



# Administration and Finance Committee Minutes

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October 8, 2020  
 4:00 PM  
 \*Virtual Meeting\*

Commence: 4:00 PM  
 Adjourn: 5:54 PM

Committee Members:	Present	Absent
Mayor Erin Sitterley, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Councilmember Clyde Hill	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Councilmember Senayet Negusse	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Other Council Members Present: Stanley Tombs, Pam Fernald, Peter Kwon

Staff Coordinator: Gwen Pilo, Finance & Systems Director

1. Call to Order	<i>Committee Chair Erin Sitterley called the meeting to order at 4:00PM.</i>
2. Public Comment	<i>None</i>
3. Review of the Minutes	<u>  X  </u> Recommended for Approval  <i>A copy of the 9/10/2020 minutes was provided to the committee for review. The committee approved the minutes as presented.</i>
4. Audit Entrance – State Auditor’s Office	<u>  X  </u> Informational Update  <i>Alex Beherndt, Sean Fitzgerald and Sandeep Kaur from the State Auditor’s Office addressed the committee to provide information about the City’s annual Financial Statement and Accountability audit. The Audit Entrance provided details on the audit scope, the process and what to expect. The auditors will provide an Exit Conference at a future Administration &amp; Finance meeting at the conclusion of the audit.</i>
5. Seattle Southside Regional Tourism Authority 2021 Budget	<u>  X  </u> Forwarded to full council with no recommendation  <i>Katherine Kertzman and Maureen Huffman from Seattle Southside Regional Tourism Authority presented the committee a comprehensive overview of Seattle Southside Regional Tourism Authority (SSRTA), the services it provides for the City, and industry updates and effects of COVID-19. The SSRTA’s 2020 amended budget and 2021 budget was</i>

	<i>presented to the committee for recommendation. The committee discussed the proposal and recommended this item for further discussion at the Budget Workshop scheduled for October 10<sup>th</sup> as part of the Hotel/Motel Tax Fund discussion.</i>
6. Legislative Agenda	<u>  X  </u> Recommended for Approval  <i>Government Relations &amp; Communications Manager Kyle Moore along with Josh Weiss and Annika Vaughn of Gordon Thomas Honeywell addressed the committee to discuss the City's 2020 Legislative Agenda. A proposed legislative priorities and policy document was presented. The committee discussed and recommended approval with a small revision to the Support Broadband Access for All SeaTac Residents to include Fiber Optics. This item will be brought to the October 27<sup>th</sup> City Council Meeting for presentation and approval.</i>
7. 3 <sup>rd</sup> Quarter Financials and End of Year Update	<u>  X  </u> Informational Update  <i>Finance &amp; Systems Director Gwen Pilo provided the committee with the Financial Management Report detailing actuals through September 30, 2020. Overall the City's revenues are taking a hit from the COVID-19 pandemic, as expected. However, sales tax is coming in slightly better than projected at the beginning of the pandemic improving the City's estimated ending fund balance.</i>
8. Investment Report	<u>  X  </u> Informational Update  <i>Finance &amp; Systems Director Gwen Pilo provided the committee with the August 2020 Investment Compliance Report and Portfolio Analysis.</i>
9. Future Meeting Schedule	<i>The next A&amp;F committee is scheduled for November 12<sup>th</sup> at 4:00PM (Location: Virtual).</i>
10. Adjourn	<i>Committee Chair Erin Sitterley adjourned the meeting at 5:54 PM.</i>



## MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: November 12, 2020  
To: A&F Committee  
cc: Evan Maxim, Director, Community & Economic Development

From: Mary Kate McGee, Building Services Manager  
Subject: **Motion to authorize the City Manager to execute a contract amendment to the current CWA Consultants contract**

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### **Purpose**

The maximum contract amount for third-party review professional service needs to be increased due to higher than projected commercial building activity in 2020.

### **Background/Analysis**

The City contracts for structural and non-structural review for large, complex, commercial building permit applications, a service commonly referred to as third-party review. The contracting firm for the City is CWA Consulting. The principal for CWA Consultants is both a WA State licensed structural and mechanical engineer, and employs qualified professionals to perform structural and non-structural plan review and all associated mechanical, plumbing and electrical permit reviews.

CWA Consultants has been performing third-party review for the City since 2016 and was selected once again in 2020 based on the results of a formal Request for Proposals (RFP). The 2020 contract was set at a maximum of \$150,000, down from \$250,000 in the previous year. The reduction in contract amount was due to what was estimated at the time to be anticipated commercial project permit application activity warranting third-party review. This turned out to be an underestimation, causing the current contract maximum to be insufficient to cover the services required this year.

Due to the higher than expected number of large commercial permit applications, the maximum contract amount is requested to be increased from \$150,000 to \$250,000. This amount is based on anticipated invoices through December 2020.

It should be noted that cost for this service is paid for by the permit applicant/developer so there is no budgetary impact to the City associated with this request. The Building Services Division budget maintains funds in a Professional Services line item to cover this contract and other miscellaneous professional services associated with building permit review and approval. This is done primarily as an accounting device, to assure timely payment of our contractual obligations with the expectation that the expenditure is offset by reimbursement from fees paid at the time of permit issuance. The Professional Services line item is currently budgeted at \$260,000.

This motion is proposed for the Regular Council Meeting consent agenda on December 8,

2020.

**Budget Significance**

The proposal is budget neutral. The permit applicant pays for all third-party review costs in addition to City permit fees.

**Requested Committee Action**

Staff requests the Administration and Finance Committee recommend approval of the motion to the full City Council on consent agenda at the next Regular City Council meeting on December 8, 2020.

**Alternatives**

1. Recommend approval of the motion to full City Council on consent agenda
2. Recommend approval of the motion to the full City Council on the regular agenda
3. Recommend disapproval of the motion to the full City Council with recommendation for action to be taken.

**Main Goals of Briefing**

The main goals of the briefing are to:

- Provide background on the existing contract with CWA Consulting
- Answer any questions the Committee has regarding the motion to increase the CWA Consultants building plan review contract amount
- Request committee referral to the full City Council

## CONSULTANT SERVICES AGREEMENT

DATE: February 11, 2020

THIS AGREEMENT, entered into this 11<sup>th</sup> day of February, 2020, is between **The City of SeaTac**, a municipal corporation, hereinafter referred to as "City", and **CWA Consultants**, 8675 East Caraway Road; Port Orchard, Washington 98366, hereinafter referred to as the "Consultant".

WHEREAS, the City desires to retain the services of a consultant to provide structural and non-structural plan review on complex commercial building permits where non-structural plan review is directly related to the structural components of the project; and

WHEREAS, the Consultant is qualified, willing and able to provide said services as described in this Agreement; and

WHEREAS, the services to be performed by the Consultant are temporary in duration;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, to be kept, performed and fulfilled by the respected parties hereto, it is agreed as follows:

### 1. SERVICES BY CONSULTANT

- A. The Consultant shall perform the services described in Attachment A, on an as needed basis.
- B. Said services, and all duties incidental or necessary thereto, shall be performed in a manner consistent with that level of care ordinarily exercised by members of the profession currently practicing in the same location under the same general conditions.
- C. If, during the course of the Agreement, the services rendered do not meet the requirements as set forth in Attachment A, the Consultant will correct, modify, and/or remodel the required work.

2. TIME OF PERFORMANCE

A. The term of this Agreement is through December 31, 2020. However, any projects assigned to the Consultant prior to this date shall be completed in accordance with this Agreement.

3. COMPENSATION

A. The City shall pay Consultant as set forth in Attachment A, but in no event shall payments under this Agreement exceed ~~\$150,000~~\$250,000.

B. The Consultant shall submit invoices to the City upon conclusion of each complete initial plan review or, for plan review entailing more than a calendar month of timeline, may submit monthly invoices during the progress of work for payment for work completed to the date of the invoice. Invoices shall be in a format acceptable to the City and contain a complete report of work performed for each project by major work element or, in the case of projects extending beyond a one-month timeframe, a progress report of work performed.

C. The amount of an individual progress invoice shall bear the same ratio to the total contract fee as the amount of work completed bears to the total amount of work provided for herein, less any amounts previously received. The sum of the payments shall not exceed the agreed on fee established for each plan review and will be paid to the Consultant upon approval of the satisfactory completion of the work, its acceptance by the City and the receipt by the City of the plans, maps, reports and related documents.

- D. The City shall have the right to withhold payment to the Consultant for any work which is not completed in accordance with Attachment A until such time as consultant modifies such work so that it is in accordance with Attachment A.
- E. The City shall pay all invoices from the Consultant within 30 days of actual receipt of a properly completed and accepted invoice. The City shall notify Consultant within fifteen (15) days from receipt of any disputed invoices. Extra services shall be negotiated on a lump sum fee.

4. EXTRA CONSULTING SERVICES

- A. The City may desire to have the Consultant perform work or render services in connection with the project other than that provided for by the express intent of this Agreement. Such will be considered "Extra Work", supplemental to this Agreement, and subject to change orders setting forth the nature, scope, and compensation therefore. Work under such change orders shall not proceed unless and until so authorized in writing by the City.

5. OBLIGATIONS

- A. The City shall furnish applicable manuals of procedures, and appropriate City policy directions concerning procedures and project information.

6. INDEPENDENT CONTRACTOR

- A. The Consultant is and shall be at all times during the term of this Agreement an independent contractor.

7. HOLD HARMLESS

- A. The Consultant shall hold the City and its officers, agents, and employees harmless from all suits, claims or liabilities of any nature, including attorney's fees, costs and expenses for or on account of injuries or damages sustained by any persons or property resulting from the negligent activities or omissions of the Consultant, its agents or employees pursuant to this Agreement, or on account of

any unpaid wages or other remuneration for services; and if a suit as described above be filed, the consultant shall appear and defend the same at its own cost and expense, and if judgment be rendered or settlement made requiring payment by the City, the Consultant shall pay the same. This paragraph survives termination of this agreement.

8. INSURANCE

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, employees or sub consultants. The cost of such insurance shall be paid by the Consultant.

Consultant shall maintain limits no less than:

Comprehensive General Liability: \$1,000,000 combined single limit per occurrence.

Comprehensive Professional Liability: \$1,000,000 combined single limit per occurrence.

Consultant shall furnish the City with certificates of insurance affecting coverage required by this clause. The City shall be named a primary non-contributory additional insured on said policies.

9. OWNERSHIP OF DOCUMENTS

A. Upon payment to the Consultant by the City of all compensation due under this Agreement, all finished or unfinished documents and material prepared by the Consultant with funds provided by this Agreement shall become the property of the City and shall be forwarded to the City at its request.

B. Any records, reports, information, data, or other documents or materials given to or prepared or assembled by the Consultant under this Agreement which the City



requests to be kept as confidential shall not be made available to any individual or organization by the Consultant without prior written approval of the City.

10. CHANGE OF SCOPE

A All parties may request changes in the scope of services, performance or reporting standards to be performed or provided under this Agreement. Such changes, including any increase or decrease in the amount of the consultant's compensation, which are mutually agreed upon by the consultant and the City, shall be incorporated in written amendments to this Agreement.

11. COMPLIANCE WITH LAWS

A The Consultant will comply with all applicable state, federal and City laws and safety regulations, including the procurement of a City Business License within 45 days of contract execution.

