

# City of SeaTac

## Hotel/Motel Tax Advisory Committee Meeting

January 10, 2018

### Meeting Notes

**Hotel-Motel Members Present:** Jeff Bauknecht; Wendy Morgan; Roger McCracken; Cathy Heiberg; Richard Scherzinger; Mary Fischer; Councilmember Forschler

**Members Absent:**

**Others Present:** Katie Halse, POS; Katherine Kertzman, SSRTA; Andrea Reay, SSCC; Councilmember Peter Kwon; Carl Cole, Chief of Police

**Staff Present:** Aleksandr Yeremeyev, Economic Development Strategist; Steve Pilcher, Planning Manager; Jeff Robinson, CED Director;

AB #	Topic	Disposition
	1. Introductions	<ul style="list-style-type: none"> <li>• <i>Scherzinger shared concerns about some public safety and security issues at hotels.</i></li> <li>• <i>McCracken mentioned the Port gave only about 3 days' notice on air cargo road closures during the Thanksgiving holiday weekend. Also wanted to explore the use of HOV lane on International Blvd.</i></li> <li>• <i>Halse shared about the TNC Re-Match program aiming to reduce traffic. Need to get more information on the success of the pilot</i></li> </ul>
	2. Review and Approve Minutes of January 10, 2018	<p><u>  </u> Informational Update  <u>  </u> Recommended for:  <u>  X</u> Approval(s)  <u>  </u> Approval with modifications  <u>  </u> Denial</p> <ul style="list-style-type: none"> <li>• <i>Motion by Morgan, 2<sup>nd</sup> by Heiberg</i></li> </ul>
	3. SeaTac Police Report	<p><u>  X</u> Informational Update  <u>  </u> Recommended for:  <u>  </u> Approval  <u>  </u> Approval with modifications  <u>  </u> Denial</p> <ul style="list-style-type: none"> <li>• <i>Chief Cole inquired about what information would be most valuable to the members of HMAC committee members</i></li> <li>• <i>Will look into getting relevant statistics for next meeting</i></li> </ul>
	4. Discussion of Potential Code Revisions to Allow Food Trucks in SeaTac	<p><u>  X</u> Informational Update  <u>  </u> Recommended for:  <u>  </u> Approval  <u>  </u> Approval with modifications  <u>  </u> Denial</p> <ul style="list-style-type: none"> <li>• <i>Steve Pilcher provided update on current progress of proposed changes to potential code revisions to allow food trucks in SeaTac</i></li> <li>• <i>Discussed business licenses and fee; also touched on limited/no requirement on minimum parking. Parking enforcement and cleanliness of site is the landlords</i></li> </ul>

		<p><i>responsibility.</i></p> <ul style="list-style-type: none"> <li>• <i>General consensus that food trucks are complimentary to the hotels and restaurants already operating, if regulated.</i></li> <li>• <i>Pilcher mentioned the revisiting of the 1999 City Center Plan for the 2018-2019 years. The goal is to get stakeholder involvement and feedback.</i></li> </ul>
	<p>5. Seattle Southside Regional Tourism Authority Update</p>	<p><input checked="" type="checkbox"/> Informational Update  <input type="checkbox"/> Recommended for:  <input type="checkbox"/> Approval  <input type="checkbox"/> Approval with modifications  <input type="checkbox"/> Denial</p> <ul style="list-style-type: none"> <li>• <i>Kertzman mentioned March 29, 3-6PM Tourism Symposium with Rick Steves as the Key Note speaker – Hilton Conference Center</i></li> <li>• <i>Current projects include:</i> <ol style="list-style-type: none"> <li><i>1. Purchase of a 12-passenger van for mobile visitor center to go to community events, wrapped and flashy with music. Go where the people are at and promote tourism.</i></li> <li><i>2. Negotiated contracts with Seahawks and Seawolves to increase sport-related tourism.</i></li> <li><i>3. Do More Save More 25 participants and more coming on board.</i></li> <li><i>4. Marketing with Expedia was successful in Q4 2017.</i></li> <li><i>5. Tour and Travel China – WeChat partnership and materials in Chinese. Working with tour operators to target this group.</i></li> <li><i>6. 2016 Audit successfully completed – mentioned 2018 Business Plan.</i></li> <li><i>7. Seattle Southside TV Video shown. Mid-year target launch to have rolling content on a dedicated channel in the member hotels. This should not pose corporate brand challenges, as many hotels in the Seattle area already participate in similar local destination TV channel programs.</i></li> </ol> </li> <li>• <i>ROI of Approx. \$40 per each dollar spent on advertisement. DMO 3-year RTA process was worth the effort.</i></li> <li>• <i>Robinson proposed change in agenda to include the Smith Travel Report right after the SSRTA update and this was well received.</i></li> </ul>
	<p>6. Smith Travel and Dept. of Revenue Reports</p>	<p><input checked="" type="checkbox"/> Informational Update  <input type="checkbox"/> Recommended for:  <input type="checkbox"/> Approval</p> <ul style="list-style-type: none"> <li>• <i>Scherzinger reviewed the STR and reported all data points are up. ADR up 4.8% vs. U.S. average of 2% increase. RevPAR is up 7.8% over 2016. Demand 4% change is outpacing</i></li> </ul>

