

CITY OF OCEAN SHORES, WASHINGTON

RESOLUTION NO. 787

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEAN SHORES, WASHINGTON, REPLACING ALL RESOLUTIONS AND AMENDMENTS REGARDING LTAC, AND SETTING FORTH AN OPERATING PLAN FOR THE CITY'S USE OF LODGING TAXES

WHEREAS, Sections 67.28.1816 and 67.28.1817 of the Revised Code of Washington (hereinafter "the relevant RCWs") set forth certain requirements and rules for Lodging Tax Advisory Committees (hereinafter "LTACs") as well as the City's executive and legislative body dealings with LTACs and LTAC's recommendations; and

WHEREAS, in order to best serve the public interest and the purpose for which LTAC funds are intended, the City of Ocean Shores (hereinafter "City") wishes to amend Resolution 738 passed and adopted by the City Council on April 27, 2015, as amended by Resolution 753 passed and adopted by the City Council on September 12, 2016, as amended by Resolution 775 passed and adopted by the City Council on April 23, 2018, which outline the process under which LTAC funds are allocated;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Ocean Shores, Washington, that

- 1) **LTAC Funds Available Each Year.** The City shall estimate the amount of Lodging Tax it expects to receive and has on-hand, then subtract debt obligations (such as the Convention Center debt payment, where the City relied upon the Lodging Tax to pay such debt when the debt was incurred). Ninety percent (90%) of the remaining amount shall then be available to fund requests. The City does not make multi-year commitments for tourism promotion services; however, applicants are not limited or prohibited from making annual requests of the same nature.
- 2) **LTAC Membership.** The Mayor or designee shall appoint individuals to the LTAC as necessary or desirable with City Council concurrence. Such members shall consist of one (1) City Council member who shall be the Chair of the Committee, two (2) representatives of lodging businesses required to collect the tax and two (2) individuals representing possible recipient entities (such as the City's General Manager of the Ocean Shores Convention Center and the Executive Director of the Chamber of Commerce). At any time during the year, whether or not the LTAC meets again, the Mayor may fill a vacancy, again, with Council concurrence. LTAC members may serve no more than two (2) consecutive years. Beginning in 2019,

two of the members shall be appointed for one (1) year and three (3) shall be appointed for two (2) years. Thereafter, new members shall be appointed at the end of each member's term.

- 3) **Proposals.** Starting the first working day of September through the last working day of September of each year, the City Clerk shall accept proposals from parties interested in competing for estimated Lodging Tax funds available in the following year. Such proposals shall be submitted in written form using the attached form. Any proposals which are not eligible under the relevant RCWs or which are not selected for recommendation to the City Council shall be returned by the LTAC to the City Clerk who shall give timely written notice to the submitters.
- 4) **LTAC Meeting(s) and Recommendation(s).** After September 30th but before the first City Council meeting in October of each year, the LTAC shall meet at least once to review applications and if a quorum is present (three of the five members present), the LTAC shall determine by majority vote which, if any, of the proposals to recommend to the City Council for funding and in what individual amounts, and shall make recommendations to the City Council as to applications to fund for the coming year. LTAC meetings shall be conducted under the regulations of the Open Public Meetings Act with appropriate notice, minutes posted, and written recommendations which shall become public documents. All written communications between LTAC members for LTAC purposes are also public records and have retention schedules. LTAC members, like those of other City boards, commissions and committees must take an Open Public Meetings Act training class within ninety (90) days of appointment to the LTAC.
- 5) **City Council Vote on LTAC Recommendation(s).** When awarding lodging tax revenues pursuant to RCW 67.28.1816(2)(b)(ii), a municipality may award amounts different from the local lodging tax advisory committee's recommended amounts, but only after satisfying the procedural requirements of RCW 67.28.1817(2), according to which the municipality must submit its proposed change to the advisory committee for review and comment at least forty-five (45) days before final action on the proposal. The LTAC's failure to respond will not preclude the City Council from a final vote on the proposal.
- 6) **City Budget.** The proposals funded by the City Council shall then become part of the City's Lodging Tax budget for the following year. If the estimated lodging tax amount falls short of expectations at any time during that year, the City Council may amend the budget and withhold any unpaid amounts.
- 7) **Final Report to City on Awarded Funds.** Within ninety (90) days of the end of the project(s) which received funding under the LTAC process, but no later than the last working day in September of the year funding was received, the party receiving the award shall provide a report to the City Clerk. These reports shall be shared by the City with the City Council, public and members of the local LTAC. Final Reports shall contain all of the information required in Exhibit 2 of the Tourism Promotion Agreement with the City of Ocean Shores.

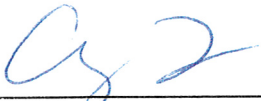
- 8) **Annual Report to JLARC.** The City must report annually all Lodging Tax use to the JLARC using the JLARC Municipal Reporting website.
- 9) The Lodging Tax Grant Application form shall set forth City Council Goals and Priorities for Use of Lodging Taxes: Such goals and priorities shall be considered by Council in funding applicants:

Council Goals and Priorities for Use of Lodging Taxes

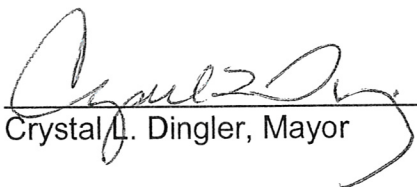
- A. Council will focus on using lodging taxes to create distinct and identifiable increases in Ocean Shores' tourism. As part of this goal, Council will use lodging taxes for the purposes allowed in State law, which include:
 - i. The operation and capital expenditures of tourism related facilities owned or operated by the municipality or public facility district;
 - ii. Tourism marketing and Convention Center sales;
 - iii. The operation (but not capital expenditures) of tourism related facilities owned or operated by non-profit organizations; and
 - iv. The marketing and operations of special events and festivals.
 - B. Council desires that monies awarded be directed towards funding new and innovative projects, activities, events or festivals that will distinguish Ocean Shores as a tourism destination.
 - C. Council will emphasize the utilization of funds for capital expenditures to develop tourism destination facilities or venues within the City of Ocean Shores as a means of drawing additional visitors to the City (recognizing that this option is limited to facilities owned by a municipality or public facility district).
 - D. Council recognizes that lodging nights are an important measure of a successful event or marketing program and will place higher consideration on events or programs with a demonstrable history of increasing overnight stays. Council may also take into consideration to a lesser degree the economic impact of all major components of our tourism-based economy including shopping, dining and overnight visits.
 - E. Council will take into consideration revenues received by applicants from other entities and agencies.
 - F. An award to any particular applicant cannot be greater than the dollar amount requested in that applicant's application.
 - G. Except in the case where the City is awarded funds, any applicant who receives fund equal to or greater than forty thousand dollars (\$40,000) shall post a performance bond the amount of such award. Said funds may not be used for the payment of any bond premium.
-
- 10) Attachment A (Application for Ocean Shores Lodging Tax) and Attachment B (Tourism Promotion Agreement with the City of Ocean Shores), shall be considered a part of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Ocean Shores, Washington, at an open public meeting thereof on this 22nd day of April 2019.

ATTEST:



Angela Folkers, City Clerk



Crystal L. Dingler, Mayor