



SEATTLE CITY COUNCIL

Economic Development, Technology, and City Light Committee

Agenda

Monday, September 11, 2023

9:30 AM

Special Meeting

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Sara Nelson, Chair
Debora Juarez, Vice-Chair
Lisa Herbold, Member
Kshama Sawant, Member
Dan Strauss, Member

Chair Info: 206-684-8809; Sara.Nelson@seattle.gov

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Committee Website:

<https://www.seattle.gov/council/committees/economic-development-technology-and-city-light>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <http://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin two hours before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Pursuant to Council Rule VI.10., this Committee Meeting will broadcast members of the public in Council Chambers during the Public Comment period.

Submit written comments to Councilmember Nelson at sara.nelson@seattle.gov

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [CB 120641](#) **AN ORDINANCE relating to Seattle Tourism Improvement Areas; establishing a new 15-year business improvement area to be known as the Seattle Tourism Improvement Area; levying special assessments upon owners of businesses offering transient accommodations with 60 or more rooms within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the existing Seattle Tourism Improvement Area that was established by Ordinance 123714 (“2011 STIA”) and later modified by Ordinance 126552; suspending the issuance of special assessments and providing for the continuity of services under the 2011 STIA; providing for the transfer of any remaining funds from the 2011 STIA Account; and ratifying and confirming certain prior acts.**

Attachments: [Att A - STIA District Boundaries Map](#)

Supporting
Documents:

[Summary and Fiscal Note](#)

[Summary Ex A - Proposed STIA Business Plan Summary](#)

[Benefit Analysis - Office of Economic Development 2023](#)

[OED Presentation](#)

[Visit Seattle Presentation](#)

[Central Staff Memo](#)

Briefing and Discussion (45 minutes)

Presenters: Casey Rogers, Seattle Office of Economic Development (OED); Tammy Canavan, President & CEO, and Ali Daniels, Visit Seattle; Jasmine Marwaha, Council Central Staff

E. Adjournment



Legislation Text

File #: CB 120641, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to Seattle Tourism Improvement Areas; establishing a new 15-year business improvement area to be known as the Seattle Tourism Improvement Area; levying special assessments upon owners of businesses offering transient accommodations with 60 or more rooms within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the existing Seattle Tourism Improvement Area that was established by Ordinance 123714 (“2011 STIA”) and later modified by Ordinance 126552; suspending the issuance of special assessments and providing for the continuity of services under the 2011 STIA; providing for the transfer of any remaining funds from the 2011 STIA Account; and ratifying and confirming certain prior acts.

WHEREAS, chapter 35.87A RCW authorizes the City to establish business improvement areas to provide special benefits to business and property owners within a defined geographic area through the imposition of special assessments; and

WHEREAS, the Seattle Office of Economic Development has determined that the owners of businesses offering transient accommodations with 60 or more rooms (“Lodging Businesses”) located within the area who represent an estimated 72 percent of the special assessments to be levied by this ordinance filed a petition with The City of Seattle (“City”) to establish a new business improvement area pursuant to chapter 35.87A RCW to be known as the Seattle Tourism Improvement Area (STIA), a copy of which is filed in Clerk File 322704; and

WHEREAS, to gauge the percentage of special assessments that were reflected in signed petitions, City staff followed RCW 35.87A.010, and calculated the estimated special assessments that each Lodging Business would pay, by signed petitions and percentage of support as assigned by OED based on 2022

assessments for the entire proposed Seattle Tourism Improvement Area, and the result was over 72 percent in approved and validated petitions, which exceeds the threshold of 60 percent stated in RCW 35.87A.010; and

WHEREAS, the City Council adopted Resolution 32104, initiating the Seattle Tourism Improvement Area via the resolution method instead of the petition method as provided for in RCW 35.87A.030; and

WHEREAS, pursuant to RCW 35.87A.040, the City Council on August 15, 2023, adopted Resolution entitled “A RESOLUTION of intention to establish a new business improvement area to be known as the Seattle Tourism Improvement Area and fix a date and place for a hearing thereon,” which stated its intention to establish the new Seattle Tourism Improvement Area, the proposed boundaries, the proposed programs, and the estimated rates of assessment, and which set the date and time for a public hearing; and

WHEREAS, pursuant to RCW 35.87A.180, the City Council adopted Resolution 32105, which stated its intention to disestablish the existing Seattle Tourism Improvement Area established in 2011 by Ordinance 123714 (“2011 STIA”) and set a date and place for a public hearing; and

WHEREAS, the purpose of the Seattle Tourism Improvement Area is to enhance conditions for the Lodging Businesses within the Seattle Tourism Improvement Area’s boundaries by providing needed resources to increase leisure tourism and group tourism (i.e., the hosting and attending of meetings and events) in Seattle, and no other purpose; and

WHEREAS, as provided by Resolution 32105 and Resolution 32106, the City Council, through its Economic Development, Technology, and City Light Committee, held a public hearing with a virtual component regarding disestablishing the 2011 STIA and establishing a new Seattle Tourism Improvement Area at 9:30 a.m. on September 13, 2023, at City Council Chambers, City Hall, 600 Fourth Avenue, 2nd Floor, Seattle, Washington, 98104; and

WHEREAS, the testimony received at that public hearing resulted in the Council determining that establishing a new Seattle Tourism Improvement Area is in the best interest of the owners of Lodging Businesses

within the Seattle Tourism Improvement Area’s boundaries; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Disestablished. The current business improvement area known as the Seattle Tourism Improvement Area (“2011 STIA”) established by Ordinance 123714, as last amended by Ordinance 126552, shall be disestablished at 12:01 a.m. on January 1, 2024.

Section 2. 2011 STIA Assessments to Cease. No further 2011 STIA special assessments from Ordinance 123714 as amended by Ordinance 126552 shall be made after December 31, 2023.

Section 3. Winding up of Operations. The Director of the Office of Economic Development or designee (“OED Director”) is authorized to enter into an agreement with the Program Manager of the 2011 STIA to provide for continuity of services and winding up of operations of the 2011 STIA. All 2011 STIA program and management operations shall cease effective December 31, 2023, and all remaining funds in the 2011 STIA program account shall immediately be transferred to the Account described in Section 10 of this ordinance.

Section 4. Area established. As authorized by chapter 35.87A RCW, there is established a new business improvement area to be known as the Seattle Tourism Improvement Area (“STIA”), within the following boundaries, as shown on the map attached to this ordinance as Attachment A and described in this section. When a street or alley is named, the area boundary is the centerline of the right-of-way including vacated portions unless otherwise specified in the description.

The Seattle Tourism Improvement Area:

Beginning where Puget Sound meets W. Galer Street, continuing east as if Galer Street continued to 12th Avenue, south to South Royal Brougham Way, west as if South Royal Brougham Way continued to Puget Sound, continuing along the shore of Puget Sound to W. Galer Street.

In case of a conflict between the descriptions of the areas and the map, the descriptions shall control.

Section 5. Programs. Special assessment revenues shall be used solely and exclusively for domestic and international tourism promotion, advertising, sales, and marketing activities (including, without limitation,

the creation of a standing limited reserve solely to fund any such activities that arise unexpectedly from year to year) intended to encourage both leisure tourism and group tourism (e.g., the hosting and attending of meetings and events) in Seattle in order to increase hotel occupancy within the area, and no other purpose. Promotion, advertising, sales, and marketing services include, but are not limited to, strategic planning, market research, creative development, media placement, sales activities, hosting tourism industry events relating to promotion and marketing, and administrative and management support for such services. No funds raised by the special assessment authorized by this ordinance may be used to take, support, or oppose any position taken by any entity in a labor dispute.

The projected cost of STIA programs that will be paid for with the proposed STIA's assessments in 2024 is estimated to be \$15.02 million. This will also be the approximate amount in subsequent years as adjusted by various factors including, but not limited to, inflation, hotel room occupancies, and other marketplace variables.

Section 6. Levy of special assessments. To finance the programs authorized in Section 5 of this ordinance, there is levied upon and collected from the owners of all hotels, inns, and other businesses offering transient accommodations with 60 or more rooms located within the boundaries of the STIA described in Section 4 of this ordinance ("Ratepayers") monthly special assessments of 2.3 percent of the guest room rate paid by guests for each occupied room per night (excluding taxes or legally mandated charges, but without deduction for commissions or payment card processing fees) for each Ratepayer.

The special assessments shall not be imposed on rooms: (a) where the occupant has stayed 30 or more days; (b) that are provided by a Ratepayer to guests without charge for promotional purposes; (c) that are available exclusively to members or guests of members of a private member-owned club or its reciprocal clubs; or (d) that comprise facilities where accommodations are generally marketed and sold on a per-bed, shared room basis (e.g., hostels).

Section 7. Rate changes. Changes in special assessment rates shall only be authorized by ordinance

consistent with RCW 35.87A.140 upon the City Council’s receipt of a written request from the Program Manager (as defined in Section 17 of this ordinance) submitted with the approval of the STIA Advisory Board (as defined in Section 18 of this ordinance) and shall not occur more than one time per year.

Section 8. Commencement. Special assessments shall commence as of January 1, 2024, or on the effective date of this ordinance, whichever is later.

Section 9. Billing schedule. Special assessments for the preceding month shall be collected on a monthly basis and shall be due on the tenth day of each month. The Treasury Director, or the Treasury Director’s designee, may change the billing frequency by directive to an interval no less frequent than quarterly. The Treasury Director shall mail a copy of a directive issued under this section to all Ratepayers not less than 90 days before the new billing due date is to take effect.

Section 10. Deposit of revenues. There is in the City Treasury’s Business Improvement Area Fund a separate subaccount designated the Seattle Tourism Improvement Area Account (“Account”). The following monies shall be deposited in the Account:

- A. All revenues from special assessments levied under this ordinance;
- B. All income to the City from public events financed with special assessments;
- C. Gifts and donations;
- D. Interest and all other income from the investment of Account deposits;
- E. Reimbursements due to the Account; and
- F. All revenues from special assessments levied under Ordinance 123714 and Ordinance 126552

pursuant to Section 3 of this ordinance.

Section 11. Administration. The Treasury Director shall administer the program for the City with authority to:

- A. Collect the special assessments; refund special assessments when overpaid or otherwise improperly

collected; extend the deadline for payment; and waive delinquency charges, processing fees, and interest whenever the delinquency results from extenuating circumstances beyond the Ratepayer's control, such as a casualty loss causing premature closure of the business or bankruptcy, or the total payment due to the City (exclusive of delinquency charges and interest) is \$10 or less;

B. Calculate and collect the interest, delinquency charges, and processing fees for late payments; and

C. Accept and deposit advance payment of special assessments by Ratepayers; accept donations from governmental agencies, the public, and owners and operators of businesses on property that is developed or redeveloped during the existence of the STIA.

Section 12. Delinquent payments. If a special assessment has not been paid within 30 days after its due date, the Treasury Director shall send a reminder notice and add a \$5 processing fee. If the special assessment is not paid within 60 days after its due date, a delinquency charge shall be added in the amount of ten percent of the special assessment. All special assessments that are not paid within 60 days of the due date shall also bear interest from the due date at 12 percent per annum. The Treasury Director is authorized to refer any unpaid special assessments to a collection agency or to bring an action to collect any unpaid special assessments in any court of competent jurisdiction in King County.

Section 13. Notices. Notices of special assessment, installment payments, or delinquency, and all other notices contemplated by this ordinance may be sent by ordinary mail or delivered by the City to the address shown on the records of the Treasury Director, and, if no address is shown there, to the address shown on the records of the King County Assessor's Office. Failure of the Ratepayer to receive any mailed notice shall not release the Ratepayer from the duty to pay the special assessment on the due date and any interest, delinquency charges, and processing fees.

Section 14. Disputes. Any Ratepayer aggrieved by the amount of a special assessment or delinquency charge may upon request obtain a meeting with the Treasury Director or the Treasury Director's designee. If not satisfied, the Ratepayer may appeal the matter to the City's Hearing Examiner in the manner provided for a

contested case under Seattle Municipal Code Chapter 3.02. The Ratepayer has the burden of proof to show that the special assessment or delinquency charge is incorrect.

Section 15. Audit. The City may conduct random audits of Ratepayers to ensure that special assessments are being properly calculated and reported.

Section 16. Expenditures. Expenditures from the Account shall be made upon demand and presentation of documentation of allowable expenses to the Treasury Director by the STIA Program Manager and shall be used exclusively for the purposes as defined in Section 5 of this ordinance.