		<p><i>Supply of 1.1% change. Next 18-24 months will see additional rooms coming online. Hyatt Renton and Greater Seattle hotel supply is on the rise. Revenue up about 9% over 2016. Some of the demand is due to distressed flights.</i></p> <ul style="list-style-type: none"> <li>• <i>McCracken and Bauknecht raised conversation of Bond Issuance Papers to verify that the conditions on the funds and availability for the appropriate uses. Staff would look into this.</i></li> <li>• <i>Discussion of tourism related one day events, possible hosting of TED Talk or similar events.</i></li> <li>• <i>CM Forschler mentioned possible Broadway style theater concept by the airport.</i></li> <li>• <i>Availability of funds 4Culture was briefly discussed regarding strict requirements and restrictions.</i></li> </ul>
	<p>6. City Updates</p>	<p><u>  X  </u> Informational Update  <u>      </u> Recommended for:  <u>  </u> Approval  <u>  </u> Approval with modifications  <u>  </u> Denial</p> <ul style="list-style-type: none"> <li>• <i>Robinson reported on several current activities, programs and project including:</i> <ul style="list-style-type: none"> <li>➤ <i>City / Port ILA Agreement signed after 2 years of negotiation. Implementation is to start soon. Some benefits include: earlier sharing of info on projects, SEPA review and quality control. Approx. \$1.4M/year payment of community relief to the City which will fund approximately 6 new police officers. Minimum \$29.6M over the next 10 years to be paid by the Port to the City for various services. Brief discussion of AAA zone and outside of airport border zones.</i></li> <li>➤ <i>Robinson also brought up future lodging tax funding RFP process to be more broadly spread and solicited to open up opportunity to other eligible organizations. Make the RFP process simple and easy to respond to. Group discussion of possibly splitting up the funding requests into two phases, one for significant funding requests and another for one day/qualified unforeseen events/projects. One day events may include: Hydro races, TED Talks, etc.</i></li> <li>➤ <i>Robinson clarified that the lodging tax bond fund served to protect the budget in case of sudden reductions of lodging tax proceeds and is intended for</i></li> </ul> </li> </ul>

		<i>tourism-related capital purposes.</i>
	8. Other Business	<ul style="list-style-type: none"> <li>• <i>Halse briefed the group on ACE – Airport Community and Ecology fund which is taking applications. Also announced the new community roundtable SEA Stakeholder Advisory Round Table (StART) to enhance engagement with community.</i></li> <li>• <i>Halse and Kertzman discussed the Spotlight program’s next round. Seattle Southside partner cities will apply for continued ad space.</i></li> <li>• <i>Halse also informed that the Port has a new Executive Director, Stephen Metruck.</i></li> <li>• <i>Robinson provided an update on the Alaska Air Group purchase of site and plans to build approx. 490,000 SF of office space to be developed in phases. CM Kwon expressed his concern with the 4Culture current allocation of the funds and that SeaTac ought to have a place representation on the Board of voting members.</i></li> </ul>
	9. Adjourn	The Meeting adjourned at 4:45 pm