



CITY OF SEATAC

HOTEL/MOTEL TAX ADVISORY COMMITTEE

February 13, 2019, 3:00 – 4:30 p.m.
Council Chambers, SeaTac City Hall, 4800 S. 188th Street
Chair: Councilmember Stanley Tombs

AGENDA

- 1) Introductions – All – (5 Minutes)
- 2) Review and Approve Minutes of January 9, 2019 meeting – (5 Minutes)
- 3) SeaTac Police Department Report – (5 minutes)
- 4) Seattle Southside Regional Tourism Authority Update – Katherine Kertzman – (5 minutes)
- 5) USA Baseball Proposed Event in SeaTac and Lodging Tax Dollars Application for Opportunity Bucket Fund – Meagan McGuire and Caitlyn Shearer of SSRTA – (20 minutes)
- 6) Sound Transit Federal Way Link Extension Project Presentation by Katie Drewel and Jefferson Rose – (20 minutes)
- 7) Smith Travel Report/WA Department of Revenue Statistics – (5 minutes)
- 8) City Updates – (5 minutes)
 - a. City Arbor Day Marking
- 9) Other Business
- 10) Adjournment

A quorum of the City Council may be present



Hotel Motel Tax Advisory Committee Meeting Minutes

1/9/2019

3:00 - 4:30 PM

SeaTac City Hall Council Chamber

Members Present: Councilmember Rick Forschler; Mary Fischer; Cathy Heiberg; Brandi Mitchell; Richard Scherzinger; Jeff Bauknecht; Wendy Morgan

Members Absent: Roger McCracken

Staff Present: Aleksandr Yeremeyev, Economic Development Strategist; Steve Pilcher, CED Director; Jon Mattsen, Police Captain; Scott Dery, Detective Sergeant

Others Present: Katherine Kertzman, SSRTA; Natalie Ellert, Dollar Car Rental; Angie Martinez, Hilton Garden Inn Hotel Manager; Matthew Behrens, CBRE; Jordan Caudill, CBRE

Commence: 3:05PM

Adjourn: 4:30PM

1. Introductions – All	Councilmember Rick Forschler, Committee Chair called the meeting to order at 3:05PM
2. Review and Approve Minutes of October 10 and November 14, 2018	<input checked="" type="checkbox"/> Approved as Written <input type="checkbox"/> Approved with Modifications
3. SeaTac Police Department Report	<input checked="" type="checkbox"/> Informational Update Captain Mattsen provided an update on current activity in the City. There were no significant spikes in activity. Mattsen referenced Landlord Tenant Laws and how officers apply this in their response. Encouraged reporting of fraudulent activity and clarified that police cannot enforce hotel policies.
4. Trends in the Soundside Alliance Hotel Market – Matthew Behrens Manager, Capital Markets Ops, CBRE Hotels	<input checked="" type="checkbox"/> Informational Update Behrens and Caudill presented lodging market information. Some of the highlights include: <ul style="list-style-type: none"> • Tax Reform helped increase demand as corporations provide 50% demand of rooms, generally. Ratio of occupied office space within a market drives aspects of lodging demand. • RevPAR projected to be about 0.9% for South Seattle Market.

	<ul style="list-style-type: none"> • Modular construction is new to the industry including projects like CitizenM. Other developers are exploring this also. <p>Dual Brand Hotels products are new to industry. Hyatt Place/Hyatt House – 2 product types with the same backend operations.</p> <p>Supply has been increasing about 1.79% and RevPAR increased about 6% for the downtown core. This made the Seattle Metro/downtown so attractive as a hospitality market.</p> <p>Seattle CBD planned 25 projects, about 3,732 additional potential rooms to the 17,000+ rooms in existing rooms.</p> <p>Airbnb impacts on the industry: Demand has been increasing and being accommodated, as corporations are allowing their workers to expense Airbnb stays.</p> <p>Delta Airlines – Airbnb partnerships to use miles. Apartment Developers rent out an entire floor for Airbnb as the Multifamily market slows down. Pop Up hotel via Airbnb renting out is a developing concept.</p>
<p>5. Seattle Southside Regional Tourism Authority Update</p>	<p><input checked="" type="checkbox"/> Informational Update</p> <p>Kertzman provided an update on the RTAs operations and current initiatives.</p>
<p>6. Smith Travel Report / WA Department of Revenue Statistics</p>	<p><input checked="" type="checkbox"/> Informational Update</p> <p>General Statistics provided. Increased supply with somewhat flat demand. There is generally more supply with a few major hotel developments in the region that came online in 2018.</p>
<p>7. City Updates</p>	<p><input checked="" type="checkbox"/> Informational Update / Discussion</p> <p>CM Forschler provided background on the previously proposed convention/conference center market study and informed the group that the City is not pursuing the study at this time.</p>
<p>8. Other Business</p>	<p>None</p>
<p>9. Adjourn</p>	<p>The meeting adjourned at 4:30 PM.</p> <p><i>The next regular meeting will be held on 2/13/2019 in the City Hall Council Chamber</i></p>



OUR PASTIME'S FUTURE.

