

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
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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 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.

Summary and background of the Legislation:

This resolution declares the intention to establish a new Seattle Tourism Business Improvement Area (Seattle Tourism Improvement Area) and is the second of two similar pieces of legislation that must be prepared, per RCW 35.87A. The City must pass this resolution to declare a public hearing dates and place for the initiative. After the public hearing, the council may introduce a Council Bill to create the Seattle Tourism Improvement Area with a special assessment to be levied upon the owners of all hotels, inns, and similar businesses offering transient accommodations with 60 or more rooms within the area within its boundaries.

The existing Seattle Tourism Business 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 BIA 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 lodging property would pay, by signed petitions and assigned percentage of support by the Office of Economic Development (OED) for the entire proposed Seattle Tourism Improvement Area, and the result was over 72 percent in approved and validated petition, 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.

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 BIA 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 BIA.

b. Is a public hearing required for this legislation?

A public hearing is required for the BIA renewal and will be held on 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. This 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 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 BIA 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 Seattle Tourism Improvement Area Business Plan Summary, expands on the goals of the BIA.

Summary Attachments:

Summary Exhibit A - Proposed STIA Business Plan Summary