

**City of Wenatchee  
Tourism Promotion Area Board  
Regular Meeting  
Wednesday, November 17, 2021  
Noon**

**Agenda**

***“We are here to guide the promotion, marketing and development of this unique community as a destination by distributing resources in a sustainable manner.”***

1. Introductions
2. Approval of Minutes (10/20/2021)
3. Review of Financials (overview of hotel-motel tax receipts, STR reports, TPA ytd budget)
4. TPA Vacancies and Expired Terms
5. Chamber Report
6. Public Comment
7. Adjourn

**City of Wenatchee  
Lodging Tax Advisory Committee/Tourism Promotion Area Board  
Joint Meeting**

**DRAFT**

**MINUTES  
Wednesday, October 20, 2021  
Noon**

***“We are here to guide the promotion, marketing and development of this unique community as a destination by distributing resources in a sustainable manner.”***

LTAC Present: Mark Kulaas (Chair), Darci Christoferson, Kristin Lodge, Leslie Freytag, Linda Haglund, Cody Beeson, Mark Miller, Miguel Cuevas

TPA Present: Freyda Stephens (Chair), Ruth Esparza, Travis Hornby, Charlotte Mayo, Linda Haglund

Staff Present: Laura Merrill, Brad Posenjak, Tammy Stanger, Shiloh Burgess, Jerri Barkley (via videoconference)

Guests: Linda Herald, Kyle McCubbin

1. Introductions – Joint Meeting Opening. Mark Kulaas called the meeting to order a little after 12:00 p.m. All members of both committees were present.

2. Joint Agenda:

- Approval of September 15, 2021 Joint Meeting Minutes

*Travis Hornby made a motion to approve the September 15, 2021, joint meeting minutes. Kristin Lodge seconded the motion. Motion carried.*

- Committee Vacancies/Committee Structure

Laura Merrill led the discussion for committee vacancies and structure. The LTAC needs an equal number of generators and recipients and the state statute is silent on at-large members. It was the recommendation to take a look at the committee makeup at the end of the year. Leslie Freytag said she will be resigning her position immediately after the meeting due to her retirement from Pybus. The committee made a recommendation to appoint Kyle McCubbin to the LTAC as a “generator” position.

*Linda Haglund made a motion to appoint Kyle McCubbin to the LTAC. Leslie Freytag seconded the motion. Motion carried.*

One vacancy remains on LTAC due to Leslie’s resignation, and two hotelier positions on the TPA are vacant.

- Schedule for 2022: The TPA will continue to meet monthly. The LTAC/TPA will hold joint meetings quarterly beginning in January.
- Federal Way Report Discussion: The committee members were provided the survey report in the agenda packet. It was noted a lot of communities were not included in the survey. The survey showed that CARES funds were used to increase tourism marketing and for facilities that had lost revenues due to the pandemic. Shiloh Burgess spoke about a nationwide report “Destination Next” that has a lot of good insight as well.

### 3. Chamber Report:

- STR Report: Jerri reported that the STR report shows an uptick in both occupancy and average daily rates year-to-date.

She then provided a detailed and busy chamber report that included: A recent meeting with the Rails & Ales team and a discussion of future needs to keep the event going; hosted three travel writers; attended the DMA West conference in Vancouver at the end of last month; the KW Media budget and plan draft has been submitted to TPA; she would like to incorporate photography into the video plan to save on costs; there are six new social media concepts ready for review for the rebranding launch; five applications were turned in for the Chelan County LTAC process (she will follow up with the committee of who those five applicants were); a local hotel survey was recently done to question their current status – there are 400 additional rooms, down a total of 147 employees, 4 pools are still closed, and 2 restaurants remain closed. Laura Merrill asked Jerri to explain how she reads the STR report for some of the newer committee members and Jerri explained how to do just that and why it’s important to track, showing how our own community compares to other communities.

- “We Love This Place” Campaign: Jerri spoke about the new video campaign and shared the proposal from North 40. The strategic planning group has provided feedback for the video project. She stated the importance of having updated videos as part of the rebranding efforts.
  - 2022 Budget: Chamber Executive Director Shiloh Burgess provided a detailed budget handout that showed the comparison between the 2012 WVVB budget and the 2022 proposed Chamber budget. She would like to see the City’s 2022 LTAC budget allocation to the Chamber be increased so the Chamber can meet all of the contract deliverables. After questions and discussion, the committee members were uncomfortable making any recommendations at this time.

### 4. LTAC Agenda:

- 2022 Budget Review and Adoption: Brad Posenjak provided an overview of the 2022 LTAC budget. He felt that the \$1.5 million budget would be met. There are questions about the Special Olympics contract covering operations coming out of TPA funds, and so a revision has been made moving the \$20,000 amount to the LTAC budget. The committee discussed and suggested the City Council Finance Committee review and discuss the LTAC budget again to see if there is the ability for additional funding for the Chamber’s contract. It could be that some funds from the TPA budget could be allocated to the Chamber’s tourism contract for marketing costs.

