



INFORMATIONAL MEMORANDUM

TO: **Finance and Governance**

FROM: **Brandon Miles, Director**

CC: **Mayor McLeod**

DATE: **June 17, 2024**

SUBJECT: **Lodging Tax Funding Request
World Cup Station Domination**

ISSUE

Review of lodging tax funding request from Seattle Southside Regional Tourism Authority (dba: Explore Seattle Southside) in amount of \$119,275 for advertising at select light rail stations during the 2026 World Cup.

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 \$2.5 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

At its June 14, 2024 meeting, the LTAC recommended approval of one funding request for Explore Seattle Southside.

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. Explore Seattle Southside, World Cup Station Domination, (\$119,275)

Seattle has been selected to host five matches for the 2026 World Cup. It's expected that fans from around the globe will be descending on the region. What makes the World Cup unique is that the games are spread out and fans may have downtime between matches. This downtime presents an opportunity to bring people to the City and to invite those already staying our hotels to get out and enjoy the City. City staff is started to look at opportunities to promote the City and to make use "World Cup Ready."

Explore Seattle Southside presented the City with an opportunity to partner with it and the City of SeaTac for advertising inside the Angle Lake, SeaTac Airport, and TIBs light rail stations. Explore Seattle Southside and the cities will activate the stations with advertising leading up and through World Cup. The City of Tukwila will pay 1/3 the costs for the advertising at SeaTac Airport Station and all the costs for the TIBs station. Explore Seattle Southside will design the ads, with input from the cities. The City of SeaTac will pay for the costs at Angle Lake station.

Average annual boardings at SeaTac Airport al 1.91 million and TIBs has annual boardings of 816,000. Ridership will likely be significantly higher during the World Cup.

LTAC Recommendation on Application: Do Fund

Staff Recommendation on Application: Do Fund.

FINANCIAL IMPACT

The total request for the lodging tax application will not exceed \$119,275. No general funds dollars will be used for these funding allocations. The funding allocations are consistent with the six-year financial plan for the lodging tax fund.

2024 Tourism Six-Year Financial Plan Allocation	
World Cup, 2024-2026:	\$200,000
Experience Tukwila (Pending):	(\$119,275)
Remaining Funds:	\$80,725

RECOMMENDATION

Staff recommends that the Committee approve pending funding requests and forward to the July 1, 2024 consent agenda. Note, a contract over the Mayor's signature authority is also required. Staff would like to request that the contract be allowed to go on a future consent agenda for approval, with the need for a committee briefing.

ATTACHMENTS

1. Lodging Tax Application, Seattle Southside, World Cup Station Domination
2. Lodging Tax Six Year Financial Plan

Application to the City of Tukwila for Use of 2023 Lodging Tax Funds

Event or Activity Name (if applicable):	Station Domination of marketing Tukwila in light rail stations – World Cup May-July 2026
Amount of Lodging Tax Requested:	119,275.00
Applicant Organization:	Seattle Southside Regional Tourism Authority
Federal Tax ID Number:	47-30311480
Mailing Address:	Seattle Southside RTA Attn: Mark Everton, CEO 3100 S 176 th Street, Suite 200 SeaTac WA 98188
Primary Contact Name:	Mark Everton
Primary Contact Phone:	206-406-1575
Primary Contact Email Address:	mark@seattlesouthside.com

<input checked="" type="checkbox"/>	Check all the service categories that apply to this application:
<input checked="" type="checkbox"/>	Tourism promotion or marketing
<input type="checkbox"/>	Operation of a special event or festival designed to attract tourists
<input type="checkbox"/>	Operation of a tourism-related facility owned or operated by a non-profit organization
<input type="checkbox"/>	Operation and/or capital costs of a tourism-related facility owned by a municipality or a public facilities district

<input checked="" type="checkbox"/>	Check which one of the following applies to your agency:
<input type="checkbox"/>	Non-Profit <i>(Note: Attach a copy of your current non-profit corporate registration from the Washington Secretary of State Office)</i>
<input checked="" type="checkbox"/>	Municipality
<input type="checkbox"/>	For Profit Corporation

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

- *I am proposing a tourism-related service for 2026. 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: Mark Everton

Date: 06/11/2024

1. Describe your tourism-related activity or event.

The Seattle Southside Regional Tourism Authority is requesting lodging tax funds to be used to produce and display marketing materials promoting the City of Tukwila in the Tukwila International Link Light Rail Station and the SeaTac Airport Link Light Rail Station. The proposed marketing takeover of the two Link Light Rail Stations (aka Station Domination) will occur during the FIFA World Cup being held in Seattle from May – July 2026.

