



Hotel Motel Tax Advisory Committee Meeting Minutes

Virtual Meeting

11/4/2020
3:00 - 4:30 PM
Special Meeting

Members Present: Councilmember Stanley Tombs; Rich Scherzinger; Wendy Morgan; Jeff Bauknecht; Brandi Mitchell; Barbara Brunetti; Russell Stevenson

Members Absent:

Staff Present: Aleksandr Yeremeyev, Economic Development Manager; Evan Maxim, CED Director; Gwen Voelpel, Deputy City Manager; Tanja Carter, Economic Development Strategist; Mark Johnsen, Senior Assistant City Attorney; Bart Perman, IT Manager; Mary Mirante Bartolo, City Attorney.

Others Present: CM Pam Fernald; Deputy Mayor Peter Kwon; Katherine Kertzman, Meagan McGuire, Ashley Comar – SSRTA; Cecilia Pollock, SSRTA;

Commence: 3:06PM
Adjourn: 5:04PM

1.Virtual Meeting Outline/Process	Yeremeyev opened up the virtual meeting.
1. Facilitated Introductions	Chair Tombs introduced new member Russell Stevenson Other members introduced themselves as well
2. Review and Approve Minutes of October 14, 2020	<input type="checkbox"/> Approved as Written <input checked="" type="checkbox"/> Approved with Modifications <input type="checkbox"/> Recommended for Approval <input type="checkbox"/> Approved Amendment by Scherzinger where he stated that he was concerned that lodging tax funding questions were coming up during the budget process at the 11 th hour from Deputy Mayor Kwon & CM Hill, even though Deputy Mayor Kwon has attended many of the meetings over the years.
3. Staff Summary	Yeremeyev provided overview on AB #5557 (also Exhibit 3a P. 175-196)
4. Response/Comments to Council	Maxim read the preliminary draft of letter to Council to start the discussion. Scherzinger mentioned it would be helpful to comment on current State Tourism situation for context since some councilmember's & HMAC members may not be



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familiar. He mentioned due to WTA being closed 2012 - 2019, having a regional tourism authority is important.

Mitchell asked why so much confusion on the grant process.

Fernald commented it's hard for Council members not on HMAC to understand all rules.

Maxim clarified the Lodging Tax procedure.

Bauknecht commented if there is one application that has a lot of data, it's the SSRTA. This is not the year to be critical.

Yeremeyev commented the review of the SSRTA budget/funding request has focused on differentiating the two funding sources and the metrics & actions each is executing on (lodging taxes and TPA assessments).

Main discussion:

1) Highline sign application (\$120k over 2 years) –

Council – It is a City asset, so should be city funded; however, it's a tourism destination so funding with tourism dollars is appropriate. Would HMAC reconsider to fund it? It would be a collaborative process.

Scherzinger commented he didn't recall community center co-brand now proposed on the sign. Morgan clarified that the city would use sign request as basis of future request to improve physical aspects of the city, making it safer an easier travelling between hotels and amenities. The garden views the garden sign as a promotional piece of the garden. The community center sign was at request of Parks director, with no signage guidelines currently.

Maxim summarized Scherzinger/Morgan conversation & suggested 2 comments for Council letter: should community center be included in sign, should the sign be funded.

Discussion between Hill, Tombs, Kwon & Morgan about whether City has monies for signage.

Maxim asked for decision about funding with lodging tax and comments in addition to that to include in the letter.

Scherzinger recalled discussion to hold off on funding the sign but recommend funding the other operational funding request. Brunetti & Mitchell agreed. Yeremeyev asked for vote & Maxim read his notes. The HMAC did not recommend funding the garden signage request.

2) SeaTac application (increase from original of \$14, 935 over 2 years) –

Council was OK with funding. Scherzinger asked for a staff breakdown. Yeremeyev indicated (Director: 20%, manager: 50%, Strategist: 100%). Scherzinger corrected that he meant funding SeaTac's request as it relates to whether the SSRTA is not being funded. Additionally he suggested developing staff metrics of tourism-related staff time spent.

Maxim read what he wrote.



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	<p>Bauknecht reminded the additional funding was simply a math issue and not a funding issue of the program. Scherzinger agreed. Mitchell also agreed. The HMAC agreed with the Council recommended adjustment.</p> <p>3) <u>SSRTA biennial funding (\$830k for two years)</u> Bauknecht said Council should approve the funding for 2021 and consider SSRRTA using metrics starting in 2022. HMAC originally recommended \$830k biennial for 2021-2022.</p> <p>DM Kwon reiterated he supports the RTA, just not necessarily lodging tax dollars for them. Bauknecht asked what % of dollars are allocated to different programs. Kertzman clarified funding is variable per year.</p> <p><i>Maxim summarized: \$180k shuttle, SeaTac ad campaign \$300k, Family/Friends \$200k. Do more save more \$150k = \$830k package. These programs will not be provided, if no lodging tax funding is allocated.</i></p> <p>Scherzinger thanked DM Kwon for clarification since it was unclear. He further clarified the above programs are critical in light of the competition that will come next year. Suggested funding 2021 & then adjust based on metrics for 2022. Mitchell commented metrics are good, approve funding. Scherzinger reminded funding is relatively small compared to other revenues and expenditures.</p> <p>Maxim summarized letter draft, and commented about state law on lodging taxes and TPA assessments. Bauknecht commented on the total fund reserve currently in the lodging tax fund as it relates to spending. Maxim added this to the draft.</p> <p>CM Fernald commented that all hoteliers at the Council meeting had seemed defensive – but that the Council intention was to understand RTA expenditures better.</p> <p>Maxim suggested – 2 members finalize the letter, pass to Aleksandr before November 6, and share the letter at City Council A&F Committee on November 12.</p> <p>Mitchell made motion for Bauknecht & Scherzinger to finalize the draft HMAC letter response to Council substantially the same as presented in the meeting, and send letter to Yeremeyev for signature by HMAC Chair CM Tombs, and forward to Council A&F Committee and Council. Brunetti seconded. Unanimous approval.</p>
5. Next Steps	<ul style="list-style-type: none">• Present Response/Comment letter before RCM 11.24.2020,• Budget adoption on 11.24,2020,• RTA budget approval on 11.24.2020



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6. City Updates	<input type="checkbox"/> Informational Update Yeremeyev indicated the City's 2021-2022 budget includes an overview of lodging tax funds. Also shared about the investment article and the PSBJ article on SeaTac economic development and Opportunity Zones.
7. Other Business	<input checked="" type="checkbox"/> Informational Update/ Discussion
8. Adjourn	Adjourned the meeting at 5:04 PM. <i>December 9 meeting cancelled by consensus and the next regular meeting will be held on 1/13/2021 virtually.</i>