

# FUND 107 & SSRTA PERFORMANCE METRICS

OCTOBER 27, 2020





# PRESENTATION OVERVIEW

## PURPOSE OF PRESENTATION

1. Address City Council questions related to the use of lodging tax revenues
2. Provide an overview of the City's oversight role of the Seattle Southside Regional Tourism Authority (SSRTA)
3. Recommend an approach to address future City Council concerns

## WHY IS THIS ISSUE IMPORTANT?

1. Annual approval of the Seattle Southside Regional Tourism Authority (SSRTA) budget by the City Council is required
2. The SSRTA budget incorporates lodging tax revenues that receive a separate approval by the City Council
3. The City Council has indicated that it desires to ensure that lodging tax monies are being used to provide the best value to the SeaTac community
4. The proposed motion would define "best value" for use in evaluating lodging tax expenditures in future budget decisions





# POTENTIAL COUNCIL ACTION

## COUNCIL ACTION REQUESTED

- Motion directing staff to work with the Seattle Southside Regional Tourism Authority to review and establish performance metrics related to the use of lodging tax money and SSRTA operations in the City of SeaTac.

**STAFF RECOMMENDATION:** Pass the Motion

**COMMITTEE RECOMMENDATION** None

## REVIEWS TO DATE

- RCM: 10/27/2020





# PRESENTATION OVERVIEW

## TONIGHT

- City Council Questions (Attachment / Exhibit 1C)
- Tourism Promotion Area Overview (Attachment / Exhibit 1A)
- Lodging Tax Overview (Attachment / Exhibit 1B)
- City Oversight, Recommended Motion, Next Steps







# PRESENTATION OVERVIEW – City Council Questions

## City Council Questions – Attachment / Exhibit 1C

- City Council questions and responses summarized in Attachment / Exhibit 1C
- Supporting documentation in Attachments / Exhibits 2 through 14
- Some City Council questions cannot be fully answered with available information
- Overarching question: Is the SeaTac community getting a good value on the expenditure of its lodging tax dollars?





# PRESENTATION OVERVIEW – Tourism Promotion Area

## Tourism Promotion Area (TPA) – Attachment / Exhibit 1A

- Formed jointly by the Cities of SeaTac, Tukwila, and Des Moines
- Funded through a self-assessment of \$2/night by hoteliers
  - Revenues are directed to the SSRTA, which is chartered by SeaTac
  - The SSRTA was formed to manage and operate the TPA
  - Revenues are used to promote tourism
- SeaTac is responsible for approving the SSRTA's budget and the use of the TPA special assessments
- The SSRTA budget may also include “Lodging Tax” revenues, which are authorized separately



# PRESENTATION OVERVIEW – Lodging Tax

## Lodging Tax – Attachment / Exhibit 1B

- 1% tax assessed on hotels intended to fund tourism related activities & facilities
- Lodging tax revenues allocation:
  - Hotel / Motel Advisory Committee (HMAC) reviews “applications” and makes a recommendation to the City Council on applicants and funding amount
  - City Council may accept recommendation or may choose to not fund a recommended applicant; Council may choose to fund at different amounts
  - 45-day comment period for HMAC if City Council chooses to not fund a application at the recommended amount
  - City Council may only allocate lodging tax revenues to applications that have received a recommendation of approval from HMAC
- SSRTA has historically applied for, and received, Lodging Tax money





# PRESENTATION OVERVIEW – Oversight, Motion, Next Steps

## City Oversight, Motion, and Next Steps

- Current City oversight:
  - Approval of the SSRTA budget related to TPA self-assessment expenditures
  - Approval of the Lodging Tax expenditures, including those related to SSRTA applications
- Developing SeaTac-specific performance metrics would allow the City Council and community to develop a strategic approach to determining whether the community is receiving a good value
- Next Steps:
  - November 10 – City Council action on 2020 Amended SSRTA budget
  - November 24 – City Council action on 2021 SSRTA budget







# POTENTIAL COUNCIL ACTION

## COUNCIL ACTION REQUESTED

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**STAFF RECOMMENDATION:** Pass the Motion

**COMMITTEE RECOMMENDATION** None

## REVIEWS TO DATE

- RCM: 10/27/2020





Thank you

