



LODGING TAX ADVISORY COMMITTEE MINUTES

DATE: January 21, 2010

TIME: 8:30 am

LOCATION: Best Western Wesley Inn

MEMBERS PRESENT: Warren Zimmerman, Randy Fortier, Kathy Franklin, Carola Filmer, Derek Young, Warren Zimmerman, Sue Braaten, Jennifer Kilmer, Laureen Lund

MEMBERS ABSENT: Jannae Jolibois, Janis Denton

STAFF PRESENT: Karen Scott

OTHERS PRESENT:

Meeting called to order, 8:34 a.m. by Derek Young. He introduced the meeting and thanked Sue Braaten for hosting. Derek said he has thought that possibly relocating the meeting to a property occasionally would be a nice idea. Committee agreed.

AGENDA

1. Skansie House and Skansie Reserve Fund
2. Budget Issues
3. Kitsap VCB
4. Media and Writers
5. 2010 Marketing
 - a. Website
 - b. Blog
 - c. FB/Twitter
 - d. Paid Advertising/Busses/TV/Other
6. Farmers Market
7. 2010 Amateur
8. New Hotel in Gig Harbor
9. Visitor Center
10. Summer

SKANSIE HOUSE AND SKANSIE RESERVE FUND

Laureen Lund stated Mayor Hunter has requested \$35,000 from the Lodging Tax Fund for small repairs and early stage restoration to the Skansie House, for example hard wood floors and bringing heat back in the building. Discussion followed. Randy Fortier

asked what it would be used for specifically. Lauren stated that Mayor Hunter, in the 2010 budget, noted these dollars would go towards small improvements. Derek stated it should be clear that it is a budget request, and that it is not currently in the budget.

Jennifer Kilmer said that the message should be “we should abide by state law and that it has to be used for tourism purposes”. Sue Braaten backed that up by saying that “it has to be designated to be improvements made for the future visitor center”. Derek said he cannot appropriate the money without a statement by the LTAC. Sue and Jennifer will present to Parks Commission on February 3rd the LTAC’s desire for the Visitor Center to be at the Skansie House. City Council will have a work study on March 1st regarding the Skansie House

Randy re-iterated that if the dollars are not going to be used for visitor center we can move the money into other future projects. Jennifer pointed out that through conversations with Gary Glein, Gig Harbor Rotary, they would like to be involved in renovations on the house. She said Gig Harbor Rotary is interested and excited about possibly working on it. She stated “Gary Glein said he could have \$50,000 in cash available within a week for use on renovations. An additional commitment of \$50,000 to \$70,000 in labor commitments may also be possible. Jennifer stated that the estimate of \$350,000 may have actually gone down due to the economy. Jennifer re-iterated that Gary Glein is very excited to come to the Parks Commission and express his interest. Jennifer pointed out that she had asked Gary Glein if he is interested in it being a VIC and the Rotary is excited about the VIC idea but they don’t want to dictate to the city. Jennifer shared that Gary Glein sees his efforts in economic development by simply bringing people downtown. Jennifer observed that some of the concerns about the house being too small or parking being a problem are not insurmountable. Derek pointed out that the space is actually equal or larger than the current space. Randy asked if there have been any other viable options presented. Derek stated that Mayor Hunter had talked about housing a Harbormaster on the property, also having a bed and breakfast or a small museum. Jennifer commented that the museum is not interested in being responsible for a museum on that site. Kathy Franklin stated “it has been in limbo for so long and there is still the resistance--- either move forward or let us move the funds and do something different.”

Randy stated there is something else to consider, the AWC asking the legislature to allow lodging tax funds to be used for other things. He continued by stating “the LTAC is not guaranteed to have input on this”. Derek stated “not to get too far off of subject, but (in summary) this issue is not even a high priority and it is actually in support of Ocean Shores and one other communities who have big problems related to their tourism events so they can hire some extra law enforcement officers.” Randy summarized stating “Everything may have a noble purpose when it first comes out”. Derek continued by saying (in summary) the legislature has gone the other direction and they

do not want it to be a general purpose tax, but it is certainly something to be vigilant about but that is certainly not the intent. Jennifer noted that if the wording gets changed I can see the urgency to make a decision to use these reserve funds. Warren Zimmerman asked how the committee started saving money for this purpose in the first place. Lauren reminded the committee that the money has been set aside for 6 years following the acquisition of the property and under the direction of the council to begin a capital reserve fund. Derek noted that is why Chuck has looked at this money. He continued to state there are things that really need to be done. Derek admitted that has been a possibility. Lauren asked "parking lot?" Lauren shared that Fife had built soccer fields, and (previous) Mayor Wilbert would like an ice rink.

Lauren asked Sue and Jennifer if they have what they need to present to the Parks Commission on Feb 3. Derek suggested a letter from the committee and especially the hoteliers stating the support of the funds being used for the Skansie House if it is to become the Gig Harbor Visitor Center. It was moved and seconded Derek asked the committee not to pigeon hole Gary Glein too much. Jennifer requested "if the council is not willing to do this let us know so that we can use the funds for next year."

Warren shared that the Gig Committee is about this far (hand sign) to use a national organization to pay for groups to come here for a blues competition. All agreed an event like that would be a draw for overnight visitors. Jennifer asked if we should hire a sales person to recruit conventions. Lauren said "that is what Moira (Kelly, Sales, Tacoma Regional CVB) is supposed to be doing."

