

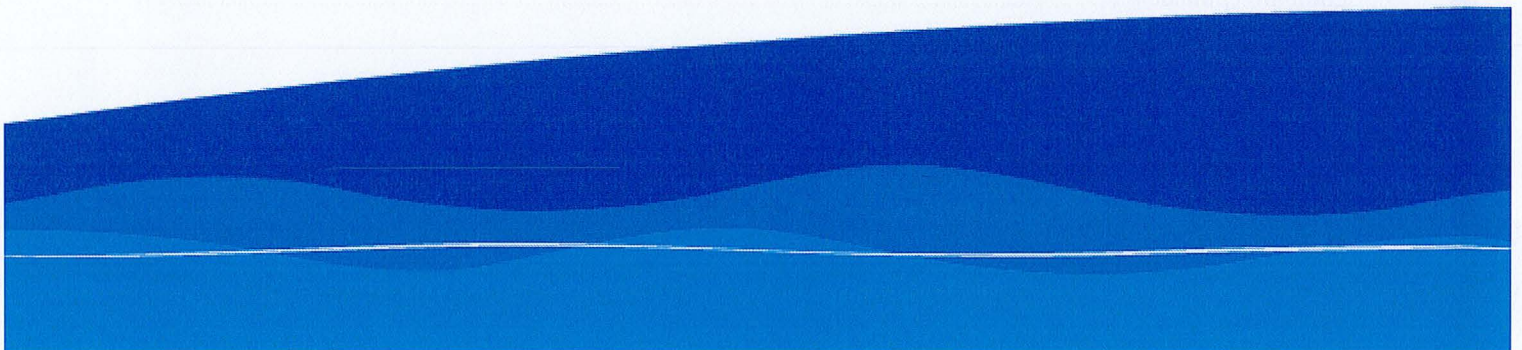


CITY OF PORT ORCHARD

2017-2018

TOURISM PROMOTION

STRATEGIC PLAN



Tourism Promotion Strategic Plan

Contents

Background	3
Strategic Planning	3
Lodging Tax	3
The Lodging Tax Advisory Committee	3
Use of Lodging Tax Revenues	3
Definitions	4
Application and Reporting Requirements	4
Revenue History and Projections	5
Allocation Process	5
Recent Allocations	6
Mission, Vision, and Commitments	7
Value Statement	7
Our Vision	7
Our Mission	7
Strategic Commitments	7
Goals, Strategies, and Action Items	7
Goals	8
Strategies	8
Action Items	8
The Comprehensive Plan	8
At a Glance	8
City Leadership on Tourism and Culture	9
Allocation Process	9
General Standards for Allocations	10
Event Funding	10
Marketing and Promotion Funding	10
Community Building	11

Background

Strategic Planning

In January 2016, the City Council tasked the Economic Development Tourism committee to develop a strategic plan for tourism promotion. The committee focused on how the City can best leverage its lodging tax revenue and guide the Lodging Tax Advisory Committee.

Lodging Tax

The City of Port Orchard collects a 2% tax on the furnishing of lodging within the City, called the “lodging tax.” The tax is levied on hotels, motels, bed and breakfasts, and other such businesses offering transient occupancy.

The Lodging Tax Advisory Committee

State law requires the City to establish a Lodging Tax Advisory Committee, which must review and comment on any proposal to impose, increase, repeal the lodging tax, or change the use of revenue received. The LTAC is subject to the Open Public Meetings and Public Records Act.

The LTAC membership must be appointed by the Mayor and confirmed by the City Council and must include:

- (a) at least two members who are representatives of businesses required to collect the tax under RCW 67.28;
- (b) at least two members who are persons involved in activities authorized to be funded by revenue received under RCW 67.28; and
- (c) a City elected official, who must serve as chair of the committee, as a non-voting member.

The number of members in (a) must be equal to the number of members in (b). Persons who are eligible for appointment under (a) are not eligible for appointment under (b). Terms are for one year and members are eligible for re-appointment.

The City maintains a [webpage](#) about the Lodging Tax allocation process and LTAC.

Use of Lodging Tax Revenues

Lodging tax revenues may be used directly by any municipality or indirectly, through a convention and visitors bureau or destination marketing organization. The applicant must meet one of 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 facilities district; or
- (d) supporting the operations of **tourism-related facilities** owned or operated by nonprofit 501(c)(3) or (c)(6)

organizations.

