



# CITY OF SEATAC

## HOTEL/MOTEL TAX ADVISORY COMMITTEE

September 11, 2019, 3:00 – 4:30 p.m.  
Council Chambers, SeaTac City Hall, 4800 S. 188<sup>th</sup> Street  
Chair: Councilmember Stanley Tombs

### AGENDA

- 1) Introductions – All – (5 Minutes)
- 2) Review and Approve Minutes of July 10, 2019 meeting – (5 Minutes)
- 3) SeaTac Police Department Report – (5 minutes)
- 4) Funding Process Review – Steve Pilcher, CED Director – (20 minutes)
- 5) City Center Sub-Area Plan Phase 1 Update – Kate Kaehny, Senior Planner – Long Range – (20 minutes)
- 6) Korean Amateur Sport event recap – Steve Pilcher, CED Director – (10 minutes)
- 7) Seattle Southside Regional Tourism Authority Update – Katherine Kertzman – (5 minutes)
- 8) Smith Travel Report/WA Department of Revenue Statistics – (5 minutes)
- 9) City Updates – (5 minutes)
- 10) Other Business
- 11) Adjournment

*A quorum of the City Council may be present*



# Hotel Motel Tax Advisory Committee Meeting Minutes

7/10/2019

3:00 - 4:30 PM

SeaTac City Hall Council Chamber

**Members Present:** Councilmember Stanley Tombs; Brandi Mitchell; Richard Scherzinger; Jeff Bauknecht; Wendy Morgan

**Members Absent:** Cathy Heiberg

**Staff Present:** Steve Pilcher, CED Director; Dan Dang, Economic Development Intern;

**Others Present:** Katherine Kertzman, SSRTA; Christina Palicka, Boysen & Boysen; Jim Todd, ACLAC; Rick Forschler, City Council

**Commence: 3:05 PM**

**Adjourn: 4:16 PM**

1. Introductions – All	Councilmember Stanley Tombs, Committee Chair called the meeting to order at 3:05 PM
2. Review and Approve Minutes of June 12, 2019	<input checked="" type="checkbox"/> Approved as Written
3. SeaTac Police Department Report	<input checked="" type="checkbox"/> Informational Update No report this month.
4. Seattle Southside Regional Tourism Authority Update	<input checked="" type="checkbox"/> Informational Update Katherine Kertzman clarified that the RTA has not yet asked for funding for the Highline Botanical Garden; there are more issues being explored, particularly with the status of the Port leases. She will be presenting to the Botanical Garden Board this evening.

<p>5. Funding request process</p>	<p><input checked="" type="checkbox"/> Discussion</p> <p>CED Director Pilcher lead a discussion of how to improve the funding process, noting issues of adequate time for evaluating requests, frequency of funding, making payment based upon performance, etc.</p> <p>The Committee discussed whether to increase the size of the opportunity bucket fund, perhaps to \$100,000. There was also discussion of how to deal with requests that may surface outside the biennial budget cycle that are of a larger amount than the opportunity bucket.</p> <p>Consensus was to increase the size of the bucket to \$100K.</p> <p>It was suggested that the rating system should add some preference to events occurring in the “shoulder seasons.”</p> <p>Discussed whether to have a simpler process for smaller requests, perhaps not requiring a presentation, particularly for new proposals.</p> <p>It was noted that the pre-sale of tickets may be a good test to determine the positive impact of an event.</p> <p>Staff will firm up the procedures and make them available to the Committee.</p>
<p>6. Announcements</p>	<p><input checked="" type="checkbox"/> Informational Update</p> <p>Wendy Morgan announced the Ice Cream Social to be held at the Botanical Gardens on August 18 at 11:00 a.m.</p> <p>Jim Todd related an effort of the ACLAC to recognize the work of Bruce Bickford, a recently deceased, world class claymation artist.</p>
<p>7. Smith Travel Report / WA Department of Revenue Statistics</p>	<p><input checked="" type="checkbox"/> Informational Update</p> <p>General Statistics were presented by Rich Scherzinger. The Committee discussed the problem of conventions avoiding Seattle due to the homeless problem, especially its visibility.</p>
<p>8. City Updates</p>	<p><input checked="" type="checkbox"/> Informational Update</p> <p>Staff noted that over 50% of homes built in the past year included an Accessory Dwelling Unit.</p> <p>The Committee discussed the potential impact of AirBnB to hotels and whether it is yet an issue in SeaTac.</p>

