



CITY OF SEATAC

HOTEL/MOTEL TAX ADVISORY COMMITTEE

December 11, 2019, 3:00 – 4:30 p.m.
Council Chambers, SeaTac City Hall, 4800 S. 188th Street
Chair: Mayor Erin Sitterley

AGENDA

- 1) Introductions – All – (5 Minutes)
- 2) Review and Approve Minutes of Oct 9, 2019 meeting (November 13 meeting was cancelled by consensus) – (5 Minutes)
- 3) SeaTac Police Department Report – (5 minutes)
- 4) City Center Sub-Area Plan Phase 1 Update – Kate Kaehny, Senior Planner – Long Range – (20 minutes)
- 5) Funding Process Review – Steve Pilcher, CED Director – (10 minutes)
- 6) Destination Assessment Progress Update (10 minutes)
- 7) Seattle Southside Regional Tourism Authority Update – Katherine Kertzman – (5 minutes)
- 8) Smith Travel Report/WA Department of Revenue Statistics – (5 minutes)
- 9) City Updates – (5 minutes)
- 10) Other Business
- 11) Adjournment

A quorum of the City Council may be present



Hotel Motel Tax Advisory Committee Meeting Minutes

10/9/2019

3:00 - 4:30 PM

SeaTac City Hall Council Chamber

Members Present: Councilmember Stanley Tombs; Cathy Heiberg; Brandi Mitchell; Richard Scherzinger; Jeff Bauknecht; Wendy Morgan;

Members Absent: [Click or tap here to enter names.](#)

Staff Present: Aleksandr Yeremeyev, Economic Development Strategist; Steve Pilcher, CED Director; Joe Hodgson, Police Captain;

Others Present: Katherine Kertzman, SSRTA; Ken Stockdale, Crowne Plaza

Commence: 3:05PM

Adjourn: 4:30PM

1. Introductions – All	Councilmember Stanley Tombs, Committee Chair called the meeting to order at 3:05PM
2. Review and Approve Minutes of September 11, 2019	<input checked="" type="checkbox"/> Approved as Written <input type="checkbox"/> Approved with Modifications <input type="checkbox"/> Recommended for Approval <input type="checkbox"/> Approved
3. SeaTac Police Department Report	<input checked="" type="checkbox"/> Informational Update Captain Joe Hodgson provided an update on the current activity in the City. There were no significant spikes in activity, rather a reduction overall. Discussion of transients coming into the area for use of bathrooms and shelter mostly around the airport light rail station. This activity seems to be increasing related to the weather turning colder. The group discussed that such activity increases during darker periods of the day/year. With disruptive persons, usually mental health issue or substance abuse is involved. Hodgson reassured the group to reach out if there are any concerns going forward.
4. Funding Process Update / Discussion	Chair Stan Tombs, Steve Pilcher, and Aleksandr Yeremeyev, facilitated the continued discussion regarding the funding process. A few areas of concerns were expressed. 1. Interest in having some component of performance based funding, prorated. Others mentioned it may be challenging for applicants to estimate the outcomes accurately.

2. Scope of Work may include value to the City for exposure, for placement of logos, hotel room night counts from hoteliers, and other categories of evaluation criteria.

Discussion of how to measure performance and what the components of the performance should be. Also discussed that lodging tax dollars are intended for tourism promotion of the area and amenities in the area. It is not a direct count of heads in beds, but rather tourism promotion of the area.

The group spoke about the track record over the decades showing that funding has been successful, but tightening up the process may be desired. A hotelier member, discussed room block, reservations and other potential milestones.

Other criteria may include: "Does the applicant organization have a website, did they promote on the website. Consumer spending impact estimates, etc.

Discussion of performing a professional tourism destination assessment of the City of SeaTac.

The group indicated that similar discussion of what the tourism/traveler demand generators are and what they could be have reoccurred over the past 25 years, and have not been able to pin down anything massive - the airport is the driver of the economy.

The Issaquah triathlon was brought up and the impacts were summarized

Currently, 1.3 days average is the length of stay in SeaTac. The travel is regional, short-term stays.
Probably 3-4 night stays are not a likely target.

Biggest need is around weekend activity. Late September to April is when there is the largest need for travelers and tourism in the City. Some potential target examples include: dance groups, 200-500 groups, all types of dances. Families, and hobby groups.

Using a destination specialist firm may help analyze and discover opportunities. Kertzman mentioned that the SSRTA is engaging with Digital Edge who focuses on similar objectives.

A hotelier shared how his hotel guests behave. Observing the social media conversations, people use light rail. Travelers who used rent a car to go down town, now hop on the light rail to avoid the traffic nightmare and parking fees in downtown. Sports fans are coming in and staying in SeaTac, and going in to town for Huskies, Baseball, Seahawks, BlueJays, etc.

