



City of Kirkland
Tourism Development Committee (TDC) Agenda
February 2, 2023 (9am-10am)

Join Zoom Meeting 2023

<https://kirklandwa-gov.zoom.us/j/87205963160?pwd=NEhwRTR3MTk2UkNhRGFQTWpxaEcwUT09>

Meeting ID: 872 0596 3160

Passcode: 336304

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1. Welcome and Call to Order –Councilmember Toby Nixon, Chair
 2. Roll Call
 3. Public Comment
 4. Action Needed
 - a. Approval of January 5, 2023 meeting minutes
 5. Discussion:
 - a. Digital Marketing with D2 (D2 Team members – 20 minutes)
 - b. Digital Marketing budget – spend to date (See Attachment B)
 - c. TDC Grants Program: continued discussion
 - i. Consider a change in funds distribution process?
 - ii. See Attachment A for potential ideas
 6. Staff Updates
 - a. Parks' Special Events
 - b. Kirkland Ca\$h – Stay & Play promotion
 - c. Shop Local Kirkland
 - d. Hotel Revenues
 - e. 2023 Tourism Grants Program
 - i. Tasveer has declined the \$1K award stating budget/staffing issues. They will only hold an event in Seattle this year.
 - ii. Tourism Grant Agreements routing for signatures
 7. Good of the Order
- Adjourn

Attachment A

Discussion of LTAC Funds

TDC Meeting 1-5-2023 - mrc

Lodging Tax WA State [RCW 67.28.1817 Lodging Tax – Tourism Promotion](#)

CoK Municipal [Code 5.19.010 KMC](#)

1. LTAC revenue can be used for the following:

- a. Tourism marketing;
- b. The marketing and operations of special events and festivals *designed to attract tourists*;
- c. Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public or operated by nonprofit organizations.

2. Relevant Definitions: (RCW 67.28.080 and KMC 5.19.050)

- a. “Tourist” is defined by Kirkland as “a person who travels from a place of residence to a different town, city, county, state or country, for purposes of business, pleasure, recreation, education, arts, heritage, or culture. “
- b. “Tourism” is defined as “Economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.”
- c. “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.

3. 50 Miles Away Requirement– Statute Language and Interpretation

a. From RCW 67.28.1816 (2)(a):

‘...Applicants applying for use of revenues in this chapter [including the City itself as an applicant] must provide the municipality to which they are applying estimates of how any moneys received will result in increases in the number of people traveling for business or pleasure on a trip:

(i) Away from their place of residence or business and staying overnight in paid accommodations;

(ii) To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or

(iii) From another country or state outside of their place of residence or their business.

- b. This requirement for an estimate does not place any explicit restriction on the use of LTAC funds. LTAC funds can be used for any tourism marketing.
- c. The definitions do not impose a requirement that LTAC funds be used to attract tourists from 50-miles away.
- d. The use of LTAC funds for 'tourism marketing' must be designed to attract *tourists*. Therefore, such efforts must target populations beyond the local market.
- e. From RCW 67.28.1816 (2)(c)(i)
'All recipients must submit a report to the municipality describing the actual number of people traveling for business or pleasure on a trip:

(A) Away from their place of residence or business and staying overnight in paid accommodations;

*(B) To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; **or***

(C) From another country or state outside of their place of residence or their business.

4. Potential Other Options for Use of LTAC Revenues

a. Criteria?

- i. Centralize tourism funding
- ii. Staff time required
- iii. Equity considerations
- iv. Targeted support of single effort/priority

b. Potential Ideas:

- i. Leverage the digital marketing contracts and support marketing of specific, qualifying events directly;
- ii. Leverage Kirkland Ca\$h - incentivize hotel stays,
- iii. Leverage Kirkland Ca\$h - provide incentive marketing for event producers
- iv. Support physical repairs of tourism facilities/non-profits
- v. City operation of an event
- vi. Others?

ATTACHMENT A – RCW 67.28.1816

RCW 67.28.1816 Lodging tax—Tourism promotion.

(1) Lodging tax revenues under this chapter may be used, directly by any municipality or indirectly through a convention and visitors bureau or destination marketing organization for:

- (a) Tourism marketing;
 - (b) The marketing and operations of special events and festivals designed to attract tourists;
 - (c) Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district created under chapters **35.57** and **36.100** RCW;
- or

(d) Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec. 501(c)(6) of the internal revenue code of 1986, as amended.

(2)(a) Except as provided in (b) of this subsection, applicants applying for use of revenues in this chapter must provide the municipality to which they are applying estimates of how any moneys received will result in increases in the number of people traveling for business or pleasure on a trip:

- (i) Away from their place of residence or business and staying overnight in paid accommodations;
- (ii) To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
- (iii) From another country or state outside of their place of residence or their business.

