

Resolution No. 31310

A RESOLUTION to initiate a Tourism Business Improvement Area.

The City of Seattle – Legislative Department

Resolution sponsored by: *Mayor Jean Gooden*

Committee Action:

Date	Recommendation	Vote
7.19.11	Adopt	5-0 TB, SC, JG, MO RC

Related Legislation File: _____

Date Introduced and Referred: <u>July 18, 2011</u>	To: (committee): <u>Regional Development and Sustainability</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>7.25.11</u>	Date Presented to Mayor: <u>7.25.11</u>
Date Signed by Mayor:	Date Returned to City Clerk:
Published by Title Only _____	Date Returned Without Concurrence:
Published in Full Text _____	

This file is complete and ready for presentation to Full Council. *[Signature]*

Full Council Action:

Date	Decision	Vote
7.25.11	Adopted	8-0 excused: RC

Law Department

RESOLUTION

31310

A RESOLUTION to initiate a Tourism Business Improvement Area.

WHEREAS, the owners and operators of the hotel businesses, subject to sixty percent (60%) or more of the special assessments that would be assessed filed a petition with The City of Seattle pursuant to Chapter 35.87A RCW, which petition is filed in C.F. 311423; and

WHEREAS, the City Council has reviewed that petition, but determined it is in the best interests of the City to proceed, as permitted by Chapter 35.87A.030, under the Resolution method of creating a Business Improvement Area instead of the petition method;

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 Tourism 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 as Exhibit "A" (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):

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 description of the area and the map, the map 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



1 activities that arise unexpectedly from year to year) intended to encourage leisure tourism in
2 Seattle in order to increase area hotel occupancies and for no other purpose. Promotion,
3 advertising, sales and marketing services include, but are not limited to, strategic planning,
4 market research, creative development, media placement, sales activities, hosting tourism
5 industry events relating to promotion and marketing, and administrative and management
6 support for such services. No funds raised by the special assessment authorized by this ordinance
7 may be used to take, support or oppose any position taken by any entity in a labor dispute.
8

9 The initial estimated cost of these proposed uses and projects will be \$6,000,000 Dollars
10 in 2012.

11 **Section 4.** Ratepayers Advisory Board. There shall be an advisory board whose
12 membership is comprised of Ratepayers representative of the variety of locations, sizes and
13 classifications of Ratepayers in the District.
14

15 **Section 5.** To finance the programs authorized in Section 3, there is proposed to be
16 levied upon and collected from the owners of all transient accommodations ("Ratepayers") with
17 more than 60 rooms located within the boundaries of the Seattle Tourism Improvement Area
18 described in Section 2, monthly special assessments as follows:
19

20
$$\text{Assessment} = (\text{Occupied rooms} \times \$2.00 \text{ per night})$$

21 The special assessments shall not be imposed on rooms (a) where the occupant has stayed
22 30 or more days, (b) that are provided by a Ratepayer to guests without charge for promotional
23 purposes, (c) that are available exclusively to members or guests of members of a private
24 member-owned club or its reciprocal clubs or (d) that comprise facilities where accommodations
25 are generally marketed and sold on a per bed, shared room basis (e.g. hostels).
26
27



1 Property owned by governmental entities or public utilities shall not be assessed.

2 Adopted by the City Council the 25th day of July, 2011, and signed
3 by me in open session in authentication of its adoption this 25th day
4 of July, 2011.

5
6 

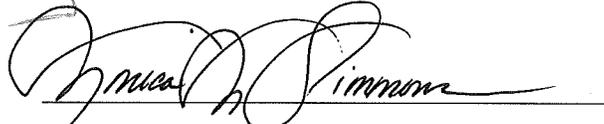
7 President pro tem of the City Council

8
9 THE MAYOR CONCURRING:

10 

11
12 Michael McGinn, Mayor

13
14 Filed by me this 26th day of July, 2011.