Definitions

“Applicant” means any convention and visitors bureaus; destination marketing organizations; nonprofits, including main street organizations, lodging associations, or chamber of commerce; and municipalities.

“Cooperative Marketing” means collaboration by multiple organizations which promotes City tourism outside of Kitsap County.

“Operation” includes, but it not limited to, operation, management, and marketing.

“Regional Marketing” means marketing that promotes the entire Kitsap County or Peninsula.

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

“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 or the operation of special events and festivals designed to attract tourists.

“Tourism-related facility” means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned by a nonprofit organization described under section 501(c)(3) of the federal internal revenue code of 1986, as amended; or (iii) owned by a nonprofit organization described under section 501(c)(6) of the federal internal revenue code of 1986, as amended, a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce and (b) used to support tourism, performing arts, or to accommodate tourist activities.

“Tourist” means a person who is traveling or visiting a place other than his or her own municipality of residence for pleasure or business.

Application and Reporting Requirements

Applicants applying for use of lodging tax revenues must provide the City 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.

Recipients must submit a report to the City describing the actual number of people traveling for business or pleasure

on a trip:

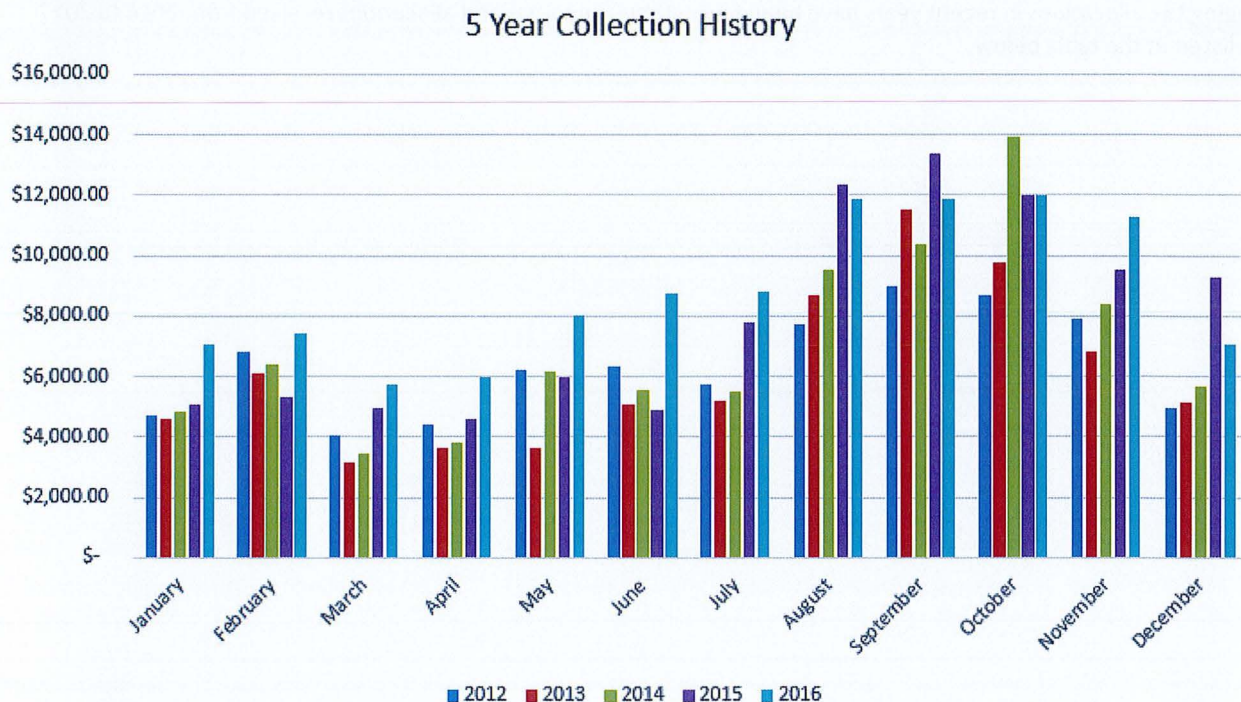
- (A) away from their place of residence or business and staying overnight in paid accommodations;
- (B) to a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
- (C) from another country or state outside of their place of residence or their business.

The City, in turn, must make those reports available to:

- the City Council;
- the public;
- the Lodging Tax Advisory Committee; and
- the State Legislature's Joint Legislative Audit and Review Committee (JLARC).