12. RESERVATION OF RIGHTS

A. Payment by the City or performance and acceptance of payment by the Consultant shall not be construed to waive any party's rights or remedies against the other. Failure to require full and timely performance of any provisions at any time shall not waive or reduce the right to insist upon timely performance of such provision thereafter.

13. SEVERABILITY

A If any provisions of this Agreement are held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to serve the purposes and objectives of the contemplated project as determined by the City.

14. TERMINATION OR SUSPENSION OF AGREEMENT

A. The right is reserved by the City and Consultant to terminate or suspend this Agreement at any time by giving ten (10) days' written notice to the other party. In

that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports, or other material prepared by the Consultant pursuant to this Agreement, shall be submitted to the City, and the Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on the project prior to the date of suspension or termination.

- B. In the event that the City requests termination of the work prior to completion, Consultant reserves the right to complete such analyses and records as may be necessary to place their files in order.

15. INTEGRATED DOCUMENT

- A. This Agreement embodies the agreement between the City and the Consultant. No verbal agreements or conversation with any officer, agent or employee of the City prior to the execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal contract shall be considered as unofficial information and in no way binding upon the City.

EXECUTED this 11th day of February, 2020

CONSULTANT

CITY OF SEATAC

by: \_\_\_\_\_  
Charles J. Williams  
CWA Consultants

by: \_\_\_\_\_

## ATTACHMENT A

### 1. PLAN REVIEW

A. CWA Consultants (Consultant) will review plans submitted with building permit applications for structural and non-structural code compliance integral to the review of the structural components in accordance with the currently adopted Washington State Building Code with Amendments and the SeaTac Municipal Code. The Consultant will confer with the Building Official and his/her agent on any portion of the review that specifically requires the approval of the Building Official as specified in the Code (s).

8. The Consultant will not design for the applicant, make any change on the plans that are structural in nature, or make any changes that directly contradict other information on the plans. These changes must be made by or under the direction of the applicant. All notes and details must be on the approved permit set of plans.

C. If corrections or additions are required, the Consultant will write or send a review letter addressed to the Building Official and will send a copy to the review contact person for the applicant. The correction letter will indicate to the applicant that they are required to submit the revisions/ additions to the City of SeaTac per the submittal requirements for the permit type under review.

D. The Consultant will indicate that the plans have been reviewed and found to be in substantial compliance with applicable codes and ordinances. The Consultant's company name plan reviewer's signature and date of compliance will be affixed to each plan.

### 2. FEES

A. The City of SeaTac shall pay CWA Consultants no more than the fee calculated using the methods outlined below.

B. Upon completion of an initial plan review, a billing statement will be issued by CWA Consultants to the City of SeaTac. Each billing statement will include the application number and the address of the plan reviewed, along with the fee.

C. Valuation figures used to determine the plan review fees will be determined by the City of SeaTac. This valuation number will be used by CWA Consultants to determine the appropriate plan review fee, as specified below (Permit fee based on Table 1-A of the 1997 UBC):

- Both Non-Structural and Structural review: 50% of the Plan Review Fee
- Non-Structural only: 33% of the Plan Review Fee for the entire building
- Structural only: 33% of the Plan Review Fee for the entire building
  
- Fire Code reviews will be billed at \$150 per hour, or a set fee arranged with the City of SeaTac.
- All other services will be billed at \$90 per hour.
- There is a minimum charge of \$180 (2 hours) for all reviews.

3. PROCESS

A. The City will determine which plans are to be reviewed by the Consultant.

B. The City will intake, track and process the permit applications and all revisions per current building and permit Administration procedures.

C. The Consultant will be responsible for the transportation of plans and revisions to and from the City. The Consultant will pick up and deliver as needed.

D. The Consultant will do the initial review and will have either approved the application and notified the City of approval or contacted the applicant and the City with corrections within the time frames listed below:

- Commercial 20 days (4 weeks)
- High Rise Buildings 25 days (5 weeks)
  
- Turn-around for all other types of permit applications is to be negotiated.

E. The Consultant will review any revisions or additional information and will either indicate compliance with the code(s) against which it was checked and notified the City of compliance, or if the plans are still not complete, contact the applicant and the City with additional revision requests within the time frames specified above.

F. The plan review fee will include a maximum of two rechecks. If the plans require more than two rechecks, an hourly fee of \$90.00 per hour will be accessed to the applicant.

G. The review time may be negotiated based on the number and complexity of plans to be reviewed. The Consultant will not be held responsible for delays beyond the Consultant's control.



## MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: November 12, 2020  
To: Administration & Finance Committee  
CC: Evan Maxim, Director, Community & Economic Development  
From: Aleksandr Yeremeyev, Economic Development Manager  
Subject: **Phase IV of the SeaTac Small Business Grant Program – Evergreen Business Capital Contract Extension**

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The purpose of this memo is to provide an update on the addition of Phase IV to the SeaTac Small Business Emergency Relief Grant Program and the necessary Evergreen Business Capital (Evergreen) contract amendment. The committee will be asked to make a recommendation approving the contract amendment.

### **Project Background**

On July 14 at its Regular Council Meeting, the SeaTac City Council approved up to \$350,000 in funding for the administration and distribution of grants to small businesses in SeaTac. The new grant program was designed to support local merchants who have experienced economic interruptions causing hardship and significant loss of revenue due to the COVID-19 pandemic and related closures. Federal CARES Act funds are distributed to cities through the State of Washington and King County. One of the eligible uses is provision of economic support and grants to small businesses. The City of SeaTac contracted with Evergreen Business Capital, a community development financial institution (CDFI) to serve as a third party objective administrator for the grant program.

Phase I & II grant amounts were set at \$2,500 per eligible business. Phase III was set at \$5,000, with previous recipients also automatically eligible for an additional \$2,500 for a total of \$5,000. The initial program fund amount of \$350,000 provided funding for 63 businesses on a first-come-first-serve basis. Ten additional eligible applicants came in during Phase III after all original CARES Act funds for the program were allocated. Funding the ten additional eligible businesses from Phase III required additional dollars to be available.

### **CARES Act Funding Phase IV**

The City Manager indicated on October 15th that an additional \$50,000 CARES Act funding was available for the grant program. The Economic Development team is currently working with Evergreen, on distributing the funds to the ten additional businesses who applied during Phase III and met eligibility, but were unable to receive funding due to oversubscription on the original funds. In total, 63 businesses were eligible and funded, and the 10 additional businesses (for a total of 73), will receive grants from the added funds to the program at  $10 \times \$5,000 = \$50,000$ . Evergreen will be paid an additional \$2,500 service fee to distribute the added funds. After the additional \$50,000 is allocated to the remaining ten qualified businesses, the SeaTac Small Business Emergency Relief Grant Program will be closed.

**CONTRACT AMENDMENT NO. 1 BETWEEN**

City of SeaTac  
4800 S. 188th Street  
SeaTac, WA 98188

Evergreen Business Capital  
13925 Interurban Avenue South, Suite 100  
Seattle, WA 98168

Pursuant to Section 21(F) of the Agreement (20-A054) between the City of SeaTac (City) and Evergreen Business Capital (Evergreen), dated July 15, 2020, the City and Evergreen hereby amend as follows:

**Section 3 under the subheading “Time of Completion” as follows:**

The Parties agree to extend the original time of completion for the agreement until December 31, 2020 in order to enable Evergreen to distribute additional CARES Act funds received from the City.

**Section 4 under the subheading “Compensation and Grant Funds” as follows:**

*Compensation.* The City shall pay Evergreen a total additional amount of two thousand five hundred dollars (\$2,500) in CARES Act funds, as compensation for providing grant administration services as described in Section 1 (“Service Fee”) of the original Agreement. The Service Fee is the maximum amount to be paid under this Amendment for the work described in Section 1 of the original agreement, and shall not be exceeded without the prior written authorization of the City in the form of an additional negotiated and executed Amendment. The City shall disburse the payment in full upon completion of all services described in the original Agreement. The City shall provide payments within forty-five (45) days of receipt of an invoice.

*Grant Funds.* The City shall also disburse an additional forty-seven thousand five hundred dollars (\$47,500) in CARES Act funds, upon execution of this Amendment. All undisbursed grant funds will be promptly returned to the City.

All other terms of the Consultant Agreement shall remain unchanged.

IN APPROVAL, authorized representatives of the Parties to this Agreement has signed below. This Amendment shall become effective on the date of the last signature made.

CITY OF SEATAC:

EVERGREEN BUSINESS CAPITAL:

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

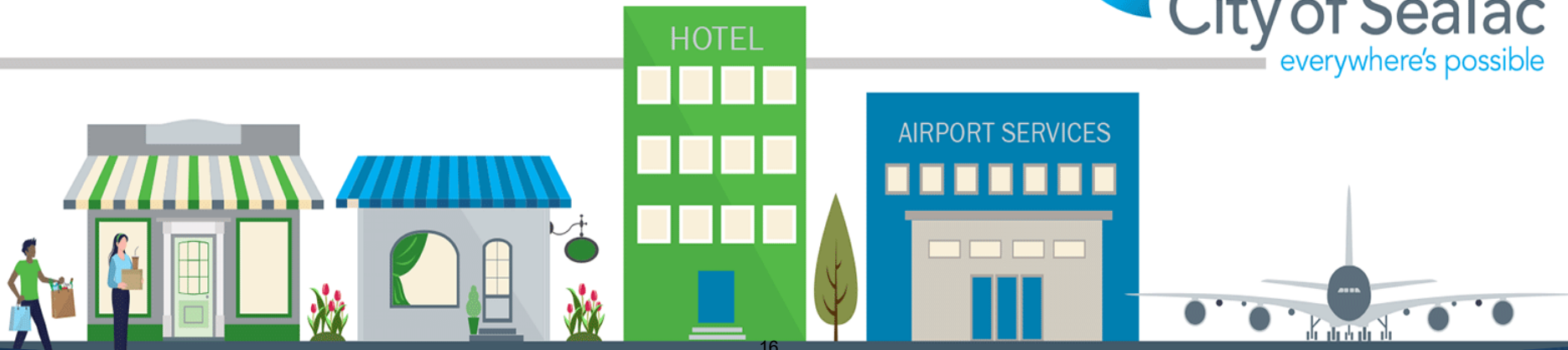
# Evergreen Business Capital Contract Amendment

SeaTac Small Business Emergency Relief Grant Program Administration

November 12, 2020 – A & F Committee



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# PRESENTATION OVERVIEW

## PURPOSE OF PRESENTATION

To provide an update on the addition of Phase IV of the SeaTac Small Business Emergency Relief Grant Program and the necessary contract amendment

## WHY IS THIS ISSUE IMPORTANT?

The small business grant program was designed to support local businesses experiencing economic interruptions causing hardship and significant loss of revenue due to the COVID-19 pandemic and related closures.

More CARES Act funding was allocated to the program and the administration contract requires an amendment.

# POTENTIAL COMMITTEE ACTION & NEXT STEPS

## COMMITTEE ACTION:

Recommend to Council approval of the Evergreen Business Capital contract amendment to distribute additional \$50,000 to the qualified 10 applicants from Phase 3.

- a) Extend contract through 12.31.2020
- b) \$50,000 to be paid to Evergreen and distributed to the 10 eligible businesses.
- c) \$2,500 service fee to be paid to Evergreen for distributing additional funds.

## NEXT STEPS:

1. Evergreen distributes funds to the remaining qualified applicants.
2. Once funds are distributed, the SeaTac Small Business Emergency Relief Grant Program will be closed.

