

**City of Wenatchee
Lodging Tax Advisory Committee Meeting**

Wednesday, April 27, 2022 @ Noon

AGENDA

Meeting Location: Wenatchee Valley Chamber, 137 North Wenatchee Avenue, Wenatchee WA

“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 3/22/2022 Minutes
3. Review of LTAC Financials
4. Wenatchee Convention Center Remodel 2022 Expenditures
5. Datafy Demo – 12:30pm
6. LTAC Meeting Schedule
7. Discussion
8. Adjourn

**City of Wenatchee
Lodging Tax Advisory Committee Meeting**

MINUTES

Tuesday, March 22, 2022 @ 1:30 p.m.

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

Present: Mark Kulaas (Chair), Kristin Lodge, Mark Miller, Linda Haglund, Kyle McCubbin, Darci Christoferson

Staff: Laura Merrill, Brad Posenjak, Jerri Barkley, Tammy Stanger

Guests: Freyda Stephens

1. Introductions. The meeting was held at the Wenatchee Valley Chamber of Commerce meeting room and Mark Kulaas called the meeting to order at 12:03 p.m., roll was taken and a quorum noted (with Darci Christoferson arriving a little late due to a prior commitment).
2. Approval of 2/23/2022 Minutes

Motion by Linda Haglund to approve the previous meeting minutes. Kristin Lodge seconded the motion. Motion carried.

3. Review of LTAC Financials. Brad Posenjak reviewed the financials. March – August 2021 was down 12.5% compared to March – August 2019 (the reason the 2022 budget was prepared conservatively), but fortunately the last six months of 2021 was up 5% over 2019, so the 2021 year-end balance actually ended stronger than expected. The demand for room nights in 2021 was increased, but overall rates were lower. With the ending fund balance for 2021 coming in strong, he is estimating now that 2022 will come out ahead at \$1.7 million (2022 was budgeted at \$1.6 million), and the amount allocated for LTAC would be closer to \$710,000 to \$720,000 (2022 was budgeted at \$640,000).

The committee asked if the LTAC can support an additional allocation if they wanted to with the additional revenue. Laura Merrill reminded them that there is a pending architectural agreement for the Convention Center that is currently being negotiated and the dollar amount is unknown. Brad Posenjak also said that consideration for additional debt for financing would be needed for the Convention Center remodel.

The committee then discussed that in the future it would be nice to have a regular set amount placed into a separate account and written into the Chamber contract to be used solely for events and a more streamlined process.

A question was asked if the LTAC can go back to the budget and start accepting applications for events? Laura Merrill explained that process went away and is now part of the Visit Wenatchee brand managed through the Chamber. That will be a bigger discussion for a future meeting. The committee said they would like to have input and to provide feedback to the Chamber on events.

4. Strategic Plan Review. Jerri Barkley presented an overview of the destination marketing strategic plan. She requested committee input for what they want to see for tourism and what do they want tourism to look like in 10 years.
5. Discussion. Jerri Barkley said the Town Toyota Center had reached out to the Chamber to request funds for an upcoming concert. The board discussed that if the funds are used for out-of-area marketing then it may be best for the Town Toyota Center to request funds from the Tourism Promotion Area Board. However, if the funds are being requested for other uses related to the concert it would be appropriate for LTAC to support.

The next meeting of the LTAC will be on Tuesday, April 26, 2022.

6. Adjourn. With no further business, the meeting adjourned at 2:40 p.m.

CITY OF WENATCHEE, WA
Lodging Tax Advisory Committee
Hotel/Motel Taxes
Actual Received - 10 Years

