



# Seattle City Council

## Seattle Tourism Improvement Area: Frequently Asked Questions

### **What is the purpose of the Seattle Tourism Improvement Area?**

The Seattle Tourism Improvement Area (STIA) is an initiative sponsored by the City Council designed to increase leisure tourism to Seattle by advertising and promoting our city as a premier vacation destination in external markets. The initiative will allow a \$2 per room per night surcharge to guests in hotels with 60 or more rooms in the greater downtown area. The City will collect the surcharge fees and deposit them in a special fund reserved for marketing leisure travel.

This initiative will bring more tourists to Seattle, bolster hotel occupancy, protect current jobs, create new jobs, increase business at restaurants and retail stores, and increase patronage at arts, cultural and music venues. It is supported by King County Executive Dow Constantine, Mayor Mike McGinn and many community organizations (see below).

### **How much money is expected to be raised? Where does the money come from?**

Seattle's Convention and Visitors Bureau estimates that the STIA will raise approximately \$5-6 million in 2012. These revenues will come from a \$2 per room per night surcharge assessed to hotel guests.

### **What will the funds raised be used for? Who will administer the funds?**

The funds will be used for promotion, advertising, sales and marketing services which 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. It is the intent of the City Council that the City contract program management with Seattle's Conventions and Visitors Bureau. The Program Manager will regularly report to a ratepayer advisory board made up of representatives of the participating hotels.

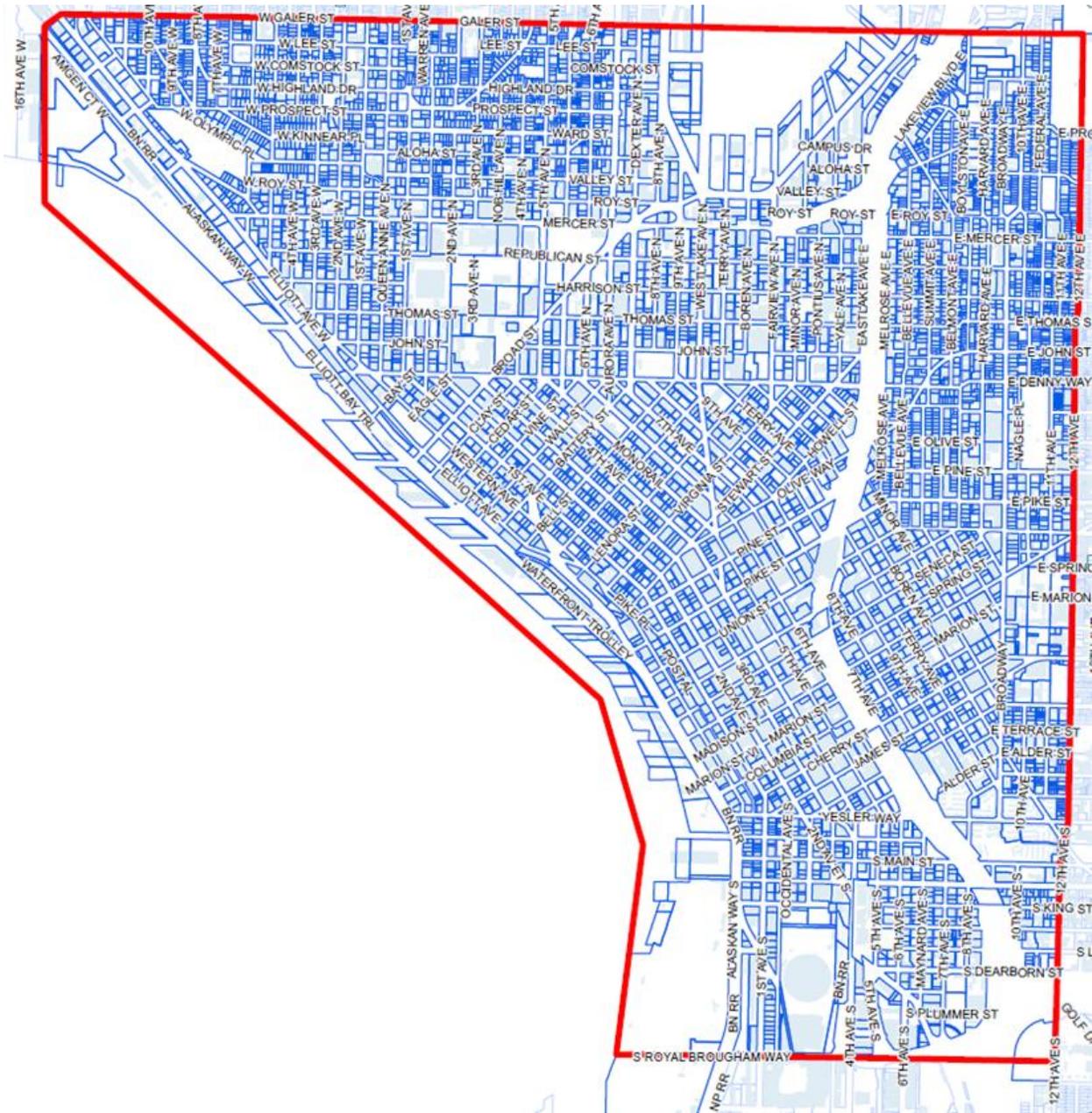
### **What will be the estimated impact on the local economy?**

