adrienne Hall – LTAC Member, Tourism  
(All present through Zoom conferencing)

Absent: Bryan Harmon – LTAC Member, Lodging

Staff: Tom Teigen – Parks, Rec & Tourism, Department Head  
Bridgid Smith – Parks, Rec & Tourism, Division Manager  
Annique Bennett – Parks, Rec & Tourism, Tourism Development Specialist  
Trudy Soriano – Parks, Rec & Tourism, Public Involvement Specialist  
Carol Peterson – Parks, Rec & Tourism, Interim Tourism Promotion Coordinator  
Jim Martin – Legislative Analyst, Council

Other: Rich Huebner – City of Monroe

Documents:
▪ Meeting agenda  
▪ Draft Minutes from 10/27/2020 Meeting  
▪ Edmonds Center for the Arts Request Letter  
▪ DMO response documents for LTAC 10/27/20 questions  
▪ Five Year Plan worksheets

Opening:
Meeting called to order at 2:06 p.m.

Introductions: Committee members were introduced and informed that the meeting will be recorded.

Approval of Meeting Minutes (Motion #1): Stephanie Wright made motion, Shawn Walker seconded, to approve minutes of the October 27, 2020 meeting. Approved unanimously.

Follow Up Discussion – LTAC Questions posed to DMO Services: The board was provided with the DMO responses to the questions posed by the LTAC board at the conclusion of our October 27, 2020 meeting. Board had a week to review the material and there was only one follow up question to clarify what type of programs the Large Fund supports.

A board member asked, with the $623,217 request for the DVA Amendment 4 contract, plus the current PFD obligations, how much is fund balance?

Bridgid Smith responded by providing an overview of the five-year plan with updated revenue and expense figures, including the cost of recent PFD commitments that were approved by LTAC board motion at the November 19, 2019 meeting; and by Council Motion #19-418 on
December 18, 2019 (see attached). At the time these commitments were made, it was pre-COVID. With 2020 revenues coming in at 58% of pre-COVID (2019), current commitments will be impacting defined reserves.

The original long-term Everett & Lynnwood have been committed through Interlocal Agreements since 2003. The most recent commitments by Motion #19-418 do not have executed contracts; commitments are outlined to start in 2021 for the Edmonds Center for the Arts and 2022 for the Everett Arena.

Discussions were held about whether there were any written plans from Edmonds Center for the Arts for this recent commitment of $100,000/year for five years, starting in 2021.

Board requested further discussion on these large fund commitments at their next meeting.

A follow up question on the Small Fund, asked if the DMO has had an opportunity to request to the small fund if a situation were to arises. We believe there is that opportunity.

**Edmonds Center for the Arts Request Letter:** Edmonds Center for the Arts is requesting an extension of their 2020 grant funds that were unexpended at the end of 2020 ($50,476.34). Questions were asked as to how a business becomes a Public Facility District. PFD’s are established by state law.

Discussion followed.

Including request to clearly define action items on agenda and possibly the need for the Board to meet more regularly, possibly quarterly.

Clarification was provided that no other 2020 Hotel/Motel grant recipients were allowed to carry over any unused funds, and that all grants expired 12/31/2020.

**Motion #2:** Shawn Walker motioned to deny Edmonds Center for the Arts request for an extension of 2020 grant funds; Debbie Copple seconded; three members in favor, 1 abstained. Motion passed to deny extension of 2020 funds.

**Motion #3:** Shawn Walker motioned to support the DMO funding at $623,217 which is on Council agenda for February 3, 2021; Debbie Copple seconded; passed unanimously.

Discussion was held about Council concerns regarding premature timing of tourism promotions. Committee members were united that timing for vaccines, Canadian border re-opening, and onset of the summer season were plausibly aligned. It was discussed that pausing on further preparations until all conditions were optimal would threaten readiness for re-opening. Councilmember Wright will be conveying LTAC’s support at the County Council General Legislative Session.

**Proposal for 2021 Small Fund grant funding:** Staff Annique Bennett presented a proposal for the 2021 Small Fund, which would include pausing the Small Fund grant cycle for 2021, and allocating $452,000 of those funds to be combined with the Large Fund DMO marketing and public relations vendor’s current budget of $623,217.
Staff provided situational background about the new county Destination Marketing and Operations (DMO) model and referenced the 2019 RFP process the county used to select its new full-service marketing and PR vendor, DVA to execute on this purpose. Staff proposed allocations of additional funds and highlighted priority areas that included creative content, paid channel placement, digital platforms, and presented need in areas of additional account coordination and public relations outreach.

Staff expressed concern for fractured capacities and uncertain planning time horizons the applicants face in 2021. Staff advocated that a coordinated, data-driven, content-rich marketing effort deployed by the DMO would provide the highest benefit during the initial recovery period. Proposed recovery DMO marketing is designed to effectively support the area’s tourism industry that is deeply compromised by the pandemic.

Staff explained the county professional services agreement with the vendor is regulated through mandatory planning, reviews and is subject to approvals of the county prior to execution of all work performed.

Of the $452,000, staff recommended $72,000 be used to create microsites for municipal applicants fully reliant on the LTAC Small Fund Grant for visibility in the destination. This allocation staff explained, would embed the municipalities within the DMO digital marketing sales funnel, and leverage professional creative content already produced by the vendor.

The LTAC discussed plausible positive and negative implications to Small Fund applicants if the grant was made available in full, or in part, or not provided in 2021.

Motion #4: Shawn Walker made motion to fund microsite development at $72,000 and to increase creative content development in the amount of $100,000 and leave remaining balance uncommitted for future funding. Debbie Copple seconded, passed unanimously.

Board members agreed to meet again in early March to discuss the following:

1) Large Fund Commitments and Reserves

2) How often should LTAC meet; agenda and minutes format including clearly defined action items. Possible formation of working groups/sub-committees for specific topics.

3) Small Fund Grants – Basis for the past process (along with data regarding successful applicants/values) and how the county Destination Marketing Operations (DMO) and possible LTAC sub-committee recommend a path forward.

Meeting adjourned at 4:06 p.m.