

#7

**RESOLUTION** 31309

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

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

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

9 WHEREAS, the City Council introduced Resolution 31310 on July 18, 2011, initiating a  
10 Tourism Business Improvement Area; and

11 WHEREAS, the City Council wishes to declare its intent to establish a Tourism Business  
12 Improvement Area, and to set a public hearing for the public and all affected persons to  
13 consider its establishment;

14 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE  
15 MAYOR CONCURRING, THAT:**

16 **Section 1.** The City Council of The City of Seattle declares its intention to establish a  
17 Tourism Business Improvement Area in accordance with Chapter 35.87A RCW to be known as  
18 the Seattle Tourism Improvement Area (STIA).

19 **Section 2.** The STIA shall be within the following boundaries as shown on the map  
20 attached as Exhibit "A" (when a street or alley is named, the area boundary is the centerline of  
21 the right-of-way including vacated portions unless otherwise specified in the description):

22 Beginning where Puget Sound meets W. Galer Street, continuing  
23 east as if Galer Street continued to 12th Avenue, south to South  
24 Royal Brougham Way, west as if South Royal Brougham Way  
25 continued to Puget Sound, continuing along the shore of Puget  
26 Sound to W. Galer Street.

27 In case of a conflict between the description of the area and the map, the map shall  
28 control.



1           **Section 3. Programs.** Special Assessment revenues shall be used solely and exclusively  
2 for domestic and international tourism promotion, advertising, sales and marketing activities  
3 (including, without limitation, the creation of a standing limited reserve solely to fund any such  
4 activities that arise unexpectedly from year to year) intended to encourage leisure tourism in  
5 Seattle in order to increase area hotel occupancies and for no other purpose. Promotion,  
6 advertising, sales and marketing services include, but are not limited to, strategic planning,  
7 market research, creative development, media placement, sales activities, hosting tourism  
8 industry events relating to promotion and marketing, and administrative and management  
9 support for such services. No funds raised by the special assessment authorized by this ordinance  
10 may be used to take, support or oppose any position taken by any entity in a labor dispute.

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

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

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

20           Assessment = (Occupied rooms X \$2.00 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



1 purposes,(c) that are available exclusively to members or guests of members of a private  
2 member-owned club or its reciprocal clubs or (d) that comprise facilities where accommodations  
3 are generally marketed and sold on a per bed, shared room basis (e.g. hostels).

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

5 **Section 6.** A hearing shall be heard on this matter before the Regional Development and  
6 Sustainability Committee in the City Council Chambers, City Hall, 600 Fourth Avenue, 2nd  
7 Floor, Seattle, Washington 98104 on Monday, August 8, 2011, at 5:30 p.m., or as soon thereafter  
8 as the same may be heard. The City Council will hear all protests and receive all evidence for or  
9 against the proposed action.  
10

11 **Section 7.** The City Clerk is requested to publish a notice of this intention and of the  
12 hearing in a newspaper of general circulation in Seattle and mail a complete copy of this  
13 Resolution to each prospective Ratepayer within the proposed area, at least ten days prior to the  
14 hearing. The notice shall include a statement that a copy of the proposed ordinance, with  
15 attachments, may be examined electronically at <http://www.seattle.gov/leg/clerk/> on the Internet,  
16 or in paper form at the Office of the City Clerk, City Hall, 600 Fourth Avenue, 3rd Floor, Seattle,  
17 Washington 98104, or will be mailed upon request.  
18

19  
20 Adopted by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2011, and  
21 signed by me in open session in authentication of its adoption this \_\_\_\_\_ day  
22 of \_\_\_\_\_, 2011.  
23

