



CITY OF SEATAC

HOTEL/MOTEL TAX ADVISORY COMMITTEE

VIRTUAL MEETING: September 9, 2020, 3:00 – 5:00 p.m.

City of SeaTac HMAC

Chair: Councilmember Stan Tombs

PUBLIC CALL IN NUMBER 206-973-4555

PLEASE SEE NOTE BELOW

AGENDA

- 1) Facilitated Introductions – All (5 Minutes)
- 2) Review and Approve Minutes of July 8 meeting (2 Minutes)
 - a. August meeting was cancelled by consensus
- 3) SeaTac Police Department Report (5 minutes)
- 4) SSRTA Update – Katherine Kertzman (25 minutes)
 - a. SSRTA Emergency Funding Update
 - b. COVID-19 Lodging Market Status Overview
- 5) Smith Travel Report/WA Department of Revenue Statistics (10 minutes)
- 6) Group Discussion of Industry Outlook/Recovery from COVID-19 (20 minutes)
- 7) Destination Enhancement and Programs to Increase Tourism Attraction (10 minutes)
- 8) City Updates (5 minutes)
- 9) Other Business
- 10) Adjournment

A quorum of the City Council may be present

PLEASE NOTE:

Due to the current COVID-19 public health emergency, and social distancing protocols, pursuant to the Governor’s and public health officials’ orders, this meeting will be conducted virtually. The public may call in to the conference line to listen to the meeting

per the details provided above. While you will be able to hear the meeting, you will not be able to participate in the meeting. You may be asked to identify yourself. Please note that if you are unable to mute your phone, everyone else on the call-in line will be able to hear you, so please refrain from speaking. If background noise or side conversations interfere with the meeting, your line may be muted or disconnected. City Hall is closed so no one will be able to physically attend this meeting.

This is a working advisory committee and although open to the public, no public comment process is provided. If you have questions, please email them to ayeremeyev@seatacwa.gov.

Thank you!



Hotel Motel Tax Advisory Committee Meeting Minutes

7/8/2020

3:00 - 4:30 PM

SeaTac City Hall Council Chamber

Members Present: Councilmember Stanley Tombs; Rich Scherzinger, Cathy Heiberg, Barbara Brunetti, Wendy Morgan

Members Absent: Jeff Bauknecht, Brandi Mitchell

Staff Present: Aleksandr Yeremeyev, Economic Development Manager; Jennifer Kester, Acting CED Director; Tanja Carter, Economic Development Strategist; Joseph Hodgson, Police Captain; Gwen Voelpel, Deputy City Manager.

Others Present: Councilmember Pam Fernald; Christina Palicka; Ashley Comar, Megan McGuire, Katherine Kertzman - SSRTA, Vicki Lockwood

Commence: 3:06PM

Adjourn: 4:19PM

| | |
|--|--|
| 1. Virtual Meeting Outline/Process | Yeremeyev shared virtual process and stated that the meeting is recorded. |
| 1. Facilitated Introductions | Yeremeyev introduced the HMAC members |
| 2. Review and Approve Minutes of June 10 & June 17, 2020 | <input checked="" type="checkbox"/> Approved as Written <input type="checkbox"/> Approved with Modifications <input type="checkbox"/> Recommended for Approval <input type="checkbox"/> Approved |
| 3. SeaTac Police Department Report | <input checked="" type="checkbox"/> Informational Update Captain Hodgson provided an update on the current activity in the City. |
| 4. Lodging Tax Funding Process / Discussion | <p>Kertzman discussed SSRTA's request for lodging tax funding from the City of Tukwila and the current status.</p> <p>Morgan made a motion to maintain decision to recommend funding the full \$455,000 emergency funding request from SeaTac, despite reduced funding decision from Tukwila. Scherzinger seconded. All members present confirmed the \$455,000 funding recommendation should remain. The SSRTA confirmed that they will work closely with all SeaTac hotels to ensure the end user experience is consistent with marketing and expectations. The SeaTac economic development staff will be involved in the process with the RTA emergency funding campaign development.</p> |

