



INFORMATIONAL MEMORANDUM

TO: **Planning and Community Development**

FROM: **Brandon Miles, Business Relations Manager**

CC: **Mayor Ekberg**

DATE: **July 13, 2021**

SUBJECT: **Lodging Tax Funding Requests**

ISSUE

Review of a lodging tax funding request from the City of Tukwila, Office of Economic Development to sponsor the 2021 Rave Green Run to be held on September 19, 2021.

BACKGROUND

The City collects a 1% lodging tax on certain qualifying overnight stays in paid accommodations (hotels/motels/Airbnb) in the City. State law limits the use of these funds to tourism promotion¹. There is currently just over \$1 million in lodging tax funds available for use.

The City's Lodging Tax Advisory Committee (LTAC) reviews all requests for use of lodging tax funds. LTAC then forwards a list of recommended applications to the City Council for its review and consideration. If LTAC does not recommend an application be funded, that application is not forwarded to the City Council. The City Council may approve or deny any of the applications recommended by the LTAC. The City Council may also approve an application and increase or decrease the dollar amount awarded².

The City accepts applications on a rolling basis, with the LTAC reviewing requests monthly.

Pending Applications

Following its July 9, 2021 meeting, LTAC recommended approval of a lodging tax request from the City of Tukwila, Office of Economic Development in the amount of \$10,000 to sponsor the 2021 Rave Green Run to be held in the city on September 19, 2021.

¹ RCW 67.28.080 (6) defines "tourism promotion" as "...activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists."

² On August 17, 2016, the Washington State Attorney General's Office issued an informal opinion regarding whether a municipality could change the dollar amounts recommended by the local lodging tax advisory committee. Specifically, the informal opinion states:

"When awarding lodging tax revenues pursuant to RCW 67.28.1816(2)(b)(ii), a municipality may award amounts different from the local lodging tax advisory committee's recommended amounts, but only after satisfying the procedural requirements of RCW 67.28.1817(2), according to which the municipality must submit its proposed change to the advisory committee for review and comment at least forty-five days before final action on the proposal."

1. City of Tukwila, Office of Economic Development, 2021 Rave Green Run (\$10,000).

In 2018 the Seattle Sounders moved its 5k fun run from Redmond to Tukwila. In 2018 and 2019 the run attracted around 700 runners each year. In 2020 the event was transitioned to a virtual run due to COVID-19. With the easing of COVID-19 the run is scheduled to return in 2021.

As we emerge from COVID-19 staff is looking for ways to bring people to the City and to reintroduce them to the City and to remind them of the activities in the City. This event will bring between 600 and 800 people to the City. This will be the first time the event will occur since the City launched the Experience Tukwila digital initiative. The City's Experience Tukwila social media provides an opportunity for the City to cross promote the run and other businesses in the City. It also provides an opportunity for the City to continue to grow its social media platforms.

In 2019 the City and Westfield Southcenter partnered on a food truck event to occur on the same day of the fun. Staff is working with Westfield to hopefully plan a similar event for 2021.

LTAC Recommendation on Application: Do Fund

Staff Recommendation on Application: Do Fund

FINANCIAL IMPACT

The total request for lodging tax funds is not to exceed \$10,000. The six-year Tourism Financial Plan approved by the City Council in December of 2020 allocated a total of \$150,000 in lodging tax funding for sponsorships in 2021.

2021 Tourism Six-Year Financial Plan Allocation	
2021 Sponsorships	\$150,000
Global to Local	(\$5,000)
Juneteenth	(\$1,500) ³
2021 Seattle Seawolves	(\$10,000)
City of Tukwila, Rugby 7s	(\$10,000)
City of Tukwila, Rave Green Run (Pending)	(\$10,000)
Remaining 2021 Sponsorship Funds:	\$103,500

RECOMMENDATION

Staff recommends the funding request be approved and placed on the August 2 consent agenda.

ATTACHMENTS

1. City of Tukwila, Staff Report to Lodging Tax Committee, Rave Green Run
2. City of Tukwila, Rave Green Run, Lodging Tax Application

³ This reflects the estimated actual expenditures of the \$5,000 in funding approved.

Staff Memorandum

Lodging Tax Advisory Committee Funding Request

Name of Applicant:

City of Tukwila, Office of Economic Development

Address:

6200 Southcenter Blvd.
Tukwila, WA 98188

Total Funds Requested:

\$10,000

About the Applicant:

The City of Tukwila is a non-charter City organized under the laws of the State of Washington. Founded in 1908, Tukwila is one of the oldest cities in King County. Since its founding, Tukwila has always been a community at the “crossroads.” Tukwila lies at one of the busiest freeway interchanges in Washington State. The City has a small bedtime population of just under 20,000. During the day the City’s population swells to over 150,000 people, with people coming to the City to work, shop, dine, stay in hotels, and to visit once in a life time experiences, such as the Museum of Flight or iFly.

