

City of SeaTac
Council Study Session Minutes Synopsis
Virtual Meeting

April 13, 2021
4:00 PM

Virtual Meeting

CALL TO ORDER: Mayor Erin Sitterley called the SeaTac City Council Study Session to order at 4:00 p.m.

COUNCIL PRESENT (remotely): Mayor Erin Sitterley, Deputy Mayor (DM) Peter Kwon, Councilmembers (CM) Senayet Negusse, Stanley Tombs, Clyde Hill, Takele Gobena, and Pam Fernald (*arrived at 4:03 p.m.*).

STAFF PRESENT (remotely): City Manager Carl Cole, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Information Systems (IS) Manager Bart Perman, Deputy City Manager (DCM) Gwen Voelpel, Community & Economic Development (CED) Director Evan Maxim, Economic Development (ED) Manager Aleksandr Yeremeyev, Public Works (PW) Director William Appleton, City Engineer City Engineer Florendo Cabudol, Planning Manager Jennifer Kester, Senior Planner Kate Kaehny, Police Chief Jon Mattsen, Parks, Community Programs and Services (PCPS) Director Lawrence Ellis; Human Services (HS) Coordinator Kim Cooper

AGENDA REVIEW:

- A. Virtual Meeting: live streamed on SeaTV Government Access Comcast Channel 21 and the City's website; conference line to listen to the meeting at 206.973.4555.
- B. Public comment opportunities to commenters who signed-up or provided written comments prior to 2 p.m.
- C. This meeting must adjourn by 5:45 p.m.

PUBLIC COMMENTS:

Written Public Comments

- Japna Singh-Kurtz – Gambling Tax

CM Fernald arrived at this point in the meeting.

AGENDA BILLS:

Agenda Bill #5681; An Ordinance amending the Gambling Tax rate for social card games.

Summary: December 10, 2020, the Administration and Finance (A&F) Committee recommended revisiting SeaTac Municipal Code (SMC) 3.25 relating to Gambling Taxes to consider proposing a new tax rate on social card games. This action was in response to a letter received from Maverick Gambling requesting the Council reduce the City's gaming tax rate, the highest in the State of Washington and the maximum allowed per state statute. SeaTac's rate for social card games is set at 20% of gross revenue. Prior to this, the City's rate was 10% of gross revenue for social card games. On September 25, 2018, the City Council approved Ordinance 18-1033 amending SMC 3.25, which included several updates to the code and increased the tax rate effective January 1, 2019.

Gambling taxes for social card games are applied to the gross receipts received and are not passed on to the customer. Social card games can include commercial house-banked card games or charitable/non-profit card games. The following chart lists SeaTac's comparable cities, and some additional cities, and the tax rate for commercial social card games as stated in that City's municipal code. Several cities prohibit commercial card rooms, or restrict the location of commercial card rooms through their local zoning code. Some cities listed below who now prohibit commercial card rooms may have card rooms grandfathered in and therefore a tax rate for social card games is shown in their city code.

AGENDA BILLS (continued):

Agenda Bill #5681 (continued):

City	Tax Rate (Gross Receipts)	Card Rooms Restrictions
Comparable Cities		
Bothell	N/A	No commercial or non-profit card rooms
Burien	11%	All social card games prohibited
Des Moines	9%	
Issaquah	N/A	No commercial card rooms
Kenmore	15%	No commercial card rooms
Maple Valley	11%	No commercial card rooms
Shoreline	10%	
Tukwila	11%-20%*	
Other Cities:		
Auburn	4%	No commercial card rooms
Everett	10%	No new commercial card rooms in some zones
Federal Way	10%	
Kirkland	11%	No commercial card rooms
Lakewood	10%	
Mill Creek	10%	No commercial card rooms
Mountlake Terrace	10%	
Renton	10%	
Average	11%	
SeaTac	20%	

*Based on number of card rooms (1-5 card rooms: 11%; 6 card rooms: 15%; 7+ card rooms: 20%)

The A&F Committee recommended a tiered approach to gambling tax on social card games but directed staff to consider potential impact to the Police and CED Departments. The Police Department provided statistics from 2018 through 2020 on dispatched calls for service and arrests at the casino location and vicinity. Dispatched calls for service (DCFS) decreased from 2018 to 2019 from 150 DCFS to 141 DCFS and 70 DCFS in 2020. In 2018, five arrests were made and two were made in 2019. The Police department does not view the activity to be significant. The Planning and Economic Development Committee (PED) discussed proposed amendments to land use charts to include "casinos" but no recommendation was made. Currently, all gambling activity must be within the commercial zone of the City.

Reduction of the gambling tax rate will reduce revenue in the General Fund. However, gambling tax revenue is less than 2% of total General Fund revenues.

This topic was reviewed at the December 10, 2020, A&F Committee where a tiered approach for the social card games rate was recommended; and at the April 13, 2021, Council Study Session (CSS).

Finance & Systems Director Pilo reviewed the agenda bill summary. CED Director Maxim and Police Chief Mattsen were in attendance to respond to questions. Mrs. Pilo requested this item be referred to the April 27, 2021 Regular Council Meeting (RCM) Consent Agenda.

Council discussion ensued regarding the amendment.

Council consensus: Referred to the April 27, 2021 RCM Consent Agenda

SUSPEND THE RULES:

MOVED BY KWON, SECONDED BY TOMBS TO SUSPEND THE RULES TO ALLOW FOR INFORMATIONAL PRESENTATIONS DURING THIS COUNCIL STUDY SESSION.

MOTION CARRIED UNANIMOUSLY.

PRESENTATIONS:

Informational presentation on the human services application process.

PCPS Director Ellis provided an overview of the process. HS Coordinator Cooper and Community Services Advisory Committee (CSAC) Chair Judy Williams were in attendance to respond to questions.

Council discussion ensued regarding the process, supplemental page for SeaTac specific metrics, demographics, and left over money.

Council consensus: Council to email Mr. Ellis with suggestions on how to handle the left over money within 30 days and come back to a future CSS.

COUNCIL COMMENTS: None

EXECUTIVE SESSION: None

ADJOURNED:

MAYOR SITTERLEY ADJOURNED THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 5:37 P.M.