5. TPA Agenda:

- 2022 Budget Review and Adoption: The TPA committee was okay with the 2022 budget.

6. Discussion: None.

7. Adjourn. With no further business the meeting adjourned at 2:07 p.m.

**CITY OF WENATCHEE, WA**  
**Tourism Promotion Area**  
**Actual Received - 10 Years**

**\$1 per room per night - Ord. 2006-29**  
**\$2 per room per night - Ord. 2020-29 (Effective 4/1/21)**

Month Collected	Month Received	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2021/2020 Difference		2021/2019 Difference	
January	March	17,766	16,280	15,234	13,930	13,539	12,871	11,825	11,690	12,030	9,429	1,485	9.1%	2,532	16.6%
February	April	15,661	10,540	14,179	12,439	14,406	13,145	11,911	12,633	12,232	12,252	5,121	48.6%	1,482	10.5%
March	May	19,523	10,173	17,745	18,434	20,922	15,888	16,471	16,248	15,979	14,089	9,350	91.9%	1,778	10.0%
April	June	37,902	9,011	19,732	17,922	19,428	17,155	15,636	18,431	16,198	16,650	28,891	320.6%	18,170	92.1%
May	July	43,012	10,289	23,607	23,298	21,498	18,181	19,499	20,227	18,255	15,979	32,723	318.0%	19,405	82.2%
June	August	51,124	15,425	26,639	21,321	22,444	23,182	20,676	22,401	19,911	18,967	35,699	231.4%	24,485	91.9%
July	September	55,591	20,440	27,237	24,879	24,917	24,397	20,873	22,171	21,652	21,567	35,151	172.0%	28,354	104.1%
August	October	68,083	22,139	26,337	26,794	24,571	23,928	21,179	22,652	22,483	21,204	45,944	207.5%	41,747	158.5%
September	November		18,839	21,944	21,263	21,418	23,078	19,541	19,067	19,552	16,091				
October	December		19,013	21,702	22,746	19,636	20,001	17,454	18,570	18,155	17,621				
November	January		13,824	16,315	15,132	13,675	13,532	12,405	11,068	10,921	11,262				
December	February		19,433	21,743	19,336	19,924	17,922	16,228	14,368	15,998	14,083				
<b>Total Collections</b>		<b>308,662</b>	<b>185,406</b>	<b>252,414</b>	<b>237,494</b>	<b>236,378</b>	<b>223,280</b>	<b>203,698</b>	<b>209,526</b>	<b>203,366</b>	<b>189,194</b>	<b>194,365</b>	<b>170.1%</b>	<b>137,953</b>	<b>80.8%</b>
Budget		375,000	250,000	250,000	235,780	235,780	222,000	200,000	200,000	199,808	183,300				
Change in YTD revenues		170.1%	-26.5%	6.3%	0.5%	5.9%	9.6%	-2.8%	3.0%	7.5%	2.8%				
% of budget collected		82.3%	74.2%	101.0%	100.7%	100.3%	100.6%	101.8%	104.8%	101.8%	103.2%				

## Tourism Promotion Area

### 2021 Revenues and Expenses

As of 10/31/2021

	2020 Actual	2021 Budget	2021 Actual	2022 Working Budget
<b>Revenues</b>				
Tourism Promotion Area fee	185,406	375,000	308,641	450,000
Interest/Miscellaneous	2,386	500	791	450
<b>Total Revenues</b>	<b>187,792</b>	<b>375,500</b>	<b>309,432</b>	<b>450,450</b>
<b>Expenses</b>				
Marketing Oversight (Chamber)	11,250	11,250	-	11,250
Agency Contract Work (ad agency)	7,586	22,500	12,375	25,000
<b>Advertising Support</b>				
Business plan advertising	122,500	225,000	173,740	250,000
Media opportunity buys	-	10,000	2,495	10,000
Convention Center Support	3,000	3,000	-	4,000
Strategic Plan	-	2,000	2,000	-
<b>Community Event Fund Support</b>				
WDA Revitalization WA	-	2,000	-	2,000
Flywheel Conference	1,000	-	-	-
TREAD	-	5,000	5,000	4,000
Upgrade area videos	-	7,500	-	3,000
Assist Chamber with 4th July Event	-	15,000	70	15,000
Unallocated - potential new events	-	33,000	500	54,813
Special Olympics	15,000	-	-	-
Chamber Destination Marketing	-	-	-	61,437
Travel Writers	50	8,000	2,712	8,000
Downtown Lights for Visitors	-	1,000	1,000	1,500
<b>Total Expenses</b>	<b>160,386</b>	<b>345,250</b>	<b>199,893</b>	<b>450,000</b>
<b>Revenues greater (less) than expenses</b>	<b>27,406</b>	<b>30,250</b>	<b>109,540</b>	<b>450</b>
Beginning Fund Balance	113,263	140,668	140,668	150,000
<b>Estimated Ending Fund Balance</b>	<b>140,668</b>	<b>170,918</b>	<b>250,208</b>	<b>150,450</b>