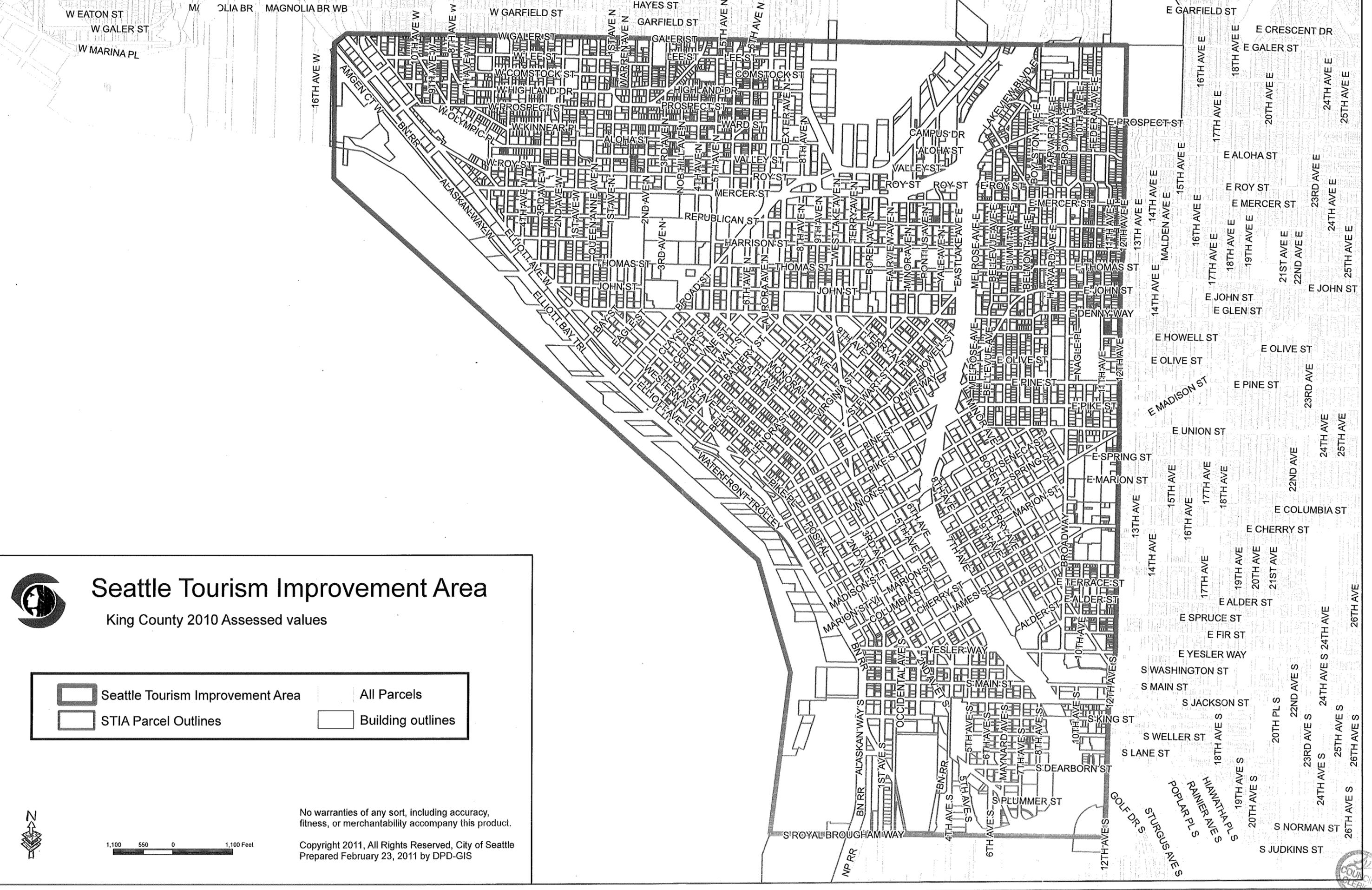
15
16 

17
18 Monica Martinez Simmons, City Clerk

19 (Seal)

20
21 Exhibit A: Seattle Tourism Improvement Area Map





Seattle Tourism Improvement Area

King County 2010 Assessed values

	Seattle Tourism Improvement Area		All Parcels
	STIA Parcel Outlines		Building outlines



No warranties of any sort, including accuracy, fitness, or merchantability accompany this product.

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Prepared February 23, 2011 by DPD-GIS



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Legislative	Nate Van Duzer/206-233-7801	N/A

Legislation Title:

A RESOLUTION to initiate a Tourism Business Improvement Area

• **Summary of the Legislation:**

This resolution is the first of two similar pieces of legislation that must be prepared, per RCW 35.87A, to form a Tourism Business Improvement Area to be known as the Seattle Tourism Improvement Area (STIA). A similar resolution may then follow this one to set a public hearing date and location. After the public hearing has taken place, the Council may introduce an ordinance to create the STIA.

• **Background:**

A proposal was put together by Seattle's Convention and Visitors Bureau, with the support of the Seattle Hotel Association, to create the Seattle Tourism Improvement Area (STIA). These organizations worked to collect signatures for a petition to form a business improvement area that will allow for the promotion and marketing of leisure tourism in Seattle, with the goal of increasing hotel occupancy. The petitioning effort resulted in a 77% show of support by 41 of the 53 affected hotel property owners. This exceeds the required demonstration of 60% financial support from the responsible ratepayers.

