



Memorandum

**Date:** 11/1/2021  
**Meeting of:** City Council Special Meeting

**File No.** AM No. 21-159  
**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	Sarah Pyle	Community Development and Implementation Manager
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**TITLE:**

Approval of the 2021 and 2022 Tourism Fund Allocation for Matching Grants

**OVERVIEW STATEMENT:**

Council is being asked to approve the recommendation of the Lodging Tax Advisory Committee (LTAC) for allocation of the 2021 and 2022 matching grants from the Tourism Fund.

**Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

**Receive Information**       **Provide Direction**       **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
Comprehensive Plan, Long-Term Recovery Plan, RMC Title 4
- **Required:**  
N/A
- **Council Request:**  
N/A
- **Other Key Facts:**

The City of Redmond collects a lodging tax of one percent on each overnight stay at hotels located within Redmond and allocates these revenues to the Lodging Tax Fund. The purpose of the Lodging Tax Fund (“Tourism Fund”) is to increase tourism in Redmond by attracting visitors, especially overnight visitors who stay in Redmond hotels, by funding event marketing, operation of special events, festivals, and/or tournaments.

Applications Received: The City received 16 external grant applications from non-profit and for-profit organizations.

Criteria: Applications are reviewed against the program fund criteria for tourism promotion, which prioritizes:

- Benefit to the community

- Innovation
- Overnight stays
- Community support
- Partnerships
- The scale of the project
- Other funding sources and
- New or ongoing funding

Per Council's feedback from January 2020, the grant application criteria were broken out and application components that support the criteria were assigned points. Each application received a weighted ranking to increase equitable evaluation of the applications. The current criteria have been in place for approximately 10 years, and they lack clarity.

**OUTCOMES:**

LTAC recommends funding 14 applications that demonstrated alignment with the grant criteria and tourism goals.

Recommended Applications:

2021

1. **Fuel the Dragon**, community activity to support small businesses via in-person passport game. *Non-profit*
2. **Crossfire Selects**, the state's largest soccer tournament. *Non-profit*
3. **Hispanic Heritage Month Celebration**, a month-long art exhibit with two community events. *Non-profit*
4. **Redmond Saturday Market**, a five-month-long farmer's market. *For-profit*
5. **Seattle World Whiskey Day**, a two-day whisky tasting and judging event in downtown Redmond. *Non-profit*

2022

6. **Festival of Color**, the annual celebration of the traditional Indian festival of Holi. *Non-profit*
7. **NAMI Eastside Youth Mental Health Conference**, a conference with youth and providers to support mental health. *Non-profit*
8. **Redmond Saturday Market**, a five-month-long farmers' market. *For-profit*
9. **Ananda Mela**, Joyful Festival of India. *Non-profit*
10. **Cinco de Mayo Family Celebration**, a festival at Redmond Downtown Park with Live Music, Food Trucks, and Vendors. *Non-profit*
11. **Seattle World Whiskey Day**, a whisky tasting and judging event at the Downtown Redmond Park. *Non-profit*
12. **USA Gymnastics Washington State Congress**, a gymnastics training event. *Non-profit*
13. **Vegetarian and Vegan Festival**, a free for the community event that includes talks by eminent speakers on diet and health, food vendors, and multicultural entertainment. *Non-profit*
14. **International Track Cycling**, largest weekend track bike racing event in North America drawing bicycle racers from across North America, New Zealand, Australia, Great Britain, and beyond. *Non-profit*

Match Requirements: Two of the events recommended for funding did not include a match equivalent to their recommended awards. For these applications, staff is requesting approval of the recommended amount on the condition they submit documentation of matched paid expenses. Otherwise, the award amount shall be reduced to the documented match provided.

Other Grant Requirements: Of the applications received, two did not meet the requirements necessary to be considered.

1. Redmond Children's Business Fair: The event is limited in its audience, did not generate traffic to local businesses or night's stay, did not include a matched revenue source, and the submitted application was incomplete.
2. Redmond Virtual: The application is not for an actual event, but rather a service for digital imagery of the City currently available through other tools. The application was incomplete and did not align with the criteria.

Conflicts of interest can occur due to a requirement that the board members must either be an entity for which the tax is charged or an entity that can receive grant dollars. Additionally, it is encouraged that members are active in the community and tourism.

Two of the four members of LTAC have conflicts of interest on six of the grant applications submitted. For the following applications, members with any association exited the meeting during discussions, review or recommendations of the following events:

1. World Whiskey Day 2021
2. Fuel the Dragon 2021
3. Festival of Color 2022
4. Ananda Mela 2022
5. Vegetarian and Vegan Festival 2022
6. World Whiskey Day 2022

#### **COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
Application window June 15, 2021-August 15, 2021
- **Outreach Methods and Results:**
  - Application notification via e-mail
  - Application window notification via enews
  - Application window messaging from local partners
- **Feedback Summary:**  
A few event producers staff spoke with shared that due to COVID-19 much is still unknown about whether 2022 events will be a viable option. They asked if there would be additional opportunities in 2022 for grants. Staff is planning an additional window in late Q1 or early Q2.

#### **BUDGET IMPACT:**

**Total Cost:**  
A combined total of \$162,500.

A total of \$137,500 for matching grants as recommended by the Lodging Tax Advisory Committee for City Council's approval and \$25,000 in additional dollars for City produced events.

**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:*  
N/A

**Funding source(s):**  
Lodging Tax

**Budget/Funding Constraints:**  
N/A

**Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
10/12/2021	Committee of the Whole - Planning and Public Works	Receive Information
10/19/2021	Business Meeting	Receive Information

**Proposed Upcoming Contact(s)**

	Meeting	Requested Action
N/A	None proposed at this time	N/A

**Time Constraints:**

The 2021 grants need to be closed out by December 15, 2021. If a decision is delayed it may jeopardize the applicant's timely ability to provide all necessary materials required for state reporting and reimbursements.

**ANTICIPATED RESULT IF NOT APPROVED:**

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

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**ATTACHMENTS:**

A. 2021 Tourism Outline and FAQ

B. Grant Application Matrix

C. Slides

D. LTAC Meeting Minutes, September 24, 2021