

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
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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:

AN ORDINANCE relating to the Seattle Tourism Improvement Area; increasing the assessment rate; and amending Ordinance 123714.

Summary and background of the Legislation:

The proposed resolution declares the intent of the City Council to increase the assessment rate for the Seattle Tourism Improvement Area (STIA), following a public hearing on the matter as required by RCW 35.87A.140.

Background: Through Ordinance 123714, the City established the Seattle Tourism Improvement Area (STIA) in 2011. Ordinance 123714 provided for the levy of special assessments upon participating hotels within the defined area to for the purpose of promoting leisure tourism in order to increase area hotel occupancies within the business improvement area. The assessment rate established in 2011 through Ordinance 123714 has never been modified.

On January 14th, 2022, the STIA Board of Ratepayers voted and approved the decision to pursuit an assessment rate change from \$2 to \$4 per occupied room night. The STIA Board of Ratepayers seeks the proposed rate increase to maintain market competitiveness amongst regional destination for leisure tourism.

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

Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2022	2023	2022	2023
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2022	2023	2022	2023
			\$2 – 4 million	\$3 - 6 million
Positions affected:	No. of Positions		Total FTE Change	

	2022	2023	2022	2023

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

☒ This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2022 Revenue	2023 Estimated Revenue
19825 Seattle Tourism Improvement Area	FAS	Ratepayer Assessments	\$2- 4 million	\$3 - \$6 million
TOTAL			\$0	\$0

Is this change one-time or ongoing? Ongoing

Revenue/Reimbursement Notes:

3.c. Positions

☐ This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?
None.
- Is there financial cost or other impacts of not implementing the legislation?
None. The STIA is established as a revenue-neutral program.
- Does this legislation affect any departments besides the originating department?
Yes – the Department of Finance and Administrative Services (FAS), which supports the administration of the assessments for the BIAs. OED has worked in close coordination with FAS on this legislation package.
- Is a public hearing required for this legislation?
Yes. The public hearing date is set in the companion STIA Amendment resolution.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes. The companion STIA Amendment resolution must be published to give notice of the public hearing for the proposed Council Bill.

f) Does this legislation affect a piece of property?

No.

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

Prior to the pandemic, tourism was an \$8.1 billion industry in Seattle/King County, creating and supporting over 80,000 jobs and generating \$837.5 million annually in taxes for the State and City. COVID-19 has disproportionately impacted the tourism and hospitality industry, which remains distant from a full recovery to pre-pandemic activity

80% of STIA's advertising budget has focused on BIPOC, LGBTQ, women-owned businesses, arts and culture or neighborhoods.

h) 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.

i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

The STIA is an existing program.

List attachments/exhibits below:

Summary Attachment A – 2022 STIA Ratepayer Advisory Board Resolution Summary

Summary Attachment B – 2022 STIA Workplan