Section 17. Program Manager. The Director of the Office of Economic Development or designee (“OED Director”) is authorized to contract with a local non-profit entity operating primarily within the City with experience in BIA management to act as the Program Manager. The Program Manager’s duties, subject to the approval of the Ratepayers at each annual meeting, will be to manage the day-to-day operations of the STIA and to administer the projects and activities. The Program Manager shall exercise fiduciary responsibility to spend the special assessment revenues exclusively for the benefit of the STIA and only for the purposes identified in Section 5 of this ordinance. The Program Manager shall abide by City ordinances and state law related to business improvement areas.

Meetings of the Program Manager’s board or committee at which STIA activities are anticipated to be discussed shall be open to the public, with at least two days’ advance notice posted by the Program Manager on its website and also disseminated by any other means that the Program Manager generally uses to communicate.

Section 18. STIA Advisory Board. The OED Director shall, within 30 days of the effective date of this ordinance, appoint an STIA Advisory Board comprised of Ratepayers representative of the entire geography and the variety of sizes of Ratepayers within the Seattle Tourism Improvement Area. The OED Director shall solicit recommendations from the Ratepayers and shall appoint the board from that list.

The STIA Advisory Board shall be comprised of an odd number of Ratepayers (no less than nine and no

more than 11 members) that shall be representative of the varying locations, sizes, and types of Ratepayers within the geographic area of the Seattle Tourism Improvement District Area. Individuals serving on the Board must possess the legal authority to represent, and act on behalf of, their respective lodging properties in all STIA board matters.

The Board shall meet at least once quarterly; recommend an annual work program and budget; address and discuss Ratepayer concerns and questions regarding the STIA programs; and sponsor an annual Ratepayers' meeting. Meetings of the Board shall be open to the public and subject to the Open Public Meetings Act, with at least five days' advance notice posted by the Program Manager on its website and disseminated by any other means that the Program Manager generally uses to communicate.

The Board shall be responsible for: adopting bylaws consistent with the City's BIA policies; adopting policy guidelines; recommending approval of budgets, expenditures, and programs; and providing advice and consultation to the OED and Treasury Directors and to the Program Manager.

At the annual Ratepayers' meeting, the Board shall submit for approval its proposed work plan and budget for the next year, and its recommendation regarding whether to continue with the current Program Manager if the Program Manager's contract is scheduled to expire at the end of the current year. The work plan, budget, and decision on the Program Manager's contract must be approved by a vote of the Ratepayers attending the meeting and submitted to the OED Director for review and approval.

As a prerequisite to serving on the Board, each member shall sign an acknowledgment, prepared by the OED Director, that they will abide by City ordinances and state law related to business improvement areas.

Section 19. Request to disestablish. The STIA shall have a term of 15 years and will, unless earlier disestablished, expire 15 years after the date that the area is established. Upon a petition signed by Ratepayers that would pay 60 percent of the proposed special assessment, the STIA Advisory Board shall request that the City Council disestablish the STIA in accordance with chapter 35.87A RCW.

Section 20. Ratification and confirmation. The making of contracts and expenditures and the sending

of special assessment notices consistent with the authority of this ordinance taken after its passage and prior to its effective date are ratified and confirmed.

Section 21. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Scheereen Dedman, City Clerk

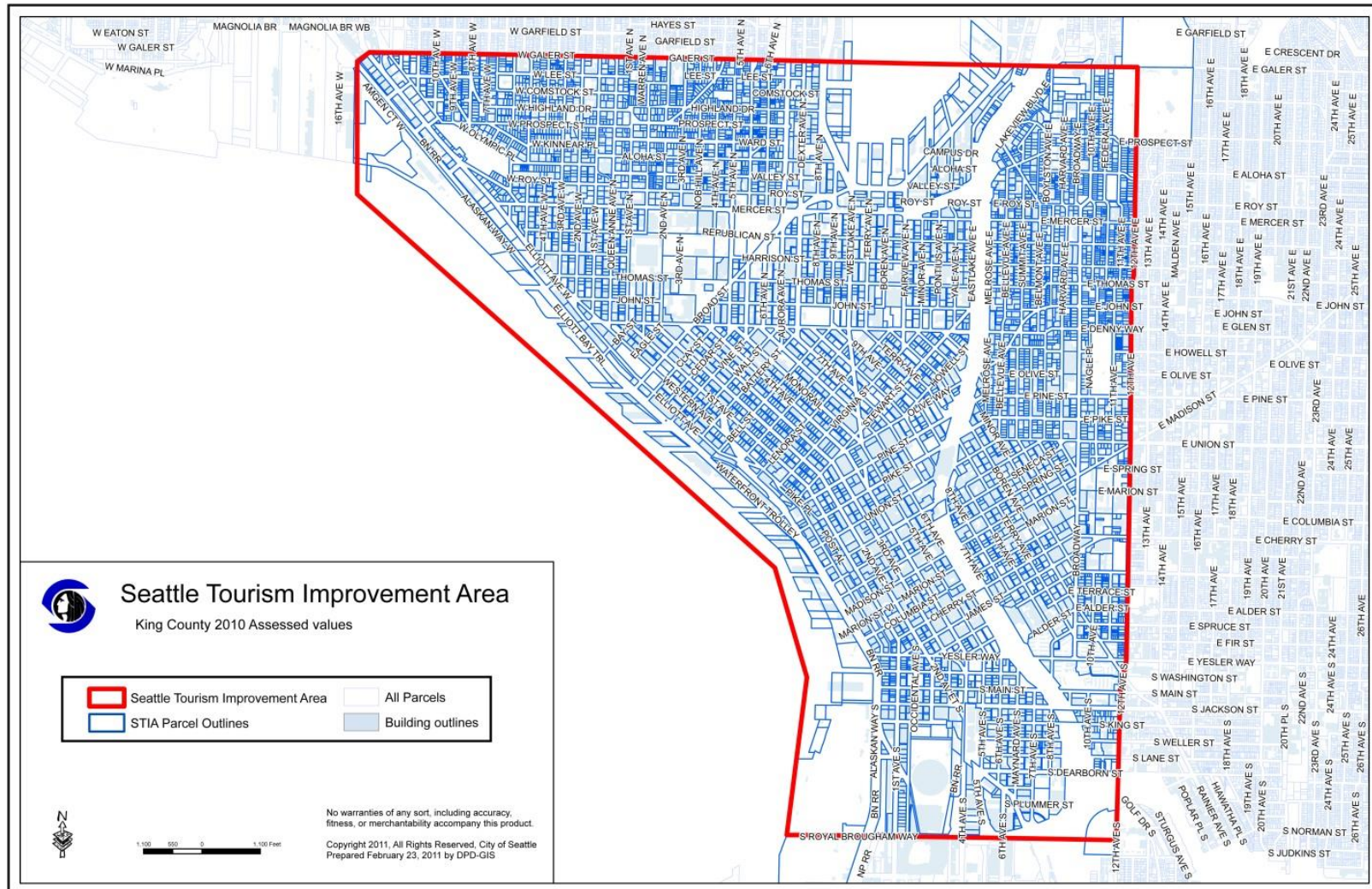
(Seal)

Attachments:

Attachment A - STIA District Boundaries Map

Attachment A

The District, for the purpose of the STIA, includes those areas within the following boundaries: Beginning where Puget Sound meets W. Galer Street, continuing east as if Galer Street continued to 12th Avenue, south to South Royal Brougham Way, west as if South Royal Brougham Way continued to Puget Sound, continuing along the shore of Puget Sound to W. Galer Street.



SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Office of Economic Development	Phillip Sit	Nick Tucker

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Tourism Improvement Areas; establishing a new 15-year business improvement area to be known as the Seattle Tourism Improvement Area; levying special assessments upon owners of businesses offering transient accommodations with 60 or more rooms within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; providing for an implementation agreement with a Program Manager; disestablishing the existing Seattle Tourism Improvement Area that was established by Ordinance 123714 (“2011 STIA”) and later modified by Ordinance 126552; suspending the issuance of special assessments and providing for the continuity of services under the 2011 STIA; providing for the transfer of any remaining funds from the 2011 STIA Account; and ratifying and confirming certain prior acts.

Summary and background of the Legislation:

This Ordinance disestablishes the current Seattle Tourism Business Improvement Area (2011 STIA) and establishes a new Business Improvement Area to be known as the Seattle Tourism Improvement Area (STIA) under RCW 35.87A. The Seattle Tourism Improvement Area is expected to be funded by a special assessment levied on the owners of all hotels, inns, and similar businesses offering transient accommodations with 60 or more rooms within its boundaries. The City would contract with a program manager to administer the activities set out in the Seattle Tourism Improvement Area Business Plan. The STIA’s program manager will be overseen by a Ratepayers Advisory Board, which would be broadly representative of the ratepayers within the Seattle Tourism Improvement Area.

The existing 2011 Seattle Tourism STIA was established in 2011 by Ordinance 123714 and modified in 2022 by Ordinance 126552. While Ordinance 123714 specified that the 2011 STIA’s assessments would not expire, the Advisory Board, Ratepayers and Program Manager wish to reestablish the STIA in order to expand the permitted uses of STIA revenues to include promotion, advertising, sales and marketing activities intended to encourage leisure tourism as well as group tourism (i.e., the hosting and attending of meetings and events), and to adopt a different monthly assessment formula.

This ordinance is the final piece of legislation required to create a new Seattle Tourism Improvement Area, as required by chapter 35.87A RCW. The City Council passed a resolution of intention to disestablish the 2011 STIA, a resolution to initiate the formation of the Seattle Tourism Improvement Area, as well as a resolution of intention to establish the Seattle Tourism

Improvement Area which included the date and place of a public hearing. After the public hearing, the City Council agreed to go forward with this ordinance.

The Seattle Tourism Improvement Area would be established for the duration of fifteen years, with the base year being 2024. The Seattle Tourism Improvement Area believes its proposal is efficient, accountable, and responsive to the Ratepayers' needs. The group collected signatures for a petition to form the Seattle Tourism Improvement Area that will fund domestic and international tourism promotion, advertising, sales, and marketing activities (including, without limitation, the creation of a standing limited reserve solely to fund any such activities that arise unexpectedly from year to year) intended to encourage both leisure tourism and group tourism (e.g., the hosting and attending of meetings and events) in Seattle in order to increase hotel occupancies within the area. Promotion, advertising, sales, and marketing services include but are not limited to, strategic planning, market research, creative development, media placement, sales activities, hosting tourism industry events relating to promotion and marketing, and administrative and management support for such services.

City staff followed RCW 35.87A.010, and calculated the estimated special assessments that each Lodging Business would pay, by signed petitions and percentage of support as assigned by the Office of Economic Development based on 2022 assessments for the entire proposed Seattle Tourism Improvement Area, and the result was over 72 percent in approved and validated petitions, which exceeds the threshold of 60 percent stated in RCW 35.87A.010;

Assessments will commence as of January 1st, 2024, or the effective date of the ordinance, whichever is later. The Seattle Tourism Improvement Area will be overseen by a Ratepayers' Advisory Board, which would be broadly representative of the proposed ratepayers.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No, the Seattle Tourism Improvement Area (STIA) would be established as a revenue-neutral program.

Are there financial costs or other impacts of *not* implementing the legislation?

If the Seattle Tourism Improvement Area (STIA) legislation is not implemented, it would potentially result in the failure of the tourism element of the Downtown Activation Plan, the success of the Seattle Convention Center and erode the revenue and tax base generated by the hotels within the STIA service area.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
Treasury Services in the Office of City Finance administers the assessments for the STIA. OED has worked in close coordination with Treasury on this legislation package. Treasury will collect the STIA assessments from its ratepayers. Treasury holds the funds solely for the purpose of reimbursing the Program Manager for administering staffing, projects, and other costs associated with the STIA.
- b. Is a public hearing required for this legislation?**
Yes, the public hearing date is set in the companion STIA Intention to Establish resolution and was held on [REDACTED] as required by RCW 35.87A.040.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
Yes. The companion STIA intention to establish resolution was published to give notice of the public hearing for the proposed Council Bill.
- d. Does this legislation affect a piece of property?**
Please see Attachment A to the Ordinance: Proposed STIA Boundaries
- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**
The Seattle Tourism Improvement Area is not expected to have adverse disproportionate impacts on vulnerable and historically disadvantaged communities in the district. OED will complete a RET on the outreach process on the STIA renewal.
- f. Climate Change Implications**
- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**
No.
 - 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**
No.
- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**
Summary Exhibit A, the STIA Business Plan, expands on the goals of the STIA.

Summary Attachments:

Summary Exhibit A - Proposed STIA Business Plan Summary

Exhibit A

Seattle Tourism Improvement Area Business Plan Executive Summary

Special assessment revenues shall be used solely and exclusively for domestic and international tourism and convention promotion, advertising, sales and marketing activities intended to encourage leisure tourism, meetings and conventions in Seattle in order to increase area hotel occupancies and for no other purpose.