	<p>Again the group reiterated that the demand generator is the Airport. Length of stays is currently around 1.2-1.3 days.</p> <p>Scherzinger shared his conclusion of what is SeaTac's city center plan update outcomes may include: Business association for owners or a possible business improvement district; suggesting that instead of recreating something we do not have, embrace what we do – the international airport. Therefore, the focus should be on what weekend and shoulder season opportunities exist.</p> <p>The group suggested building on existing events and amenities and then expanding on that. Discussed having a destination expert analyze what is actually possible in the existing environment and analyze what is possible beyond that. Outcomes may analyze: Is another staff person needed to take on the task of chasing other lodging tax funding applicants? Or spend time talking to potential funded organizations and making them aware of potential funding and opportunity? Or pursue venue/amenity development that attracts shoulder season and weekend travelers.</p> <p>Kertzman mentioned that the City has to be heavily engaged in destination analysis as outcomes/recommendations are likely going to have impact on City resources/needs.</p> <p>Group discussion of a need for a destination assessment of the existing tourism landscape / tourism attracting amenities landscape, what is missing and what capacities exist. Primary focus should be given to weekends and the shoulder season September to April. Possibly evaluate event holders are who are often people who are passionate about a theme and they organize activities around their passions.</p> <p>Motion to pursue a professional assessment of our City of SeaTac tourism promotion opportunities. Motioned and seconded. Approved unanimously. Work with SSRTA on a Destination Assessment. Connect with existing groups that are operating in this area. Extensions of things that are already going on, and identifying who this region is in regards to tourism. Expand on existing activities, festivals in Seattle or the area.</p> <p>Staff to work with Seattle Southside Regional Tourism Authority (SSRTA) to explore/perform such analysis. Apply for lodging tax dollar funds with SSRTA managing the application/analysis project in collaboration with the City.</p> <p>Considerations: Sporting events hub, SeaTac ACLAC committee may want to be involved in the process.</p>
<p>5. Pipeline / Future Applicant Pool for Lodging Taxes</p>	<p><input checked="" type="checkbox"/> Discussion Details included under section 4. Takeaways include implementing contracts with evaluation criteria and some level of performance based funding accountability for applicants funded with lodging tax dollars.</p>

Discussion	
6. Fund Balance Strategy Discussion	<input checked="" type="checkbox"/> Discussion Details included under section 4. The Destination Assessment work will help inform the direction/strategy of where reserve funds may be spent most effectively to improve overall tourism attractiveness of the City.
7. Seattle Southside Regional Tourism Authority Update	<input checked="" type="checkbox"/> Informational Update Kertzman provided an update on the RTAs operations and current initiatives. Mentioned succession planning, Staycation concept and brand awareness as well as the Secrets of Seattle Southside – November efforts. Initiatives and actions include: <ul style="list-style-type: none"> • Stay, play and then fly. King 5, YouTube, and other channels. • Hardcover Seattle Southside Travel Planner 2 years. • Tear away map requested by hoteliers and Museum of Flight • \$1.1 M of media buy. Google gave \$1M of free advertising by mistake = ROI was very high. • Enewsletter has 17,000 subscribers of quarterly newsletter. • News Media FAM tour. 425 business magazine is coming October 25. Engaging Digital Edge for group travel assessment. Partner Services Meeting going on now at Crowne Plaza to inform the budget toolkit for what the partners will do for next year.
8. Smith Travel Report / WA Department of Revenue Statistics	<input checked="" type="checkbox"/> Informational Update General Statistics provided. Supply is impacting revenues and profitability. This is true for the greater market.
9. City Updates	<input checked="" type="checkbox"/> Informational Update / Discussion
10. Other Business	
11. Adjourn	Adjourned the meeting at 4:30 PM. <i>The next regular meeting will be held on 11/13/2019 in the City Hall Council Chamber</i>

LODGING TAX FUNDING REQUESTS

Draft Policies & Procedures

Timing:

- In general, funding requests will only be considered during the City's biennial budget process.
- Smaller requests that may fit within a defined "opportunity bucket" fund may be considered outside the biennial process.
- Staff will initiate the biennial funding process so that initial HMAC review of requests will begin no later than May of the biennial budget year. However, requests can be made at any time during the year.
- Recommendations to City Council should be completed no later than the July meeting and promptly transmitted by staff.

Opportunity Bucket:

- The "opportunity bucket" will be increased to \$100,000 per biennium.
- The maximum request for these funds will be limited to \$_____.
- CED staff will create a simpler funding application and process for projects seeking these funds.

