



Memorandum

Date: 10/15/2024  
Meeting of: City Council

File No. AM No. 24-151  
Type: Consent Item

TO: Members of the City Council  
FROM: Mayor Angela Birney  
DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Planning and Community Development	Seraphie Allen	Planning Deputy Director
Planning and Community Development	Philly Marsh	Economic Development Manager
Planning and Community Development	Jackie Lalor	Economic Development and Tourism Program Administrator

TITLE:  
Approval of the 2025 Tourism Grant Funding - Lodging Tax Advisory Committee (LTAC) Recommendations

OVERVIEW STATEMENT:

Per RCW 67.28.1816, the Lodging Tax Advisory Committee (LTAC) unanimously recommends the 2025 Tourism matching grants of \$172,000 and City Community Events and Cultural Arts Program allocations of \$150,000, for a total of \$322,000. Funding for the tourism matching grants comes from 1% lodging tax on Redmond hotels and motels through the Lodging Tax Tourism Fund.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information       Provide Direction       Approve

REQUEST RATIONALE:

• Relevant Plans/Policies:

Comp Plan 2030:

- PR-37 Partner with and encourage businesses and community organizations to provide programming and community events that expand recreation opportunities.
- DT-16 Foster the growth and addition of visual and performing arts experiences and opportunities Downtown

by: Activating public spaces with special events and performances.

- DT-19 Encourage and support events, such as cycling-related activities and art and music programs, that attract people to the Downtown, particularly Old Town and Town Center.

**Adopted 2024 Tourism Strategic Plan:**

- Goal 1.1: Position and promote Redmond as an intercultural destination showcasing various cultures through arts, events, and dining options.
- Goal 1.18: Promote parks in Redmond's urban centers as a destination, fostering a diverse range of programming to maintain its vibrancy and activate the surrounding area.
- Goal 2.2: Promote recreational fields, trails, and water for tournaments, competitions, and events to recreational and athletic organizations.
- Goal 3.1: Work with the LTAC to prioritize support for events and festivals that include an overnight component.

- **Required:**

- [RCW\) 67.28.1816 <https://app.leg.wa.gov/RCW/default.aspx?cite=67.28.1816>](https://app.leg.wa.gov/RCW/default.aspx?cite=67.28.1816)

- **Council Request:**

- N/A

- **Other Key Facts:**

- As authorized by the Revised Code of Washington [RCW\) 67.28.180 <https://app.leg.wa.gov/rcw/default.aspx?cite=67.28.180>](https://app.leg.wa.gov/rcw/default.aspx?cite=67.28.180), a 1% lodging tax is collected from overnight stays at hotels within Redmond. This revenue is allocated to a special revenue Lodging Tax Fund, also known as the Tourism Fund.
- [RCW\) 67.28.1816 <https://app.leg.wa.gov/RCW/default.aspx?cite=67.28.1816>](https://app.leg.wa.gov/RCW/default.aspx?cite=67.28.1816) authorizes the use of lodging tax funds for tourism marketing and the marketing and operations of special events and festivals designed to attract tourists.
- [RCW\) 67.28.1816 <https://app.leg.wa.gov/RCW/default.aspx?cite=67.28.1816>](https://app.leg.wa.gov/RCW/default.aspx?cite=67.28.1816) states that the "local lodging tax advisory committee must select the candidates from among the applicants applying for use of revenues in this chapter and provide a list of such candidates and recommended amounts of funding to the municipality for final determination."
- The purpose of the Lodging Tax Fund is to increase tourism in Redmond by attracting visitors from more than 50 miles away, particularly overnight visitors who stay in Redmond hotels.
- The LTAC consists of 7 members, including an equal number of hoteliers and members representing interests that might be funded by the tax. A Councilmember, currently Councilmember Steve Fields, serves as the committee chair. There is currently 1 hotelier vacancy on the committee.

