



Legislation Details (With Text)

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Final Action: **Ord. No.**

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.

Sponsors: Sara Nelson

Indexes:

Attachments: 1. Att A - STIA District Boundaries Map, 2. Summary and Fiscal Note, 3. Summary Ex A - Proposed STIA Business Plan Summary, 4. Signed Resolution 32105, 5. Affidavit of Publication

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------------|------------------------------------|--------|
| 8/17/2023 | 1 | City Clerk | attested by City Clerk | |
| 8/17/2023 | 1 | Mayor | returned | |
| 8/17/2023 | 1 | Mayor | Signed | |
| 8/17/2023 | 1 | City Clerk | submitted for Mayor's signature | |
| 8/15/2023 | 1 | City Council | referred | |
| 8/15/2023 | 1 | City Council | adopted | Pass |
| 8/10/2023 | 1 | Council President's Office | sent for review | |
| 8/10/2023 | 1 | City Clerk | sent for review | |
| 8/9/2023 | 1 | Mayor | Mayor's leg transmitted to Council | |

CITY OF SEATTLE

RESOLUTION _____

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.

WHEREAS, the Seattle Office of Economic Development determined that the owners of businesses offering transient accommodations with 60 or more rooms located within the area who represent an estimated 72 percent of the special assessments to be assessed filed a petition with The City of Seattle (“City”) pursuant to chapter 35.87A RCW and said petition is filed in Clerk File 322704; and

WHEREAS, the City Council has reviewed the petition and letters of support, and determined it is in the best interests of the City to proceed, as permitted by chapter 35.87A RCW, under the resolution method of

creating a business improvement area instead of the petition method; and

WHEREAS, the City Council introduced Resolution 32014 on August 15, 2023, initiating the Seattle Tourism Improvement Area; and

WHEREAS, the City Council wishes to declare its intent to establish a Seattle Tourism Improvement Area, and to set a public hearing for the public and all affected persons to consider its establishment; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR

CONCURRING, THAT:

Section 1. The City Council of The City of Seattle declares its intention to establish a new business improvement area in accordance with chapter 35.87A RCW, to be known as the Seattle Tourism Improvement Area (STIA).

Section 2. The STIA shall be within the following boundaries, as shown on the map attached to this resolution 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 3. 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 area hotel occupancy within the area, 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. 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 4. Ratepayer's Advisory Board. There shall be an advisory board ("Board") whose membership is comprised of an odd number, between nine and 11, of owners of all hotels, inns, and other businesses providing transient accommodations with 60 rooms or more located within the boundaries of the STIA described in Section 2 of this resolution ("Ratepayers") that shall be representative of the varying locations, sizes, and types of lodging properties within the geographic area of the STIA. Individuals serving on the Board must possess the legal authority to represent, and act on behalf of, their respective hotel properties in all STIA board matters.

Section 5. Levy of Special Assessments. To finance the programs authorized in Section 3 of this resolution, there is proposed to be levied upon and collected from all Ratepayers a monthly special assessment 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).

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 6. Rate Changes. Changes in 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 submitted with the approval of the Board and shall not occur more than one time per year.

Section 7. A hearing shall be held on this matter before the Economic Development, Technology, and City Light Committee in the City Council Chamber, City Hall, 600 Fourth Avenue, 2nd Floor, Seattle, Washington 98104 on September 13, 2023, at 9:30 a.m., or as soon thereafter as the same may be heard. The City Council will hear all protests and receive all evidence for or against the proposed action.

Section 8. The City Clerk is requested to publish this resolution of intention in a newspaper of general circulation in Seattle and mail a complete copy of this resolution to each prospective ratepayer within the proposed area at least ten days prior to the hearing. The notice shall include a statement that a copy of the proposed ordinance, with attachments, may be examined electronically at <http://www.seattle.gov/cityclerk>, or in paper form at the Office of the City Clerk, City Hall, 600 Fourth Avenue, 3rd Floor, Seattle, Washington 98104, or will be mailed upon request.

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

President _____ of the City Council

The Mayor concurred the _____ 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