# SMALL BUSINESS EMERGENCY RELIEF GRANT PROGRAM

## PROJECT BACKGROUND

**July 14, 2020**

SeaTac City Council approved up to \$350,000 for administration and distribution of grants. Funds originated from the Federal CARES Act.

**July 24 – October 9, 2020**

Phase I - III Grant Program  
Administered by Evergreen Business Capital - CDFI (Evergreen)

**October 15, 2020**

**Phase IV** - City Manager allocated additional \$50,000 to fund additional ten qualified businesses



# PROGRAM SUMMARY AT A GLANCE

PHASE I -III		PHASE IV	
<b>Applications:</b>	<b>191</b>	<b>Applications:</b>	10 of the 73 who qualified under Phase 3 but could not be funded
<b>Qualified Applications:</b>	<b>73</b>	<b>Qualified Applications:</b>	<b>10</b>
<b>Eligibility:</b>	In Business 2+ Years Federal Funding <b>OK</b> \$5,000 grant	<b>Eligibility:</b>	In Business 2+ Years Federal Funding <b>OK</b> \$5,000 grant
<b>Communications:</b>	SeaTac City Website & Blog, Southside Chamber, Southside RTA, SeaTac Blog, Eblast to 1,200 business emails, Highline College SBDC, local minority organizations, foreign language materials & outreach	Applications received during Phase 3	



# SMALL BUSINESS EMERGENCY RELIEF GRANT PROGRAM

## REASONS BUSINESSES DID NOT QUALIFY:

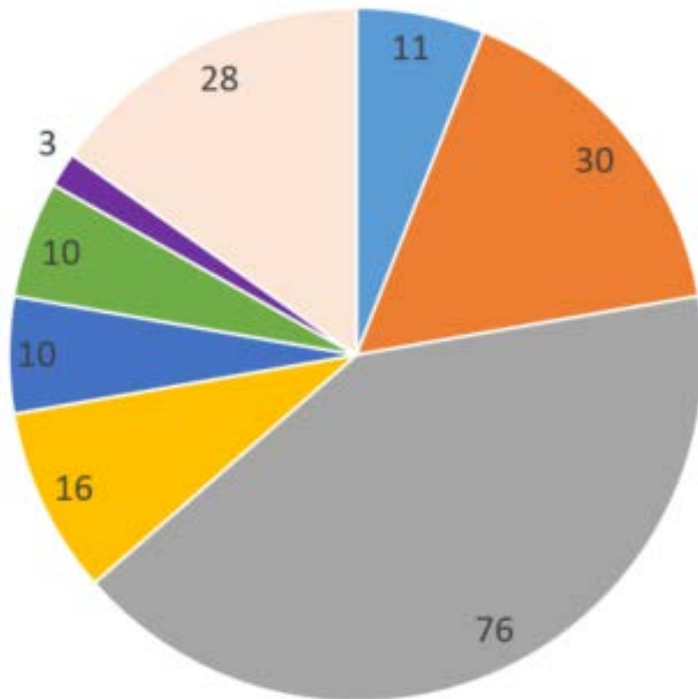
- In Business Less Than 2 Years
- Have Inactive License
- Duplicate Application
- Not located in SeaTac
- Revenue over \$1.5 million



# DEMOGRAPHICS

Demographics of SeaTac Small Business Emergency Relief Grant  
Summary  
Total Applicants 191

- American Indian or Alaska Native
- Asian
- Black or African American
- LatinX / Hispanic
- Other
- Prefer not to disclose
- Two or more races
- White



# POTENTIAL COMMITTEE ACTION & NEXT STEPS

## COMMITTEE ACTION:

Recommend to Council approval of the Evergreen Business Capital contract amendment to distribute additional \$50,000 to the qualified 10 applicants from Phase 3.

- a) Extend contract through 12.31.2020
- b) \$50,000 to be paid to Evergreen and distributed to the 10 eligible businesses.
- c) \$2,500 service fee to be paid to Evergreen for distributing additional funds.

## NEXT STEPS:

1. Evergreen distributes funds to the remaining qualified applicants.
2. Once funds are distributed, the SeaTac Small Business Emergency Relief Grant Program will be closed.



Thank you!







## MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: November 12, 2020  
To: Administration & Finance Committee  
CC: Evan Maxim, Director, Community & Economic Development  
From: Aleksandr Yeremeyev, Economic Development Manager  
Subject: **SSRTA 2021 Budget Approval Presentation & Packet**

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The purpose of this memo is to provide an overview of the Seattle Southside Regional Tourism Authority (SSRTA) 2021 budget approval packet. The A&F Committee will be asked to make a recommendation for Council consideration.

### **Background**

Acting in the capacity of the Legislative Authority of the Tourism Promotion Area (TPA) and chartering entity of the Seattle Southside Regional Tourism Authority (SSRTA), the City must approve the Seattle Southside RTA budget on an annual basis. The City created a public corporation RTA to manage and operate the tourism promotion area and related revenues. The City Council is also the legislative authority that authorizes the expenditure of lodging tax monies (Fund 107), which are incorporated into the 2021 SSRTA budget. Therefore, the Agenda Bill 5585 motion to approve the SSRTA 2021 budget will be considered by the full Council on 11/24/2020. The A&F Committee is asked to review the SSRTA 2021 budget approval packet and make a recommendation to the full Council, including a recommendation specifically on approval of SeaTac lodging tax funding to the SSRTA.

### **SSRTA Budget Approval Components**

The SSRTA 2021 budget consists of Tourism Promotion Area (TPA) special assessments of \$2/room and collected in the Cities of Des Moines, Tukwila and SeaTac. Additionally, the SSRTA 2021 budget includes the lodging tax allocations of \$830,000 recommended for funding by the SeaTac Hotel Motel Advisory Committee (HMAC).

In particular, the SSRTA's application for the use of \$830,000 in Lodging Tax monies in 2021 will fund the following programs:

1. Shuttle Services (\$180,000). The shuttle service provides transportation between SeaTac hotels and Westfield mall. This amenity is a significant selling tool for the SeaTac hoteliers to attract groups, conferences, and meetings business.
2. SeaTac specific ad campaign hotel packages (\$300,000). The SeaTac specific digital marketing efforts will focus on SeaTac amenities as a destination, including local restaurants, retail and activities.
3. Local Visiting Family & Friends program (\$200,000): According to the recent industry studies tracking American travelers, half of them feel safe to travel this fall season. Two thirds of

those who plan to travel will be visiting friends and relatives, while 58% plan on a road trip somewhere in the U.S. This proposed program will focus on messaging to residents and local travelers to remind them of all the unique attributes of the SeaTac destination that they can share with their friends and family when they visit.

4. Do More Save More program (\$150,000): This initiative will develop and market a custom pass/program to support SeaTac businesses. The program will target SeaTac hotel guests and residents to highlight the nearby SeaTac based businesses.

These lodging tax programs are not included in the normal tourism marketing and promotion activities funded by the TPA, which are focused on the entire TPA area (i.e. Des Moines, Tukwila, and SeaTac). Consequently, a decision to not provide lodging tax monies will mean that the SSRTA will be unable to fund these programs in 2021.

## **Metrics**

### Existing in Lodging Tax Funding Application

The existing performance metrics and reporting requirements (estimates & actuals) are included in the SeaTac lodging tax funding application and are based on the State Joint Legislative Audit & Review Committee (JLARC) reporting requirements for lodging tax funded activities. The metrics include the following:

- Number of estimated overall attendance
- Number of people who travel more than 50 miles (# from out of country / out of state)
- How many from more than 50 miles staying in paid & unpaid accommodations
- Number of paid lodging nights generated in SeaTac

The SSRTA has historically provided data to meet reporting requirements per these metrics.

### Future Metrics to be Developed in 2021

On October 27, 2020 the SeaTac Council carried a motion directing city staff to work with the SSRTA and HMAC in 2021 to review and establish performance metrics related to the use of SeaTac's lodging tax monies and SSRTA operations in the City of SeaTac. Once the metrics are established, they will be used to guide and evaluate future SeaTac lodging tax allocations with the objective of maximizing benefits to the City of SeaTac.

## **HMAC Role and Recommendation**

HMAC receives, reviews and makes recommendation to the SeaTac City Council on allocation of SeaTac lodging tax funds. The Council reviews the recommendations and makes final determination. In June 2020, the HMAC originally recommended funding the SSRTA's requested amounts of \$830,000 per year in 2021 and 2022.

On October 10th the City Council indicated that it may not authorize the use of SeaTac lodging tax funding for the SSRTA in 2021 and 2022. In response, the HMAC recommended funding \$830,000 for 2021 and to apply subsequently developed SeaTac specific metrics to future lodging tax funding allocation decisions. These recommendations are reflected in the November 4th HMAC Letter to SeaTac City Council.

## **A&F Recommendation**

Currently, staff have identified four options for the A&F committee recommendation and City Council action related to the use of lodging tax monies; these four options are:

1. Fund the SSRTA's original lodging tax request of \$830,000 for 2021 and 2022;
2. Fund the SSRTA's original lodging tax request of \$830,000 for 2021, and evaluate the 2022 funding request at a later date, after the development of performance metrics;
3. Fund a portion of the SSRTA's original lodging tax request for 2021; or
4. Do not fund the SSRTA's lodging tax requests for 2021.

All of the above options presume that the City Council will approve that portion of the SSRTA's budget related to the use of the TPA special assessment.

Option 2 above represents the HMAc recommendation from November 4<sup>th</sup>. Staff concurs with the HMAc recommendation and further notes that the funding of lodging tax programs will inform the development of performance metrics.

The A&F Committee is asked to review the SSRTA 2021 budget approval documents and make a recommendation to the full Council on two components described below.

1. SSRTA 2021 Budget approval as it relates to the use of TPA special assessments
2. Make a recommendation to Council specific to inclusion of SeaTac's lodging tax amount.

## **Next Steps**

Council is scheduled to consider approval of the SSRTA 2021 budget including 2021 SeaTac Lodging Tax allocations on November 24, 2020.

In 2021 SeaTac city staff will work together with the SSRTA, HMAc, the Council and other relevant stakeholders to develop SeaTac specific metrics for the use of lodging taxes to maximize the benefits to the City of SeaTac.

## **Packet Attachments**

The November 12<sup>th</sup> A&F Committee meeting item 6 presentation regarding 2021 SSRTA Budget review and discussion/recommendation is based on and references the substance of the documents listed below.