**Criteria for Reviewing Applications:**

Applications are reviewed against the tourism program fund criteria, which prioritize:

- Tourism promotion
- Benefit and impact to the community Innovation
- Scale of the project
- Other funding sources

**Applicant Scoring:**

Per Council's feedback from January 2020 and additional feedback from November 2021, the grant application criteria were detailed out, and application components supporting these criteria were assigned points. Each application received a weighted ranking.

**Lodging Tax Fund Performance and Budget:**

- The lodging tax fund closed 2023 with revenues of \$670,764. The end fund reserve is approximately \$1.2 million.
- The 2025 budget proposes \$150,000 for tourism grants, with a one-time \$25,000 opportunity funding increase from the end fund reserve for new events and tourist promotion opportunities.
- City Community Events and Cultural Arts Programming were recommended at the same historical and budgeted amount of \$150,000.

**Conflicts of Interest in Recommending Applicants:**

Conflicts of interest are common on this committee due to the state requirement that members must either be an entity for which the tax is charged or an entity that might receive grant dollars. These conflicts of interest are noted in the full scoring spreadsheet.

Members were not asked to recuse themselves from the recommendation vote or discussion, per MRSC guidance. However, staff requested recusal if a personal financial interest was involved. No personal financial interests were present or noted.

**OUTCOMES:**

**Applications Received:**

The City received 15 external grant applications on the August 19 deadline, and one additional application was submitted a week late, after the preliminary scoring was completed. In addition, the LTAC received three funding applications from City Community Events: one each for Redmond Lights, Derby Days, and Cultural Arts programming.

The LTAC recommends funding all 16 external community applications, as each demonstrated alignment with the grant criteria and tourism goals. The committee also recommends funding for the City Community Events and Cultural Arts programming.

However, the LTAC suggested a slightly reduced funding amount for the late application from Centro Cultural Mexicano for the Cinco de Mayo event, which was submitted after the preliminary scoring process. The LTAC has asked staff to make it clear in future grant rounds that no late submissions will be accepted. Although this notice was included in emails, promotional materials, and on the website, it was not explicitly stated on the grant application itself.

The event producer for Cinco de Mayo has been informed of the decreased funding recommendation and expressed gratitude for the acceptance of their late application.

**LTAC 2025 Tourism Grant Recommendations:** Please see attached document “Attachment B\_Simplified Scoring\_2025 Tourism Grants” for recommendations and discussion notes.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
Application window was August 1-19
- **Outreach Methods and Results:**
  - Application notification via e-mail to past participants
  - Application window notification via eNews and press release
  - Application messaging through local partners
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**

A total of \$172,000 for matching grants and \$150,000 for City Community Events and Cultural Arts Programming is recommended by the Lodging Tax Advisory Committee by unanimous vote for City Council's approval.

Approved in current biennial budget:       Yes       No       N/A

**Budget Offer Number:**

000250 - Community and Economic Development

**Budget Priority:**

Vibrant and Connected

Other budget impacts or additional costs:       Yes       No       N/A

**If yes, explain:**

The 2025 budget proposals are still in process for Council's approval.

**Funding source(s):**

Lodging Tax

**Budget/Funding Constraints:**

N/A

Additional budget details attached

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
10/1/2024	Committee of the Whole - Planning and Public Works	Provide Direction

**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
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**Time Constraints:**

To allow adequate time for applicants to plan appropriately with their available funding, we would like to complete the grant approval process no later than November 26, 2024.

**ANTICIPATED RESULT IF NOT APPROVED:**

If the LTAC recommendation is not approved, proposed events may not receive matching grant funds from the City and may not be able to proceed as planned.

**ATTACHMENTS:**

- A. Attachment A\_2025 List of Grant Applicants
- B. Attachment B\_Simplified Scoring\_2025 Tourism Grants
- C. Attachment C\_2025 Grant Application Full Scoring Matrix\_FINAL LTAC Recommended
- D. Attachment D\_September 9 2024 LTAC Meeting\_DRAFT MINUTES
- E. Attachment E\_General Tourism and LTAC FAQ and Overview\_2024