Promotion, advertising, sales and marketing services include, but are not limited to, strategic planning, market research, creative development, media placement, sales activities, hosting tourism industry events relating to promotion and marketing, and administrative and management support for such services.

Market segments include (but not limited to):

- Key Leisure Markets: Washington, Oregon, California, Idaho, Texas, Arizona, Colorado
- Cruise pre/post marketing (extending arrivals & departures)
- International promotion and sales (Canada, Mexico, Japan, South Korea, Australia/New Zealand, UK, German-Speaking Europe, France, Benelux, China, India)
- LGBTQIA+
- Arts & Culture promotion
 - Seattle Museum Month
 - Refract
 - Cloudbreak
- Meeting & Event Planners
- Convention Attendees

Sales & Marketing initiatives include (but not limited to):

- Destination publicity (domestic and international)
- Advertising creation and media placement
- Hosting industry events
- Convention Sales & Services
- Trade Shows
- Sales Missions
- Familiarization Tours
- Marketing asset development
- Visitor Services
- Research
- Administration and personnel and support services
- Contingency and reserve (marketing opportunity fund)

SEATTLE BUSINESS IMPROVEMENT AREA RENEWAL BENEFIT ANALYSIS

OFFICE OF ECONOMIC DEVELOPMENT

PHILLIP SIT, BIA ADVOCATE

HIGHLIGHTS:

Created under Ordinance 123714 as the Seattle Tourism Improvement Area (STIA) in 2011, the program manager (Visit Seattle) in response to ratepayer feedback and having successfully obtained signatures representing **72 percent** of support, Visit Seattle is proposing to sunset their current ordinance and establish a new 15-year term STIA.

BUDGET - The total estimated budget for the new STIA beginning at the time of the authorization (January 1, 2024) is estimated at **\$15 million**

RATEPAYERS - The assessment is on all eligible (71) owners of businesses offering transient accommodations with 60 or more rooms ("Lodging Businesses")

SUPPORT - As of July 1st, 2023, STIA has petition signature from **46 petitions** in support of the renewal, representing **72 percent** of assessment in support. City staff followed RCW 35.87A.010 and calculated the estimated special assessments that each Lodging Business would pay, by signed petitions and percentage of support as assigned by OED based on 2022 assessments for the entire proposed Seattle Tourism Improvement Area, exceeding the threshold of 60 percent of support as stated in RCW 35.87A.010.

BOUNDARIES - The renewed STIA includes all hotels within the existing district. The district boundaries are as follows: Beginning where Puget Sound meets W. Galer Street, continuing east as if Galer Street continued to 12th Avenue, south to South Royal Brougham Way, west as if South Royal Brougham Way continued to Puget Sound, continuing along the shore of Puget Sound to W. Galer Street.

The renewed district focuses on hotels in downtown Seattle that contribute to the overall economic benefit of all businesses serving leisure, convention, and business travelers. The work of the STIA is to improve occupancy of the hotels within the district boundaries.

STIA PROGRAMS AND SERVICES - are unique as STIA programs are intended to encourage both leisure tourism and group tourism (e.g., the hosting and attending of meetings and events) in Seattle to increase hotel occupancy within the area, and no other purpose.

ASSESSMENTS - Special monthly assessments of two and three tenths percent (2.3%) of the guest room rate paid by guests for each occupied room night (excluding taxes or other charges required by law, but without deduction for commissions or payment card processing fees) for

each ratepayer.

OUTREACH - A BIA renewal petition packet was sent to ratepayers by members of the existing STIA Advisory board and other STIA ratepayers. In addition, a webinar for all ratepayers was held on June 21, 2023, and a live presentation was made available to ratepayers on June 22, 2023. Feedback was collected via e-mail, by mail, one-on-one contact, and meetings.

PROGRAM MANAGER - The Program Manager for the STIA is recommended by the Ratepayers Advisory Board to the City. The Ratepayers Advisory Board approves an annual budget, work plan, and program manager for use of BIA generated funds in alignment with the BIA ordinance.

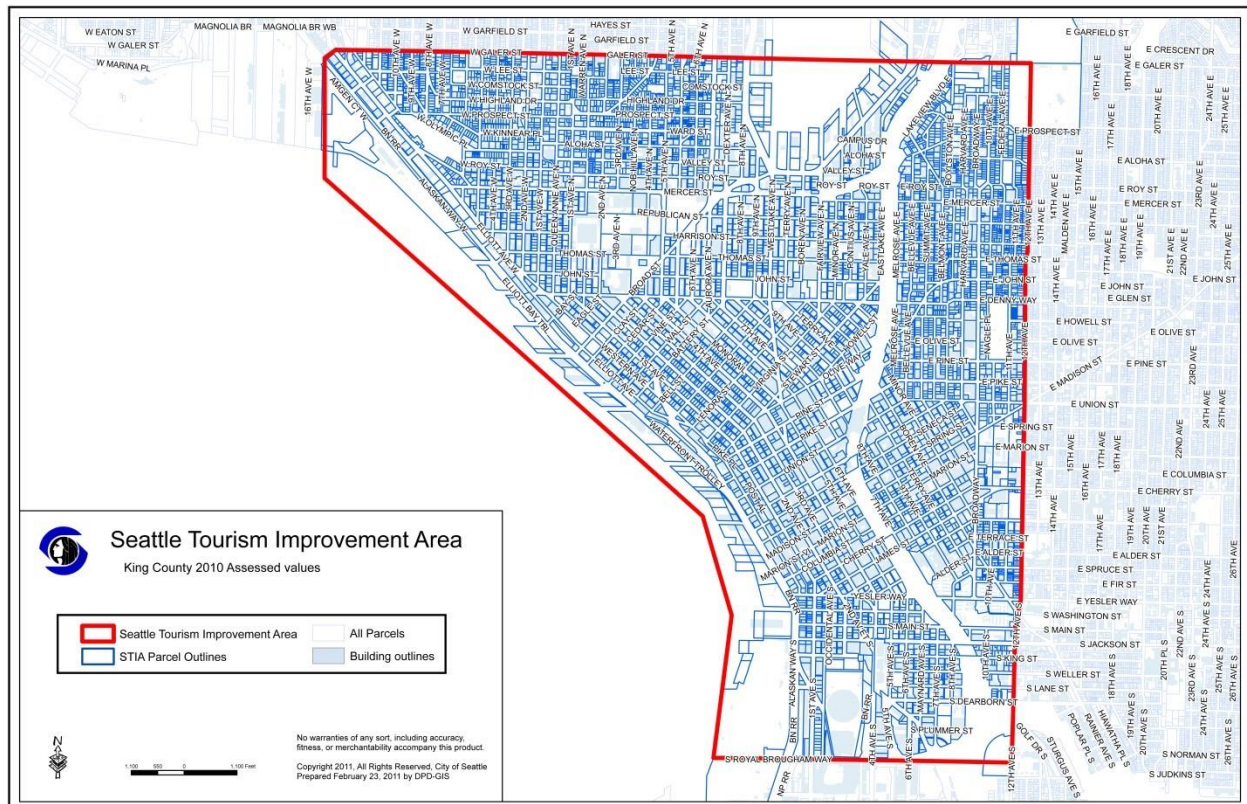
BUSINESS IMPROVEMENT AREA (BIA) OVERVIEW:

Currently, there are **11 BIAs** in Seattle generating a total of **\$35 million dollars** in enhanced programs and services to business districts. BIA assessments typically are utilized to support professional management, clean and safe, economic development, transportation, and business district advocacy.

This Business Improvement Area (BIA) benefit analysis has been prepared to support the proposed reauthorization and expansion of the STIA within the City of Seattle and a requirement of Resolution 31657 - the Citywide BIA Policies

SECTION A: STIA PROPOSED BOUNDARIES

The boundaries, for the purpose of the STIA, includes those areas within the following: Beginning where Puget Sound meets W. Galer Street, continuing east as if Galer Street continued to 12th Avenue, south to South Royal Brougham Way, west as if South Royal Brougham Way continued to Puget Sound, continuing along the shore of Puget Sound to W. Galer Street.



SECTION B: STIA PETITION SUPPORT AND BENEFITS

STIA has petition signature from **46 petitions** in support of the reauthorization and expansion, assessments are generated by one ratepayer class within the STIA boundaries. Per [State RCW 35.87A.010](#), petition support is based upon the assessment that would be generated by the BIA proposal.

While there were **25 ratepayers** who have not yet responded to the petition request to review the new STIA proposal, OED does not anticipate any organized opposition and Treasury has mailed out additional information to those business owners.

Benefits Overview:

The broadened scope of the STIA, funds will be invested in securing incremental meetings and conventions for Seattle. The opening in January 2023 of Summit provides clear opportunities for new business for Seattle's downtown and direct benefits to the ratepayers. Given that the assessment model is uniform, with the variation being the hotel cost - OED believe that the programmatic benefits generated via the new assessment will be commensurate with the proposed benefits from Visit Seattle.

Tourism is a \$3.6 billion industry in Seattle/King County - creating and supporting over 80,000 jobs and generating \$322 million annually in taxes for the state and city. Restrictions on the current ordinance is not adequate to compete and grow tourism revenues. Tourism is fiercely competitive and volatile - and Seattle competes with all destinations from Vancouver, BC to San Diego and most of those competitors are better funded at both the city and state levels.

New resources allowable under the new ordinance will support sales and marketing personnel and the supporting functions for their work: travel to sales missions, conferences and trade shows; bringing prospective clients to Seattle for familiarization, negotiation and site selection; collateral material development, advertising, social media, website, professional development, overhead and other attendant activities that result in an increase in overall business for the ratepayers.

Additional and expansion on benefits for the stakeholder group include the following:

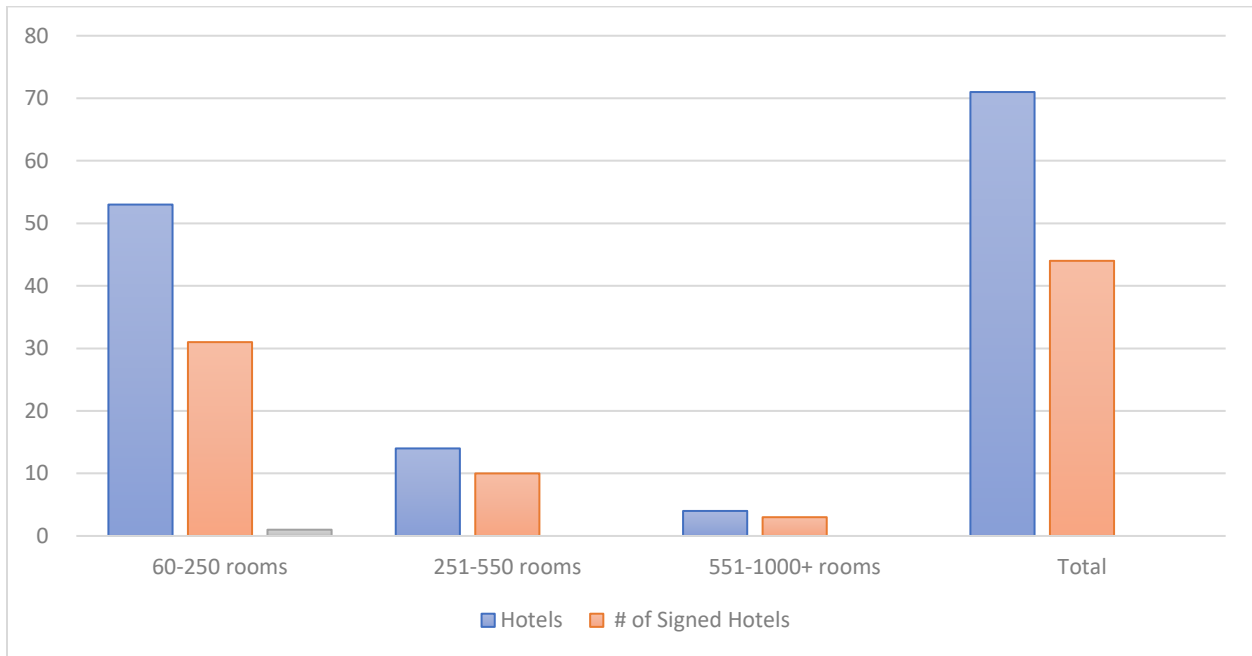
- Marketing and sales programs that focus on building business during need periods, growing occupancy and profitability of ratepayer businesses
- Participation opportunities in marketing and sales programs that provide exposure opportunity not otherwise available, accessible or affordable to the ratepayer businesses
- Public Relations programming that generate earned media, improve destination credibility and reputation, and address barriers to business growth
- A thriving business district that benefits from holistic support of complimentary services and businesses to help ensure the district is a balanced, thriving environment that supports continued business growth and community benefit
- Funding strategies to promote non-leisure tourism conventions
- For the anticipated non-leisure budget use for non-leisure:

