

**SUMMARY and FISCAL NOTE\***

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*\* 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:** A RESOLUTION to initiate a new business improvement area, to be known as the Seattle Tourism Improvement Area.

**Summary and Background:**

This Resolution initiates a new Seattle Tourism Improvement Area (Seattle Tourism Improvement Area) under RCW 35.87A and is the first of two similar pieces of legislation that must be prepared, per RCW 35.87A. The legislation package also includes a Resolution to set a public hearing date and place. Subsequently, the City Council may introduce an ordinance to create the Seattle Tourism Improvement Area after the public hearing has taken place.

The existing Seattle Tourism Improvement Area 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.

Based on its ability to provide services valued by its ratepayers, the Seattle Tourism Improvement Area Board developed a proposal recommending the creation of a new STIA that would be established for the duration of fifteen years, with the base year being 2024. The Seattle Tourism Improvement Area Advisory Board believes its proposal is efficient, accountable, and responsive to the area’s 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 ratepayer would pay, by signed petitions and percentage of support as assigned by the Office of Economic Development (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;

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 X No

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget?      \_\_\_ Yes X 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.

**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 BIAs. 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 STIA Program Manager for administering staffing, projects, and other costs associated with the STIA.
- b. Is a public hearing required for this legislation?**  
Yes, this legislation package includes a companion resolution of intention that establishes the date and place of the hearing, 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 resolution must be 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 Resolution: 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