Contribution to Chamber of Commerce Budget: 360,687

## Tourism Promotion Area

### Use of Revenue

#### State Law

*RCW 35.101.130 - Legislative authority has sole discretion concerning use for tourism promotion—Contracts for operation of area—Lodging charge removal.*

(1) The legislative authority imposing the charge shall have sole discretion as to how the revenue derived from the charge is to be used to promote tourism that increases the number of tourists to the area. However, the legislative authority may appoint existing advisory boards or commissions to make recommendations as to its use, or the legislative authority may create a new advisory board or commission for that purpose.

(2) The legislative authority may contract with tourism destination marketing organizations or other similar organizations to administer the operation of the area, so long as the administration complies with all applicable provisions of law, including this chapter, and with all county, city, or town resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.

*RCW 35.101.010 - Definitions*

(4) "Tourism promotion" means activities and expenditures designed to increase tourism and convention business, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.

#### City Code

*WCC 1.108.030 - Use of assessment revenue.*

The revenue from the tourism promotion area assessment shall be used as follows:

(1) The general promotion of tourism that benefits the lodging businesses and local tourism specified in the tourism promotion area business plan to be adopted annually;

(2) The marketing of convention and trade shows that benefit local lodging businesses and local tourism;

(3) The marketing of the tourism promotion area community to the travel industry in order to benefit the lodging businesses and local tourism; and

(4) The marketing of the tourism promotion area community to recruit sporting events in order to benefit the lodging businesses and local tourism.

## Lodging Tax Advisory Committee

### Use of Revenue

#### State Law

*RCW 67.28.1816 - Lodging tax—Tourism promotion.*

(1) Lodging tax revenues 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... or
- (d) Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations...

*RCW 67.28.080 - Definitions.*

(6) "Tourism promotion" means 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.

#### City Code

*WCC 5.99.050 - Fund created.*

There is created a special fund in the treasury of the city and all taxes collected under this chapter shall be placed in this special fund to be used solely for the purpose of paying all or any part of the cost of tourist promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authorized in Chapter 67.28 RCW as now or hereafter amended; provided, however, that 20 percent of the tax levied and collected under WCC 5.99.010 (*the 4% tax*) shall be used for the purpose of advertising and marketing tourism for the greater Wenatchee area and 30 percent of the tax levied and collected under WCC 5.99.010 shall be used for the purpose of analysis, planning, engineering, and/or for the design, expansion and construction of public facilities relating to tourism promotion. It is further provided that 80 percent of the tax levied and collected under WCC 5.99.020 (*the 2% tax*) be used solely for tourist promotion.

*Calculation based on WCC 5.99.050:*

26.67% (80% of the 2%) - tourist promotion

13.33% (20% of the 4%) - advertising and marketing tourism for the greater Wenatchee area

20.00% (30% of the 4%) - analysis, planning, engineering, and/or for the design, expansion and construction of public facilities (this goes directly to the Convention Center debt payments)

The remainder is currently going to the Convention Center operations.

Overall 40% (26.67% + 13.33% from above) goes to the LTAC fund for advertising and marketing tourism for the greater Wenatchee area, and tourist promotion.

**TOURISM PROMOTION AREA ADVISORY COMMITTEE**

Name and Address	Term Expires
Ruth Esparza Wenatchee City Council <a href="mailto:resparza@wenatcheewa.gov">resparza@wenatcheewa.gov</a>	Annual City Council appt
Travis Hornby Wenatchee City Council <a href="mailto:thornby@wenatcheewa.gov">thornby@wenatcheewa.gov</a>	Annual City Council appt
Charlotte Mayo Residence Inn 1229 Walla Walla Avenue Wenatchee, WA 98801 (509) 683-3982 <a href="mailto:cmayo@thehotelgroup.com">cmayo@thehotelgroup.com</a>	December 31, 2021
Linda Haglund Wenatchee Downtown Association 103 Palouse Street, Suite 35 Wenatchee, WA 98801 <a href="mailto:linda@wendowntown.org">linda@wendowntown.org</a>	December 31, 2023
VACANT	December 31, 2022
Freyda Stephens Coast Wenatchee Center Hotel 201 North Wenatchee Avenue Wenatchee, WA 98801 (509) 662-1234 <a href="mailto:fstephens@wenatcheecenter.com">fstephens@wenatcheecenter.com</a>	December 31, 2021
VACANT	December 31, 2021