Assessment Exemptions:

The special assessment is not imposed on rooms (a) where the occupant has stayed 30 or

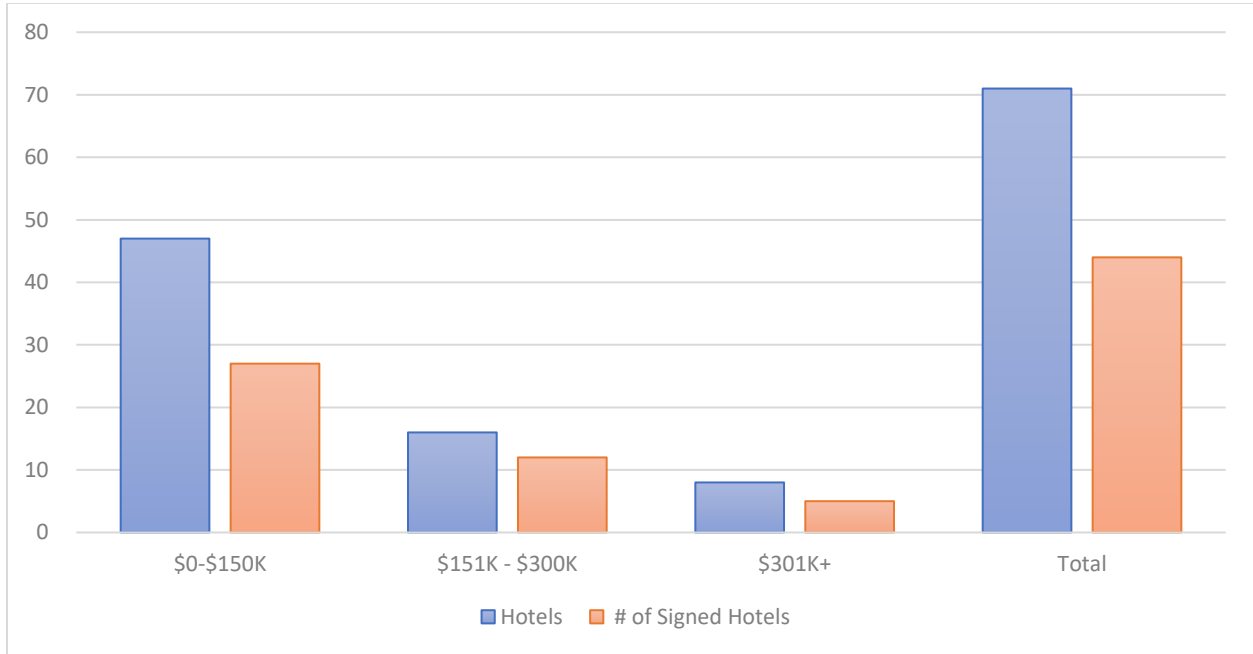
more days; (b) that are provided by a Ratepayer to guests without charge for promotional purposes; (c) that are available exclusively to members or guests of members of a private member-owned club or its reciprocal clubs or (d) that comprise facilities where accommodations are generally marketed and sold on a per bed, shared room basis (e.g. hostels).

B1: PETITION SUPPORT BY HOTEL SIZE:



Room Size	Hotels	Signed Hotels	% of Signed Hotels
60-250 rooms	53	31	58.5%
251-550 rooms	14	10	71.4%
551-1000+ rooms	4	3	75%
Total	71	44	Overall Support: 62%

B2: PETITION SUPPORT BY HOTEL ASSESSMENTS (FY2022):



Assessment Range	Hotels	# of Signed Hotels	% of Signed Hotels
\$0-\$250K	47	27	57.5%
\$251K-\$300K	16	12	75%
\$301K+	8	5	62.5%
Total	71	44	Overall Support: 62%

SECTION C: STIA BUDGET

The STIA BIA will generate an estimated total of **\$15 million** in assessments for the base year of authorization (2024).

The STIA budget below is in draft form only. It is subject to marketplace conditions, hotel occupancy rates, and review from the STIA Advisory Board and approval from the STIA Ratepayers.

STIA Estimated 2024 Budget Expense Summary:	Proposed STIA 2024 Budget (in thousands)	% of STIA Revenue
Advertising	\$ 7,500	50%
International Tourism Development	\$ 345	2.3%
Convention Sales & Marketing	\$ 2,130	14.2%
Marketing Partnerships	\$ 552	3.68%
Special Events	\$ 207	1.38%
Photography & Videography	\$ 69	0.46%
Market Research	\$ 207	1.38%
Public Relations	\$ 413	2.75%
Personnel	\$ 2,000	13.3%
Operating Expenses	\$ 1,580	10.5%
Estimated Total	\$15,000	100%

SECTION D: BIA PROGRAMS AND SERVICES

Washington State law outlines several purposes for the use of BIA generated funds (see RCW 35.87A.010(1)). The services and activities funded by the STIA annual assessment revenue are in addition to those services already provided by the City. A summarized description of current BIA services is shown below.

Advertising Visit: Seattle will create and execute an advertising plan and media buy to support two main initiatives in 2023: 1) drive hotel bookings in downtown and 2) repair the Seattle brand reputation locally, regionally, and nationally. 2023 will see a continuation and evolution of our I Know A Place campaign, showcasing visitor experiences that are unique to Seattle. We will continue to have a heavy presence in our primary West Coast markets, but will be adding secondary markets to increase our geographic reach and entice new potential travelers. Additionally, there will be an emphasis put on developing new content and content partnerships to expand reach of message.

Inbound Hosting of International Media and Travel Trade: With international borders open, we expect an influx of both media and trade visits in 2023. Along with travel restrictions, staffing problems posed a challenge in 2022, with overseas clients not having enough in-office coverage to allow staff to travel for work. Both obstacles have been eliminated or diminished, which should result in more opportunities to host. Invited guests may include members of the media as well as

tour operators and travel professionals from the primary markets of Australia/New Zealand, Canada, France, Germany, Japan, Mexico, South Korea, and UK/Ireland. Travel professionals and media from these markets are strategically selected as they have an enhanced ability to promote and sell Seattle in their countries of origin, which are the largest source markets for our city.

International Client Events and Sales Missions: With the assistance and guidance of in-market representation, Visit Seattle will look at targeted trade and media events in the UK/Ireland and France/Benelux (Belgium, Netherlands and Luxembourg). Each of these regions represents long-term, stable visitation to the city and region with existing nonstop service. Promotion of the city and region will continue in additional markets through in-country agencies, advertising opportunities and a selection of trade shows attended by International Tourism staff.

International Sales and Marketing Representation: Visit Seattle will resume contracted representation in traditional top markets, and when appropriate, leverage partnerships with the Port of Seattle and State of Washington Tourism. In 2022, these markets included UK/Ireland, German Speaking Europe and France. New in 2023 will be Japan, Australia/New Zealand, Canada and the Netherlands. Each of these contracts represents in-market staff to promote, market and sell Seattle to professional travel trade, media and consumer audiences. Visit Seattle will continue to evaluate additional promotional opportunities for the city in other target markets and enlist agency support on an ad hoc basis to maximize the reach of these activities in the coming year.

Special Events: In order to increase awareness of Seattle beyond traditional advertising, funds will be utilized to support current events coming to the city, as well to support new partnerships in the future. For example, funding will be used in out-of-market advertising to support events such as MLB All-Star Game, Taste Washington, Refract, Bumbershoot, potential bid draw sporting events, etc. Additionally, Visit Seattle will work to initiate new partnerships with entities such as television programs and other media outlets to increase brand awareness of Seattle through mass media.

Photography and Videography: Downtown Seattle and beyond has changed, so has the way people interact. The photo and video library will be refreshed with timely imagery in order to paint a more accurate picture of Seattle in current times. Additionally, a new destination video will be created for use by all hotel properties.

Market Research: Visit Seattle continues to evaluate demand growth, occupancy rate and ADR to measure success of initiatives, evaluating by month and by day of week using STR data from the 70 ratepayer hotels. Reports from Longwoods and Tourism Economics provide detailed reporting

on the annual impact of visitors to the regional economy. Data provides insights on the travel paths of visitors at specific points in time.

Public Relations: Our PR team will elevate Seattle’s visibility as a premiere travel destination and enhance its reputation. Collaboration on annual campaigns and initiatives with marketing to drive attention to BIPOC-owned businesses, LGBTQ+ businesses and Women-owned businesses. Leveraging key moments in time (many for 2023 - All Star, playoffs, concerts, cruise, etc.) to tell larger story around Seattle, encourage exploration beyond event. Coordination of themed press visits and outreach to select regional markets. Plan and manage media events/desk-side appointments: Vancouver, LA, San Francisco, Portland, and New York City. Execute national media tactics and arrange meaningful in-person opportunities for reporters to learn more about Seattle. Collaborate with a local PR agency to help drive media coverage around Visit Seattle-driven campaigns and need periods with local and national media on a per project basis throughout 2023

Salaries & Wages: Visit Seattle will employ 13 FTEs to manage tasks listed within this workplan to support activities of the STIA. Staff receive the same benefits as current Visit Seattle employees.

Operating Expense: Operating expenses will be incurred to support these Visit Seattle staff with the same telephone, parking and computer assets as current Visit Seattle employees. General overhead including IT, legal, finance and HR support and rent. Visit Seattle will also continue to pay D&O insurance for the Ratepayers Board and legal fees to support this entity. Additionally, Board Meeting and Annual Ratepayer Meeting expenses will be incurred

SECTION E: ASSESSMENT METHODOLOGY

The 2.3 percent assessment model provides equity for all ratepayers. The rate charged is directly connected to the room rate achieved by the hotel property; therefore, those with higher rates will remit a higher dollar amount than those with lower rates; however, the percentage of the nightly rate will remain consistent for all ratepayers.

This approach also allows for longevity of the STIA, because the funds available to invest in the work of the STIA can grow both with occupancy and rate yield. This enables Seattle to remain competitive with other destinations vying for the same customer markets.

Nightly Rate	Assessment Charge
\$175	\$4.03
\$200	\$4.60
\$250	\$5.75

\$300	\$6.90
\$350	\$8.05

SECTION F: OUTREACH AND SUPPORT

The STIA Advisory Board and Program Manager conducted research on market opportunities and competitive destination budgets, revenue generation methods, tax and assessment rates and overall business models.

Analysis was also conducted on the opportunities presented by the opening of the new Summit building as part of the convention package for Seattle. This analysis has included the development of a City-Wide Sales Plan, developed in conjunction with an expert third-party consultant, 17 hotel properties that regularly participate in the bid development to attract conventions, and the leadership of the Seattle Convention Center.

The STIA Advisory Board met March 7 and April 26 of 2023 to discuss and review the opportunities and potential threats that changing the current STIA presented, to request and review the research, and to analyze the information.

As a result of this analysis and research, on May 24, 2023, the STIA Advisory Board unanimously voted to change the current STIA from a flat fee of \$4/occupied room night to 2.3% of the nightly room charges, and to include the sales and marketing of meetings and conventions in the allowable uses of the funds. The STIA Advisory Board consulted with the OED and legal counsel in the development of the petition to be circulated to ratepayers.

STIA Outreach

The STIA Advisory Board and a few additional key hotel owners and operators were the point of the spear for community outreach. Each member of this outreach team had a list of other STIA ratepayer hotels and did one-to-one outreach to discuss the recommended changes and obtain petition signatures. This outreach began in June of 2023 and the group will continue to be available as resources to the ratepayers throughout the process of sunseting the existing STIA and establishing the new district.

In addition, a webinar for ratepayers was conducted on June 21, 2023 and was recorded to be available for any ratepayers who may have missed the broadcast. In addition, a live presentation followed by an opportunity to ask questions or raise objections in person was held on June 22, 2023.

SECTION I: GLOSSARY:

Assessment: A BIA assessment is a fee that each ratepayer pays to support the programs funded by the BIA. The sum of all the individual assessments that ratepayers pay comprise the total yearly assessment of the BIA, and underwrite most, if not all, annual operating expenses. The total yearly assessment is unique to each BIA in Seattle.

BIA: "BIA" is an acronym for Business Improvement Area. A business improvement area is a geographically defined area within the City of Seattle, in which services, activities, and programs are paid for through a special assessment which is charged to all eligible ratepayers within the area with the intention of reasonably distributing the benefits received and the costs incurred to provide the agreed- upon services, activities, and programs.

