



Memorandum

Date: 10/17/2023
Meeting of: City Council

File No. AM No. 23-142
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	Jackie Lalor	Economic Development and Tourism Program Administrator
Planning and Community Development	Philly Marsh	Economic Development and Tourism Manager
Planning and Community Development	Seraphie Allen	Planning Deputy Director

TITLE:

Approval of the 2024 Tourism Funding Lodging Tax Advisory Committee (LTAC) Recommendations

OVERVIEW STATEMENT:

Council is being asked to approve the unanimous recommendation of the Lodging Tax Advisory Committee (LTAC) for allocation of the 2024 Tourism matching grants in the amount of \$186,000 and City Community Events and Cultural Arts Programs allocations in the amount of \$150,000. These grants are paid for from the 1% lodging tax on Redmond hotels and motels through the Tourism Fund.

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

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
RMC Title 4
Comprehensive Plan - EV-18: "Support the economic vitality of the city by encouraging investments in the arts and cultural activities and through the use of superior urban design."
Comprehensive Plan - EV-20: "Implement, in conjunction with business, education and other community partners, the Strategic Plan for Economic Development to...Preserve existing and recruit new jobs within the Target Industry Clusters as identified in the Strategic Plan, which include... Retail and Tourism"

- **Required:**
RCW 67.28
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

Applicant Scoring:

Per Council's feedback from January 2020 and additional feedback from November 2021, the grant application criteria were broken out by application components that support the tourism criteria. Each category is assigned points. Each application received a weighted score and ranking. The scores were considered in the funding discussions among other factors such as (but not limited to), past awarded amounts and overall budget constraints.

Budget:

Staff and Finance worked together to budget \$150,000 for 2024 tourism grants. The contingency fund is currently around \$787,000 and will be used to help supplement this year's grants above expected revenues as necessary. Based on previous budgeting projections, staff may need to take \$36,000 from the contingency fund to cover the recommended grant funding amounts for 2024.

Conflicts of Interest in Recommending Applicants:

Conflicts of interest with applicants 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. Conflicts of interest are noted in the full scoring spreadsheet. Members were not asked to recuse themselves from the recommendation vote or discussion per the MRSC guidance. However, staff did request that if a personal financial interest was involved, a recusal would be requested. No personal financial interests were present or noted.

Applications:

The City received 22 external grant applications from non-profit and for-profit organizations and three funding applications from the City including Derby Days, Redmond Lights, and Cultural Arts programming. LTAC recommends funding 20 of 22 community applications that demonstrate alignment with the grant criteria and tourism goals. The three City applications are budgeted for \$150,000 and allocated per the 2005 Council approved distribution of funds.

Not Recommended Applications:

Two applications were not recommended for funding due to not adequately meeting the funding criteria:

Journey to Silk Road: This application outlined various event concepts and did not include a developed or detailed event plan. City staff and tourism partners will work with the applicant regarding possible future event options and venues.

NAMI Fundraising GALA: This event received funding in the 2023 grant process due to being held at a Redmond hotel in hopes of driving paid overnight stays. The event is very small and has not been able to result in overnight paid stays or clear tourism impacts based on the funding criteria and requirements.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
Application Window: August 1-15, 2023
- **Outreach Methods and Results:**
 - o Application notification via e-mail to past participants
 - o Application window notification via eNews and press release
 - o Application messaging through local partners
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

A total of \$186,000 for tourism matching grants is recommended by the Lodging Tax Advisory Committee (LTAC) by unanimous vote for City Council's approval. A total of \$150,000 will come from expected lodging tax revenues that were budgeted for and approximately \$36,000 above the budgeted amount is recommended by the LTAC to come from the lodging tax contingency fund which is currently around \$787,000.

A total of \$150,000 for City Signature Events and Cultural Arts Programming is recommended by the Lodging Tax Advisory Committee per existing lodging tax distribution guidelines passed by the Council in 2005.

Approved in current biennial budget: ☒ Yes ☐ No ☐ N/A

Budget Offer Number:

0000040 - Community and Economic Development

Budget Priority:

Vibrant and Connected

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

If yes, explain:

Requesting \$36,000 above the budgeted amount is recommended by the LTAC to come from the lodging tax contingency fund which is currently around \$787,000.

Funding source(s):

Lodging Tax

Budget/Funding Constraints:

N/A

☒ **Additional budget details attached** - refer to Attachment C

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
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10/3/2023	Committee of the Whole - Planning and Public Works	Provide Direction
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Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
Click and select a date, or click and press delete if none.	None proposed at this time	N/A

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 December 1, 2023.

ANTICIPATED RESULT IF NOT APPROVED:

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

ATTACHMENTS:

Attachment A: 2024 List of Grant Applicants

Attachment B: Simplified Grant Scoring Matrix

Attachment C: Grant Application Recommendations Matrix Spreadsheet - Full Scoring

Attachment D: Tourism Fund and LTAC FAQ