6% Tax authorized via Ord. #2160, #3137, #97-12 & #98-44

| Month Collected | Month Received | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2022/2021 Difference | |
|------------------------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|-------|
| January | March | 103,743 | 91,273 | 97,994 | 106,682 | 87,518 | 90,616 | 76,746 | 65,016 | 59,079 | 54,117 | 12,469 | 13.7% |
| February | April | 142,912 | 85,269 | 65,772 | 90,793 | 81,902 | 98,206 | 79,080 | 68,466 | 68,219 | 60,229 | 57,643 | 67.6% |
| March | May | | 102,006 | 54,640 | 116,308 | 120,894 | 123,395 | 97,828 | 97,258 | 86,598 | 78,282 | | |
| April | June | | 105,662 | 46,137 | 130,637 | 126,049 | 131,614 | 114,824 | 104,220 | 97,128 | 88,869 | | |
| May | July | | 143,137 | 53,795 | 166,294 | 146,323 | 147,620 | 125,398 | 128,979 | 116,960 | 100,521 | | |
| June | August | | 187,749 | 85,724 | 206,299 | 160,714 | 164,452 | 160,936 | 134,662 | 128,011 | 115,363 | | |
| July | September | | 209,995 | 125,025 | 209,636 | 188,033 | 189,102 | 178,517 | 139,593 | 134,845 | 124,865 | | |
| August | October | | 232,779 | 143,590 | 203,527 | 208,481 | 182,847 | 162,347 | 135,439 | 140,423 | 127,911 | | |
| September | November | | 173,871 | 114,035 | 150,073 | 155,973 | 154,296 | 168,483 | 127,446 | 109,621 | 108,084 | | |
| October | December | | 137,976 | 100,991 | 154,585 | 171,019 | 143,213 | 146,711 | 119,418 | 117,355 | 104,630 | | |
| November | January | | 104,058 | 68,489 | 102,056 | 96,464 | 91,415 | 92,185 | 68,846 | 59,754 | 56,965 | | |
| December | February | | 166,394 | 100,718 | 152,321 | 135,594 | 141,423 | 145,786 | 109,134 | 84,430 | 88,240 | | |
| Total Collections | | 246,655 | 1,740,170 | 1,056,911 | 1,789,211 | 1,678,965 | 1,658,198 | 1,548,840 | 1,298,476 | 1,202,423 | 1,108,075 | 70,113 | 39.7% |
| Budget | | 1,500,000 | 1,500,000 | 1,850,000 | 1,812,500 | 1,721,250 | 1,752,650 | 1,402,120 | 1,180,000 | 1,149,091 | 977,058 | | |
| Change in YTD revenues | | 39.7% | 64.6% | -40.9% | 6.6% | 1.3% | 7.1% | 19.3% | 8.0% | 8.5% | 13.9% | | |
| % of budget collected | | 16.4% | 116.0% | 57.1% | 98.7% | 97.5% | 94.6% | 110.5% | 110.0% | 104.6% | 113.4% | | |

Notes:

Several months of collections from a hotel were delayed, which overstates February revenues and slightly understates November through January.

Lodging Tax Advisory Committee
History, Current Budget, and Five Year Projection
As of 4/22/2022

| | 2019 Actual | 2020 Actual | 2021 Actual | 2022 Budget | 2022 Actual YTD | 2023 Projection | 2024 Projection | 2025 Projection | 2026 Projection | 2027 Projection |
|---------------------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Hotel/Motel Tax Revenues | | | | | | | | | | |
| Convention Center Debt (20%) | 357,763 | 211,380 | 347,814 | 320,000 | 49,331 | 375,950 | 387,229 | 398,845 | 410,811 | 423,135 |
| Convention Center O&M (40%) | 643,256 | 283,218 | 667,933 | 640,000 | 98,662 | 751,900 | 774,457 | 797,691 | 821,621 | 846,270 |
| Conv. Center Debt Service Shortfall | 72,349 | 139,543 | 27,915 | - | - | - | - | - | - | - |
| Lodging Tax Advisory Committee (40%) | 715,843 | 422,761 | 696,508 | 640,000 | 98,662 | 751,900 | 774,457 | 797,691 | 821,621 | 846,270 |
| Total Hotel/Motel Tax Revenues | 1,789,211 | 1,056,901 | 1,740,170 | 1,600,000 | 246,655 | 1,879,750 | 1,936,143 | 1,994,227 | 2,054,054 | 2,115,675 |
| LTAC Expenses | | | | | | | | | | |
| Addl. Debt Pmts - Approved 2015 | 50,000 | 50,000 | 50,000 | 50,000 | 12,500 | 50,000 | 50,000 | - | - | - |
| Addl. Debt Pmts - Approved 2018 | 25,000 | - | - | 50,000 | 12,500 | 50,000 | - | - | - | - |
| Wenatchee Valley Chamber | 484,100 | 456,833 | 415,000 | 445,000 | 111,250 | 458,350 | 472,101 | 486,264 | 500,851 | 515,877 |
| Fourth of July Fireworks | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Other Projects | 165,672 | - | 15,482 | - | - | - | - | - | - | - |
| Special Olympics | - | - | - | 20,000 | - | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Total LTAC Expenses | 754,772 | 536,833 | 510,482 | 595,000 | 166,250 | 608,350 | 572,101 | 536,264 | 550,851 | 565,877 |
| Other LTAC Revenue (Interest) | 4,914 | 1,862 | 628 | 100 | - | 500 | 500 | 500 | 500 | 500 |
| Net LTAC Income | (34,015) | (112,210) | 186,655 | 45,100 | (67,588) | 144,050 | 202,857 | 261,927 | 271,270 | 280,893 |
| LTAC Beginning Fund Balance | 296,884 | 262,869 | 150,659 | 337,314 | 337,314 | 382,414 | 526,464 | 526,464 | 729,321 | 788,391 |
| LTAC Ending Fund Balance | 262,869 | 150,659 | 337,314 | 382,414 | 269,726 | 526,464 | 729,321 | 788,391 | 1,000,591 | 1,069,284 |