BIA Advisory Board: The City's policy is to create a BIA Advisory Board to oversee operations of the funds, approve an annual budget for use of BIA generated revenues and recommend a Program Manager; however, the City has sole discretion as to how the revenue derived from the BIA is to be used within the scope of the purposes stated in the BIA ordinance.

BIA Notification and Petition Validation Process: Processes in which the City notifies potential ratepayers of the BIA proposal and validates the petitions signed in favor of a BIA proposal. The City's policy is to send a letter to all potential ratepayers to notify them that the BIA proposal has been submitted to the City. The City also validates all signed petitions that have been submitted by the party or parties requesting to establish the BIA.

Program Manager: the organization that administers the operations of the BIA. The Program Manager is recommended by the BIA Advisory Board to the City. The BIA Advisory Board approves an annual budget for use of BIA generated funds in alignment with the BIA ordinance. The Program Manager administers the funds in accordance with the approved budget through direct expenditures and/or contracts with service providers. The Program Manager's administration will comply with all applicable provisions of law, with all county and City resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.

Ratepayer: those individuals, organizations or entities that are assessed, i.e. those that receive an assessment bill from the City as a result of establishing the BIA. Individuals, organizations or entities that receive an increase in their lease rates or other contractual agreement with

ratepayers as a result of the establishment of the BIA are not, for purposes of City policies, considered ratepayers.

Ratepayer Classification: ratepayers that are grouped into a specific category either for purposes of applying a unique assessment rate or formula or for distinguishing a unique type or level of benefit.

Stakeholder: Individuals, organizations or entities that are located in or have a direct interest in the boundaries of the district. They can be ratepayers or non-ratepayers. They may include, but not be limited to, property owners, businesses, residents, government agencies, nonprofit agencies and other institutions. For example, a district could have the presence of manufacturing businesses, retail and service businesses, a private school, nonprofit service providers, condo associations, residential property owners, commercial property owners, etc.

STIA BIA Update

Casey Rogers, Business Districts Program and Policy Advisor
Office of Economic Development

9/11/2023

Office of Economic Development



City of Seattle

BIA PROGRAM

- 11 BIAs in Seattle generating \$35 million dollars for enhanced business services and programs
- Local control, predictable and sustainable funding
- Revenue collected is 100% allocated to the district
- Supported by OED and Treasury Services



RENEWAL PROCESS

1. BIA FORMATION:

Demonstrates 60 plus percent support from ratepayers via petitions

- Proponents can utilize any reasonable factor relating to the benefits received, including hotel occupancy, business and occupation property values, building and lot square footage

2. CITY DEPARTMENT REVIEW:

OED evaluates each BIA proposal for its adherence to City policies and State RCWs and that ratepayers are receiving benefits from proposed BIA programs and services

3. CITY AUTHORIZATION:

BIAs are approved by City Council, using authority provided in RCW 35.97A



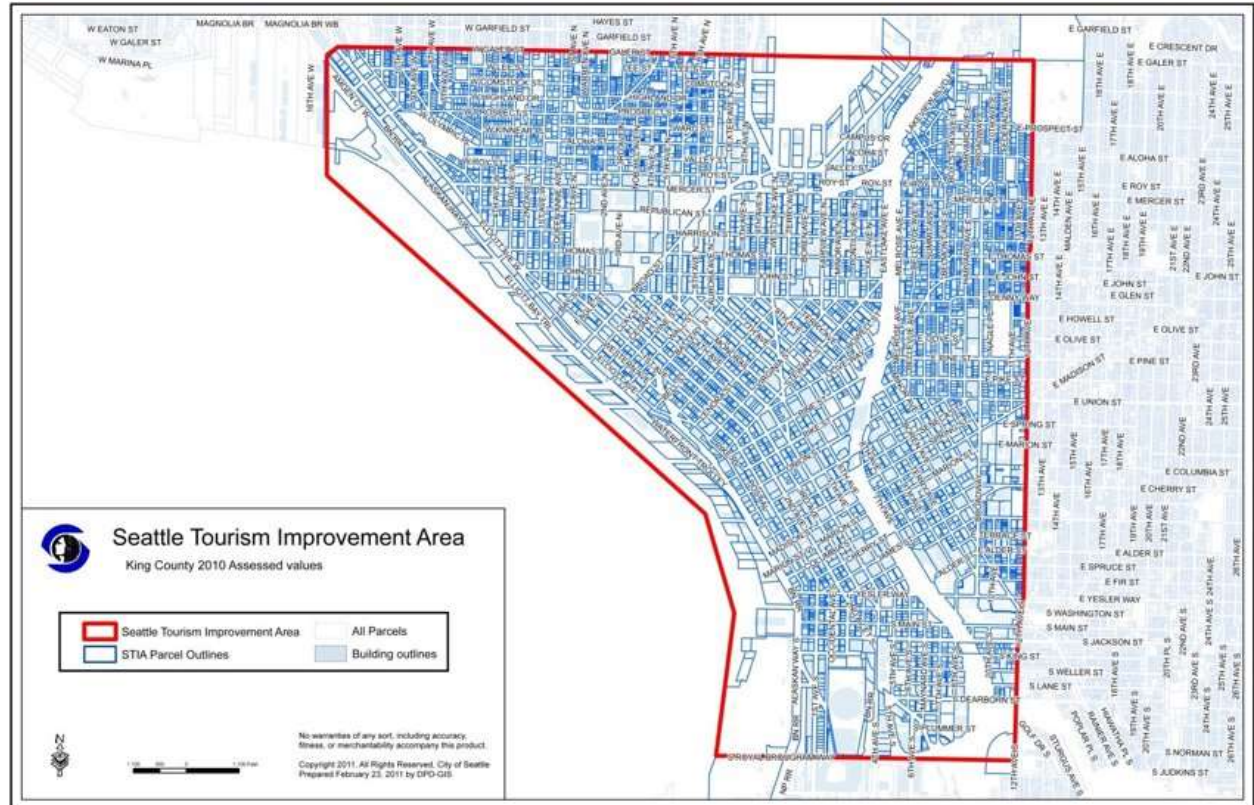
STIA BIA BACKGROUND

- The Seattle Tourism Improvement Area (STIA) was originally established in 2011
- The STIA has secured **72%** of support in petitions



STIA MAP

- STIA Boundaries are not changing



STIA MAP

- Includes a total of 71 hotels/ratepayers within the STIA boundary



STIA UPDATES

- Expanding type of travel that *Visit Seattle* can market, to include business travel
- Transitioning from a flat fee of \$4 per night to a percentage model
 - New assessment will charge 2.3% of the guest room rate paid by the guest for each occupied room night
 - Percentage model is more equitable and is in alignment with other jurisdictions



STIA PROGRAM AREAS

- Advertising
- International Market Development
- Group Sales
- Market Research
- Media Relations
- Operating expenses
- Marketing Opportunity Fund



QUESTIONS?

OFFICE OF ECONOMIC DEVELOPMENT

Casey Rogers

Business Districts Program and Policy Advisor

Casey.Rogers@seattle.gov

206-665-1002





Monday | September 11, 2023

STIA

SEATTLE
TOURISM
IMPROVEMENT
AREA

STIA OVERVIEW

- **Formed in 2011**
- **Fee is \$4/ paid occupied room night (not a tax)**
- **Funds are used to support advertising, media relations, special events, international client events and sales missions that increase awareness of Seattle as a leisure destination**
- **Hotels included are based on geographical boundaries set, and minimum of 60 rooms**
- **Advisory board of 11 ratepayers work with program manager to determine investment of funds**
- **Final budget must be approved by ratepayers**

STIA OBJECTIVES

- **Build brand awareness**
- **Build demand focusing on off-peak periods**
- **Deliver regional messages**
- **Promote new product**
- **Increase visitor spend**
- **Drive hotel room nights**
- **Leverage STIA funds with other funds**

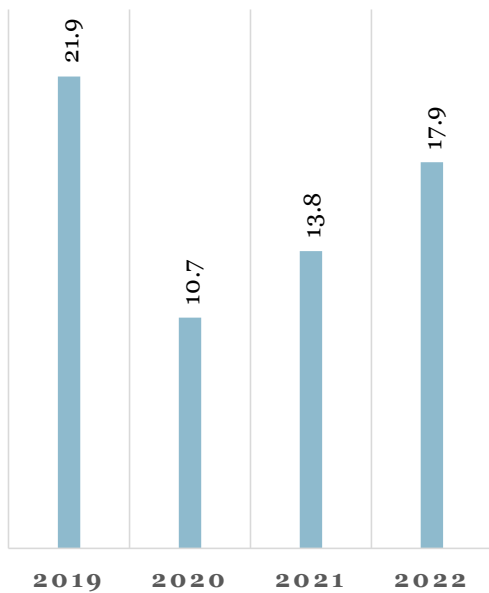
STIA CHALLENGES

- STIA funds can only be used for leisure market development
- 5-year shortfall in Seattle Convention Center funding: **\$30 million**
- **Limited growth of investment resources**
- Lagging behind competing destination budgets