1. SSRTA 2021 Budget
2. SSRTA 2021 Board Budget Adoption Resolution 2020-010
3. TPA Hotels 2020 list
4. SSRTA 2021-2022 Lodging Tax Application to SeaTac – May 2020
5. November 4, 2020 HMAc Letter to SeaTac City Council

**Seattle Southside Regional Tourism Authority (RTA)**  
**Exhibit A - Proposed Amended 2021 Budget**  
**2021 Budget - Resolution No. 2020-010**

	<b>2021 Budget</b>
<b>Revenues:</b>	
TPA Special Assessments	\$ 1,981,630
LTC-Tukwila	-
LTC-SeaTac	830,000
LTC-SeaTac (Incentive)	87,500
LTC-Des Moines	20,000
Investment Revenues	15,000
Misc Other Revenue	2,500
Advertising	7,500
<b>Total Revenues</b>	<b>\$ 2,944,130</b>
<b>Expenses:</b>	
Salaries & Benefits	\$ 1,320,000
Supplies	10,000
Small Equipment	7,000
Professional Services/Ads/Promotions	1,485,000
Communications/Postage	45,000
Travel	35,000
Operating Leases	119,000
Insurance	12,000
Maintenance	4,000
Miscellaneous/Printing	600,000
<b>Subtotal Operating Expenses</b>	<b>3,637,000</b>
Capital Outlay	30,000
<b>Subtotal Operating Expenses &amp; Capital Outlay</b>	<b>3,667,000</b>
Excess (Deficit) of Revenue Over (Under) Expenditures	(722,870)
<b>Budgeted Beginning Fund Balance</b>	<b>\$ 3,763,222</b>
<b>Budgeted Ending Fund Balance</b>	<b>\$ 3,040,352</b>
Contingency Reserve (16.67% or 2 months)	\$ 606,288
Economic Downturn/Recession Reserve (11% of SA)	\$ 217,979
Capital Asset Replacement Reserve	\$ 183,465
Unassigned Balance	\$ 2,032,620

Approved 2021 Budget  
September 17, 2020

<b>Base budget</b>	<b>5,891,500</b>
Net savings on payroll-related expenditures	(65,000)
Decrease in supplies and small equipment	(2,000)
Increase in professional services	50,000
Increase in other miscellaneous services	158,500
Decrease in capital outlay	(1,000)
Remove on-time professional services related King County tourism recovery	(2,000,000)
Remove one-time professional services related to partner cities' sponsorship funding	(250,000)
<b>Approved 2021 Budget</b>	<b>3,782,000</b>

Proposed 2021 Amended Budget  
October 1, 2020

<b>Base budget</b>	<b>3,782,000</b>
Remove Tukwila lodging tax	(202,500)
Add: One-time SeaTac incentive program	87,500
<b>Proposed 2021 Amended Budget</b>	<b>3,667,000</b>

-

RESOLUTION 2020-010

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SEATTLE SOUTHSIDE REGIONAL TOURISM AUTHORITY  
APPROVING AND AMENDING THE 2021 BUDGET, RESOLUTION NO.  
2020-010.

WHEREAS, the Seattle Southside Regional Tourism Authority (the "RTA"), is a public development authority chartered by the City of SeaTac, Washington, for the purpose of providing tourism promotion services; and

WHEREAS, the Board of Directors of the Seattle Southside RTA (the "Board") now desires to approve and amend the 2021 budget, Resolution No. 2020-004, as described herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SEATTLE SOUTHSIDE REGIONAL TOURISM AUTHORITY:

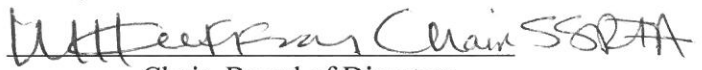
Section 1. Approval. The Board hereby approves and amends the 2021 Budget, Resolution No. 2020-004. An amended budget for 2021 is attached hereto as Exhibit A and is incorporated herein by reference.

Section 2. Further Authority: Prior Acts. All Seattle Southside RTA officials, their agents, and representatives are hereby authorized and directed to undertake all action necessary or desirable from time to time to carry out the terms of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 3. Effective Date. This resolution shall take effect immediately upon its passage and approval.

Passed 10/1, 2020

Motion # 2020-2023

  
Chair, Board of Directors  
Seattle Southside Regional Tourism  
Authority



*Resolution No. 2020-010  
Amending the 2021 Budget, Resolution No. 2020-004*

Seattle Southside Regional Tourism Authority (RTA)

Tourism Promotion Area Hotels

(90+ Sleeping Rooms)

<b>Name of Establishment</b>	<b>City &amp; State</b>	<b>Sleeping Rooms</b>
Four Points by Sheraton Seattle Airport South	Des Moines, WA	225
aloft Hotel Seattle SeaTac Airport	Seatac, WA	144
Best Western Seattle Airport Hotel	Seatac, WA	143
Cedarbrook Lodge	Seatac, WA	167
Clarion Hotel Seattle Airport	Seatac, WA	214
Coast Gateway Hotel	Seatac, WA	143
Comfort Inn & Suites Sea-Tac Airport	Seatac, WA	119
Country Inn & Suites Seattle Tacoma International Airport	Seatac, WA	120
Crowne Plaza Seattle Airport	Seatac, WA	260
DoubleTree by Hilton Hotel Seattle Airport	Seatac, WA	850
DoubleTree by Hilton Suites Hotel Seattle Airport Southcenter	Seatac, WA	219
Embassy Suites by Hilton Seattle Tacoma International Airport	Seatac, WA	242
Fairfield Inn Seattle SeaTac Airport	SeaTac, WA	146
Hampton by Hilton Inn & Suites Seattle-Airport/28th Avenue	Seatac, WA	218
Hampton by Hilton Inn Seattle-Airport	Seatac, WA	130
Hilton Garden Inn Seattle Airport	Seatac, WA	152
Hilton Seattle Airport & Conference Center	Seatac, WA	396
Holiday Inn Express & Suites Seattle SeaTac	Seatac, WA	171
La Quinta Inns & Suites Seattle SeaTac Airport	Seatac, WA	143
Marriott Seattle Airport	Seatac, WA	462
Motel 6 Seattle Airport	Seatac, WA	109
Motel 6 Seattle Sea-Tac Airport South	Seatac, WA	144
Motel 6 Seattle South	Seatac, WA	124
Quality Inn SeaTac Airport Seattle	Seatac, WA	102
Radisson Hotel Seattle Airport	Seatac, WA	204
Ramada SeaTac Airport	Sea Tac, WA	155
Red Lion Hotel Seattle Airport Sea-Tac	Seatac, WA	144
Red Roof Inn Seattle Airport Seatac	Seatac, WA	152
Residence Inn Seattle SeaTac Airport	Seatac, WA	170
Sleep Inn SeaTac Airport	Seatac, WA	105
Wingate by Wyndham SeaTac Airport	Seatac, WA	157
Comfort Suites Airport Tukwila	Tukwila, WA	138
Courtyard Seattle Sea-Tac Area	Tukwila, WA	214
Courtyard Seattle South Center	Tukwila, WA	149
Days Inn Seattle South Tukwila	Tukwila, WA	119
Extended Stay America Seattle - Southcenter	Tukwila, WA	94
Extended Stay America Seattle -Tukwila	Tukwila, WA	96
Hampton by Hilton Inn Seattle/Southcenter	Tukwila, WA	152
Holiday Inn Express & Suites Seattle South Tukwila	Tukwila, WA	92
Home2 Suites by Hilton Seattle Airport	Tukwila, WA	139
Homewood Suites by Hilton Seattle Tacoma Airport Tukwila	Tukwila, WA	106
Hotel Interurban	Tukwila, WA	185
Ramada Tukwila Southcenter	Tukwila, WA	146
Residence Inn Seattle South Tukwila	Tukwila, WA	144
WoodSpring Suites Seattle Tukwila	Tukwila, WA	110

\*2020 funds still available

## APPLICATION OVERVIEW

APPLICATIONS ARE DUE AND MUST BE RECEIVED NO LATER THAN **SUNDAY May 31, 2020 11:59PM.** Incomplete and/or late applications will not be considered/prioritized for funding cycle. Applications may not be amended or changed after the deadline for submission. The proposal and all documents filed with the City are public records.

Please submit your completed application along with the required documentation to:

City of SeaTac  
Attention: Tanja Carter,  
Economic Development Strategist  
4800 South 188th Street  
SeaTac, WA 98188-8605

OR VIA EMAIL: [tcarter@seatacwa.gov](mailto:tcarter@seatacwa.gov)

## APPLICATION CHECKLIST

- Completed and signed the cover sheet with this packet
- Completed application (attach additional sheets if necessary)
- A copy of your agency's current non-profit corporate registration with Washington Secretary of State
- Brochures and/or other supplemental information about your event/activity/facility and/or recent tourism promotion efforts

**APPLICATIONS ARE DUE NO LATER THAN **SUNDAY May 31, 2020 11:59PM.****  
**LATE APPLICATIONS WILL NOT BE CONSIDERED DURING FUNDING CYCLE.**

## APPLICATION TIMELINE

The City of SeaTac's Lodging Tax Advisory Committee (LTAC); referred to as the Hotel Motel Advisory Committee (HMAC) will review the applications in June/July. It is possible they may wish to interview applicants for more information or clarification.

Should the HMAC recommend funding for your event/activity/facility, they will forward their recommendation to the SeaTac City Council for their review and authorization. It is anticipated that funding decisions will be made and announced in **August/September/October 2020 and confirmed upon final budget adoption.**



# 2021/2022 Application for City of SeaTac Lodging Tax Funding



**APPLICATIONS ARE DUE NO LATER THAN SUNDAY May 31, 2020 11:59PM.**

Total Amount Requested: **\$830,000** Name of Event/Program/Activity Seattle Southside Regional Tourism Authority

## ORGANIZATION/AGENCY INFORMATION

<u>Seattle Southside Regional Tourism Authority</u> Organization/Agency Name	<u>47-30311480</u> Federal Tax ID Number
<u>Katherine Kertzman</u> Contact Name	<u>President and CEO</u> Title
<u>3100 S 176<sup>th</sup> St</u> Mailing Address	<u>SeaTac, WA 98188</u> City State Zip
<u>206-575-0547</u> Phone	<u>Katherine@SeattleSouthside.com</u> Email Address
<u>NA</u> Event Location	<u>NA</u> Event Date(s)
<u>www.SeattleSouthside.com</u> Website	

Check all service categories that apply to this application:

- Tourism Promotion/Marketing
- Operation of a Special Event/Festival designed to attract tourists
- Operation and/or Capital Expenditures of a Tourism-Related Facility owned by a Municipality or a Public Facilities District

Check which one of the following applies to your agency:

(Note: **For Profit organizations are currently not eligible for any lodging tax funding**)

- Non-Profit (Attach copy of current non-profit registration with Washington Secretary of State)
- Public Agency
- Other

## APPLICANT CERTIFICATION

\\data02\data\CEB\Economic Development\proctermeter\applicants for funding\2020\applicants for Lodging Funds SeaTac\2021\Brenna Funding\2020-21 HMAC City of Seatac application (003).docx

I am an authorized agent of the organization/agency applying for funding. I understand that my agency will be required to submit a report documenting tourism economic impact results in a format determined by the City. I also understand that:

Tourism Promotion Activities or Tourism-Related Facilities:

This is an application for funding and a contract with the City of SeaTac and, if awarded, my organization will honor this document as a Municipal Services Contract with the City of SeaTac .

Events/Festivals:

The applicant has, or can obtain, general liability insurance in the amount commensurate with the exposure of the event/festival.

The City of SeaTac will only reimburse those costs actually incurred by my organization/agency and only after the service is rendered, paid for if provided by a third party, and a completed and signed Request for Reimbursement/After Event Report (or other form acceptable to the City) has been submitted to the City, including copies of invoices and payment documentation.