The City is one of the most diverse cities in the country. Over 70 languages are spoken in the Tukwila School District. Many well-known businesses are based in Tukwila, such as BECU, Westfield Southcenter, Seattle Seawolves, Seattle Sounders FC, Top Pot Donuts, Pop Gourmet, and the Sabey Corporation. The City has over 2,000 hotel rooms and over 100 restaurants

Funds Previously Awarded:

Lodging tax funds were awarded in the amount of \$10,000 in 2018 and 2019 for the Rave Green Run. In 2020 the event was virtual due to COVID-19 and the City provided \$750 of sponsorship funding.

Funding Request Narrative:

Sponsorship of the 2021 Rave Green Run hosted by the Seattle Sounders FC in the City of Tukwila.

In 2018 the Seattle Sounders moved their 5k fun run from Redmond to Tukwila. In 2018 and 2019 the run attracted around 700 runners each year. In 2020 the event was transitioned to a virtual run due to COVID-19. With the easing of COVID-19 the run is scheduled to return in 2021.

Staff Comments:

As we emerge from COVID-19 the City is looking for ways to bring people to the City and to reintroduce them to the City and to remind them of the activities in the City. This event will bring between 600 and 800 people to the City. This will be the first time the event will occur since the City launched the Experience Tukwila digital initiative. The City’s Experience Tukwila social media provides an opportunity for the City to cross promote the run and other businesses in the City. It also provides an opportunity for the City to continue to grow its social media platforms.

In 2019 the City and Westfield Southcenter partnered on a food truck event to occur on the same day of the fun. Staff is working with Westfield to hopefully plan a similar event for 2021.

Consistency with Six Year Financial Model:

For 2021, the Six Year Financial Plan shows \$150,000 for sponsorships. There are sufficient funds in the budget for other 2021 sponsorships.

Total Funds Allocated in Six Year Financial Plan:	\$150,000
Global to Local (Spice Bridge):	(\$5,000)
Juneteenth:	(\$1,500) ¹
Seawolves:	(\$20,000)
City of Tukwila, Rugby 7s	(\$10,000)
City of Tukwila, Rave Green Run (Pending):	(\$10,000)
Remaining Funds:	\$103,500

City of Tukwila Staff

Recommendation to LTAC: Approval

Notes:

This is a project specific request. The goal is to have all the art installed by 2021, but this project could extend into 2022.

¹ \$This reflects the estimated actual expenditures of the \$5,000 in funding approved.

Application to the City of Tukwila for Use of 2020 Lodging Tax Funds

Event or Activity Name (if applicable):	2021 Rave Green Run
Amount of Lodging Tax Requested:	Not to Exceed \$10,000
Applicant Organization:	City of Tukwila, Mayor's Office
Federal Tax ID Number:	91-6001519
Mailing Address:	6200 Southcenter Blvd Tukwila, WA 98188
Primary Contact Name:	Brandon J. Miles
Primary Contact Phone:	(206) 431-3684
Primary Contact Email Address:	Brandon.Miles@Tukwilawa.gov

Check all the service categories that apply to this application:

- ✓ **Tourism promotion or marketing.**
- ✓ **Operation of a special event or festival designed to attract tourists.**
 Operation of a tourism-related facility owned or operated by a non-profit organization.
 Operation and/or capital costs of a tourism-related facility owned by a municipality or a public facilities district.

Check which one of the following applies to your agency:

Non-Profit (Note: Attach a copy of your current non-profit corporate registration from the Washington Secretary of State Office)

- ✓ **Municipality**

I am an authorized agent of the organization/agency applying for funding. I understand that:

- I am proposing a tourism-related service for 2020. If awarded, my organization intends to enter into a services contract with the City; provide liability insurance for the duration of the contract naming the City as additional insured and in an amount determined by the City; and file for a permit for use of City property, if applicable.
- My agency will be required to submit a report documenting economic impact results in a format determined by the City.

Signature:

Brandon J. Miles

Date:

1) Describe your tourism-related activity or event.

Sponsorship of the 2021 Rave Green Run hosted by the Seattle Sounders FC in the City of Tukwila.

In 2018 the Seattle Sounders moved their 5k fun run from Redmond to Tukwila. In 2018 and 2019 the run attracted around 700 runners each year. In 2020 the event was transitioned to a virtual run due to COVID-19. With the easing of COVID-19 the run is scheduled to return in 2021. Staff is looking to bring unique events back to the City to reintroduce the Puget Sound community to Tukwila and the Southcenter District.

2) If an event, list the event name, date(s), and projected overall attendance.

The event is the “2021 Rave Green Run” and will be held on Sunday, September 19 in the Southcenter District of the City. Total attendance is estimated to be between 600 and 800 participants.

3) Is your event/activity/facility focusing on attracting overnight tourists, day tourists, or both?

The event is focused solely on bringing day visitors to the City and to help brand the City as a great place to visit. With the easing of COVID-19 restrictions staff is looking for ways to reintroduce people to the City through fun and existing events, such as this 5K run.