Revenue History and Projections

In the last several years, the City has seen an increase in the collection of lodging tax revenue. Last year's allocation was \$84,000. The chart below shows the last five years of revenue history, grouped by month to demonstrate seasonality.



Note: that lodging taxes are received two months after the room is paid for by the customer, i.e., in the chart below, January revenues are from rooms rented in November.

Allocation Process

The City solicits applications from organizations eligible to receive lodging tax funds mid-summer, and LTAC

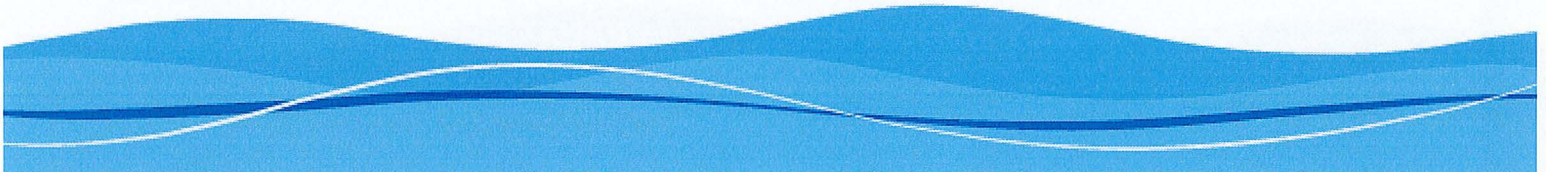
considers those applications simultaneously and makes a recommendation for the following year. First-time applicants, events, or initiatives are allowed to apply at any time during the year. While state law does not prescribe a specific process for allocations, it does require the City Council to seek input from LTAC before changing the recommended allocations. The submission must occur at least forty-five (45) days before final action on or passage of the proposal by the City Council.

The LTAC must select the candidates from amongst the applicants applying for use of revenues under RCW 67.28 and provide a list of such candidates and recommended amounts of funding to the City Council for final determination. The LTAC must submit comments on the proposal in a timely manner through generally applicable public comment procedures. The comments must include an analysis of the extent to which the proposal will accommodate activities for tourists or increase tourism, and the extent to which the proposal will affect long-term stability to the fund created under RCW 67.27.

The City Council may choose only recipients from the list of candidates and recommended amounts provided by LTAC. Failure of the LTAC to submit comments before final action on or passage of the proposal shall not prevent the City Council from acting on the proposal. The City Council is not required to submit an amended proposal to an advisory committee under Chapter 67.28.

Recent Allocations

Lodging tax allocations in recent years have been fairly stable. Requests and allocations received from 2014 to 2017 are listed in the table below.



Organization/Request	2014 Allocation	2015 Allocation	2016 Allocation	2017 Allocation
Arthritis Foundation-Jingle Bell Run	\$0	\$0	\$1,000	\$2,000
Chamber of Commerce-Tourism Marketing	\$9,000	\$9,834	\$14,000	\$16,000
Chamber of Commerce-Tourism/Visitor Services	\$0	\$0	\$6,200	\$6,250
Chamber of Commerce-Seagull Calling Festival	\$0	\$0	\$2,000	\$1,620
City of Port Orchard-Festival of Chimes & Lights	\$0	\$9,318	\$4,500	\$7,600
City of Port Orchard-Summer Foot Ferry Services	\$6,500	\$10,571	\$7,300	\$7,500
City of Port Orchard-Foot Ferry Kiosk Sign	\$0	\$0	\$1,700	N/A
City of Port Orchard-Media Kit	\$0	\$3,714	\$0	\$0
City of Port Orchard-125 th Anniversary	\$0	\$2,571	\$0	\$0
Explore Port Orchard	\$0	\$16,809	\$0	\$0
Fathoms O'Fun Festivals	\$13,500	\$23,666	\$18,500	\$22,000
Kitsap Harbor Festival	\$2,000	\$0	\$0	\$0
Port Orchard Bay Street Association	\$8,500	\$17,200	\$15,600	\$17,100
Saints Car Club-The Cruz	\$2,100	\$1,918	\$1,875	\$1,850
Sidney Museum & Arts Association	\$6,000	\$6,714	\$5,100	\$5,080
Visit Kitsap	\$12,000	\$5,685	\$6,225	\$12,000
Total	\$59,600	\$108,000	\$84,000	\$99,000

Mission, Vision, and Commitments

Value Statement

Provide a supportive and connected community by offering a variety of year-round recreational and tourism opportunities.