\_\_\_\_\_  
Signature

\_\_\_\_\_  
May 28, 2020

Date

\_\_\_\_\_  
Katherine Kertzman

Printed or Typed Name

**PROJECT INFORMATION AND USE OF FUNDS QUESTIONNAIRE**

## 1. Describe your tourism-related activity/program or event:

*Seattle Southside Regional Tourism Authority (RTA) is a public development authority chartered by the City of SeaTac and performs as the official destination marketing organization (DMO) for Seattle's Southside including the cities of SeaTac, Tukwila and Des Moines. Seattle Southside RTA promotes the combined communities as a regional destination branded "Seattle Southside" to create increased economic impact through marketing numerous travel and tourism businesses. Seattle Southside RTA is highly regarded as an effective organization and valued within our communities, region, and state.*

### **Vision Statement:**

*To position Seattle Southside as a destination of choice for practical travelers to Seattle while enhancing the image and economic strength of the region.*

### **Mission Statement:**

*As a brand-driven and entrepreneurial destination marketing organization, Seattle Southside RTA provides advocacy and innovative services to competitively market the destination. This function helps create jobs, grow tax revenues, and improve quality of life for our businesses and residents.*

**Goals:** *These goals are the core mission of Seattle Southside RTA:*

- 1. Increase the number of tourists and groups coming to Seattle Southside with an emphasis on shoulder season. The shoulder season includes dates in the spring and fall on each side of the summer visitor season—October to May. (2015: 3.85 million overnight visitors total, 2018: 4 million)*
- 2. Increase the average length of stay. (2014: 3.4 days; 2018: 3.8)*
- 3. Increase visitor spending at businesses within the cities of SeaTac, Tukwila and Des Moines. (2015: \$665.2 million in travel spending; 2018: \$771 million)*
- 4. Demonstrate an increase in the RTA's return on investment. (2015: \$1/\$21.41; 2018: \$1/\$61.46)*

## 2. Describe why tourists will travel to SeaTac to attend your event/activity/facility:

*Travelers can do more when visiting Seattle Southside area because of its central location; access to transportation including shuttles, rental cars, and tours; affordability; unique attractions; plentiful shopping and dining choices that stretch time, money and opportunities further.*

*Print, radio and online advertising drive business to Seattle Southside's website for more information about area tourism related activities. The website is full of RTA and user-generated content including video, blogs, and images.*

*Positive press generated by the Seattle Southside RTA encourages visitors to travel to the area to experience everything they have read about.*

The RTA produces a variety of destination guides designed to be used by visitors or Locals hosting out of town visitors including complete details relating to accommodations, restaurants, transportation, activities, and maps to steer tourists to businesses.

3. Provide an estimate of the number of participants who will attend the event/activity in each of the following categories. Please use the Calculation Methodology as defined below:

<u><b>As a direct result of your proposed tourism-related service, provide:</b></u>	<u><b>Estimate</b></u>	<u><b>Calculation Methodology (See options below)</b></u>
<p>a. Overall attendance at your event/activity/facility</p> <p><i>RTA tracks encounters that include website unique users, meeting delegates, inquires/mailers, shuttle riders and ad attributed hotel sales not through RTA website. Does not include advertising impressions, social media exposure, PR, or other marketing outcomes. Exposure is a much, much higher number. 50% of 2019 outcomes due to COVID-19.</i></p>	326,658	<input checked="" type="checkbox"/> DC <input type="checkbox"/> IC <input type="checkbox"/> RS <input type="checkbox"/> IS <input type="checkbox"/> SE
<p>b. Number of people who travel more than 50 miles for your event/activity</p> <p><i>Dean Runyan Research &gt; 95% of Seattle Southside visitors travel more than 50 miles therefore (95% X a.)</i></p>	310,325	<input type="checkbox"/> DC <input checked="" type="checkbox"/> IC <input type="checkbox"/> RS <input type="checkbox"/> IS <input type="checkbox"/> SE
<p>c. Of the people who travel more than 50 miles, the number of people who travel from another country or state</p> <p><i>(Historically 50% based on Google Analytics, however, due to the pandemic we believe international travel will not fully recover until a vaccine is developed)</i></p>	zero	<input type="checkbox"/> DC <input checked="" type="checkbox"/> IC <input type="checkbox"/> RS <input type="checkbox"/> IS <input type="checkbox"/> SE

<p>d. Of the people who travel more than 50 miles, the number of people who stay overnight in UNPAID accommodations in SeaTac</p> <p><i>(RTA does not track overnight stays in UNPAID accommodations based on distance. However, noted in Dean Runyan Report research 85% stay in paid accommodations therefore we can assume (15% of b)</i></p>	<p>46,549</p>	<p><input type="checkbox"/>DC <input checked="" type="checkbox"/>IC <input type="checkbox"/>RS <input type="checkbox"/>IS <input type="checkbox"/>SE</p>
<p>e. Of the people staying overnight, the number of people who stay in PAID accommodations (hotel/motel/bed &amp; breakfast) in SeaTac</p> <p><i>(50% of 2019 RTA generated room nights' 620,658 x 2.1 average party size from Dean Runyan) x 66% of SS hotel room supply equals SeaTac hotel supply)</i></p>	<p>430,115</p>	<p><input checked="" type="checkbox"/>DC <input type="checkbox"/>IC <input type="checkbox"/>RS <input type="checkbox"/>IS <input type="checkbox"/>SE</p>
<p>f. Number of paid lodging room nights in SeaTac resulting from your event/ activity/ facility</p> <p><i>(50% of 2019 RTA generated room nights' 620,658 x 66% of SS hotel room supply equals SeaTac hotel supply)</i></p> <p><i>(example: 25 paid rooms on Friday and 50 paid rooms on Saturday = 75 paid lodging room nights)</i></p>	<p>204,817</p>	<p><input checked="" type="checkbox"/>DC <input type="checkbox"/>IC <input type="checkbox"/>RS <input type="checkbox"/>IS <input type="checkbox"/>SE</p>

**Glossary for Calculation Methodology Options:**

- ❖ **Direct Count: (DC)** Actual count of visitors using methods such as paid admissions or registrations, clicker counts at entry points, vehicle counts or number of chairs filled. A direct count may also include information collected directly from businesses, such as hotels, restaurants or tour guides, likely to be affected by an event/program.
- ❖ **Indirect Count: (IC)** Estimate based on information related to the number of visitors such as raffle tickets sold, redeemed discount certificates, brochures handed out, police requirements for crowd control or visual estimates.
- ❖ **Representative Survey: (RS)** Information collected directly from individual visitors/ participants. A representative survey is a highly structured data collection tool, based on a defined random sample of participants, and the results can be reliably projected to the entire population attending an event/program users and includes margin of error and confidence level.
- ❖ **Informal Survey: (IS)** Information collected directly from individual visitors or participants in a non-random manner that is not representative of all visitors or participants. Informal survey results cannot be projected to the entire visitor population and provide a limited indicator of attendance because not all participants had an equal chance of being included in the survey.

- ❖ **Structured Estimate: (SE)** Estimate produced by computing known information related to the event or location. For example, one jurisdiction estimated attendance by dividing the square footage of the event area by the international building code allowance for persons (3 square feet).
- ❖ **Other:** (please describe)

4. Is there a host hotel for your event/program? Yes  No   
 If yes, list the host hotel(s):

*Not Applicable*

If a host hotel(s) was/were used last year/previously, please provide an estimate/report of how many rooms were booked last year/previously at each hotel and provide totals.

5. Describe the prior success (number of attendees, media exposure, etc.) of your event/activity/facility in attracting tourists:

1. **Web Analytics** (January 1-December 31, 2019)

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- a. User sessions: 644,627
- b. Unique users: 540,182
- c. Repeat visits: 108,546
- d. Clicks to website: 644,627
- e. Webpages: 1,026,385
- f. Traffic source:
  - Organic Search: 287,082
  - Paid Search: 219,266
  - Referral: 27,688
  - (Other): 933
  - Display: 15,968
  - Direct: 40,752
  - Social: 49,197
  - Email: 3,681
- g. Bounce rate: 65.02%
- h. Average session length: 1:02

2. **Media impressions: 126.5 million** (January 1 – December 31, 2019)

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3. **Social engagement** (January 1 – December 31, 2019)

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Facebook @Seattle Southside  
 6,286 Total Engagements

# 2021/2022 Application for City of SeaTac Lodging Tax Funding



Twitter @SeattleSouthsid  
1,289 Tweet Engagements  
Instagram @seattlesouthside  
6,614 Post Engagements

## 4a. Group/Meeting Stats (2019)

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<b>Number of Leads Generated YTD:</b>	135
Number of Rooms Requested:	35,595
Number of Attendees Estimated:	27,146
<b>Number of Leads that have Booked YTD:</b>	44
Number of Rooms Booked:	8,034
Number of Attendees Estimated:	15,750
<b>Number of Assists YTD:</b>	23
Number of Rooms:	2,996
Number of Attendees:	1,452
<b>Number of Service Request Leads Generated YTD**:</b>	35

*\*\* meetings without overnight rooms and other business are recorded as Service Requests*

## 4b. Tradeshows & Sales Conventions Attended (2019)

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### Meetings Audience:

Destination Showcase  
ConferenceDirect APM  
Smart Meetings Northwest  
HB Western Partner Exchange (WPE)  
MPI Cascadia  
Smart Meetings 3-Day West National  
Helmsbriscoe ABC  
MPI World Education Conference  
WSAE Convention  
Military Reunion Network Educational Summit  
Connect Corporate, Association, Sports, Specialty Market  
MeetingsToday Live  
HPN Global Partner Conference  
NW Event Show

### Sports Audience:

\\data02\data\CED\Economic Development\HotelMotel\Applicants for Funding\2020 Applicants for Lodging Funds SeaTac\SSRTA Biennial Funding\2020-21 HMAC City of Seatac application (003).docx

United Soccer Coaches Convention

## Travel Trade Audience:

RTO Summit West

Go West Summit

IPW

## 4c. Number of prospects outreached to (2019)

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407 one-on-one appointments with planners

## 5. Sales & Media FAM Trips and Site Visits (2019)

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The Weekend Gourmet – April 2019 Media Tour  
China Travel Trade & Media Fam – Holland America Line  
Client Site Visit – Kristin Pate (NFRC)  
Delmar World Fam Tour  
Port of Seattle International Travel Trade Fam Sept 2019  
Sept 2019 Seattle Southside Media Fam  
Travel Tacoma Fam Sept 2019  
Spotlight on the Northwest 4 Pre-Conference Fam  
Bajaj Allianz Company – Westfield Southcenter  
Thrifty NW Mom Media Fam  
Little America Travel Pacific NW Fly-Drive Fam  
Digital Edge Site Visit  
ECPG Fam Tour  
Port of Seattle's German Representative Fam Tour  
Daily Blender Media Fam  
Local Lens  
425 Magazine Seattle Southside Tour  
Creatively Clo: Salty's Spooky Brunch  
Vancouver Family Magazine

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## 6. Describe your target tourist audience (location, demographics, etc.):

*Every community must compete with every other community for their share of the world's attention, customers and investment.*

*To compete, people need to be aware of a community, have a positive impression, and want to visit to experience the community and meet its people.*



*This is achieved through clearly developing, articulating and managing regions' brand. Together, SeaTac, Tukwila and Des Moines, branded as Seattle Southside we are a more competitive destination because of the area's combined visitor assets.*

*(SeaTac is often confused with the Airport, Des Moines is confused with Iowa, and people cannot pronounce or spell Tukwila, and do not know where its located. Twenty years ago, the business community came together to name the combined cities as Seattle Southside because many businesses use the postal address of Seattle and to geographically identify the destination. Our business community sees this as a real benefit.)*