| | |
|--|---|
| | <p><u>Funding process feedback for the next cycle includes:</u></p> <p>The application follows the state law but some sections are redundant.</p> <p>Estimating precise hotel stays and impacts is difficult.</p> <p>There is a desire for a performance clause or a method to gauge performance, and then fund based on performance.</p> <p>Include application question on enhancement of the tourist experience.</p> <p>Due to the online process, it was challenging to pose questions to the presenters.</p> <p>The scoring sheets were helpful to evaluate the applications. Some desire to have committee member discussion with the applicants not present.</p> <p>Discussion on the use of opportunity bucket for test pilot projects to help prepare applicants for future funding requests.</p> <p>For this funding cycle, city staff performed a significant marketing push to build awareness of availability of lodging tax dollar funding. There were more applicants than previously, but not significantly more. There is a desire to even further broaden the applicant pool. This is proving difficult.</p> <p>Some discussion on how to increase local tourism and involve neighborhood outreach and explore/scale regional events. Explore what other events/programs and initiatives can be capitalized on, for example: Ironman, Holiday Market, Hydroplane races, etc.</p> <p>Morgan made a motion that future meeting agendas include destination enhancement & programs to increase tourism attraction. Heiberg seconded.</p> <p>The SSRTA will work on the SWOT and action items (cleaning up on/off ramps, wayfinding). The members are encouraged to provide feedback.</p> |
| <p>5. Next Steps – Aleksandr Yeremeyev</p> | <p>For 2020 funding, Finance is working on a budget amendment. For 2021-22 requests, staff is confirming with Finance director regarding the best way to present the funding recommendations for approval to the Council within the budget cycle. Staff will circle back with applicants who were suggested to check out opportunity bucket.</p> |
| <p>6. City Updates</p> | <p><input checked="" type="checkbox"/> Informational Update Kester was introduced as CED interim Director.</p> |
| <p>7. Other Business</p> | <p><input checked="" type="checkbox"/> Informational Update/ Discussion Scherzinger ran through the lodging tax collections and the STR report. Yeremeyev asked if the committee wants to cancel the August meeting. The members confirmed.</p> |
| <p>8. Adjourn</p> | <p>Adjourned the meeting at 4:19 PM. <i>The next regular meeting will be held on 9/9/2020 virtually.</i></p> |

STR Summary Report for July 2020

| Occupancy (%) | Year To Date | | |
|----------------|--------------|------|-------|
| | 2018 | 2019 | 2020 |
| This Year | 79.1 | 76.1 | 48.5 |
| Last Year | 80.9 | 79.1 | 76.1 |
| Percent Change | -2.3 | -3.7 | -36.3 |

| ADR | Year To Date | | |
|----------------|--------------|--------|--------|
| | 2018 | 2019 | 2020 |
| This Year | 127.19 | 127.18 | 93.95 |
| Last Year | 123.74 | 127.19 | 127.18 |
| Percent Change | 2.8 | 0.0 | -26.1 |

| RevPAR | Year To Date | | |
|----------------|--------------|--------|-------|
| | 2018 | 2019 | 2020 |
| This Year | 100.59 | 96.81 | 45.57 |
| Last Year | 100.17 | 100.59 | 96.81 |
| Percent Change | 0.4 | -3.8 | -52.9 |

| Supply | Year To Date | | |
|----------------|--------------|-----------|-----------|
| | 2018 | 2019 | 2020 |
| This Year | 1,794,402 | 1,893,472 | 1,855,928 |
| Last Year | 1,742,476 | 1,794,402 | 1,893,472 |
| Percent Change | 3.0 | 5.5 | -2.0 |