STILL WORKING ON RECOVERY

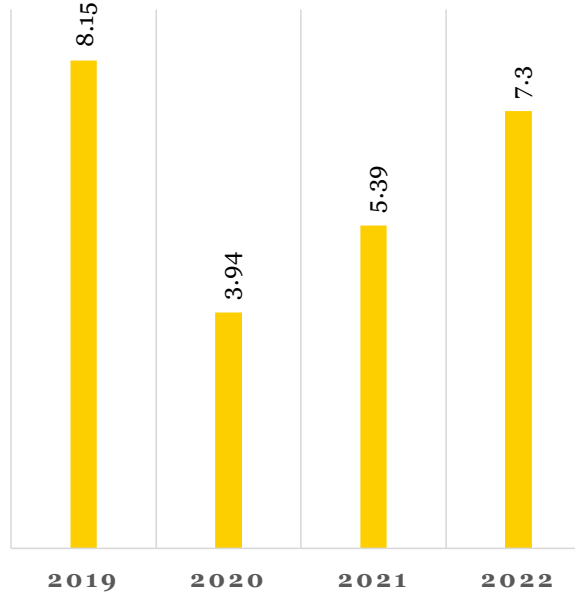
OVERNIGHT VISITORS

■ Millions of visitors



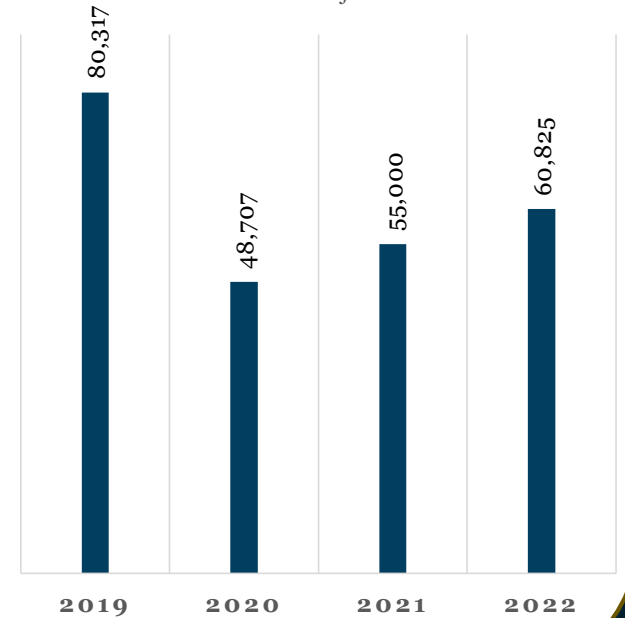
VISITOR SPENDING

■ Billions of dollars

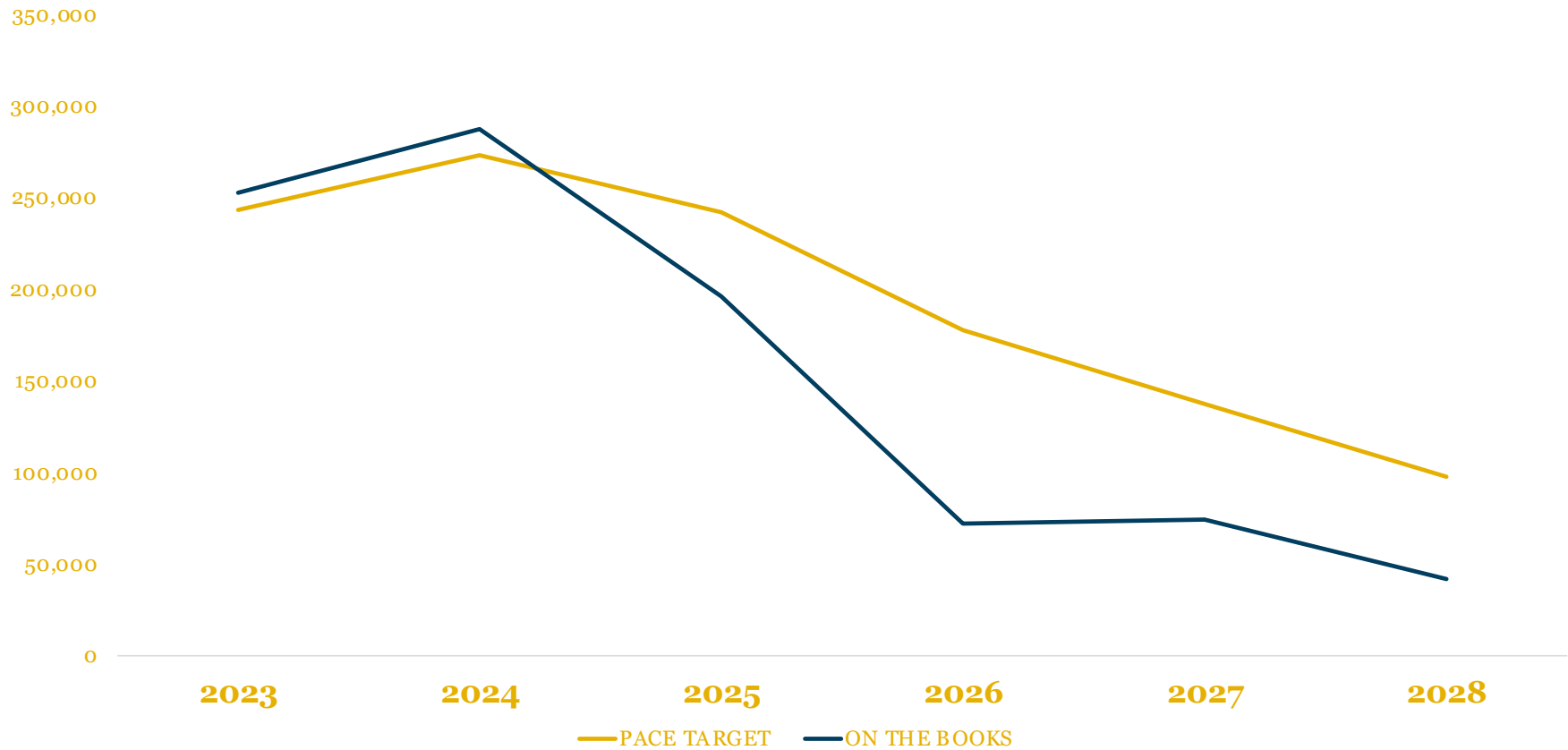


TOURISM EMPLOYMENT

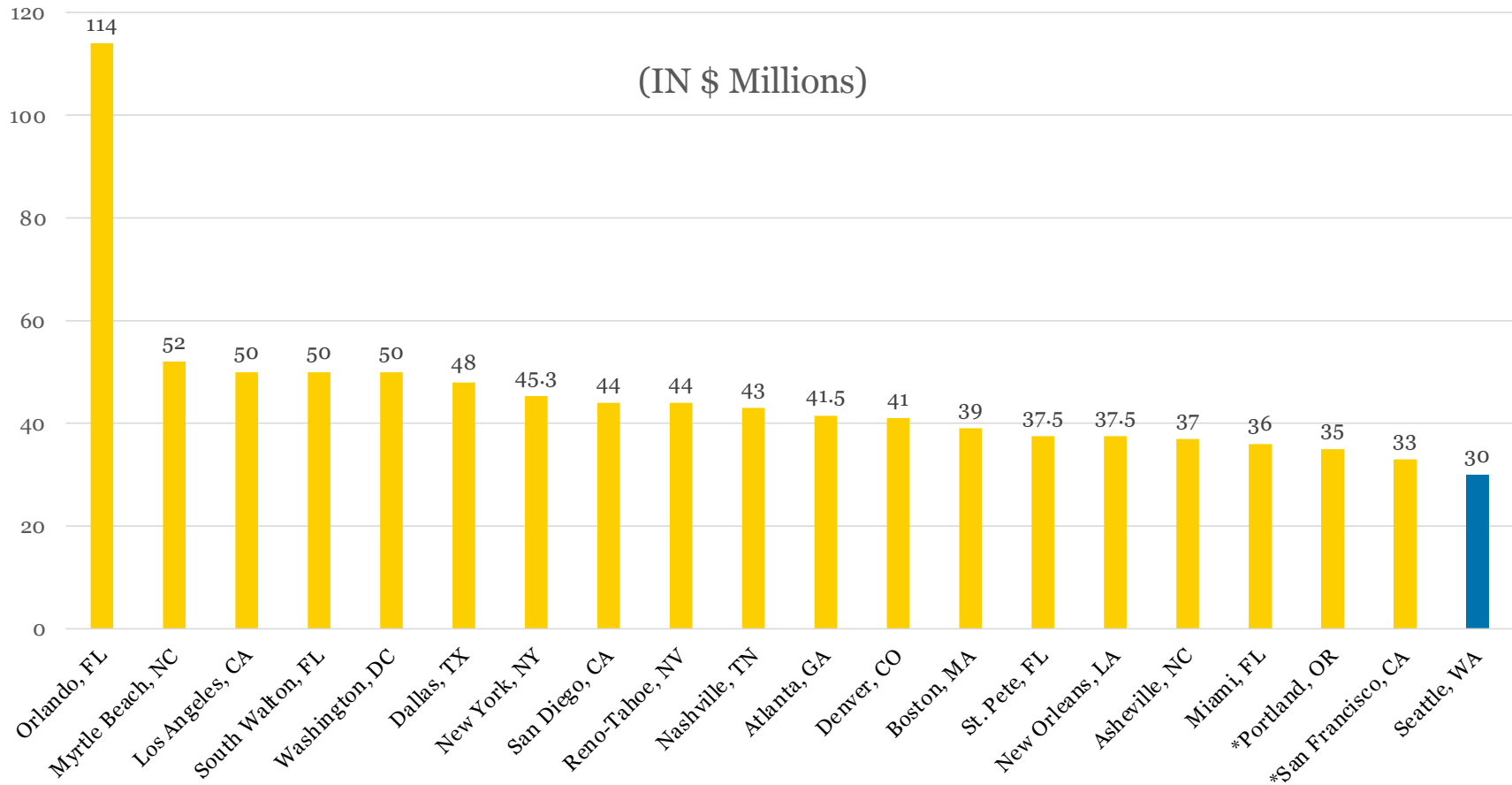
■ Total jobs



SEATTLE CONVENTION CENTER BOOKINGS



2023 COMPETITIVE CITY BUDGETS



*Projecting large increases in 2024

PERFORMANCE-BASED FUNDING

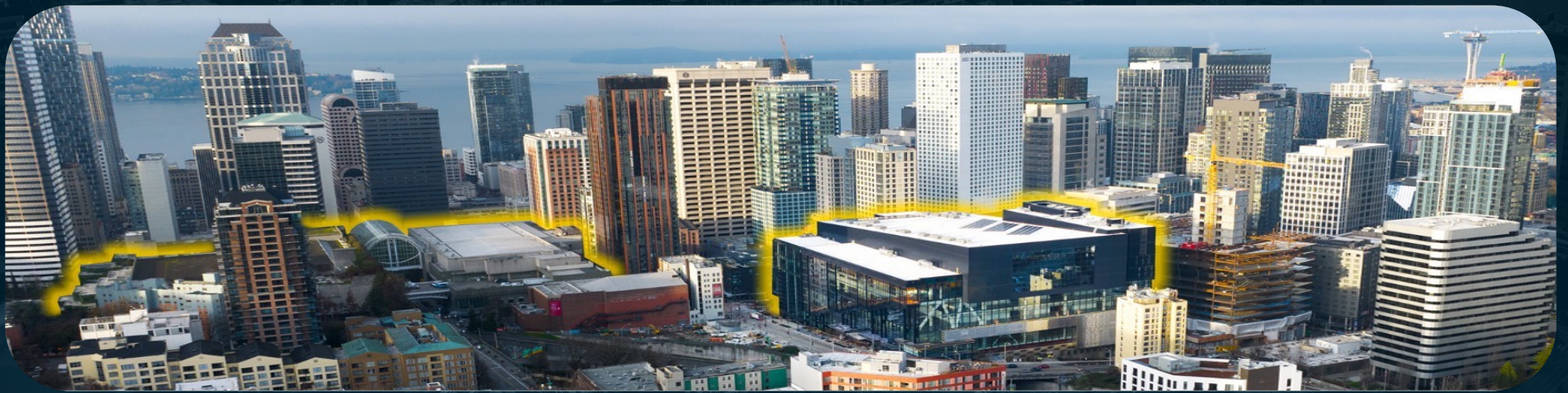
\$4 PER OCCUPIED ROOM NIGHT → 2.3% PER OCCUPIED ROOM NIGHT

- **More equitable distribution of ratepayer collections**
- **Establishes stable funding for optimized market development investment**
- **Keeps pace with inflation**
- **Benefits all districts of Seattle**

MODIFIED USE:

LEISURE + MEETINGS & CONVENTIONS

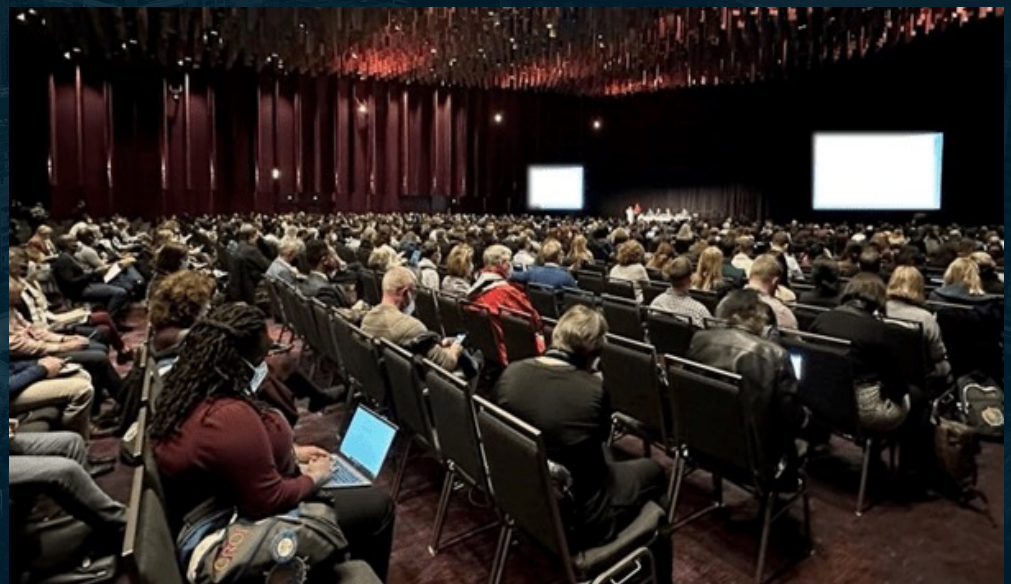
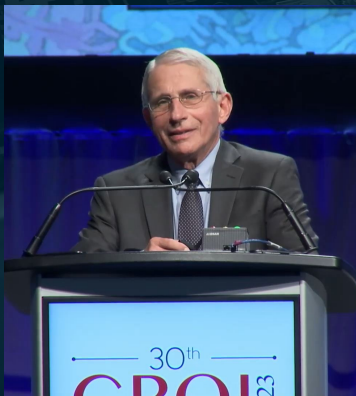
Enables Seattle to make the best investments possible to grow the tourism economy.