The RTA secured the rights to three light rail stations (Angle Lake, SeaTac and TIS) via contract with Intersection, the marketing representative for Link Light Rail.

SeaTac has agreed to reimburse the RTA for the cost of production, installation and display in the Angle Lake station and to share in 1/3 of the SeaTac station. The RTA will incur the cost of production, installation and display in the SeaTac station in addition to wrapping a light rail car with the same marketing material. Tukwila is being asked to incur the cost of the Tukwila International station (\$31,250) and 1/3 of the cost of the SeaTac station (\$88,000).

Currently the annual boarding of passengers at the TIS is 816,000 and the SeaTac station boardings are 1,912,075. The monthly averages for boardings during May-July 2026 are anticipated to increase significantly. At the current passenger volume, 204,000 people will board trains and be exposed to Tukwila’s marketing messages at the TIS from May to July, while 478,000 people will board at SeaTac during May-July. A cost of \$.17/person exposed to Tukwila’s marketing messages.

The RTA intends to donate its time and creative resources to Tukwila in creating its marketing messages. The production, installation and placement costs are all 3rd party generated.

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

The purpose of the marketing to visitors in the region is to build awareness of Tukwila as a hotel, shopping and dining destination.

Describe why visitors will travel to Tukwila to attend your event/activity/facility:

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

The geographic target of visitors during the World Cup will depend on the nations represented in the PNW bracket. It is possible that tens of thousands of visitors from Germany, France, Brazil may be in the PNW.

3. Describe the prior success of your event/activity/facility in attracting tourists:

The RTA did a station domination at the SeaTac station during the MLB all-star game in 2023. The airport and SeaTac station were very busy during the all-star week.

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

5. 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 station domination is a marketing opportunity.

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

The RTA will work with Tukwila city leaders to define what the design elements and messaging for the TIS will be.

7. Is the City able to use your digital and print media for collaborative marketing?

Yes.

8. Describe how you will use the name "Tukwila" in publications, promotions, and for your event?

9. 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.	682,000 + people passing through the two stations
B. Number of people who will travel fewer than 50 miles for your event/activity.	unk
C. Number of people who will travel more than 50 miles for your event/activity.	unk
D. Of the people who travel more than 50 miles, the number of people who will travel from another country or state.	unk

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

- 10. 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.?**

Light Rail will provide ridership statistics post the World Cup. Intercept studies are planned to ID the points of origin for people passing through the stations.

- 11. Are you applying for lodging tax funds from another community? If so, which communities and in what amounts?**

SeaTac, for their participation with the Angle Lake and SeaTac stations. SeaTac is being asked for \$88,000 for their 1/3 share of SeaTac station.

- 12. Are you applying for funding from Seattle Southside Regional Tourism Authority (SSRTA)? If so, in what amount?**

n/a

- 13. What is the overall budget for your event/activity/facility? What percent of the budget are you requesting from the City of Tukwila?**

\$500,000

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

n/a

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



Intersection

CONTRACT FOR ADVERTISING

Advertiser: **Explore Seattle Southside**

Account Executive: **Neal Callahan**

Program Name: **World Cup 2026**

Customer P.O. #:

Sold To

Advertiser

Company: **Explore Seattle Southside**
Address: **3100 S. 176th Street**
Seattle, Washington 98188

Telephone: **(206) 575-2489**
Attn:
Email:

Agency

Company:
Address:

Telephone:
Attn:
Email:

Bill To

Advertiser/Agency

Company: **Explore Seattle Southside**
Address: **3100 S. 176th Street**
Seattle, Washington 98188

Telephone: **(206) 575-2489**
Attn:
Email:

Total Amount: **\$495,781.75**
Tax*: **\$4,218.23**
Total Contract Price: **\$500,000.00**

Market	MPI	Media Placement	Screen	Quantity	HARD	Start Date	HARD	End Date	Term In Weeks	Amount	Tax %
1 SEA - Seattle-ST-Rail	M	Station - SeaTac / Airport Station		1	<input type="checkbox"/>	5/25/2026	<input type="checkbox"/>	7/19/2026	8.0	\$250,000.00	
2 SEA - Seattle-ST-Rail	M	Station - Tukwila International Blvd Station		1	<input type="checkbox"/>	5/25/2026	<input type="checkbox"/>	7/19/2026	8.0	\$23,773.75	
3 SEA - Seattle-ST-Rail	M	Station - Angle Lake Station Domination		1	<input type="checkbox"/>	5/25/2026	<input type="checkbox"/>	7/19/2026	8.0	\$150,000.00	
4 SEA - Seattle-ST-Rail	M	Rail - Train Wrap		1	<input type="checkbox"/>	6/8/2026	<input type="checkbox"/>	7/12/2026	5.0	\$31,250.00	
5 SEA - Seattle-ST-Rail	P	Station - SeaTac / Airport Station		1	<input type="checkbox"/>	5/25/2026	<input type="checkbox"/>	5/25/2026		\$13,990.00	10.3500
6 SEA - Seattle-ST-Rail	P	Station - Tukwila International Blvd Station		1	<input type="checkbox"/>	5/25/2026	<input type="checkbox"/>	5/25/2026		\$7,300.00	10.3500
7 SEA - Seattle-ST-Rail	P	Station - Angle Lake Station Domination		1	<input type="checkbox"/>	5/25/2026	<input type="checkbox"/>	5/25/2026		\$7,191.00	10.3500
8 SEA - Seattle-ST-Rail	P	Rail - Train Wrap		1	<input type="checkbox"/>	6/8/2026	<input type="checkbox"/>	6/8/2026		\$12,075.00	10.3500