*Efforts must be made to promote, market, sell and engage potential visitors. And all of this must be reinforced again and again. The RTA is uniquely positioned to do this work and has demonstrated it does it well. The Seattle Southside RTA is a national award winning, accredited Destination Marketing Organization that has maintained an ROI of over \$40 visitor spending to \$1 invested for the past 5 plus years.*

*Addressing the need for destination promotion is for the benefit and well-being of every person within our community. It is a common good.*

*It is an essential investment to develop opportunities and build quality of life to benefit all the residents of our community. Destination marketing creates jobs, attracts much needed development, and builds pride in our community.*

*Due to the pandemic, the RTA will initially focus on attracting local and regional visitors and will phase into attracting national and international markets as conditions within King County become safer and healthier making Seattle Southside a desirable tourist destination.*

### **7. Describe how you will promote your event/activity/facility to attract overnight tourists:**

*Website, printed materials, paid advertising, content development, video and photography production, PR & social media, group sales outreach, etc.*

### **8. How do you intend to use the Lodging Tax funds if selected as a funding recipient? (Please be as descriptive as possible with the strategy, plan and reasons for your application.)**

**Priorities:**      *a) Drive local spending, tourism and economic impact for South King County  
b) Create and deploy messaging campaigns for South King County.*

**Audiences:**    ***Local** – within South King County to encourage visiting family and friends  
**Regional** – King County, Pierce County, Snohomish County,  
**Drive Markets** – Washington State, Northern Oregon and Vancouver BC,  
**Key Fly Markets** (based on previous travel data) - including, but not limited to San Francisco, Los Angeles, Denver*

**Strategies:**    *a) A focused and direct push to get locals back into restaurants, arts & cultural*

*institutions, recreational activities, attractions, tasting rooms, retail and hotels. Again, this important to the visting family and friends market*

*b) Educate consumers on the power of their spending and the benefits to the entire region.*

*c) Inform potential visitors on the safety measures businesses are following in South King County and Washington state.*

*d) Create new and utilize established county-wide initiatives like Holidays to create a reason and urgency to book travel.*

**Channels:** *Paid Advertising – could include billboards, radio, print, online advertising  
Public Relations – press releases, media pitches, activation of media relationships for positive coverage  
Media Hosting – host reliable and well-known media for positive coverage  
Organic and Paid Social – utilize the power and wide-spread nature of social media*

**9. Describe how you will promote lodging establishments, restaurants, and businesses located in the City of SeaTac. What will the City of SeaTac /Tourism and lodging industry get in return for funding (e.g. logs, links print material, radio, TV etc.):**

**Marketing & Communications:** *Continue website updates, launch new collateral and content such as articles, videos, photos and blogs, implement targeted advertising, expand social media influencer program for loggers, Instagrammers, travel reviewers, and proud locals as a smart way to increase our destination’s voice. Use this time and opportunity to test online advertising by audience, location, and message. Test drive several A/B campaigns via Facebook or Instagram to audiences within 200 miles. Advertise travel itineraries online, in social media, with influencers, and pitch to journalists writing longer-lead stories and travel round ups. Ad sales outreach, etc.*

**Sales & Partner Service:** *Work on landing group business for 2021-2025, reach out to previous and local planners, call on cancellations, develop business incentives i.e.: hotel and restaurant packages, personalized tours with a behind-the-scenes approach, limited capacity venues with intimate concerts (are all examples of incentives that safety-concerned travelers may resonate with as travel restarts), assist with meeting planner and attendee promotions, manage mobile visitor/welcome center services and Visitor support/referrals through social, email, phone. Helping businesses work together to provide partnerships that are cost-effective; drive interest from visitors and provide increased value.*

**10. Are you applying for Lodging Tax Funding from another community/ies? Yes  No**

**If yes, list the other jurisdiction(s), amount(s) requested and status.**

*City of Tukwila \$202,500*

*City of Des Moines 50% of Lodging taxes estimated to be \$ \$50,000 budgeted*

*Potential King County funding for 2020 in the amount of \$2M may or may not include carry-over funding from 2020 proposal into 2021. This will be dependent on first signs of bans lifting considering public safety and funding source.*

# 2021/2022 Application for City of SeaTac Lodging Tax Funding



*One-time only SeaTac – Tukwila \$650,000 (split 70% SeaTac and 30% Tukwila) emergency funding for Group Business Sponsorship marketing program may include carry-over funding from 2020 proposal into 2021 yearend. This will be dependent on first signs of bans lifting considering public safety. TBD*

**11. What will you or your organization do differently this year that will improve upon last year's/previous event(s)/activities?**

*The COVID-19 pandemic has impacted the travel and tourism industry disproportionately hard. Local visitor industry data shows significant economic impact across every industry sector lodging, F&B, retail, recreation, and transportation. While impact data continues to unfold, and the COVID-19 situation rapidly evolves, building consumer confidence will be critical to our community's economic recovery.*

**12. What is the overall budget for your event/activity/facility? Please provide an itemized list identifying each type of expenditure to be reimbursed.**

*Please see attached financial proforma*

**13. What percent of your total budget are you requesting from Lodging Tax Fund?**

*\$830,000 annually is projected to be 32% in 2021 and 28% in 2022 of the RTA operating budget considering the significant downturn in rooms sold and TPA assessments. See financial proforma.*

**14. Please identify your top 5 sources of revenues anticipated for your 2021/22 event/program, not including requested City of SeaTac LTAC funds. (Please do not include in-kind contributions.)**

Source of Revenue	Amount	Confirmed? Y/N	Date Funds Available
<i>Please see attached financial proforma attached.</i>			
TPA Assessment	\$2.5M	N due to Pandemic	Monthly allocations
King County Emergency Funding	TBD	Carry over	TBD
Tukwila/SeaTac Emergency Funding	TBD	Carry over	TBD

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

*The RTA will consider a reduction in staffing, marketing, and services provided.*

**16. Funding History**

**Was this event/program previously funded with lodging tax funds in the past four years?**

YES       NO

**17. If yes, how much funding did you receive in:**

2017 \$830,000 2018 \$830,000 2019 \$830,000 2020 \$830,000

**18. Number of total years you have received City of SeaTac lodging tax funds: 20 years**

**19. If you received a 2019 Lodging Tax Funding, please explain below how awarded funds were used. If you were not a 2019 funding recipient, please skip this question.**

*Please see RTA Board approved 5-year Strategic Plan and 2019 Annual Report attached. The RTA also reports monthly to SeaTac HMAC its marketing & sales activity and measurable outcomes.*

**20. How did you hear about the City of SeaTac Lodging Tax Funding Program?**

*Through the RTA's partnership with City of SeaTac. The RTA helped promote the City's Lodging Tax Funding Program to encourage participation and recruit applicants.*

**21. Please list the risks and challenges to your success and how you plan to mitigate these? Examples include: space, staff, money, time, marketing etc.**

*Securing additional funding sources to offset lost TPA revenue. These funds will be used to bring business back to our community which is critical to long-term success. Appropriate timing will be important. Again, dependent on first signs of bans lifting considering public safety, the RTA's messaging and strategy will evolve with public health rules, as we expect bans to be lifted in phases with specific requirements remaining in place. If additional funding is not secured additional reductions in staffing will be required.*

## 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 visitor's 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. No longer permitted\*: 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.

Please see:

- 2020HMACAfterEventReport&ReimbursementApplication
- 20200410HMACLodgingTaxFundingProgramProcedures
- 2020HMACFundingApplicant Scoring Sheet

<b>APPLICANT REPRESENTATIVE NAME</b>	_____
<b>APPLICANT REPRESENTATIVE SIGNATURE</b>	_____
<b>DATE OF SIGNATURE</b>	_____
<b>CITY OF SEATAC PRESENTATIVE NAME</b>	_____
<b>CITY OF SEATAC REPRESENTATIVE SIGNATURE</b>	_____
<b>DATE OF SIGNATURE</b>	_____
<b>APPROVED AS TO FORM BY (NAME)</b>	_____
<b>APPROVED AS TO FORM BY (SIGNATURE)</b>	_____
<b>DATE OF SIGNATURE</b>	_____

**End of Application**

November 4, 2020

City of SeaTac  
Attn: City Council  
4800 South 188<sup>th</sup> Street  
SeaTac, WA 98188

Dear City Council,

On October 10, 2020 during the City of SeaTac budget workshop, the City Council indicated it was considering a modification to the expenditures of SeaTac Lodging Tax monies recommended by the Hotel Motel Advisory Committee (HMAC). The HMAC is tasked with providing recommendations to the City Council related to the use of Hotel/Motel Lodging Tax Fund (107). Similar to previous years, in 2020 the HMAC engaged in a thorough review of all applications and proposed expenditure amounts, then followed up with recommendations to the City Council for approval.

The HMAC wishes to highlight several points for the City Council:

- In 2011, the State Tourism Office closed, making Washington the only state without a statewide tourism promotion marketing program. Despite the creation of the Washington Tourism Alliance (WTA), we have been underfunded compared to neighboring states and British Columbia, further underscoring the need for a strong local tourism marketing organization to brand Seattle Southside as a destination.
- The lack of SeaTac-specific performance metrics should not necessarily be a reason to restrict lodging tax monies for programs designed to impact the entire Seattle Southside region which includes the City of SeaTac.
- The SSRTA provides detailed biweekly state-of-the-market performance metrics.
- The HMAC anticipates that Lodging Tax and TPA revenues will remain at significantly low levels through 2021 due to the ongoing effects of the pandemic. Maintaining the recommended expenditures of lodging tax funds now will allow the SSRTA to provide services and execute the necessary marketing actions to allow Seattle Southside and the City of SeaTac to remain visible and recover more quickly from the pandemic and recession.
- The current balance of the Hotel/Motel Lodging Tax Fund (107) is sufficient to support the proposed 2021-2022 expenditures and will not jeopardize the fund balance.

**HMAC Lodging Tax Review Process:**

In its review of all applications, the SeaTac HMAC considers the following:

- Joint Legislative Audit and Review Committee (JLARC) reporting
- A set of rigorous parameters based on state required metrics and enhanced over the last two years by the SeaTac HMAC for evaluating the application's fit for the City of SeaTac and the Seattle Southside region. Review criteria attached.

Following the October 10, 2020 City of SeaTac budget workshop, the HMAC reviewed the materials provided by the city staff in advance of its November 4, 2020 meeting. Based upon the information provided to HMAC, the Committee understands that the City Council is concerned about a lack of SeaTac-specific performance metrics and accountability around the use of Hotel/Motel Lodging Tax Fund (107) monies. The Committee also understands that the City Council has directed staff to work



with the SSRTA and the HMAc to develop SeaTac-specific performance metrics and accountability measures. The HMAc strongly supports the City Council's desire to develop SeaTac-specific performance metrics and looks forward to working with the City and SSRTA.

In particular, the City Council indicated that it was considering the following changes in the expenditure of Lodging Tax monies:

- 1) Possible funding of the SeaTac Botanical Garden entry sign, which would result in an increased expenditure of \$120,000;
- 2) A modification to the City of SeaTac expenditure amount to properly account for staff-related expenses, which would result in an increased expenditure of approximately \$14,935; and
- 3) A reduction in the proposed funding of the Seattle Southside Regional Tourism Authority (SSRTA), which would result in a decrease of expenditures of \$830,000 per year in the 2021-22 biennium.

