



CITY OF
SUMNER
WASHINGTON

LODGING TAX ADVISORY COMMITTEE
1104 MAPLE STREET
SUMNER, WA 98390
AUGUST 30, 2022 1:00 PM

The city is conducting this public meeting using a hybrid model. The public is welcome to attend this afternoon's meeting in-person at City Hall (First Floor Conference Room), or virtually by using the meeting access link below:

<https://sumnerwa-gov.zoom.us/j/6514925013>

COMMITTEE BUSINESS

1. Financial Update
2. Funding recommendations

REPORTS

ADJOURNMENT

SUBJECT: Financial Update

CATEGORY: Information Only

BUDGET IMPACT:

ATTACHMENTS:

STAFF CONTACT: Carmen Palmer, Communications Director

SUMMARY BACKGROUND:

The following shows revenue received from lodging tax. This is the 2% shared revenue occupancy tax that the State sends to City of Sumner for allocation and spending. An additional 5% goes to Pierce County for allocation and spending through their Lodging Tax fund.

REVENUES		2018	2019	2020	2021	2022	2023	2024
Budgeted	\$	64,049	\$ 85,000	\$ 85,000	\$ 95,000	\$ 120,000	\$ 100,000	\$ 105,000
Actual	\$	90,484	\$ 93,210	\$ 46,681	\$ 92,911	\$ 101,200		

2022 actual revenue projected from collections to date.

Sumner's LTAC was very conservative with 2020 recommendations, given the pandemic. The 2021 recommendations were more robust to get tourism moving again. In fact, Sumner's two chain properties saw record occupancy levels starting in fall 2021, which prompted the marketing campaign Stay in Sumner to be put on hold. Other projects continue to move forward.

	Allocated	Used	Status
2020			
Main Street Design (UWT)	\$ 30,000.00	\$ 18,000.00	Done
Light-Up Main (SMSA)	\$ 30,000.00	\$ 30,000.00	Done
Sumner Charm Update	\$ 10,000.00	\$ 6,494.78	Done
2021			
Stay in Sumner	\$ 13,000.00	\$ -	Canceled
Ryan House Cost Estimate	\$ 1,000.00	\$ -	Not needed
Wayfinding Signs	\$ 40,000.00	\$ 40,000.00	In progress
Main St Vision Alley			
Activation	\$ 25,000.00	\$ 25,000.00	In progress
Main St Vision Heritage			
Park Redesign	\$ 100,000.00	\$ 100,000.00	In progress
Ryan House	\$ 125,000.00	\$ 125,000.00	In progress
SMSA itineraries/light up			
main	\$ 4,000.00	\$ -	Canceled

Given expected revenue budgeted in the 2023-2024 budget, the City recommends Sumner LTAC recommend spending up to \$125,000 in 2023. We will form again in 2023 to make recommendations for the 2024 mid-biennial budget adjustment.

COUNCIL COMMITTEE/STUDY SESSION:
MEETING/STUDY SESSION DATE:

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:

SUBJECT: Funding recommendations**CATEGORY:** Information Only

BUDGET IMPACT: \$125,000 of shared occupancy tax

ATTACHMENTS:**STAFF CONTACT:** Carmen Palmer, Communications Director

SUMMARY BACKGROUND:

Because this group recommends for 2% of the 7% collected in Sumner lodging tax, efforts remain focused on broad, city-wide efforts that benefit all aspects of tourism. Such efforts include things like asset development and strategic planning. Any specific destination marketing organizations wanting to apply for funding need to do so through the Pierce County funding process, which allocates the remaining 5% of funding for efforts such as event development, leisure marketing and asset development.

For 2023, Sumner has the opportunity to capitalize on an opportunity to develop a sub-area plan that gives the community and its partners multi-year strategies that help align year-over-year efforts and fit within Pierce County's larger regional plan. With the recommendation of regional tourism leaders, Pierce County has hired MMGY NextFactor to provide the regional plan in 2023. MMGY NextFactor is willing to also work on a sub-plan for Sumner. It has been approximately 15 years since Sumner has done a brand assessment/strategic tourism marketing update, and that effort was done in-house. The City believes it's time to check-in on the experience we're delivering to visitors, how we market that experience and what partnership opportunities are available. We would also like outside "eyes" to give perspective on what's been done in the past and what our most effective route forward is in the future.

By coinciding with the County hire, Sumner benefits from a more cost-effective process and cohesion within the regional plan. MMGY NextFactor estimates such a subplan to cost about \$75,000.

In addition, asset development projects such as Main Street Design and Ryan House renovation are entering into construction. Ryan House is currently being considered for both a Pierce County Lodging Tax grant and a State Heritage Capital Projects grant. Pending grant requests, the project could range from fully funded to no funding. Main Street Design is currently in construction for the utilities/woonerf portion. Efforts for alley activation, Heritage Park redesign and wayfinding signs are currently in design. Further funding could help by leveraging future external funding opportunities for construction.

COUNCIL COMMITTEE/STUDY SESSION:

MEETING/STUDY SESSION DATE:

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:

Recommend funding for up to \$125,000 of Sumner's shared occupancy tax revenue in 2023 to be included in the 2023-2024 Biennial Budget for Council consideration and approval.