Our Vision

The vision statement concerns the City as a community. We all recognize that our vision cannot be achieved through the efforts of City government alone.

Port Orchard is a thriving northwest destination, which cultivates cultural activities, events, and festivals with positive economic impact for the benefit of residents, visitors, and local businesses alike.

Our Mission

The mission statement speaks explicitly to the City of Port Orchard's role in realizing our vision.

Enhance the local economy and local culture by attracting visitors who stay longer, engage with our businesses, and make lasting connections.

Strategic Commitments

Our strategic commitments are the fundamental principles that drive the implementation of our mission and vision, and lay the groundwork for the goals, objectives, and strategies in the remainder of this plan.

- **Consistency with community vision:** align tourism promotion with our Comprehensive Plan.
- **Inclusiveness:** make resources available to everyone and encourage participation.
- **Cooperation:** encourage, facilitate, and engage in partnerships to accomplish our shared goals.
- **Transparency:** be clear and accountable in our actions.
- **Fiscal responsibility:** spend lodging tax money wisely.
- **Compatibility:** evaluate the community's capacity for cultural activities, events and festivals, and support those that are appropriate and desired.

Goals, Strategies, and Action Items

The essential point of any strategic plan is its goals, strategies, and action items. In this plan, these elements are grouped logically, but are not in any particular order of priority. Except when introduced by a conditional phrase, each of these elements begin with action verbs.



Goals

Goals are broad, high-level general statements that are not time limited—and are intended to not change from year-to-year.

The strategic plan includes two types of goals: (1) services goals that articulate what things we intend to accomplish or services we intend to provide; and (2) logistical goals that articulate how we intend to conduct our work. In general, services goals relate to the services provided to the public, and the logistical goals speak to the internal mechanics of providing those services, such as cost-efficiency.

Strategies

Each goal is supported by strategies that articulate how to achieve the overall goals. Strategies may or may not be time-limited, and may or may not include action items. Strategies are not formal or binding policies; policies should be adopted by a policy-setting body, such as the City Council.

Action Items

Each action item is a specific, discrete task to implement the strategy. The action items defined in the plan may not be all of the possible or obvious actions that could implement the strategy, but are the items that we have identified as able to be implemented over the course of the plan.

The Comprehensive Plan

The City's 2016 Comprehensive Plan includes the following goals and policies relevant to tourism promotion:

Goal 2. Policy ED-9 The City shall encourage the continuation and marketing efforts of downtown events and holiday festivals.

Goal 4. Policy ED-16 Recognize and encourage tourism as a growing contribution to the economic diversity of Port Orchard.

Goal 4. Policy ED-19 Maintain Port Orchard as a unique and significant waterfront destination with recreational and retail opportunities and residents.

At a Glance

City Leadership on Tourism and Culture	9
Goal 1 Provide Guidance and support for the coordination of tourism promotion.....	9
Allocation Process.....	9
Goal 2 Allow flexibility in times of application submissions.....	9
General Standards for Allocations	10
Goal 3 Evaluate projects based on data.....	10
Goal 4 Ensure recipients are accountable.....	10
Event Funding	10



Goal 5 Fund events that promote tourism.....	10
Marketing and Promotion Funding	10
Goal 6 Fund marketing projects	10
Community Building	11
Goal 7 Work with civic and nonprofit groups to support and create visitor opportunities.....	11

City Leadership on Tourism and Culture

Goal 1 Provide guidance and support for the coordination of tourism promotion.

- STRATEGY 1A Continue to address tourism activity through the City's Economic Development and Tourism Committee.
- action 1A-1 Invite representatives (up to 9 members) from the Port Orchard Bay Street Association, the Port Orchard Chamber of Commerce, LTAC, city businesses, and non-profits active in tourism to provide input and recommendations for tourism.
- STRATEGY 1B Offer LTAC an outline of preferred distribution of awards such as a certain % to cooperative marketing, a % to regional marketing organizations, a % for operations, and a % for first time applicants, events, or initiatives.
- STRATEGY 1C Increase the number of new applicants, events, and initiatives.
- action 1C-1 Maintain an element on the City website to support tourism and tourism promotion such as, Special Event Tool Kit, access to the Special Event Ordinance, and Lodging Tax Information.