Derek called for the vote on the Skansie House:

MOTION: Kathy Franklin moved LTAC send a letter to Council and Park Commission asking that the Skansie House become a visitor center. Sue seconded.

AMENDED by Kathy to say that the \$35K Lodging Tax Dollars could be used in 2010 if the house is voted and approved by City Council to become the Gig Harbor Visitor Information Center.

VOTE: All in favor- 8 yes 0 opposed. Motion passed.

WEBSITE: Lauren shared the upgrade ideas and the reason for the blog being moved over to the website, to raise ROE. Lauren continued by stating that the FACEBOOK and TWITTER sales efforts are time consuming but FREE. She continued by stating "the website is important to keep fresh and new." Jennifer suggested promotion of new Harbor business, Play a Latte. Jennifer shared "it is an indoor play area and coffee shop." Lauren requested that if the hotels have something to blog about send it over to her via email. She said "it doesn't have to be pretty--- doesn't have to be complete or in pdf form--- just please feed her information." Derek said that the newspapers are

following Laureen and they will forward her stuff, he continued by saying that the more you update (blogs) the larger papers send links and that raises their search efforts and the cumulative effects are huge. Laureen stated she sends story ideas to Scott Turner (Gig Harbor Life) weekly.

KITSAP CONVENTION AND VISITOR BUREAU: Laureen shared with the committee that in the 2010 budget “we have not determined the dollar amount for Kitsap.” Sue asked “if we gave them 3k last year?” Laureen nodded yes. Laureen suggested 1k and Sue suggested \$1500. Laureen asked if we get a link on their website and a small paragraph in there visitor guide what is the dollar value for that? He continued “Laureen will ask “here are the exposure we want and what will it cost?” Jennifer suggested asking “we’d like to commit \$500 and what can we get?” Kathy asked to cap it at \$1000. Laureen will proceed.

TRAVEL WRITER, CITY DOG MAGAZINE: Laureen shared that City Dog writer was in town last week (January 13th) and loved Gig Harbor. She pointed out that the downtown merchants were great - the TRCVB had set lodging up with Sue and Sue had donated the rooms and the TRCVB did the leg work. Laureen continued by sharing information about the 1968 Exhibition at the museum and that she is working on getting media to town to view.

BUDGET: Laureen shared that the marketing office has been awarded a NWCN matching grant. She informed that committee that she has added voice over to the ad that ran last year, at minimal expense – Derek asked to forward the ad to the committee. Laureen continued by pointing out she was looking at minimal if any print advertising in 2010, further stating she had a meeting with transit advertising, TITAN (King and Pierce Co.), and thought that might hit an audience that we haven’t targeted in previous campaigns, she likes the idea and that it may be a good option. Laureen discussed the proposal presented by TITAN, minimum of \$5000 and actually she is looking at options that would run closer to \$7000 (40 buses for the price of 20)

Laureen continued talk about the budget by laying out the other option of buying into the Golf Amateur in Aug in 2010. Cost is \$6000. Laureen suggested that we talk with others in the community, for example the GHHWA and look for partners. Derek suggested that Laureen talk to John Hogan (Uptown Gig Harbor) to co-op with on the Amateur. Laureen added the idea of GHHWA and Chamber as co-ops as well.

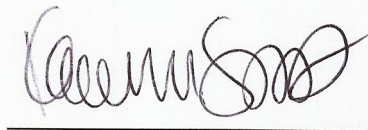
EVENTS: Laureen shared that she met with Farmers Market yesterday (Wednesday January 20th). She stated she is currently brainstorming with Dale Schultz on hosting a classic car show on Harborview during a classic car show. Carola Filmer said they need to push buying local produce at the Farmers Market and Laureen thinks the hours need to be later, like 4-7, both ideas, Laureen said she would share with Dale.

NEW HOTEL: Lauren stated she has talked with RUSH Construction on the possible restaurants as well as their communication with a major hotel chain such as Crowne Plaza and Holiday Inn. She pointed out in her conversation with RUSH "If you bring another hotel it needs to accommodate 400 people with a conference room." She continued by sharing with them what type of hotel would be needed eventually. But she stressed the importance about not putting one of our hotels out of business. She shared with LTAC "It appears that they are looking at restaurants more than hotels and that they will be in touch with me once any decision is made."

VIC: We are back open. Lauren stated that the first of April we will be open 6 days a week, for now we are working 5 days a week. Warren stated that they (Chamber) may be working on a separate magazine, working with the Gateway and putting together a business directory- to include all businesses and highlight all businesses that are members. Derek said "that provides motivation to others that are not members to join." Warren continued by stating that the lease will be up at the end of this year- and they do not have enough room so they may choose an area closer to the freeway where they have more exposure for their visitor center. Lauren asked Warren why would the LTAC want to spend \$120K on the Skansie House Visitor Center if the Chamber is going to open a competing visitor and asked for a better line of communication prior to such a decision being made by the Chamber. Derek asked to meet with the Chambers Exec Committee and discuss and begin a dialogue. Jennifer and other committee members all agreed that the Chamber needs to discuss options with this committee and the City before making decision. Duplicating efforts has always been a challenge and the committee agreed this needs to be addressed and find an answer that is satisfying to both organizations. Derek will report back to the committee.

Meeting adjourned at 10:30 am.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Karen Scott", written over a horizontal line.

Karen Scott, Admin Asst.