City of SeaTac

February 13, 2019

FUTURES SERIES



USA Baseball

- The National Governing Body for amateur baseball in the United States
 - Member of the U.S. Olympic Committee (Nationally)
 - Member of the World Baseball Softball Confederation (Internationally)
 - USAB governs more than 15.6 million amateur players across the country
- USA Baseball fields National Teams at 12U, 15U, 18U, Collegiate, Professional, and Women as well as development programs at 13U, 14U, 16U, and 17U levels
- Host other events around the country and throughout the year (National Team Championships, National Team Identification Series, Futures Invitational, National High School Invitational, etc.)
- Responsible for promoting and developing the game of baseball on the grassroots level both nationally and internationally.



Futures Series

- 2019 is the Inaugural year of the Futures Series
- Futures Series is a regional event based upon the success of our Futures Invitational
- Format of the Futures Series
 - Sixteen teams with a roster minimum of twelve players and two coaches
 - Four day tournament (Thursday – Sunday)
 - Four game guarantee with hopes of playing five



Economic Impact

- **Total Attendance**

16 teams x 16 “participants” = 256 participants

256 participants x 3 guests (average) = 768 guests

← We rounded to 800 in our projected overall attendance

- **Local vs Non-Local**

75% of 800 guests are projected to be “non-local” = 600 non-local guests

Roughly 1/2 to 2/3 of the non-local guests will travel from another state = 400 out-of-state guests



Economic Impact

- **2018 Futures Invitational**

The Invitational is the same event run at two different age groups here in Cary, N.C. The Futures Series is based upon the same format as the Futures Invitational.

10U used 686 room nights (14 / 16 teams used housing)

11U used 834 room nights (15 / 16 teams used housing)

Both the 10U and 11U age groups had fewer teams than would participate in the Futures Series event in SeaTac.

- **Paid Lodging Rooms**

We estimate 450 of the 600 non-local guests will stay in paid accommodations in SeaTac

450 non-local guests / 3 guests = 150 rooms per night

150 rooms per night x 4 days (Weds. – Sat) = 600 paid rooms ← We rounded to 750 based on Futures Invitational



OUR PASTIME'S FUTURE.

Carter Hicks

Assistant Director, Baseball Administration

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(919) 474 – 8721 x 210



usabaseball.com

OUR PASTIME'S FUTURE.
THE NATIONAL GOVERNING BODY OF BASEBALL IN THE UNITED STATES

Application to the City of SeaTac for Use of 2019-2020 Lodging Tax Funds

Application Due By: 3:00PM on Friday July 27, 2018* to Aleksandr Yeremeyev via email, in person, or via mail at the SeaTac City Hall address below. Thank you!

Presentations to the Hotel Motel Advisory Committee at **3:00PM, Wednesday August 8, 2018***.

***Dates and times subject to change by the HMAAC committee.**

Aleksandr Yeremeyev

Economic Development Strategist | Community and Economic Development
 City of SeaTac | 4800 South 188th Street | SeaTac WA 98188
 206-973-4843 | ayeremeyev@ci.seatac.wa.us



This communication may be subject to public disclosure laws of the State of Washington (RCW.42.56)

Event or Activity Name (if applicable):	USA Baseball Tournament
Amount of Lodging Tax Requested:	\$4,000
Applicant Organization:	USA Baseball
Federal Tax ID Number:	
Mailing Address:	1030 Swabia Court, Suite 201 Durham, NC 27703
Primary Contact Name:	Ashely Bratcher OR Carter Hicks
Primary Contact Phone:	(919) 474-8721 ext 201 OR 210
Primary Contact Email Address:	AshleyBratcher@USABaseball.com OR CarterHicks@USABaseball.com

Check all the service categories that apply to this application:

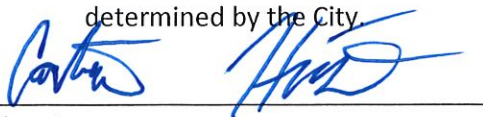
- Tourism promotion or marketing.
- Operation of a special event or festival designed to attract tourists.
- Operation of a tourism-related facility owned or operated by a non-profit organization.
- Operation and/or capital costs of a tourism-related facility owned by a municipality or a public facilities district.