Seattle's Conventions and Visitors Bureau estimates that, in 2012, the STIA will create a total economic impact of \$34.3 million, generate \$3.42 million in local and state taxes and support the creation of 560 new jobs in the hotel/hospitality sector.

### **Which hotels are included in the Seattle Tourism Improvement Area?**

The STIA includes 53 hotels of 60 rooms or more located within the greater downtown area, including Lower Queen Anne, South Lake Union, Belltown, Pioneer Square, the Chinatown International District, and portions of Capitol Hill. The solid line on the following map shows the boundary of the STIA.

## Seattle Tourism Improvement Area Boundary



The surcharge would 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, or (c) available exclusively to members or guests of members of a private member-owned club or its reciprocal clubs.

### **Do the affected hotels support this ordinance?**

Yes. The City Council agreed to create the Seattle Tourism Improvement Area at the request of a majority of the hoteliers. 77% of the affected hotels submitted petitions to the Council asking for this ordinance.

**What other organizations support this proposal?**

The proposal has the support of the Port of Seattle, the Seattle Hotel Association, the Greater Seattle Business Association, 4Culture, the 5<sup>th</sup> Avenue Theatre, One Reel, Premier Attractions, the Washington Restaurant Association, the Washington Lodging Association and the Pike Place Market.

**How much will this cost the City of Seattle?**

Nothing. The City’s primary involvement will be in collecting the monthly assessments, which will be done by the Department of Finance and Administrative Services using existing staff resources. If an assessment is not delivered by a hotel on time, the City will be reimbursed for its proactive collection efforts through late fees.

**Have other cities implemented similar proposals?**

Yes, other West Coast cities such as San Francisco, San Diego, Anaheim and Los Angeles have established dedicated funds for tourism promotion.

**How much has Seattle spent on leisure tourism promotion in the past? How does this compare with other cities?**

The City's contract for service with Seattle’s Convention and Visitors Bureau has been about \$225,000 in recent years, fluctuating up to about \$300,000 in 2007. In 2011, the City cut funding to \$50,000 and it is anticipated that these remaining funds will not be continued in 2012.

The following table shows total spending on tourism promotion (in millions) by other West Coast cities, including funds raised through special mechanisms like the STIA.

<b>City</b>	<b>Destination Marketing Organization Budget</b>	<b>Special Tourism Improvement District Funds</b>	<b>Total</b>
Los Angeles	\$18.00	\$12.00	\$30.00
San Diego	\$5.00	\$20.00	\$25.50
San Francisco	\$10.30	\$14.20	\$24.50
Denver	\$17.10	-	\$17.10
Vancouver (CDN \$)	\$15.00	-	\$15.00
Anaheim	\$3.00	\$9.50	\$12.00
Phoenix	\$12.00	-	\$12.00
Seattle	\$9.00	-	\$9.00
Portland	\$8.30	-	\$8.30
Salt Lake City	\$7.10	-	\$7.10
Spokane	\$2.00	\$1.70	\$3.70