Allocation Process

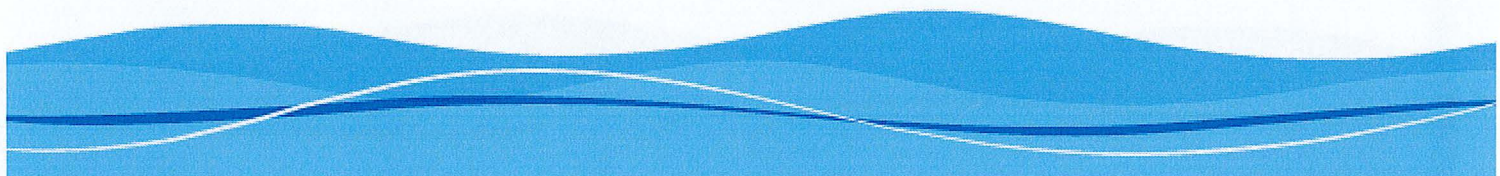
Goal 2 Allow flexibility in times of application submissions.

- STRATEGY 2A First-time applicants, events, or initiatives may apply at any time during the year.
- action 2A-1 Provide first-time applicants with assistance through the application process.
- STRATEGY 2B Recurring events apply in the normal annual cycle.
- action 2B-1 List the prior year allocations on the website.
- STRATEGY 2C Comply with 45-day statutory timeline.

General Standards for Allocations

Goal 3 Evaluate projects based on data.

- STRATEGY 3A Each organization submits a separate application, its project budget, statement of community economic benefit, and projected attendance or reach.



action 3A-1 Evolve lodging tax applications to implement this strategic plan and collect useful data.

Goal 4 Ensure recipients are accountable.

STRATEGY 4A Require effective and useful State reporting.

action 4A-1 Develop a template reporting form and handout on methods of reporting and tracking.

action 4A-2 Modify the application to require recurring events to provide prior year reporting data in their applications.

Event Funding

Goal 5 Fund events that promote tourism.

STRATEGY 5A Fund events with growth potential or to fill in shoulder season.

STRATEGY 5B Fund events that leverage our natural resources and surroundings.

STRATEGY 5C Continue to support events that contribute to local culture, such as Farmers Market.

STRATEGY 5D Fund events that result in overnight stays within the City of Port Orchard.

STRATEGY 5E Fund events that have a high potential to attract visitors from outside the 50-mile drive radius.

STRATEGY 5F Fund events that result in an economic benefit to local businesses and the City of Port Orchard.

STRATEGY 5G Fund events that include and support cooperative marketing and partnerships.

STRATEGY 5H Phase out funding for events that are not accomplishing their stated goals or that can self-fund.

Marketing and Promotion Funding

Goal 6 Fund marketing projects.

STRATEGY 6A Fund marketing that encourages overnight stays in Port Orchard.

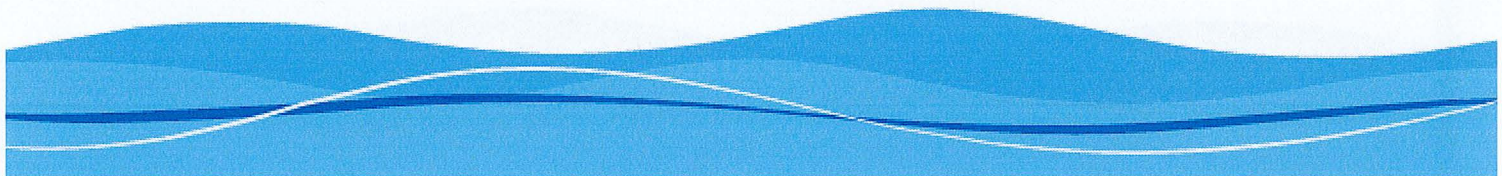
STRATEGY 6B Encourage marketing through cooperative partners in statewide tourism promotion.

STRATEGY 6C Fund marketing that results in an economic benefit to local businesses and the City of Port Orchard.

STRATEGY 6D Fund marketing that includes and supports cooperative marketing and partnerships.

STRATEGY 6E Fund marketing that includes and supports regional marketing.

STRATEGY 6F Fund marketing which has high potential to attract visitors from outside the 50-mile drive radius.



Community Building

Goal 7 Work with civic and nonprofit groups to support and create visitor opportunities

STRATEGY 7A Partner with the Port of Bremerton, the Port Orchard Bay Street Association, the Port Orchard Chamber of Commerce, and interested non-profits to identify and execute potential visitor opportunities.

action 7A-1 Encourage activities for all ages, multi-generational, and multicultural.