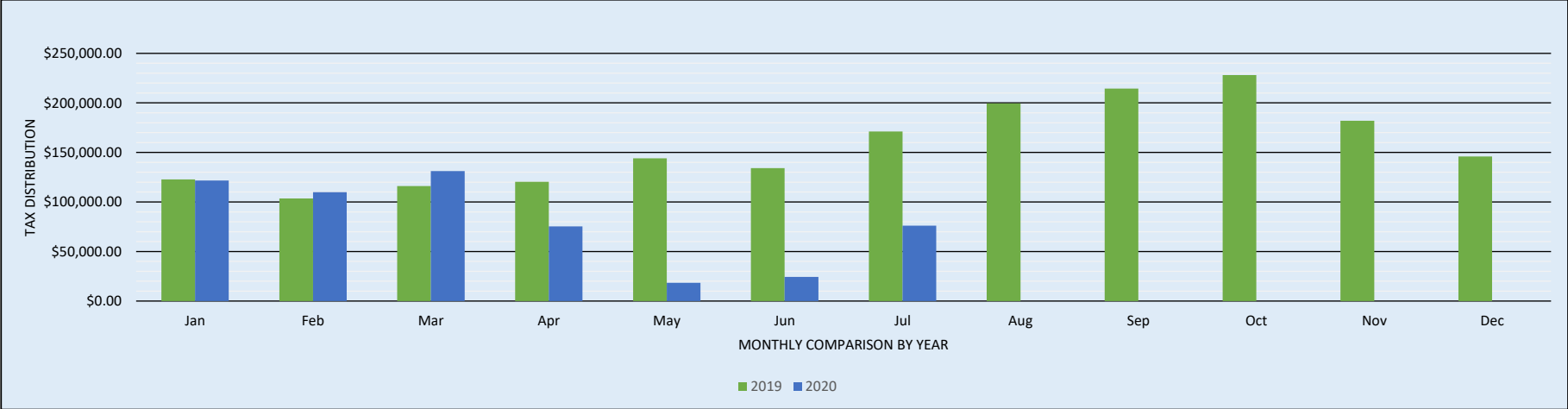
| Demand | Year To Date | | |
|----------------|--------------|-----------|-----------|
| | 2018 | 2019 | 2020 |
| This Year | 1,419,103 | 1,441,364 | 900,175 |
| Last Year | 1,410,514 | 1,419,103 | 1,441,364 |
| Percent Change | 0.6 | 1.6 | -37.5 |

| Revenue | Year To Date | | |
|----------------|--------------|-------------|-------------|
| | 2018 | 2019 | 2020 |
| This Year | 180,500,590 | 183,305,652 | 84,570,098 |
| Last Year | 174,540,613 | 180,500,590 | 183,305,652 |
| Percent Change | 3.4 | 1.6 | -53.9 |

| Census % | Jul |
|----------------------|------|
| Census Props | 66 |
| Census Rooms | 9157 |
| % Rooms Participants | 82.6 |

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

| 2019 | Distribution | 2020 | Distribution |
|---------------------------|---------------------|---------------------------|---------------------|
| Jan | \$122,762.86 | Jan | \$121,624.17 |
| Feb | \$103,560.38 | Feb | \$109,927.63 |
| Mar | \$116,084.70 | Mar | \$131,257.73 |
| Apr | \$120,398.21 | Apr | \$75,431.71 |
| May | \$143,995.02 | May | \$18,397.76 |
| Jun | \$134,112.69 | Jun | \$24,302.12 |
| Jul | \$171,228.19 | Jul | \$76,095.13 |
| Aug | \$199,483.93 | Aug | |
| Sep | \$214,497.00 | Sep | |
| Oct | \$228,137.12 | Oct | |
| Nov | \$181,987.69 | Nov | |
| Dec | \$145,998.17 | Dec | |
| SUBTOTAL July 2019 | | SUBTOTAL July 2020 | |
| \$740,913.86 | | \$557,036.25 | |
| TOTAL 2019 | | TOTAL 2020 | |
| \$1,882,245.96 | | \$557,036.25 | |



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| Jun | \$134,112.69 | Jun | \$24,302.12 |
| Jul | \$171,228.19 | Jul | \$76,095.13 |
| Aug | \$199,483.93 | Aug | \$53,842.42 |
| Sep | \$214,497.00 | Sep | |
| Oct | \$228,137.12 | Oct | |
| Nov | \$181,987.69 | Nov | |
| Dec | \$145,998.17 | Dec | |
| SUBTOTAL August 2019 | | SUBTOTAL August 2020 | \$610,878.67 |
| TOTAL 2019 | | TOTAL 2020 | \$610,878.67 |

