

RESOLUTION NO. R2016-006

A RESOLUTION of the City Council of the City of Tumwater, Washington, creating a policy to guide the City's investment of lodging tax in tourism related activities, facilities, and programs.

WHEREAS, the City recognizes the wide range of activities, facilities, and programs that promote tourism in Tumwater; and

WHEREAS, tourism has many benefits in our community including directly sustaining the hospitality industry (hotels, motels, bed and breakfasts, vacation home rentals), supporting activities like golf and recreation, supporting events like the Artesian Brewfest, Olympic Airshow, and Washington State Senior Games, supporting tourism related businesses like restaurants and gas stations, supporting retail sales, and generally contributing to job creation, investment, and quality of life in the community; and

WHEREAS, the Legislature finds that locally funded heritage and arts programs build vital communities and preserve community history and culture; and that within existing revenue sources, local jurisdictions should have the capability to preserve these programs in the future; and

WHEREAS, pursuant to RCW 67.28.180 and RCW 67.28.181 and Tumwater Municipal Code Chapter 3.12, Tumwater is authorized to levy and collect a special excise tax for the sale of or charge made for the furnishing of lodging; and

WHEREAS, in 1974, the City of Tumwater passed Ordinance No. 680 which established the first 2% lodging tax and, through the City's budget process, promoted Tumwater as Washington's First Community through cultural and historic activities, historic facilities and museums. This first 2% is credited against the State Sales Tax and does not appear as an increased tax for hotel patrons; and

WHEREAS, in 1997, pursuant to RCW 67.28.181, the City of Tumwater increased the tax by an additional 2%, for a total of 4% lodging tax, to promote tourism, festivals, and special events to draw tourists to Tumwater for the benefit of the community. This second 2% is an additional charge to the patron; and

WHEREAS, in 1998, the City established a policy upon adoption of the second 2% of dedicating the first 2% to funding the City's historical and cultural programs; and

WHEREAS, pursuant to RCW 67.28.1817 and Resolution No. R97-022, Tumwater established the Lodging Tax Advisory Committee in 1997 to recommend disbursement of lodging tax funds to be consistent with RCW Chapter 67.28; and

WHEREAS, Tumwater is known as “Washington’s First Community” and has a rich history of American settlement dating back to 1845 and settlement by native groups prior to 1845. That history is one of several key attributes that make Tumwater unique; and

WHEREAS, recognized historic facilities in Tumwater include the Crosby House (built in 1860 and the home of actor/singer Bing Crosby’s grandparents), the Henderson House (built in 1905 and home to the first brewer at the Olympia Brewery), the Calvary Cemetery (containing markers for George Bush, several Civil War veterans, and numerous State and regional leaders), Schmidt House (built in 1904 and the family home of the Schmidt Family), and the Historic Brewhouse (built in 1907 and home to the gravity brewing operation until Prohibition), and except for the Cemetery, all of these facilities are in a designated Historic District which is promoted on the internet, in brochures, and through street signage.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUMWATER AS FOLLOWS:

Section 1. Purpose. The purpose of this policy is to guide the Council and the Lodging Tax Advisory Committee in the disbursement of lodging tax funds to promote tourism including historic programs that preserve community history and culture, historic facilities, and historically significant artifacts.

Section 2. Policy: It is the policy of the City of Tumwater to use lodging tax funds consistent with RCW Chapter 67.28. The City recognizes that, pursuant to RCW 67.28.080, 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.

The City also recognizes that, pursuant to RCW 67.28.1815, except as provided in RCW 67.28.180, all revenue from taxes imposed under this chapter shall be credited to a special fund in the treasury of the municipality imposing such tax and used solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities.

The City also recognizes that, pursuant to RCW 67.28.080, tourism related facility means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is owned by a public entity, a nonprofit organization, a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce and used to support tourism, performing arts, or to accommodate tourist activities.

Pursuant to RCW 67.28.1815, the following priorities will be used to guide the City's investment of lodging tax funds:

1. It is the policy of the City of Tumwater that the first 2% of lodging tax will be used to support continued efforts to build the historic brand of Tumwater as Washington's First Community, the settlement and life of native groups, the founding and legacy of the Olympia Brewery, and other aspects of Tumwater's history. These may include support for historic programs, preservation of historically significant artifacts, historic facilities, activities which recognize the history and culture of the community and which promote tourism based on historic themes.
 - a. Any funded facility must be a tourism-related facility as defined in RCW 67.28.080 and must be located in the City of Tumwater.
 - b. In order to facilitate larger capital projects and ensure necessary funds for expenditures for tourism-related facilities, the first 2% lodging tax revenues may be pledged or committed for a period not to exceed 5 years in order to achieve the goals of this policy and RCW 67.28.
2. It is the policy of the City of Tumwater that the second 2% of lodging tax will be directed toward tourism promotion 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.
 - a. Pursuant to RCW 67.28.080, tourism promotion activities are not required to occur in the city limits to be eligible for lodging tax funds but must increase tourism economic activity in Tumwater; which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
 - b. Funded physical improvements must be located in the City of Tumwater (i.e. banner poles)

- c. The second 2% lodging tax funds shall be awarded annually and may not be awarded beyond one year at a time.

Section 3. Ratification. Any act consistent with the authority and prior to the effective date of this Resolution is hereby ratified and affirmed.

Section 4. Severability. The provisions of this Resolution are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this Resolution or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the Resolution, or the validity of its application to other persons or circumstances.

Section 5. Effective Date. This Resolution shall become effective immediately upon adoption and signature as provided by law.

RESOLVED this 5th day of July, 2016.

CITY OF TUMWATER



Pete Kmet, Mayor

ATTEST:



Melody Valiant, City Clerk

APPROVED AS TO FORM:



Karen Kirkpatrick, City Attorney