STIA

CASE STUDY 1: International Antiviral Society USA February 2023

- Economic impact: \$11,368,435
- Total jobs supported: 1,178
- Total local taxes: \$406,006
- Hotel room nights sold: 14,273
- Local products in welcome bags



CASE STUDY 2: American Booksellers Association February 2023

- Economic impact: \$3,204,968
 - Total jobs supported: 673
 - Total local taxes: \$105,477
 - Hotel room nights sold: 3,930
-
- Advance reader book copies donated to teachers through friends of Seattle public library, other local non-profits
 - Local products in welcome gifts

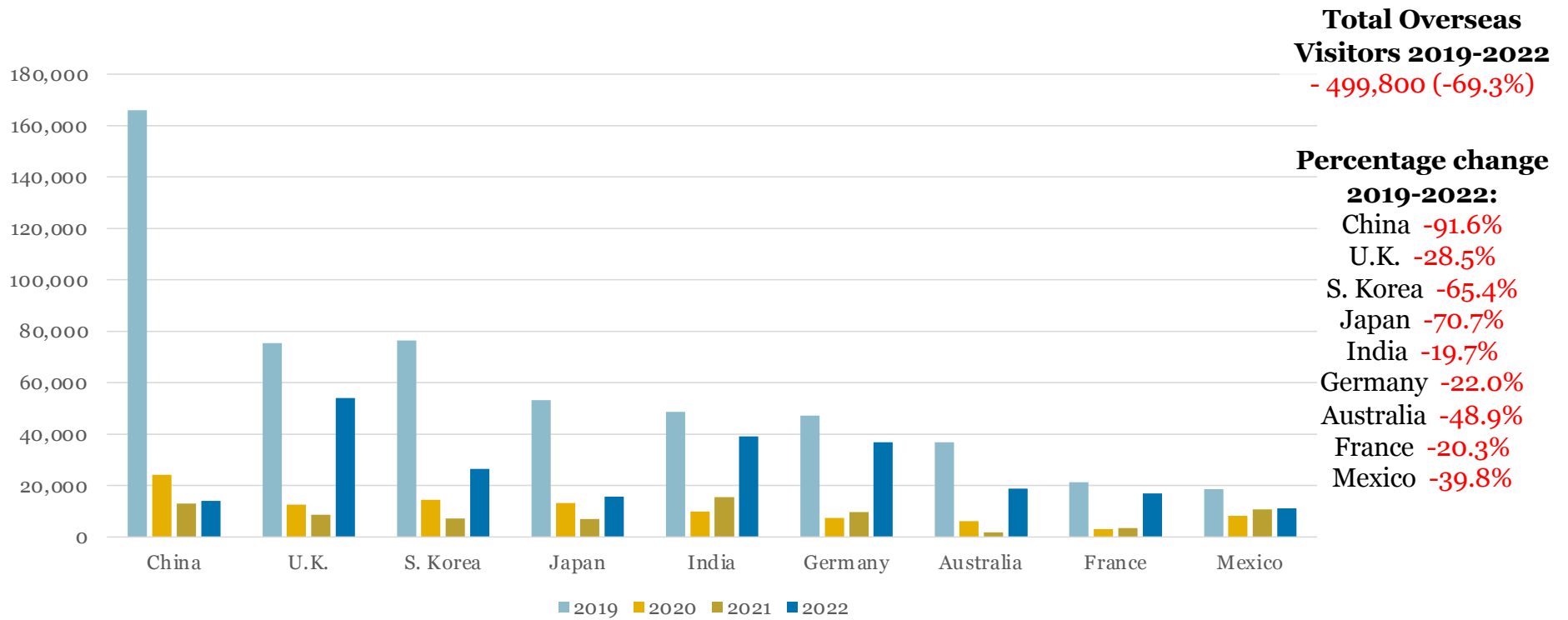


THE OPTIMUM BUSINESS MIX

- Taylor Swift x2
- Mariners v. Blue Jays x3
- 6 cruise dockings
- 2 Conventions
- Multiple festivals



INTERNATIONAL VISITATION





STIA INITIATIVES & PROGRAMS

Commitment to shining a light on arts, culture, music,
historically under-represented communities and BIPOC-
owned businesses and business-owners

STIA

Seattle Museum Month



SEATTLE MUSEUM MONTH

Featured Museums:

Bainbridge Island Museum of Art
Bill & Melinda Gates Foundation Discovery Center
Burke Museum
The Center For Wooden Boats
Chihuly Garden and Glass
Frye Art Museum
Henry Art Gallery
Kids Discovery Museum (KIDIMU)
Klondike Gold Rush National Historical Park
Lemay America's Car Museum
Museum of Glass
Museum of History & Industry
Museum of Pop Culture
National Nordic Museum
Olympic Sculpture Park
Pacific Bonsai Museum
Pacific Science Center
Seattle Aquarium
Seattle Art Museum
Seattle Asian Art Museum
Seattle Children's Museum
Seattle Pinball Museum
The Museum of Flight
USS Turner Joy
Wing Luke Museum
Woodland Park Zoo

STIA

VISITSEATTLE.tv

OPEN | STUDIO

PROJECT FIVE

A SHORT F

SEATTLE

the emerald race

CULTURE TRIPPERS

EXPLORE SEATTLE'S TAKE ON DANCE, STREET FOOD AND MORE THROUGH THE EYES OF A LOCAL AND A VISITOR WHO SHARE THE SAME PASSION.

MUSIC GENESIS

SO SO HEAR TH

A DINE & VIBE EXPERIENCE
Turning Tables
SEATTLE REVOLT

Dear Seattle

BEEN THERE, MADE THAT.

FOLLOW MAKERS AS THEY VISIT SEATTLE TO FIND INSPIRATION FOR THEIR NEXT CREATION

CROWD

QODOMotive

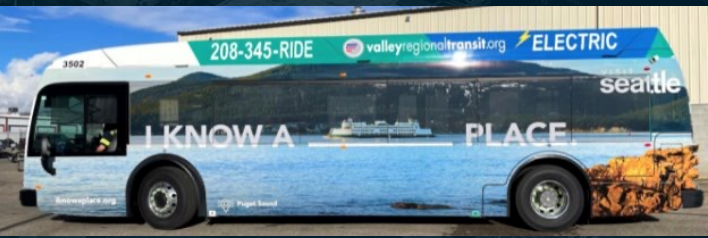
STATE OF GLASS

FAMILY STYLE

Seattle

WATCH R

I Know a Place



I Know a Place



WHEN YOU FIND A PLACE YOU LOVE, YOU JUST HAVE TO SHARE IT WITH SOMEONE ELSE. THAT'S WHERE THE MAGIC HAPPENS.

We've bottled some of that magic by asking locals to share personal recommendations for their tried-and-true favorites. Now you know someone in Seattle—and they know a place you have to experience for yourself. Check out their itineraries and [browse the map](#) to start planning your Seattle adventure.

Beaches. Synths. Records, records, and more records.

Come along as Seattle musician SassyBlack shares her local faves with her friend, artist Tyrell Shaw. Let's get into it.

Boats. Beers. Big walls. It's Fitz's best day ever.

Join Seattle Kraken announcer Everett "Fitz" Fitzhugh as he shows his family around his favorite Seattle digs.

2 Friends. 6 Stops. 1 Dog. Lots and lots of food.

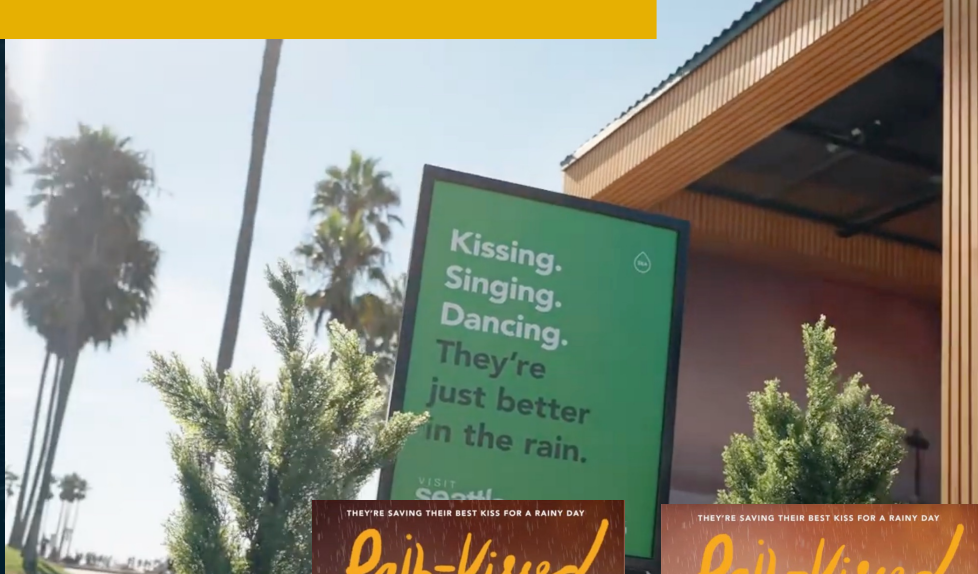
Join world class Seattle chef and TV star Shota Nakajima as he takes his friend and co-competitor Chef Sara to his favorite Seattle restaurants (and bars.)

iStockBOOK



STIA

Rainbooth



Cloudbreak



NOVEMBER 3-23, 2022
SEATTLE, WASHINGTON

Featured Music Venues:

Belltown Yacht Club
Clock-Out Lounge
Crocodile
Conor Byrne
El Corazon
Fremont Abbey
Funhouse
Here-After
High-Dive
Madame Lou's
Nectar Lounge
Red Lounge
The Rabbit Box
Royal Room
Salmon Bay
St. Mark's Cathedral
Sunset Tavern
Tractor Tavern
Trinity Nightclub
Vera Project

STIA

Refract

Featured Venues:

Art by Fire
Avalon Glassworks
Bainbridge Arts & Crafts Gallery
BARN (Bainbridge Artisan Resource Network)
Bazaz Glass
Blowing Sands Glass Studio
Bridget Culligan
Carol Milne
Chihuly Garden and Glass
Chihuly Studio
City of Shoreline
Color.Glass.Light
Friedman Glassworks
Gallery Mack
Glassybaby
Glasshouse Studio
Hilltop Artists
Illuminata Art Glass Design
Kait Rhoads
KCJ Szwedzinski + Dave Walters
Lino Tagliapietra
Method Gallery



REFRACT
5TH ANNIVERSARY

THE SEATTLE GLASS EXPERIENCE
OCTOBER 12-15, 2023

Method Gallery
Morgan Madison Studio
Milo Snyder Studio
Misoda Glass
Museum of Glass
Nathie Katzoff Fine Art Gallery
National Nordic Museum
Northwest Designer Craftartists (NWDC)
Pacific Northwest Glass Guild
Pike Place Market
Pilchuck Glass School
Port of Seattle / Seattle-Tacoma International Airport
Pratt Fine Arts Center
Press Reign
Radiant Neon
Richard Royal Studio
Schack Art Center
Sean Hennessey Studio + Weston Lambert
Seattle Architecture Foundation
Seattle Glassblowing Studio
Seymour Stained Glass
Stonington Gallery
Tacoma Art Museum
Travel Gallery
Vetri

STIA

MLB All-Star Week



Seattle Good News

VISIT
seattle

GOOD NEWS

Condé Nast
Traveler

The 25 Best Places to Go in the U.S. in 2025

Seattle



Skift
MEETINGS

\$2 Billion Expansion Boosts Seattle's Event Appeal



The Washington Post
Democracy Dies in Darkness

Seattle is ready for its sports moment with women at the helm



TRAVEL+
LEISURE

This Online Tool Helps Travelers Find Small Businesses in Diverse Communities Across 35 States

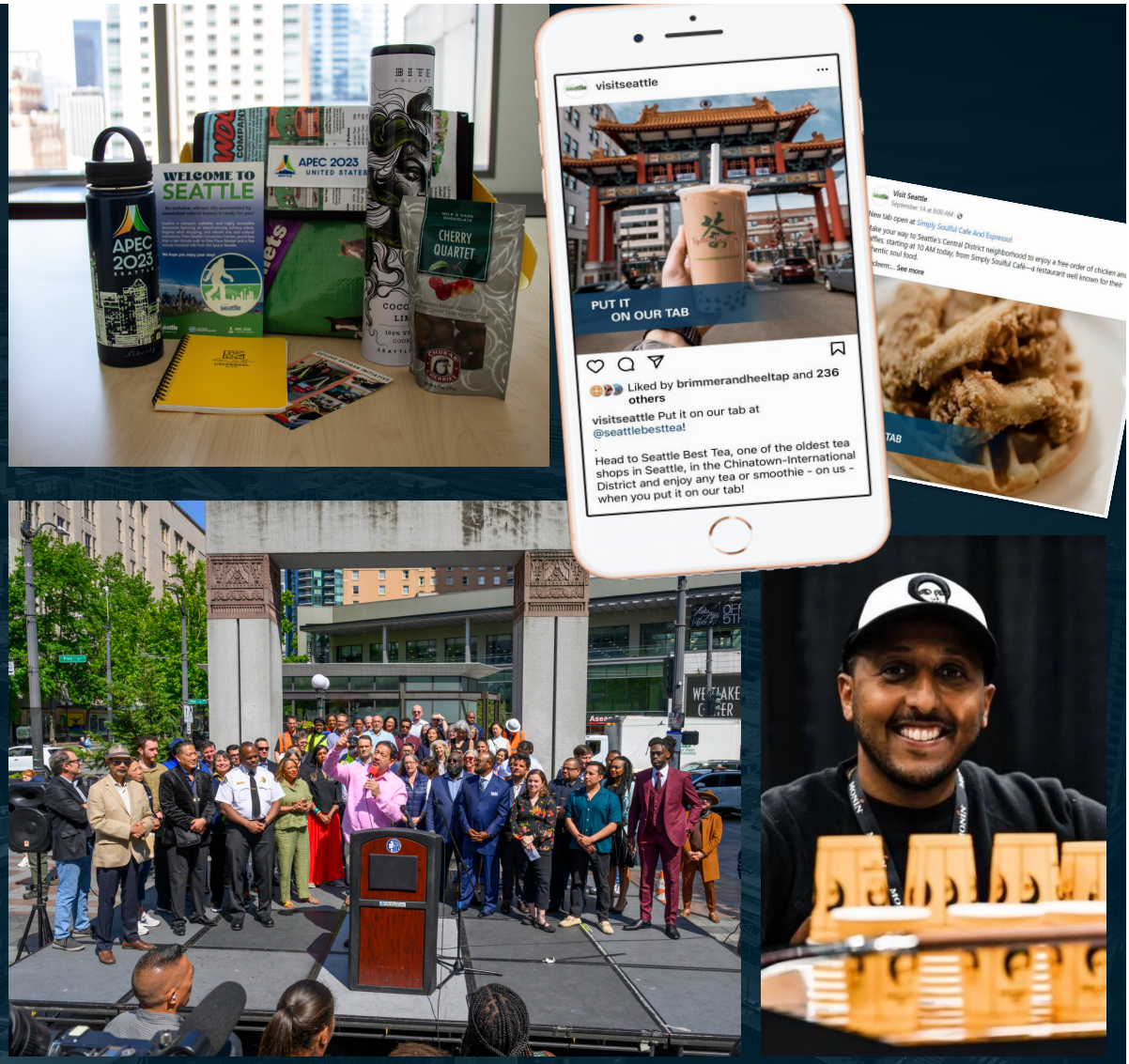
The directory aims to guide travelers toward conscious consumerism.