Check which one of the following applies to your agency:

- Non-Profit (Note: Attach a copy of your current non-profit corporate registration from the Washington Secretary of State Office)
- Public Agency

I am an authorized agent of the organization/agency applying for funding. I understand that:

- I am proposing a tourism-related service for 2019-2020. If awarded, my organization intends to enter into a services contract with the City; provide liability insurance for the duration of the contract naming the City as additional insured in an amount determined by the City; and file for a permit for use of City property, if applicable.
- My agency will be required to submit a report documenting economic impact results in a format determined by the City.


 Signature:

2/5/2019
 Date:

Printed or Typed Name:

1) Describe your tourism-related activity or event.

USA Baseball is hosting youth baseball tournaments in specific geographic regions around the country and have targeted Seattle/SeaTac as a potential host.

2) If an event, list the event name, date(s), and projected overall attendance.

Futures Series; July 11 – July 14, 2019; 16 teams total with a projected overall attendance of 600 (average of 16 participants / team x 2.5 visitors per participants x 16 teams)

3) Is your event/activity/facility focusing on attracting overnight tourists, day tourists, or both?

The event will target regional baseball teams, but we do anticipate attracting both overnight and day tourists.

4) Describe why visitors will travel to SeaTac to attend your event/activity/facility.

Visitors will travel to SeaTac to participate in one of USA Baseball's Futures Series events.

5) Describe the geographic target of the visitors you hope to attract (locally, regionally, nationally, and/or internationally).

The geographic target of the visitors (teams) is on a regional basis. We are targeting the Seattle area and Pacific Northwest as a whole.

6) Describe the prior success of your event/activity/facility in attracting tourists

This particular event is in its first year, but we hold a very similar event at our National Training Complex in Cary, N.C. with a very high success rate.

7) If this is your first time holding the event/activity/facility provide background on why you think it will be successful.

The event will be successful due to the high success rate of the similar event we hold in Cary as well as the interest that we have been hearing to bring USA Baseball events to the area.

8) Describe the media strategy you employ to promote your event/activity/facility to attract overnight and/or day tourists? Please list any digital or print media (newsletters, e-blasts, social media, etc.) your agency uses or intends to use to promote your event/activity/facility.

Twitter: @USABaseball, @USABEvents, @USABaseball12U

Web: USABaseball.com

Newsletter: USABaseballnews.com

9) Describe how you will promote lodging establishments, restaurants, retailers, and entertainment establishments in the City of SeaTac.

Lodging will be handled by our Travel Services Department and posted on our website. Names of other local establishments will be presented to participants in a "Local Guide".

10) Is the City able to use your digital and print media for collaborative marketing?

Yes

11) Describe how you will use the name, "SeaTac" in publications, promotions, and for your event?

The event will be posted on social media, online, and through our expansive network of coaches and teams around the country.

12) Measurements and Metrics (Note: You will be required to report these metrics as part of the close out of the agreement between your organization and the City.)

As a direct result of your proposed tourism-related service, provide an estimate of:	
a. Overall attendance at your proposed event/activity/facility.	800
b. Number of people who will travel fewer than 50 miles for your event/activity.	200
c. Number of people who will travel more than 50 miles for your event/activity.	400
d. Of the people who travel more than 50 miles, the number of people who will travel from another country or state.	400
e. Of the people who travel more than 50 miles, the number of people who will stay overnight in SeaTac.	450
f. Of the people staying overnight, the number of people who will stay in PAID accommodations (hotel/motel/bed-breakfast) in SeaTac.	400
g. Number of paid lodging room nights resulting from your proposed event/ activity/facility (for example: 25 paid rooms on Friday and 50 paid rooms on Saturday = 75 paid lodging room nights)	750

13) What methodologies did you use to calculate the estimates and what methodologies will you use to track outcomes, such as total participants, estimated visitor spending, etc.?

When participants book their accommodations through the USAB Travel Desk, room nights, spending, and outcomes will be tracked.

14) Are you applying for lodging tax funds from another community? If so, which communities and in what amounts?

Not at this time.

15) Are you applying funding from Seattle Southside Regional Tourism Authority (SSRTA)? If so, in what amount?

Not at this time.

16) What is the total budget for your event/activity/facility? What percent of the budget are you requesting from the City of SeaTac? Please complete the budget form bellow for the use and amount of the requested SeaTac lodging tax funding.

Roughly, 15% of the event budget is being requested from the City of SeaTac.

