



**LODGING TAX ADVISORY COMMITTEE  
February 20, 2019 - 9:00 am**

**Meeting Notes**

**Members present:**

Jack Louws, Chair  
Dana Weber  
Mollie Pike

Drew Schmidt  
Sandy Ward  
Guy Ochiogrosso

**Welcome:**

Committee Chair, Louws welcomed the committee members and the funding applicants present. He reported that the County's Lodging Tax Fund balance is in good shape and has consistently increased over the last seven years. The Fund Balance of \$1.7M can be used to develop the Birch Bay Park as well as complete the Wayfinding project. It will also help the County Lodging Tax program transition when the Bellingham annexation occurs sometime in 2019. That should not impact the current allocations. Current projections may see a 5% fluctuation in either direction. Simply put, applicants seeking funds for Bellingham located events may be directed towards the Bellingham Lodging Tax funding after the annexation.

**Review and deliberation of additional 2019 funding allocations:**

- ***Bellingham Whatcom County Tourism – Wayfinding Phase***

Sandy Ward, President of the Bellingham Whatcom County Tourism Bureau presented the proposal/request for the Wayfinding project. Funding for the Wayfinding project received a \$50k allocation in 2017. This funding will support the finalization of the first phase of the project and authorizes the re-allocation of the remainder of funding in the amount of ~\$21k. Because the funding was originally allocated two years ago, any remaining funds must be re-authorized through the budget supplemental process. This funding will be used to complete the mapping and kiosk content in preparation for the second implementation phase of the project.

Dana Weber made a motion to approve the funding request, Mollie Pike seconded the motion. The motion passed unanimously.

- ***Bellingham Whatcom County Tourism – Feasibility Study for Event Center***

Sandy Ward presented a proposal for a Feasibility Study. In response to the community interest in the development of a Multi-Purpose Events Center, the Tourism Bureau is proposing a feasibility study to determine the viability of pursuing the development of the project. The feasibility study would ultimately determine whether or not it would be an economically feasible undertaking. Discussion ensued about the County's \$200M shortfall for needed capital expenditures. The County has no capacity to take on ownership and/or management of such a facility. Although the project could be nice for the community the reality of the operations expense may make it unattainable. It was estimated that a \$10M dollar project costs approximately \$60k /yr. in bond payments and likely \$1.5M/yr. to operate (staff and insurance).

Drew Schmidt made a motion to approve the pursuit of the study utilizing Bellingham's funding support of \$40k first. This was approved unanimously.

A motion was then made to approve the project for county funding up to \$20k if needed beyond the Bellingham contribution. Motion passed 5-1 with the Executive declining support.

- ***Ferndale Chamber of Commerce – 2019 Visitor Center Operations***

It was recognized that the Ferndale application for 2019 funding had been overlooked at the time the 2019 funding requests were considered last fall. It was an administrative oversight. It was also recognized that the funding landscape is changing and applicants need to prepare for reductions and/or the elimination of funding.

A motion was made to increase 2019 funding to a maximum of \$12,000 for the Ferndale Chamber of Commerce. The motion passed unanimously.

- ***Birch Bay Chamber – Fan Fest multi-day event***

Billie Brown presented the Birch Bay Chamber proposal and announced the opportunity they received from the Fan Fest group's decision to select Birch Bay as the host site for their ever popular annual FanFest event. The Seahawk inspired 12<sup>th</sup> man fan club has hosted this event in Ocean Shores the last several years and it has been wildly successful. The event attracts approximately 15,000 people. It is a family oriented 3 day event scheduled for August 16-18.

Questions and concerns were raised regarding the timing of the event during peak season when hotels are at 80% capacity. It was also stressed that the event will surely impact the county sheriff's and parks offices. Traffic congestion may become an issue as well with the event occurring the same weekend as the fair and other events. It's important that the traffic concerns are planned for so visitors to the community leave with a positive impression of the community.

Executive Louws encouraged the Chamber to reach out to the Whatcom County Sheriff's Office and Parks & Recreation Department to ensure that all permitting was completed well in advance and that coordination with the Sheriff's Office took place to ensure a successful event. He emphasized the importance of this collaboration because ultimately, the success (or failure) of the event will reflect on the entire county.

A motion was made to approve funding in the amount of \$12,500 to support the event. The motion passed unanimously.

### ***1. Strategic Planning***

With the impending Bellingham annexation, discussion took place about transition the county lodging tax fund to support county wide programs. It was generally agreed that the County Chambers as well as the Tourism Bureau should be considered the primary funding recipients in the future. The work they provide ultimately helps to promote tourism and ultimately the Lodging Tax Fund.

Questions were raised about changing the criteria for funding and how the committee would communicate changes to the application process. It was agreed that communication/notification of any changes to the application process will be distributed in a timely manner. Also, a small work group will begin to develop proposed changes to the funding criteria and application. The proposed changes will be reviewed the by Lodging Tax Committee prior to implementation for the 2020 funding year.

With no other business the meeting adjourned at 10:30 am