24 \_\_\_\_\_  
25 President \_\_\_\_\_ of the City Council  
26  
27



1 THE MAYOR CONCURRING:  
2  
3

4 \_\_\_\_\_  
5 Michael McGinn, Mayor

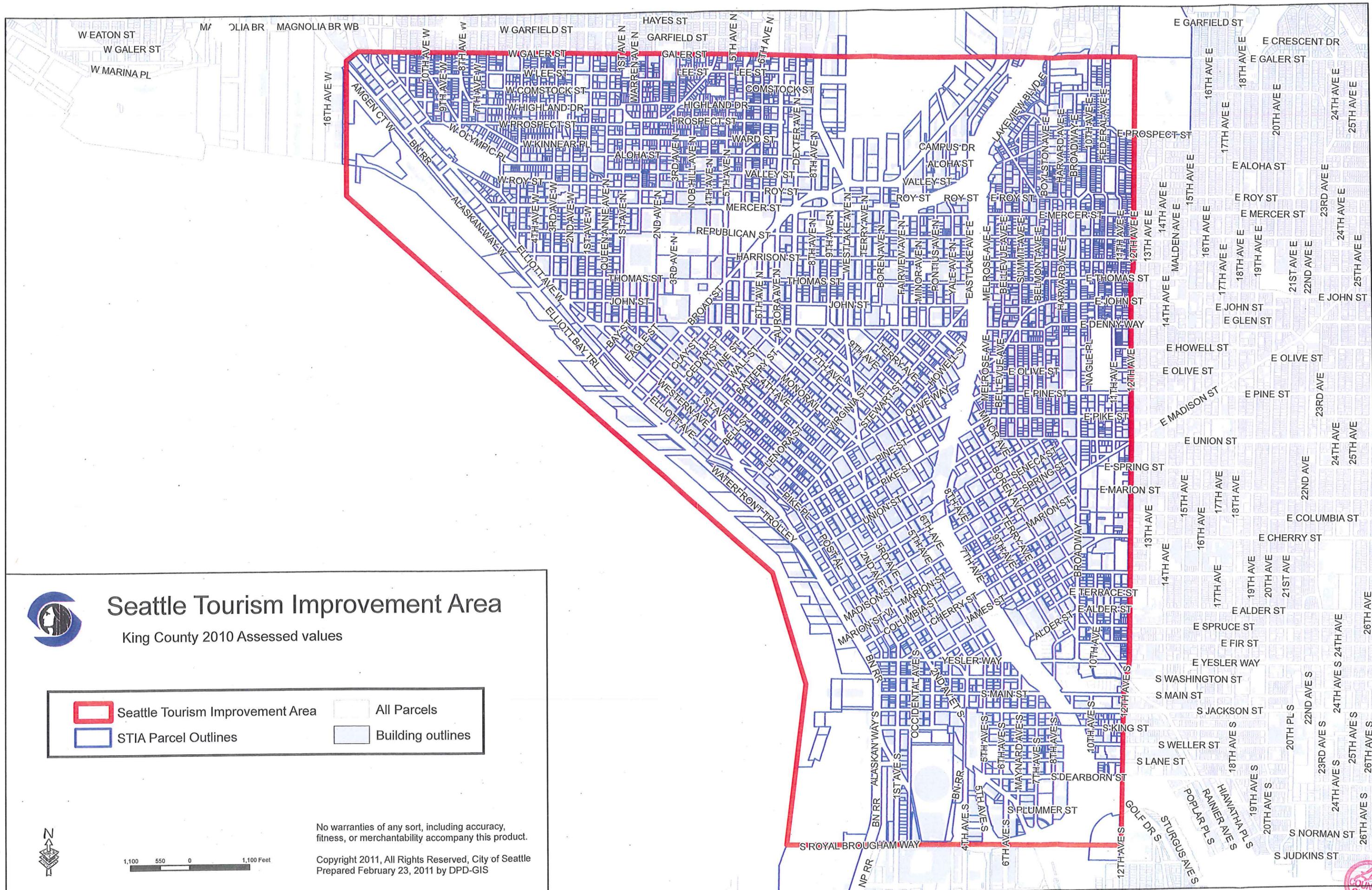
6 Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2011.  
7

8 \_\_\_\_\_  
9 Monica Martinez Simmons, City Clerk

10  
11 (Seal)

12  
13 Exhibit A: Seattle Tourism Improvement Area Map  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27





# 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.

Copyright 2011, All Rights Reserved, City of Seattle  
Prepared February 23, 2011 by DPD-GIS



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

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

**Legislation Title:**

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

• **Summary of the Legislation:**

This resolution is the second 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). The City must pass this resolution to declare a public hearing date and place for the initiative. After the public hearing, the Council may propose a bill to create the STIA with a special assessment on hotel properties within boundaries of the Tourism Improvement Area to pay for activities intended to increase area hotel occupancies. This subsequent bill will likely establish the STIA with the boundaries as shown in Exhibit A.

• **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.)*



**X** 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
<b>TOTAL</b>			<b>\$1,000,000.00</b>	<b>\$6,000,000.00</b>

**Notes:** In the first year, 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**
<b>TOTAL</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* 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
<b>TOTAL</b>			<b>\$1,000,000.00</b>	<b>\$6,000,000.00</b>

\* 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).)

**Yes.** The resolution establishes a hearing date of August 8, 2011 at 5:30 p.m.

- **Other Issues** (including long-term implications of the legislation): **None.**

**Please list attachments to the fiscal note below:**