Expenditure Plan (Please indicate the estimated quarterly expenditure of funds.):

Expenditure of the \$4,000 requested includes the following

1st Quarter: \$
2nd Quarter: \$
3rd Quarter: \$ 4,000
4th Quarter: \$

Detail the uses and estimated cost of each: (Staff, General Administration, Space Costs, Promotional Activities, etc.)

<u>Use</u>	<u>Estimated Cost</u>
1. Category 1	\$ 4,000
2. Category 2	\$
3. Category 3 example: Promotional activities (Includes flyers, posters, mailings, advertising)	\$
4. Etc.	
TOTAL	\$ 4,000

17) What will you cut from your proposal or do differently if full funding for your request is not available or recommended?

Without the full funding requested, we may not be able to run the tournament in the SeaTac area at all. All funds requested will be used to offset field rental fees.

State Law Excerpts and Notes

(RCW 67.28.1816)

Use of Lodging Tax Fund

Lodging tax revenues under this chapter may be used, directly by any municipality or indirectly through a convention and visitors bureau or destination marketing organization for:

- a. Tourism marketing;
- b. Marketing and operations of special events and festivals designed to attract tourists;
- c. Supporting 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 organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec. 501(c)(6) of the internal revenue code of 1986, as amended.

Note that, as of July 1, 2013, capital expenditures for tourism-related facilities owned by nonprofit organizations are no longer permitted expenditures of lodging tax funds.

Lodging Tax Advisory Committee

(ii) The local lodging tax advisory committee must select the candidates from amongst the applicants applying for use of revenues in this chapter and provide a list of such candidates and recommended amounts of funding to the municipality for final determination. The municipality may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee.

Note that, the State Auditor's Office is interpreting the law to mean that all users of funds, including municipalities, are considered applicants and must follow relevant application procedures. So, cities and counties should submit applications for their own projects to the LTAC.

Note that, a city or county does not have to fund the full list as recommended by the LTAC and can choose to make awards in the recommended amounts to all, some, or none of the candidates on the list.

Applicant Reporting Requirements

In a municipality with a population of five thousand or more, applicants applying for use of revenues must submit their applications and estimates to the local lodging tax advisory committee 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.

(c)(i) All recipients must submit a report to the municipality describing the actual number of people traveling for business or pleasure on a trip.

Note that, local governments, as part of their contract with recipients, should require that the final report be provided immediately after the event or activity. Local governments will then, in turn, report this information annually to JLARC using their [on-line reporting system](#).

RCW 67.28.080 - Definitions.

1. "Acquisition" includes, but is not limited to, siting, acquisition, design, construction, refurbishing, expansion, repair, and improvement, including paying or securing the payment of all or any portion of general obligation bonds, leases, revenue bonds, or other obligations issued or incurred for such purpose or purposes under this chapter.
2. "Municipality" means any county, city or town of the state of Washington.
3. "Operation" includes, but is not limited to, operation, management, and marketing.
4. "Person" means the federal government or any agency thereof, the state or any agency, subdivision, taxing district or municipal corporation thereof other than county, city or town, any private corporation, partnership, association, or individual.
5. "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
6. "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 of or the operation of special events and festivals designed to attract tourists.
7. "Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

STR Summary Report for December 2018

Occupancy (%)	Year To Date		
	2016	2017	2018
This Year	77.9	80.2	77.5
Last Year	79.1	77.9	80.2
Percent Change	-1.5	2.9	-3.3

ADR	Year To Date		
	2016	2017	2018
This Year	120.95	126.46	129.73
Last Year	115.90	120.95	126.46
Percent Change	4.4	4.6	2.6

RevPAR	Year To Date		
	2016	2017	2018
This Year	94.22	101.39	100.53
Last Year	91.69	94.22	101.39
Percent Change	2.8	7.6	-0.8

Supply	Year To Date		
	2016	2017	2018
This Year	2,862,169	2,892,839	3,070,853
Last Year	2,794,165	2,862,169	2,892,839
Percent Change	2.4	1.1	6.2

Demand	Year To Date		
	2016	2017	2018
This Year	2,229,734	2,319,338	2,379,681
Last Year	2,210,573	2,229,734	2,319,338
Percent Change	0.9	4.0	2.6

Revenue	Year To Date		
	2016	2017	2018
This Year	269,680,952	293,295,660	308,706,582
Last Year	256,210,601	269,680,952	293,295,660
Percent Change	5.3	8.8	5.3

Census %	Dec
Census Props	58
Census Rooms	8634
% Rooms Participants	93.8