9. Other Business	Discussed how people book their travel and lodging in today's economy. Katherine Kurtzman offered to provide information at an upcoming meeting.
10. Adjourn	The meeting adjourned at 4:16 PM. <i>The next regular meeting will be held on 8/14/2019 in the City Hall Council Chamber</i>

*September 9, 2019*

## **LODGING TAX FUNDING REQUESTS**

### **Proposed Policies & Procedures**

#### Timing:

- Funding requests will be considered during the City's biennial budget process.
- Staff will initiate the funding process so that initial consideration of requests can begin no later than May of the budget year.
- Recommendations to City Council should be completed no later than July meeting.
- Smaller requests that may fit within an "opportunity bucket" fund may be considered outside the biennial process.

#### Opportunity Bucket:

- Increase the size of the "opportunity bucket" to \$100,000.
- Create a simpler funding application process for projects seeking these funds.

#### General Procedure:

- All funding requests to be submitted on forms provided by CED staff.
- New proposals must provide documented, verifiable analysis of positive tourism benefits.
- An applicant must attend an HMAC meeting to present their request and respond to questions from the Committee.
- The Committee will not act on a request at the meeting at which it is initially presented.
- Additional information shall be presented if requested.
- The Committee's recommendations shall be transmitted to the City Council for action with adequate time to allow for Council remand to the Committee, if needed.

#### Evaluation Criteria:

- Use the standard criteria, plus:
  - Uniqueness of opportunity
  - Potential synergy with other funded projects
  - Event occurring during the "shoulder season"

**STR Summary Report for July 2019**

<b>Occupancy (%)</b>	<b>Year To Date</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
This Year	81.1	79.3	76.2
Last Year	78.3	81.1	79.3
Percent Change	3.6	-2.3	-3.9

<b>ADR</b>	<b>Year To Date</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
This Year	126.01	128.60	128.57
Last Year	119.09	126.01	128.60
Percent Change	5.8	2.1	0.0

<b>RevPAR</b>	<b>Year To Date</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
This Year	102.24	101.93	97.95
Last Year	93.30	102.24	101.93
Percent Change	9.6	-0.3	-3.9

<b>Supply</b>	<b>Year To Date</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
This Year	1,674,488	1,749,882	1,848,952
Last Year	1,659,345	1,674,488	1,749,882
Percent Change	0.9	4.5	5.7

<b>Demand</b>	<b>Year To Date</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
This Year	1,358,681	1,386,902	1,408,687
Last Year	1,300,016	1,358,681	1,386,902
Percent Change	4.5	2.1	1.6

<b>Revenue</b>	<b>Year To Date</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
This Year	171,205,452	178,358,152	181,112,040
Last Year	154,819,217	171,205,452	178,358,152
Percent Change	10.6	4.2	1.5

<b>Census %</b>	<b>Jul</b>
Census Props	59
Census Rooms	8786
% Rooms Participants	94.0

**Hotel Motel Tax Advisory Committee  
Local Tax Distribution Report  
Special Hotel/Motel Tax**

<b>2018</b>	<b>Distribution</b>	<b>2019</b>	<b>Distribution</b>
Jan	\$115,793.14	Jan	\$122,762.86
Feb	\$96,505.39	Feb	\$103,560.38
Mar	\$102,590.01	Mar	\$73,990.01
Apr	\$102,149.08	Apr	\$73,549.08
May	\$137,437.67	May	\$143,995.02
Jun	\$127,179.16	Jun	\$134,112.69
Jul	\$169,660.56	Jul	\$171,228.19
Aug	\$219,234.84	Aug	\$199,483.93
Sep	\$191,887.13	Sep	\$0.00
Oct	\$207,392.69	Oct	\$0.00
Nov	\$155,869.40	Nov	\$0.00
Dec	\$114,203.49	Dec	\$0.00
<b>SUBTOTAL 2018 THRU JUNE</b>		<b>SUBTOTAL 2019 THRU MAY</b>	<b>\$1,022,682.16</b>
<b>TOTAL 2018</b>	<b>\$1,739,902.56</b>	<b>TOTAL 2019</b>	<b>\$1,022,682.16</b>