General Procedure:

- All funding requests shall be submitted on forms provided by CED staff.
- New proposals must provide documented, verifiable analysis of positive tourism benefits.
- Final funding of new proposals will be based upon an evaluation of performance against stated goals and objectives. Performance measures shall be established in contracts between the funding recipient and the City.
- An applicant must attend an HMAC meeting to present their request and respond to questions from the Committee.
- The Committee reserves the right to not take action on a request at the meeting at which it is initially presented.
- Additional information shall be presented if requested.
- The Committee's recommendations shall be transmitted to the City Council for action with adequate time to allow for Council remand to the Committee, if needed.

Evaluation Criteria:

- Use weighted criteria, including:
 - Uniqueness of opportunity
 - Potential economic/tourism impact
 - Potential synergy with other funded projects
 - Events occurring during the “shoulder season”
 - Organizational structure & capability
 - Marketing approach
 - Degree of matching funds

Final funding

- Contracts will be required between all providers and the City.
- Performance standards contained in the contracts will be used to determine the amount of funds paid to a provider, to include as applicable:
 - Actual vs. estimated event attendance
 - Actual vs. estimated hotel room nights
 - Attendee satisfaction

Seattle Southside RTA Product and Services Development Scoring Matrix

Appendix C

	Total Points	Max Points Per Component	Fail	Poor	Average	Above Average	Excellent	Total Points Awarded
Point Allocation			1 1-2	2 3-4	3 5-6	4 7-8	5 9-10	
Program Components								
Tourism Promotion*		Pass/Fail						
Benefit to the Destination*		Pass/Fail						
Use of Seattle Southside RTA Brand*		Pass/Fail						
Suitable Target Market		10						0
Economic Impact		10						0
Room Nights		10						0
Unique Selling Proposition		10						0
Evaluation/Measurement Plan		5						0
Attendee Satisfaction		5						0
Innovation		5						0
Evidence of Partnership		5						0
Management Capability		5						0
Organizational Structure and Capability		5						0
Quality of Research		5						0
Comprehensive Marketing Approach		5						0
Degree of Match		5						0
Previous Replacement Funding		5						0
Scale of Project		5						0
Application Quality		5						0
Total	100							0

*Items above are critical to the success of a tourism Product Development Program for the Seattle Southside RTA. These items will be scored on a pass/fail basis. Applications that do not receive a passing score will not be considered for evaluation. The purpose is to internally screen those proposals that do not meet evaluation criteria for the scoring process.

STR Summary Report for October 2019

Occupancy (%)	Year To Date		
	2017	2018	2019
This Year	82.1	79.9	77.9
Last Year	79.8	82.1	79.9
Percent Change	2.8	-2.6	-2.5

ADR	Year To Date		
	2017	2018	2019
This Year	130.62	133.88	131.79
Last Year	124.21	130.62	133.88
Percent Change	5.2	2.5	-1.6

RevPAR	Year To Date		
	2017	2018	2019
This Year	107.19	107.02	102.67
Last Year	99.14	107.19	107.02
Percent Change	8.1	-0.2	-4.1

Supply	Year To Date		
	2017	2018	2019
This Year	2,409,109	2,544,179	2,657,540
Last Year	2,382,465	2,409,109	2,544,179
Percent Change	1.1	5.6	4.5

Demand	Year To Date		
	2017	2018	2019
This Year	1,976,875	2,033,696	2,070,329
Last Year	1,901,635	1,976,875	2,033,696
Percent Change	4.0	2.9	1.8

Revenue	Year To Date		
	2017	2018	2019
This Year	258,223,668	272,272,202	272,844,629
Last Year	236,208,756	258,223,668	272,272,202
Percent Change	9.3	5.4	0.2

Census %	Oct
Census Props	59
Census Rooms	8789
Rooms Participants	94.0

**Hotel Motel Tax Advisory Committee
Local Tax Distribution Report
Special Hotel/Motel Tax**

2018	Distribution	2019	Distribution
Jan	\$115,793.14	Jan	\$122,762.86
Feb	\$96,505.39	Feb	\$103,560.38
Mar	\$102,590.01	Mar	\$116,084.70
Apr	\$102,149.08	Apr	\$120,398.21
May	\$137,437.67	May	\$143,995.02
Jun	\$127,179.16	Jun	\$134,112.69
Jul	\$169,660.56	Jul	\$171,228.19
Aug	\$219,234.84	Aug	\$199,483.93
Sep	\$191,887.13	Sep	\$214,497.00
Oct	\$207,392.69	Oct	\$228,137.12
Nov	\$155,869.40	Nov	\$0.00
Dec	\$114,203.49	Dec	\$0.00
SUBTOTAL 2018 THRU SEPT	\$1,262,436.98	SUBTOTAL 2019 THRU SEPT	\$1,554,260.10
TOTAL 2018	\$1,739,902.56	TOTAL 2019	\$1,554,260.10

Updated 10/22/19
Updated 10/22/19