Notes:

2022 Actual YTD - revenues report two months of collections while expenses report three (or more) months. This catches up at year-end.

Tab 2 - Multi-Segment

Wenatchee Valley Chamber of Commerce

For the month of: March 2022

| | Current Month - March 2022 vs March 2021 | | | | | | | | | | | | Year to Date - March 2022 vs March 2021 | | | | | | | | | | | | Participation | | | |
|-------------------|--|------|--------|-------|--------|-------|--------------------------------|------|--------|----------|------------|-----------|---|------|--------|-------|--------|-------|------------------------------|------|--------|----------|------------|-----------|---------------|--------|--------|--------|
| | Occ % | | ADR | | RevPAR | | Percent Change from March 2021 | | | | | | Occ % | | ADR | | RevPAR | | Percent Change from YTD 2021 | | | | | | Properties | | Rooms | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | Occ | ADR | RevPAR | Room Rev | Room Avail | Room Sold | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | Occ | ADR | RevPAR | Room Rev | Room Avail | Room Sold | Census | Sample | Census | Sample |
| Wenatchee+ | 54.4 | 52.4 | 92.10 | 80.77 | 50.06 | 42.33 | 3.7 | 14.0 | 18.3 | 27.2 | 7.6 | 11.6 | 50.0 | 50.2 | 93.07 | 81.37 | 46.51 | 40.81 | -0.3 | 14.4 | 14.0 | 24.8 | 9.5 | 9.1 | 22 | 16 | 1805 | 1554 |
| Chelan County, WA | 52.3 | 48.4 | 107.12 | 96.28 | 56.04 | 46.59 | 8.1 | 11.3 | 20.3 | 27.4 | 5.9 | 14.5 | 47.4 | 45.4 | 108.41 | 97.94 | 51.34 | 44.48 | 4.3 | 10.7 | 15.4 | 23.4 | 6.9 | 11.5 | 58 | 19 | 3114 | 1750 |
| Bellevue, WA+ | 53.1 | 32.1 | 156.86 | 88.61 | 83.31 | 28.48 | 65.3 | 77.0 | 192.6 | 189.9 | -0.9 | 63.8 | 43.5 | 28.5 | 142.79 | 86.69 | 62.06 | 24.72 | 52.4 | 64.7 | 151.1 | 148.8 | -0.9 | 51.0 | 25 | 24 | 5235 | 5211 |
| Everett, WA+ | 62.4 | 59.6 | 93.92 | 75.19 | 58.58 | 44.83 | 4.6 | 24.9 | 30.7 | 30.7 | 0.0 | 4.6 | 59.9 | 52.2 | 89.86 | 71.07 | 53.80 | 37.07 | 14.8 | 26.4 | 45.1 | 45.1 | 0.0 | 14.8 | 24 | 19 | 2200 | 1977 |
| Lynnwood, WA+ | 57.7 | 52.0 | 108.84 | 83.18 | 62.81 | 43.27 | 11.0 | 30.8 | 45.2 | 45.2 | 0.0 | 11.0 | 53.4 | 45.6 | 107.24 | 82.54 | 57.30 | 37.60 | 17.3 | 29.9 | 52.4 | 52.4 | 0.0 | 17.3 | 14 | 12 | 1610 | 1520 |
| Tri-Cities+ | 66.4 | 48.4 | 102.36 | 81.45 | 67.95 | 39.44 | 37.1 | 25.7 | 72.3 | 50.5 | -12.6 | 19.8 | 57.1 | 40.2 | 98.25 | 79.39 | 56.10 | 31.92 | 42.0 | 23.8 | 75.7 | 53.5 | -12.6 | 24.1 | 44 | 35 | 3835 | 3484 |
| Vancouver, WA+ | 68.4 | 63.3 | 114.91 | 88.36 | 78.65 | 55.89 | 8.2 | 30.0 | 40.7 | 47.0 | 4.5 | 13.1 | 62.3 | 57.9 | 112.17 | 85.96 | 69.93 | 49.79 | 7.6 | 30.5 | 40.5 | 44.6 | 2.9 | 10.8 | 30 | 28 | 2863 | 2726 |
| Yakima+ | 59.1 | 48.3 | 107.28 | 80.90 | 63.41 | 39.06 | 22.4 | 32.6 | 62.3 | 62.3 | 0.0 | 22.4 | 48.6 | 38.5 | 98.02 | 78.10 | 47.67 | 30.10 | 26.2 | 25.5 | 58.4 | 58.4 | 0.0 | 26.2 | 31 | 17 | 2480 | 1516 |