(b)(i) In a municipality with a population of five thousand or more, applicants applying for use of revenues in this chapter must submit their applications and estimates described under (a) of this subsection to the local lodging tax advisory committee.

(ii) The local lodging tax advisory committee must select the candidates from amongst 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 municipality may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee.

(c)(i) All recipients must submit a report to the municipality describing the actual number of people traveling for business or pleasure on a trip:

- (A) Away from their place of residence or business and staying overnight in paid accommodations;
- (B) To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
- (C) From another country or state outside of their place of residence or their business. A municipality receiving a report must: Make such report available to the local legislative body and the public; and furnish copies of the report to the joint legislative audit and review committee and members of the local lodging tax advisory committee.

(ii) The joint legislative audit and review committee must on a biennial basis report to the economic development committees of the legislature on the use of lodging tax revenues by municipalities. Reporting under this subsection must begin in calendar year 2015.

(d) This section does not apply to the revenues of any lodging tax authorized under this chapter imposed by a county with a population of one million five hundred thousand or more.

[**2013 c 196 § 1**; **2008 c 28 § 1**; **2007 c 497 § 2**.]

ATTACHMENT B – KMC 5.19.050

KMC 5.19.050 Lodging tax fund.

(a) Pursuant to RCW Chapter 67.28, a special fund to be known as the **lodging tax** fund is hereby established and all taxes collected under this chapter shall be credited to this special fund.

(b) All revenue collected under this chapter shall be 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 or for other purposes as authorized in RCW Chapter 67.28, or as it is hereafter amended.

(c) The definitions in this section shall apply throughout this chapter unless the context clearly requires otherwise:

(1) “Tourism” means economic activity resulting from tourists, which may include sales of overnight **lodging**, meals, tours, gifts, or souvenirs.

(2) “Tourism promotion” means activities 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 marketing of special events and festivals designed to attract tourists.

(3) “Tourism-related facility” means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

(4) “Tourist” means a person who travels from a place of residence to a different town, city, county, state or country, for purposes of business, pleasure, recreation, education, arts, heritage, or culture. (Ord. 3799 § 1 (part), 2001)

5.19.060 Administration.

The State Department of Revenue is designated as the agent of the city for the purposes of collection of the **lodging tax** and for administrative procedures applicable thereto. All rules, regulations, and procedures adopted by the State Department of Revenue for the administration of the collection of **lodging tax** on behalf of the city are adopted by reference. (Ord. 3799 § 1 (part), 2001)

D2 CREATIVE - DIGITAL MARKETING CONTRACT

Total Contract Amount	\$95,000
2022 Budget	\$35,000
2023 Budget	\$60,000

ESTIMATED INVOICING SCHEDULE			Expensed To-Date		2022 invoices	
2022	Estimated Scheduled Services	Budgeted	Actual		Inv #2795	Inv 2800
October						
	Campaign Development	\$2,500	\$2,500		\$2,500.00	
	Media Plan Development	\$3,500	\$4,000		\$4,000.00	
	Consult, Track Implementation	\$1,500	\$1,000		\$1,000.00	
	Total October	\$7,500	\$7,500			
November						
	Campaign Revisions	\$2,500	\$2,500		\$2,500.00	
	Media Plan Refinement,Launch	\$3,000	0			
	Reporting, Optimization Mgmt	\$1,500	0			
	Estimated Media	\$2,500	\$2,500		\$2,500.00	
	Total November	\$9,500	\$5,000			
December						
	Campaign Mgmt, Reporting	\$1,000	1,000			\$1,000
	Estimated Media	\$16,500	21,500		\$7,500.00	14,000
	Total December	\$17,500	22,500		\$20,000.00	\$15,000.00
2022 Total Budgeted vs Actual		\$34,500	\$35,000			

Total remaining on contract \$60,000

ESTIMATED INVOICING SCHEDULE				2023 Invoices	
2023	Estimated Scheduled Services	Budgeted	Actual		
January					
	Campaign Mgmt, Reporting	\$1,000			
	Creative Refinement	\$2,500			
	Estimated Media	\$17,500			
	Total January	\$21,000			
Feb					
	Campaign Mgmt, Reporting	\$1,000			
	Creative Refinement	\$2,500			
	Estimated Media	\$17,500			
	Total February	\$21,000			
March					
	Campaign Mgmt, Reporting	\$1,000			
	Estimated Media	\$17,500			
	Total March	\$18,500			