Following its November 4, 2020 meeting, the HMAc offers the following recommendations:

- A. **Highline SeaTac Botanical Garden Sign:** The HMAc does not support funding the sign for the SeaTac Botanical Garden using Lodging Tax monies. The HMAc concluded that the sign was unlikely to attract or increase tourism. The HMAc feels strongly that marketing and increasing business to the hotels and other tourism related entities is the highest priority at this time.
- B. **City of SeaTac staff-related expenses:** The HMAc supports using the lodging tax monies for this change. The development of performance metrics specific to SeaTac, as requested by the City Council, would be used to review the City's future Lodging Tax applications in the same way as external applicants.
- C. **SSRTA funding:** The HMAc strongly supports funding the SSRTA in 2021 at their requested amount and applying any new performance metrics developed over the next year to the 2022 fiscal year. Withholding funds now will severely affect the SSRTA's ability to perform at optimum levels over the next 12 months. The use of these lodging tax funds NOW is crucial to accelerate tourism recovery from the COVID-19 pandemic.

The shuttle service is a highly valued program for the hoteliers in SeaTac as it allows us to offer convenient accessibility to complimentary retail, dining and recreation facilities. The additional marketing packages the SSRTA facilitates will allow SeaTac to better compete with the rest of the region, by providing performance based marketing campaigns offering incentives for business that actualizes and allow the City to recover more quickly from the COVID-19 pandemic. The SSRTA has consistently reported on their metrics and performance to the HMAc, which have been evaluated during the application process. The HMAc values the work done by the SSRTA and appreciates that the City Council also values the SSRTA's work.

Respectfully,

  
Stan Tombs, Chair  
Hotel Motel Advisory Committee



# SSRTA 2021 Budget Approval & Lodging Tax Application Overview

November 12, 2020 – A&F Meeting



# PRESENTATION OVERVIEW

## PURPOSE OF PRESENTATION

1. Provide an overview of the City's oversight role of the Seattle Southside Regional Tourism Authority (SSRTA)
2. Review the SSRTA 2021 budget
3. Provide overview of SSRTA application for SeaTac Lodging Tax funding
4. Seek Committee direction

## 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, additional, 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 allow for planned work to occur and for SeaTac specific performance metrics to be developed



# POTENTIAL COMMITTEE ACTION

## COMMITTEE ACTION REQUESTED

- A Motion approving the 2021 budget for the Seattle Southside Regional Tourism Authority (SSRTA).

**HMAC RECOMMENDATION** Pass the motion

**STAFF RECOMMENDATION** Pass the motion

## REVIEWS TO DATE

- HMAC: 6/17, 7/8, 11/4; A&F: 10/8, 11/12;
- Budget Workshop (BW) #2: 10/10;
- RCM 10/27/2020

# PRESENTATION OVERVIEW

## Overview of SSRTA's 2021 Budget

- Revenues
- Expenditures

## Overview of SSRTA's Lodging Tax Application & Proposed Programs

- Metrics & Reporting Requirements

## HMAC Recommendations on Lodging Tax Funding & Letter

## Next Steps



# BUDGET OVERVIEW

## SSRTA 2021 Budget Components

### Revenues

- TPA special assessment revenues of \$2/room
- Lodging Tax funding
- Other revenues
  - Special services contracts

### Expenditures

- Salaries & Benefits
- Professional Services Contracts / Ads / Promotions
- Printed Materials / Promotional Items
- Leases
- Travel / Communications

# BUDGET OVERVIEW

## SSRTA 2021 Budget

### Revenues

- TPA special assessment revenues \$1.98 million at \$2/room
- Lodging Tax revenues \$937,500
  - Lodging tax from cities
    - \$830,000 SeaTac
    - \$20,000 Des Moines
    - \$87,500 incentive portion of emergency lodging tax request from SeaTac

# BUDGET OVERVIEW

## SSRTA 2021 Budget

### Expenditures

- Salaries & Benefits
- Professional Services / Ads / Promotions
- Miscellaneous / Printing

### Reserves

# SSRTA LODGING TAX APPLICATION OVERVIEW

## SSRTA 2021 Lodging Tax Application

### Motion Directing City Staff to Work With SSRTA & HMAC in 2021

- Review and establish performance metrics related to the use of SeaTac's lodging tax monies and regarding SSRTA operations in the City of SeaTac

### Existing Performance Metrics / Reporting Requirements (estimates & actuals)

- Number of estimated overall attendance
- Number of travelers from more than 50 miles (# from out of country / out of state)
- How many from more than 50 miles staying in paid & unpaid accommodations
- Number of paid lodging nights generated in SeaTac



# SSRTA LODGING TAX APPLICATION OVERVIEW

## SSRTA 2021 Lodging Tax Application

Original Application May 2020

- Requested amounts for 2021-2020
  - \$830,000 per year
- Target audiences
- Proposed programs

Additional Information Since May

- Reduced lodging tax funding from Tukwila
- Four SeaTac specific priorities in addition to TPA funded activities
  1. Shuttle Service
  2. SeaTac specific Ad campaign hotel packages
  3. Local Visiting Family & Friends
  4. Do More Save More

# SSRTA LODGING TAX APPLICATION OVERVIEW

## HMAC Recommendation & Letter to Council

### HMAC June 2020 Review and Original Recommendation

- Overview

### HMAC November 4, 2020 Letter to SeaTac City Council

- Overview
- HMAC recommends funding SSRTA's 2021 lodging tax request for \$830,000
- HMAC recommends review of 2022 SSRTA lodging tax funding per SeaTac specific performance metrics (to be developed in 2021)

# BUDGET APPROVAL OVERVIEW

## Committee Recommendations

- A&F recommendation to full Council on approval of the SSRTA 2021 budget related to TPA self-assessment expenditures and **call out/make recommendation on SeaTac lodging tax component**
  - 2021 SSRTA Budget includes SeaTac lodging tax revenues & expenditures
  - \$830,000 in 2021

## Next Steps

- Council adoption of city's 2021-2022 Biennial Budget including:
  - 2021 and 2022 Lodging Tax Allocations
    - 2021 SSRTA funding allocation of \$830,000
- Once approved, the SSRTA implements 2021 work plans
  - Includes development and implementation of SeaTac Meetings Marketing Recovery Strategy in response to COVID-19
  - SeaTac-specific programming and initiatives funded by lodging tax
  - Development of SeaTac specific performance metrics in 2021

# POTENTIAL COMMITTEE ACTION

## COMMITTEE ACTION REQUESTED

- A Motion approving the 2021 budget for the Seattle Southside Regional Tourism Authority (SSRTA).

**HMAC RECOMMENDATION** Pass the motion

**STAFF RECOMMENDATION** Pass the motion

## REVIEWS TO DATE

- HMAC: 6/17, 7/8, 11/4; A&F: 10/8, 11/12;
- Budget Workshop (BW) #2: 10/10;
- RCM 10/27/2020

# POTENTIAL COUNCIL ACTION

## RECOMMENDATION OPTIONS

1. Recommend funding the SSRTA's original lodging tax request of \$830,000 for 2021 and 2022;
2. Recommend approval of SSRTA 2021 budget including \$830,000 SeaTac Lodging Tax funding – Evaluate the 2022 request later per new metrics
3. Recommend approval of SSRTA 2021 budget with a different amount of SeaTac Lodging Tax funding (specify amount and identify priorities)
4. Recommend approval of SSRTA 2021 budget without SeaTac Lodging Tax funding for 2021

Thank you!





# MEMORANDUM

To: Administration and Finance Committee  
From: Cindy Corsilles, Assistant City Attorney  
Date: November 12, 2020  
Re: Language Access Plan

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## Questions Presented and Brief Answers:

**(1) What is a language access plan (LAP)?**

*Answer: LAP is a document that spells out how to provide services to individuals who are non-English speaking or have limited English proficiency (LEP).*

**(2) Is the City required to have a LAP in the course of its operation of programs, services and activities?**

*Answer: Yes, the City is a recipient of federal funding, and thus is required to provide individuals with LEP access to the City's programs by having a meaningful language access plan.*

**(3) Does the City have an adequate city-wide LAP?**

*Answer: Currently, the City does not have a written city-wide policy that guides employees on how to provide language assistance to people who are LEP. The SeaTac Municipal Court, however does have a written guideline, which they follow and was developed for the King County Courts of Limited Jurisdiction. Additionally, some City departments provide interpreter services by using a telephonic language bank when needed by clients.*

**(4) What does the City need to satisfy and comply with the requirements Title VI of the Civil Rights Act of 1964 related to LAP?**

*Answer: Language access plans should be tailored to individual organizations. The Department of Health and Human Services provides guidance on how organizations can meet their obligations to LEP persons by considering the following factors:*

- 1. Look at the proportion of people with LEP served within the population.*

2. *The frequency that LEP people come into contact with the program(s) served.*
3. *The importance of the service provided by the program.*
4. *The resources available to the participants.*

**(5) What are the risks or consequences that the City could potentially face if it fails to provide adequate accommodations by way of language accessibility?**

*Answer: The City could run the risk of compromising any Federal funds and/or assistance received. The City could also minimize the risk of facing complaints from an aggrieved party or the Department of Justice.*

#### **Potential Next Steps:**

1. The City should look at our various City departments and identify the language assistance needs based on the proportion of the population that access City services.
2. Determine if we need to have a centralized point of contact who would monitor complaints, suggestions, and concerns expressed by the members of the public.
3. The City should establish protocol on how to provide interpretation services; determine which documents should be translated and available in languages other than English; look into the need to create signage in areas often utilized by LEP members of the public; and determine what staff training is required.
4. The City should keep current data on community demographics for the purpose of updating our LAP and track utilization.
5. The City should be proactive and act as its own watch dog.
6. Research the cost that will be attributed to the services to be provided.





# MEMORANDUM

To: Administration and Finance Committee  
From: Gwen Pilo, Finance and Systems Director  
Date: November 12, 2020  
Re: Gambling Tax Code

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**Background:** On September 13, 2018 the Administration and Finance Committee reviewed several proposed changes to SeaTac Municipal Code (SMC) 3.25 relating to Gambling Taxes. The proposed amendments included the addition of general provisions, including definitions and provisions relating to administration, collection violations and penalties. Also language regarding exemptions were revised. In addition to the administrative changes to the code, the A&F committee provided the following direction on two gambling tax rates:

- Punch boards and pull-tabs for bona-fide charitable or nonprofit organizations a tax rate of 10% of the gross receipts from the operation of games, less the amount as awarded as cash or merchandise.
  - Prior to this recommendation, there was no distinction between punch boards and pull-tabs for bona-fide charitable or non-profit organizations and commercial stimulant operators.
- For social card games, 20% of the gross revenue.
  - Prior to this recommendation, the rate was set at 10% of gross revenue. Per state statute, the City can impose a rate of up to 20% of gross revenue.

The City Council approved Ordinance #18-1033 on September 25, 2018 and the above changes to SMC 3.25 went into effect on January 1, 2019.

**Issue:** The City of SeaTac has received a letter from Maverick Gambling, urging the City Council to reduce the gambling tax rate on social card games. This item was referred to the A&F committee at the October 27, 2020, City Council Meeting.

**Question:** Does the A&F Committee want to review SMC 3.25 relating to Gambling Taxes and recommend changes to the gambling tax rate?