STIA

SUPPORTING SEATTLE

- Outreach to BIPOC/LGBTQ+ businesses in the Seattle Bank/Intentionalist program
- Key role in fulfilling Downtown Activation Plan
- Aligned with all 5 strategic pillars in the new Future of Seattle Economy agenda
- Local goods used for promotions, activations



ECONOMIC IMPACT 2022



**\$7.3B
VISITOR
SPENDING**

The \$7.3 billion in visitor spending mean that more than \$20 million was spent EVERY DAY on average by visitors in King County.



**\$3.4B
LABOR
INCOME**

The \$3.4 billion in total income generated by tourism is the equivalent of \$3,807 for every household in Seattle.



**60,825
TOTAL
JOBS**

The total number of jobs sustained by tourism (60,825), including indirect and induced benefits, accounts for 3.4% of all jobs in King County, enough to nearly fill Lumen Field.



**\$699M
STATE & LOCAL
TAXES**

Each household in Seattle would need to be taxed an additional \$775 to replace the visitor taxes received by the state and local governments in 2022.



QUESTIONS?

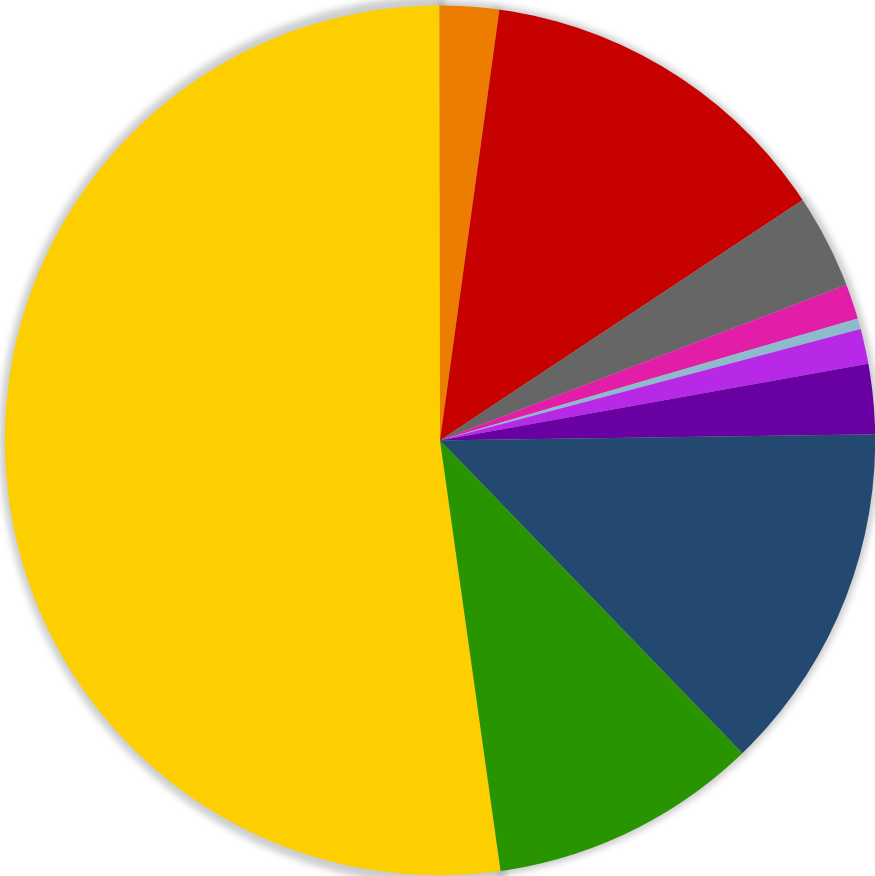
STIA



THANK YOU

STIA

PROPOSED BUDGET



- Advertising
- International Tourism Development
- Convention Sales & Marketing
- Marketing Partnerships
- Special Events
- Visual Assets
- Market Research
- Public Relations
- Personnel

September 7, 2023

MEMORANDUM

To: Economic Development, Technology, and City Light Committee
From: Jasmine Marwaha, Analyst
Subject: Seattle Tourism Improvement Area – Council Bill 120641

On September 11, 2023, the Economic Development, Technology, and City Light Committee (Committee) will have an initial briefing and discussion on [Council Bill \(CB\) 120641](#) that would establish a new Seattle Tourism Improvement Area (STIA), replacing the STIA established in 2011. STIA is one of 11 established Business Improvement Areas (BIAs) in the city. Staff from the Office of Economic Development (OED) and proponents of the proposed STIA will be at the Committee meeting to describe the background, outreach, intent, and scope of the proposal.

This memorandum: (1) provides general background about BIAs; (2) describes City policy and State law governing the formation of a BIA; (3) summarizes the content of CB 120641; and (4) identifies next steps. Attachment 1 shows the boundaries of the STIA, which will remain unchanged in the new proposal.

Background

BIAs are economic development funding mechanisms that allow businesses, multifamily residential developments, and mixed-use developments located within the geographic boundaries of the area to assess themselves to fund enhanced services, programming, and management for the area.

OED provides staff support to BIAs, and the Department of Finance and Administrative Services (FAS) collects assessment revenues from ratepayers and disburses the funds. There are currently 11 [established BIAs](#) in Seattle, including the STIA.

In 2011, the Council passed [Ordinance \(ORD\) 123714](#) that established the STIA in perpetuity to levy a special assessment on hotels with over 60 rooms located within the STIA's boundaries, which encompass the greater downtown area (see Attachment 1). [Visit Seattle](#) is the STIA's Program Manager. In 2022, [Council Bill \(CB\) 120273](#) amended the assessment rate from \$2 to \$4 per occupied room night. These funds are currently used solely for domestic and international tourism promotion, advertising, sales, and marketing activities that will encourage leisure tourism in Seattle to increase hotel occupancies within the STIA.

As described further below, CB 120641 proposes to change the assessment rate from a flat fee per occupied room night to a percentage of the guest room rate. CB 120641 would also expand the programs and services provided to support both leisure tourism and group tourism (e.g, the hosting and attending of meetings and events). Due to the extent of the proposed changes, the

proponents opted to circulate petitions to create a new Seattle Tourism Improvement Area, rather than attempt to amend the 2011 STIA ordinance.

Establishing a New BIA

Procedures for establishing and operating a BIA are governed by [Chapter 35.87A RCW](#). BIAs may be initiated either by a petition from prospective ratepayers who would pay at least 60 percent of the BIA assessments or by resolution. The City has its own non-binding BIA policies, most recently amended by [Resolution 31657](#) in 2016. Per the adopted policies, the City will consider a new BIA when presented with a petition by those who represent 60 percent or more of the total assessment in the proposed BIA.

In July 2023, the proponents submitted to the City 46 petitions ([Clerk File 322704](#)) in support of the new STIA from potential ratepayers representing over 72 percent of the total assessment, above the recommended minimum threshold of 60 percent.

On August 15, 2023, the Council began the process to consider the new STIA by introducing and adopting three resolutions:

1. [Resolution 32104](#) that initiates consideration of the new STIA;
2. [Resolution 32105](#) stating the City's intent to establish the new STIA and set a date and location for a public hearing on the proposal; and
3. [Resolution 32106](#) that expressed intent to formally disestablish the 2011 STIA, and set a date and location for a public hearing on the disestablishment.

Resolutions 32105 and 32106 set the date of the public hearing for September 13, 2023. Comments will be accepted in one public hearing for both the establishment of the proposed new STIA, and the disestablishment of the 2011 STIA. The hearing will be held in person and remotely in Committee. As required by State law, Resolutions 32105 and 32106 were published in the Daily Journal of Commerce and mailed to all potential ratepayers at least 10 days prior to the hearing.

On August 15, 2023, the Council introduced a fourth piece of legislation ([CB 120641](#)) that would establish the new STIA and levy the special assessment to fund STIA activities.

Council Bill 120641

CB 120641 would establish a new Seattle Tourism Improvement Area (STIA) beginning on January 1, 2024. Among other things, the bill:

- Establishes the geographic boundaries of the new STIA;
- Describes the assessment schedule;
- Describes the programs that would be funded by the assessments;

- Establishes an Advisory Board;
- Authorizes OED to contract for program management; and
- Allows for all remaining funds in the 2011 STIA Account to be transferred to the new STIA Account.

Boundaries

The renewed STIA includes all hotels within the existing district. The district boundaries, as established in 2011, extend north to W. Galer Street, east to 12th Avenue, south to South Royal Brougham Way, and west to Puget Sound. Please see Attachment 1 for details on the STIA boundaries.

Term

The new STIA would be established for a period of 15 years, beginning on January 1, 2024. Prior to expiration of this term, proponents may recommend that the STIA be renewed.

Assessments

For each ratepayer, the assessment rate is proposed to be 2.3% of the guest room rate paid by guests for each occupied room night, excluding taxes or other charges required by law, but without deduction for commissions or payment card processing fees.

Changing the assessment rate from a flat fee to a percentage of the guest room rate will result in higher projected revenue overall for the STIA and a more equitable distribution of assessments – guests who are staying in rooms with lower rates would pay a lower assessment than guests staying in rooms with higher rates.

Programs

STIA revenues shall be used solely and exclusively for domestic and international tourism promotion, advertising, sales and marketing activities intended to encourage both leisure tourism and group tourism (e.g., the hosting and attending of meetings and events) in Seattle in order to increase area hotel occupancies and for no other purpose. The [Office of Economic Development's STIA Benefit Analysis](#) provides a more detailed description of the proposed budget and program activities.

Program Manager

OED would be authorized to contract with a local non-profit entity operating primarily within the City, with experience in BIA management, to act as the Program Manager. The Program Manager of the current STIA, [Visit Seattle](#), would fulfill this criteria and is anticipated to continue in this role with the new STIA.

BIA Advisory Board

Within 30 days of the effective date of the legislation, OED would appoint an STIA Advisory Board (Board) comprised of representatives of the varying locations, sizes and types of ratepayers within the geographic area of the STIA. Individuals serving on the Board would be required to possess the legal authority to represent, and act on behalf of, their respective lodging properties in all STIA board matters.

The Board would be responsible for: adopting bylaws consistent with the City's BIA policies; adopting policy guidelines; recommending approval of budgets, expenditures, and programs; and providing advice and consultation to the OED and Treasury Directors and to the Program Manager.

Next Steps

At the next meeting on September 11, 2023, the Committee will have an initial briefing and discussion on [Council Bill \(CB\) 120641](#). At the following Committee meeting on September 13, 2023, the Committee will hold a public hearing on CB 120641, consider any proposed amendments and possibly vote on the Council Bill. If the Committee votes to recommend passage of CB 120641 on September 13, the City Council will likely consider the legislation at its meeting on September 19, 2023.

Attachments:

1. Seattle Tourism Improvement Area Boundary Map

cc: Esther Handy, Director
Aly Pennucci, Deputy Director
Yolanda Ho, Supervising Analyst

Attachment 1: Proposed Seattle Tourism Improvement Area Boundary Maps