4) Describe why visitors will travel to Tukwila to attend your event/activity/facility.

In 2018 and 2019 the event was successful in bringing people to the City. The Rave Foundation is the non-profit arm of Seattle Sounders FC. Sounder FC has a strong brand and various platforms to promote the 5K fun. In the past the Sounders have used social media, emails, and announcements at Sounder FC matches.

5) Describe the geographic target of the visitors you hope to attract (locally, regionally, nationally, and/or internationally).

Generally, people within one hour of the City.

6) Describe the prior success of your event/activity/facility in attracting tourists

The event was brought to Tukwila from Redmond in 2018. The event ran successfully in Tukwila in both 2018 and 2019. The event was held virtually in 2020 due to COVID-19.

7) If this your first time holding the event/activity/facility provide background on why you think it will be successful.

No.

8) Describe the media strategy you employ to promote your event/activity/facility to attract overnight and/or day tourists? Please list any digital or print media (newsletters, e-blasts, social media, etc.) your agency uses or intends to use to promote your event/activity/facility.

The Rave Foundation uses digital marketing, social media, email, and in game announcements about the run. The Sounders have a strong brand and the run benefits from the Sounders participation with the event.

The run will also be promoted via the Experience Tukwila social media and website. This will be the first time we have had the run with Experience Tukwila assets up and running. The run provides the opportunity for Experience Tukwila to grow its social media.

9) Describe how you will promote lodging establishments, restaurants, retailers, and entertainment establishments in the City of Tukwila.

This will be promoted via the overall Experience Tukwila brand. Through the Experience Tukwila social media and website existing Tukwila businesses will be cross promoted.

10) Is the City able to use your digital and print media for collaborative marketing?

N/A

11) Describe how you will use the name, “Tukwila” in publications, promotions, and for your event?

The event will be promoted as occurring in Tukwila and Experience Tukwila will be a listed sponsor.

12) Measurements and Metrics (Note: You will be required to report these metrics as part of the close out of the agreement between your organization and the City.)

As a direct result of your proposed tourism-related service, provide an estimate of:	
a. Overall attendance at your proposed event/activity/facility.	600-800
b. Number of people who will travel fewer than 50 miles for your event/activity.	90%
c. Number of people who will travel more than 50 miles for your event/activity.	10%
d. Of the people who travel more than 50 miles, the number of people who will travel from another country or state.	0

e. Of the people who travel more than 50 miles, the number of people who will stay overnight in Tukwila.	0
f. Of the people staying overnight, the number of people who will stay in PAID accommodations (hotel/motel/bed-breakfast) in Tukwila.	0
g. Number of paid lodging room nights resulting from your proposed event/ activity/facility (<i>for example: 25 paid rooms on Friday and 50 paid rooms on Saturday = 75 paid lodging room nights</i>)	0

13) What methodologies did you use to calculate the estimates and what methodologies will you use to track outcomes, such as total participants, estimated visitor spending, etc?

The estimates are based on the actual attendance for 2018 and 2019.

14) Are you applying for lodging tax funds from another community? If so, which communities and in what amounts?

No.

15) Are you applying funding from Seattle Southside Regional Tourism Authority (SSRTA)? If so, in what amount?

No.

16) What is the overall budget for your event/activity/facility? What percent of the budget are you requesting from the City of Tukwila?

The City is only coming on as a sponsor for the event. The Rave Foundation, the non-profit arm of the Seattle Sounder FC, will be organizing and managing the event.

17) What will you cut from your proposal or do differently if full funding for your request is not available or recommended?

The event would likely still take place without the City’s sponsorship. The City would not be able to contractually obligate the event as being in Tukwila or partner with the Rave Foundation on social media posts promoting the run and Experience Tukwila.

Applications are considered on a rolling basis. Please contact staff to discuss the process for having the application reviewed by the City’s Lodging Tax Advisory Committee.

Completed applications should be submitted to:

Lodging Tax Advisory Committee

c/o Brandon Miles
City of Tukwila
6200 Southcenter Blvd
Tukwila, WA 98188

Or,

Brandon.Miles@Tukwilawa.gov

Questions?

LTAC Contact:

Brandon J. Miles

(206) 431-3684

Brandon.Miles@Tukwilawa.gov.

Updated: December 17, 2019

DRAFT

City of Tukwila
General Administration
2020 Scope of Services

As outlined the budget above, funds will be used for the following activities intended to support the operations of the lodging tax fund:

1. Purchase of office supplies;
2. Hiring of professional services, as needed (not project specific);
3. Training and Education for City staff, City elected officials, and LTAC members;
4. Membership, Registrations, and Subscriptions for the City;
5. Parking, Travel, and Meals
6. Indirect Cost Allocation
7. Staff costs (wages and labor)
8. Small Event Support and Sponsorship

Note, funds may be moved between the categories, but the total expenditure will not exceed \$133,000.