**October 23, 2020**

VIA EMAIL

SeaTac City Council  
4800 South 188th Street  
SeaTac, WA 98188

**RE: SeaTac Gaming Tax Rate Reduction Request**

Dear SeaTac City Council,

On behalf of Maverick Gaming, owner and operator of the Silver Dollar SeaTac Casino located at 19222 International Boulevard in SeaTac, we are hereby requesting that the City Council votes to reduce our gaming tax rate from 20% to 10%.

Maverick Gaming entered a contract to purchase the Silver Dollar SeaTac Casino in Q4 of 2018 and closed on the purchase in June of 2019. During the due diligence period, the tax rate on gaming in SeaTac was increased from 10% to 20% of table games revenue. Maverick Gaming was not informed of this change within a reasonable time frame that allowed us to provide feedback to the council on why we believe it is not in the best interest of the city or the company to set this as the tax rate.

The Silver Dollar SeaTac Casino has been open under our ownership since June 2019. The property serves between 35,000-40,000 guests in a normal year (20,000-25,000 in 2020). Currently, we have 90 active team members that earn a mean salary of \$65,000 a year. We provide a diverse set of employment opportunities and have redefined our locations to make them a safe entertainment option in 2020. Our employee base is diverse in both age and ethnicity, with 43% of our staff belonging to Gen Y, 43% of our staff belonging to Gen X, and 14% are over the age of 56. Additionally, almost 82% of our staff identify ethnically as a person of color. We provide well-paying reliable jobs within the community that support a diverse group of citizens and families.

Prior to the 2020 Coronavirus pandemic, gaming revenues at the property declined from \$5.1 million in 2018 to \$4.8 million in 2019, a drop of 5.8%. The change in the tax rate during a normal economic period has taken a healthy business and made it very challenging to operate at a profit. At present, the property is losing \$100,000 a month and as it currently stands, we need relief to continue to operate the business. While the state authorizes cities and counties to tax gaming revenues up to 20%, SeaTac is the only city that we operate in that has approved a tax rate higher than 12%. We operate in King, Pierce, Snohomish, Franklin, Yakima, and Benton counties and in 13 different cities, throughout which our average tax rate is 8.8%. In SeaTac's neighboring communities of Renton and Tukwila the gaming tax is set from 10-11%, which allows



us to maintain a healthy operation despite the unprecedented roadblocks this year has brought the gaming industry.

Maverick Gaming believes it has cultivated a good working relationship with the City of SeaTac and its officials. We want to continue to build on that relationship and maintain our responsibility as a corporate citizen. Our goal is to not only be a major employer, but also a supporter and critical member of the communities we operate in, bolstering urban development and bringing strong sustainable businesses to the city. Additionally, Maverick Cares is the philanthropic, community outreach arm of Maverick Gaming. Maverick Cares hosts a multitude of yearly events that are aimed at providing for the community and building relationships among city leaders and leaders of the gaming community. The City of SeaTac has been a part of these efforts in the past, and as we continue to grow, we hope that SeaTac will continue to partner with us and help us build our business within the SeaTac community.

We enjoy operating in the City of SeaTac and look towards the future for further expansion and investment in the area. Please consider our request. Thank you.

Sincerely,

Tim Merrill  
President of Operations



# MEMORANDUM

To: Administration and Finance Committee  
Through: Carl Cole, City Manager  
From: Gwen Pilo, Finance and Systems Director  
Date: November 12, 2020  
Re: September 30, 2020 Investment Report

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Attached is the September 2020 Investment Compliance Report and Portfolio Analysis.

At the end of September, the City had \$ 80,825,751 in cash and short-term investments (a reduction of \$6.8 Million), and \$31,248,405 in long-term investments at market value (a decrease of \$18,798). Total cash on hand and investments equals \$112,074,156.

Interest received during the month was \$42,500 from the bonds and \$12,361 from the LGIP. Interest paid to date is \$705,413.

The 2-year Treasury note and 90-day T-bill continued to remain below 1% in September and the LGIP is following the downward trend.

SeaTac Yield is 1.39% compared to the LGIP at .21%.

Total Funds City of SeaTac

Compliance Report

Maturity Constraints	Policy Requirement	% of Total Accumulated	Portfolio Allocation	Within Limits
Under 30 days	10%	72%	80,825,751	YES
Under 1 year	25%	76%	85,523,562	YES
Under 5 years	100%	100%	112,074,156	YES
Maximum Weighted Average Maturity	3.00		2.64	
Maximum Single Maturity	5 Years		4.71	

Asset Allocation Diversification	Maximum Policy Allocation	Issuer Constraint	Percentage of Portfolio	Market Value	% within Limits
U.S. Treasury Obligations	100%		1.82%	\$ 2,037,627	
U.S. Agencies Primary	100%		20.82%	\$ 23,333,658	YES
FHLB		30%	3.82%	\$ 4,277,310	YES
FNMA		30%	9.74%	\$ 10,910,452	
FHLMC		30%	3.69%	\$ 4,137,502	
FFCB		30%	3.58%	\$ 4,008,394	
U.S. Agencies Secondary	20%		4.23%	\$ 4,743,729	YES
FICO		10%	2.37%	\$ 2,660,185	YES
FARMER MAC		10%	1.86%	\$ 2,083,544	
Municipal Debt Obligations	20%	5%	1.01%	\$ 1,133,392	
Certificates of Deposits	15%	5%		\$ -	
Bank Time Deposits & Savings Accounts	50%		6.90%	\$ 7,730,598	YES
Local Government Investment Pool	100%		65.22%	\$ 73,095,153	YES
<b>Total</b>			<b>100%</b>	<b>\$ 112,074,156</b>	

Portfolio by Fund Allocation	Par Amount	Total Adjusted Cost	Market Value	YTD Unrealized Gain/Loss	Yield to Maturity
City of SeaTac - Core Investment Funds	\$ 30,203,000	\$ 30,541,053	\$ 31,248,405	\$ 707,353	1.39%
City of SeaTac Liquidity Funds	\$ 80,825,751	\$ 80,825,751	\$ 80,825,751		
<b>TOTAL PORTFOLIO</b>	<b>\$ 111,028,751</b>	<b>\$ 111,366,803</b>	<b>\$ 112,074,156</b>	<b>\$ 707,353</b>	

Cit of SeaTac  
Investment Portfolio Analysis  
As of 7/31/2020

Month	SeaTac Portfolio			Monthly Interest Earned (Accrual Basis)			LGIP			Monthly Interest Earned (Accrual Basis)			Year to Date Interest Earned		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
January	9,982,295	9,982,295	27,840,000	-	-	-	52,077,592	53,078,146	74,764,550	63,206	112,341	109,251	63,206	112,341	109,251
February	9,982,295	9,982,295	27,840,000	15,750	15,750	-	52,140,799	53,190,487	74,864,270	58,921	102,542	99,719	137,877	230,633	208,970
March	9,982,295	9,982,295	28,340,000	-	-	55,960	52,199,720	53,293,029	72,945,782	69,849	114,197	81,513	207,726	344,829	346,443
April	9,982,295	9,982,295	28,340,000	16,943	16,943	32,500	52,269,568	73,407,225	72,994,572	73,673	119,790	48,789	298,341	481,562	427,732
May	9,982,295	9,982,295	30,340,000	-	-	16,250	52,343,241	73,527,016	73,025,430	79,802	155,829	30,858	378,143	637,392	474,840
June	9,982,295	9,982,295	30,340,000	-	-	118,350	52,423,043	73,682,845	73,047,623	81,290	151,763	22,193	459,433	789,154	615,383
July	9,982,295	9,982,295	30,230,000	-	-	-	52,504,333	73,834,608	73,066,893	88,552	155,365	19,270	547,986	944,519	634,652
August	9,982,295	7,802,000	30,203,000	15,750	15,750	-	52,592,885	73,989,973	73,082,792	89,990	143,750	15,899	653,725	1,104,020	650,551
September	9,982,295	7,802,000	30,203,000	-	-	42,500	52,682,875	74,133,723	73,095,183	89,286	134,326	12,361	743,011	1,238,346	705,413
October	9,982,295	7,802,000	-	16,943	16,493	-	52,772,161	84,268,050	-	100,025	147,118	-	859,978	1,401,957	-
November	9,982,295	7,802,000	-	-	-	-	52,872,186	84,415,168	-	99,171	126,876	-	959,150	1,528,833	-
December	9,982,295	27,840,000	-	-	46,250	-	52,971,357	74,655,299	-	106,789	113,256	-	1,065,939	1,688,338	-
<b>Average</b>	9,982,295	10,743,672	<b>21,973,000</b>	5,449	9,265	<b>22,130</b>	52,487,480	70,456,297	<b>55,073,925</b>	83,379	131,429	<b>36,654</b>	n/a	n/a	n/a

Month	2 Yr T-Note			90 Day T Bill			SeaTac Current Yield			LGIP Interest Rate			2020 Budget		
	2 Yr T-Note 2018	2 Yr T-Note 2019	2 Yr T-Note 2020	90 Day TBill 2018	90 Day TBill 2019	90 Day TBill 2020	City 2018	City 2019	City 2020	LGIP 2018	LGIP 2019	LGIP 2020	Actual	Budget	% of Budget
January	2.14%	2.45%	1.33%	1.46%	2.41%	1.52%	1.96%	1.54%	1.86%	1.43%	2.49%	1.72%	109,251	41,574	263%
February	2.25%	2.52%	0.86%	1.65%	2.45%	1.25%	1.96%	1.54%	1.85%	1.47%	2.52%	1.68%	99,719	41,574	240%
March	2.27%	2.27%	0.23%	1.73%	2.40%	0.11%	1.97%	1.53%	1.58%	1.58%	2.53%	1.30%	137,473	41,574	331%
April	2.49%	2.27%	0.20%	1.87%	2.43%	0.09%	2.08%	1.53%	1.58%	1.71%	2.54%	0.81%	81,289	41,574	196%
May	2.40%	1.95%	0.16%	1.93%	2.35%	0.14%	1.94%	1.52%	1.52%	1.80%	2.50%	0.50%	47,108	41,574	113%
June	2.52%	1.75%	0.16%	1.93%	2.12%	0.16%	1.96%	1.52%	1.49%	1.87%	2.51%	0.37%	140,543	41,574	338%
July	2.67%	1.85%	0.11%	2.03%	2.08%	0.09%	1.98%	1.52%	1.39%	1.99%	2.48%	0.31%	19,270	41,574	46%
August	2.62%	1.50%	0.14%	2.11%	1.99%	0.11%	1.91%	1.59%	1.39%	2.01%	2.29%	0.26%	15,899	41,574	38%
September	2.81%	1.63%	0.13%	2.19%	1.88%	0.10%	1.91%	1.60%	1.39%	2.06%	2.20%	0.21%	54,861	41,574	132%
October	2.87%	1.52%	-	2.34%	1.54%	-	1.86%	1.59%	-	2.23%	2.06%	-	-	41,573	0%
November	2.80%	1.61%	-	2.37%	1.59%	-	1.79%	1.59%	-	2.28%	1.83%	-	-	41,573	0%
December	2.48%	1.58%	-	2.45%	1.55%	-	1.63%	1.87%	-	2.37%	1.77%	-	-	41,573	0%
<b>Average</b>	2.53%	1.91%	<b>0.37%</b>	2.01%	2.07%	<b>0.40%</b>	1.91%	1.58%	<b>1.56%</b>	1.90%	2.31%	<b>0.79%</b>	705,413	498,885	<b>141.40%</b>