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Tab 3 - Multi-Seg Raw

Wenatchee Valley Chamber of Commerce

For the Month of March 2022

| | Current Month - March 2022 vs March 2021 | | | | | | | | | Year to Date - March 2022 vs March 2021 | | | | | | | | |
|-------------------|--|---------|-------|--------|--------|-------|------------|-----------|-------|---|---------|-------|---------|---------|-------|------------|------------|-------|
| | Supply | | | Demand | | | Revenue | | | Supply | | | Demand | | | Revenue | | |
| | 2022 | 2021 | % Chg | 2022 | 2021 | % Chg | 2022 | 2021 | % Chg | 2022 | 2021 | % Chg | 2022 | 2021 | % Chg | 2022 | 2021 | % Chg |
| Wenatchee+ | 55,955 | 52,018 | 7.6 | 30,416 | 27,260 | 11.6 | 2,801,207 | 2,201,759 | 27.2 | 162,450 | 148,354 | 9.5 | 81,186 | 74,401 | 9.1 | 7,555,893 | 6,054,112 | 24.8 |
| Chelan County, WA | 96,534 | 91,171 | 5.9 | 50,505 | 44,113 | 14.5 | 5,409,987 | 4,247,267 | 27.4 | 281,965 | 263,729 | 6.9 | 133,543 | 119,772 | 11.5 | 14,477,355 | 11,729,926 | 23.4 |
| Bellevue, WA+ | 162,285 | 163,773 | -0.9 | 86,191 | 52,627 | 63.8 | 13,520,080 | 4,663,538 | 189.9 | 471,150 | 475,470 | -0.9 | 204,767 | 135,573 | 51.0 | 29,238,319 | 11,752,738 | 148.8 |
| Everett, WA+ | 68,200 | 68,200 | 0.0 | 42,535 | 40,663 | 4.6 | 3,994,845 | 3,057,482 | 30.7 | 198,000 | 198,000 | 0.0 | 118,551 | 103,276 | 14.8 | 10,653,323 | 7,340,138 | 45.1 |
| Lynnwood, WA+ | 49,910 | 49,910 | 0.0 | 28,805 | 25,960 | 11.0 | 3,135,026 | 2,159,407 | 45.2 | 144,900 | 144,900 | 0.0 | 77,417 | 66,002 | 17.3 | 8,302,287 | 5,447,793 | 52.4 |
| Tri-Cities+ | 118,885 | 136,090 | -12.6 | 78,927 | 65,901 | 19.8 | 8,078,592 | 5,367,407 | 50.5 | 345,150 | 395,100 | -12.6 | 197,080 | 158,856 | 24.1 | 19,362,644 | 12,611,653 | 53.5 |
| Vancouver, WA+ | 88,753 | 84,940 | 4.5 | 60,748 | 53,725 | 13.1 | 6,980,462 | 4,747,215 | 47.0 | 257,670 | 250,317 | 2.9 | 160,647 | 144,980 | 10.8 | 18,019,695 | 12,462,559 | 44.6 |
| Yakima+ | 76,880 | 76,880 | 0.0 | 45,437 | 37,121 | 22.4 | 4,874,602 | 3,003,012 | 62.3 | 223,200 | 223,200 | 0.0 | 108,547 | 86,009 | 26.2 | 10,639,523 | 6,717,663 | 58.4 |

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Tab 4 - Response Chelan Co, WA

Wenatchee Valley Chamber of Commerce
For the Month of March 2022

| STR Code | Name of Establishment | City & State | Zip Code | Aff Date | Open Date | Rooms | Chg in Rms | 2020 | | | | | | | | | | | | 2021 | | | | | | | | | | | | 2022 | | | | | | | | | | | |
|--|-----------------------|--------------|----------|----------|-----------|-------|------------|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D |
| Y - (Chg in Rms) Property has experienced a room addition or drop during the time period of the report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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