Affected hotels in the STIA will include a \$2 per occupied room per night surcharge to guests. These funds will be set aside for tourism promotion and marketing activities. The formation of a business improvement area will ensure that the Seattle hotels are able to compete and grow tourism revenue and increase hotel occupancy. The STIA is expected to be funded by a special assessment levied on more than 50 hotel properties to provide a stable, predictable and competitive funding model for the promotion of leisure tourism. The STIA will be overseen by a Ratepayer Advisory Board, which would be broadly representative of the ratepayers in the area covered by the improvement district.

• *Please check one of the following:*

This legislation does not have any financial implications. *(Stop here and delete the remainder of this document prior to saving and printing.)*

This legislation has financial implications. *(Please complete all relevant sections that follow.)*



Anticipated Revenue/Reimbursement: Resulting From This Legislation: *This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.*

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 Revenue
198XX Seattle Tourism Improvement Area	Finance and Administrative Services	Ratepayer Assessments	\$1,000,000.00	\$6,000,000.00
TOTAL			\$1,000,000.00	\$6,000,000.00

Notes: In 2011, the special assessment will provide approximately \$1,000,000.00 in revenue for leisure tourism costs of the STIA. Finance and Administrative Services (FAS) would collect the assessments from the ratepayers, but the funds would then be kept by FAS only for reimbursement to the Seattle Tourism Improvement Area.

Total Regular Positions Created Or Abrogated Through This Legislation, Including FTE

Impact: *This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below the table.*

Position Title and Department*	Fund Name	Fund Number	Part-Time/Full Time	2011 Positions	2011 FTE	2012 Positions**	2012 FTE**
TOTAL				0	0	0	0

* List each position separately

** 2011 positions and FTE are total 2012 position changes resulting from this legislation, not incremental changes. Therefore, under 2012, please be sure to include any continuing positions from 2011

Notes: Discussions with FAS indicate that existing staff resources can handle any administrative functions related to the STIA necessary for the City to perform.

- **Do positions sunset in the future?** (If yes, identify sunset date):

Not applicable.



Spending/Cash Flow: This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.

Fund Name and Number	Department	Budget Control Level*	2011 Expenditures	2012 Anticipated Expenditures
198XX Seattle Tourism Improvement Area	Finance and Administrative Services	Not applicable.	\$1,000,000.00	\$6,000,000.00
TOTAL			\$1,000,000.00	\$6,000,000.00

* See budget book to obtain the appropriate Budget Control Level for your department.

Notes: Again, FAS would collect the assessments from the ratepayers, but the funds would then be kept by FAS only for reimbursement to the Seattle Tourism Improvement Area, which would actually administer the staffing, projects and other costs associated with the STIA.

- **What is the financial cost of not implementing the legislation?** (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other costs if the legislation is not implemented.)

None. The STIA is established as a revenue-neutral program.

What are the possible alternatives to the legislation that could achieve the same or similar objectives? (Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)

None. Improvement area services are in addition to, and not a replacement of, basic City services, and are funded by assessments on the properties that benefit from the services. If the legislation is not passed, the services under the improvement area will not be provided.

- **Is the legislation subject to public hearing requirements:** (If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s).)

Not applicable.

Please list attachments to the fiscal note below:



STATE OF WASHINGTON – KING COUNTY

--SS.

274788
CITY OF SEATTLE, CLERKS OFFICE

No. 31308,309,310,311

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY RESOLUTION

was published on

08/05/11

The amount of the fee charged for the foregoing publication is the sum of \$ 54.60, which amount has been paid in full.



Affidavit of Publication



Subscribed and sworn to before me on
08/05/11 

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle Title Only Resolution

The full text of the following legislation, passed by the City Council on July 25, 2011, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

RESOLUTION NO. 31308

A RESOLUTION requesting that the Washington State Liquor Control Board amend State Administrative Rule WAC 314-

11-070 and create a new section to allow local governments to petition the Board to establish extended hours service areas within local jurisdictions.

RESOLUTION NO. 31309

A RESOLUTION of intention to establish a Tourism Business Improvement Area and fix a date and place for a hearing thereon.

RESOLUTION NO. 31310

A RESOLUTION to initiate a Tourism Business Improvement Area.

RESOLUTION NO. 31311

A RESOLUTION confirming that Seattle City Light may extend residential rate assistance electric rates under Seattle Municipal Code 21.49.040 to its low-income customers who reside in subsidized units of the Seattle Housing Authority, the Housing Authority of the County of King or the federal government that do not receive allowances or assistance with their electric utility bills.

Date of publication in the Seattle Daily Journal of Commerce, August 5, 2011.

8/5(274788)