* Refers to tax payable by Advertiser/Agency hereunder
By signing this Contract, you agree with our Terms and Conditions, which are available at:
<http://www.intersection.com/ad-terms>

Payment Method

- Prepay
- On Account
- Credit Application Must Be Submitted

BY Matt Pellitteri
Matt Pellitteri (May 29, 2024 15:50 PDT)

INTERSECTION MEDIA, LLC

bill me electronically (fill to email)

Mark Everton
Mark Everton (May 29, 2024 14:20 PDT)

Mark Everton
CEO

AUTHORIZED SIGNATURE - ADVERTISER / AGENCY

NAME & TITLE - ADVERTISER / AGENCY

Tourism Funding, Six Year Financial Plan

DRAFT - Updated March 3, 2021

	Working Draft Update	2023 Budgeted	2023 Actuals (Unaudited)	% Difference	2024	2025	2026	2027	Totals, '23-'27
Tourism Revenue									
Lodging Tax \$		720,000	856,555	18.97%	850,000	850,000	1,000,000	850,000	4,406,555
Federal Indirect Grants: \$		-	-	0.00%	-	-	-	-	-
Local Grants & Other Payments: \$		-	44,000	0.00%	20,000	-	-	20,000	64,000
Interest and Other Earnings: \$		6,000	122,651	1944.18%	20,000	20,000	20,000	20,000	202,651
Total Revenues: \$		726,000	1,023,206	40.94%	890,000	870,000	1,020,000	870,000	4,673,206
Tourism Expenses									
Marketing, Sales, and Sponsorships									
Sponsorships \$		130,000		-100.00%	130,000	130,000	130,000	130,000	520,000
Small Events \$		15,000		-100.00%	15,000	15,000	15,000	15,000	60,000
erience Tukwila, Branding and Marketing, Visitors \$		175,000		-100.00%	190,000	190,000	200,000	200,000	780,000
World Cup Planning and Activation \$		50,000		-100.00%	50,000	50,000	200,000	-	300,000
Business Attraction and Promotion \$		30,000		-100.00%	30,000	30,000	30,000	30,000	120,000
Sub Total: \$		400,000	280,002	-30.00%	415,000	415,000	575,000	375,000	2,060,002
COVID-19 Response									
SavingLeakKC.com \$		-	-	-	-	-	-	-	-
SSRTA Emergency Funding \$		-	-	-	-	-	-	-	-
Showare Sponsorship \$		15,000		-100.00%	15,000	15,000	15,000	15,000	60,000
Seattle Southside Chamber of Commerce \$		-	-	-	-	-	-	-	-
Sub Total: \$		15,000	-	-100.00%	15,000	15,000	15,000	15,000	60,000
Destination Development									
Wayfinding Plan Development and Installation \$		100,000		-100.00%	100,000	-	200,000	100,000	400,000
Art Investments \$		75,000		-100.00%	75,000	75,000	40,000	40,000	230,000
Tukwila Pond \$		200,000		-100.00%	-	-	-	600,000	600,000
Sub Total: \$		375,000	-	-100.00%	175,000	75,000	240,000	740,000	1,230,000
General Administration									
Salary and Benefits \$		97,397	93,001	-4.51%	101,850	104,906	108,053	111,294	519,103
City Overhead Charge \$		26,493	26,493		27,818	28,653	29,512	30,397	142,873
Administrative \$		30,000	11,203	-62.66%	30,000	30,000	30,000	30,000	131,203
Sub Total: \$		153,890	130,697	-15.07%	159,668	163,558	167,565	171,692	793,180
Total Expenditures: \$		943,890	410,699	-56.49%	764,668	668,558	997,565	1,301,692	4,143,182
Beginning Fund Balance: \$		2,342,419	2,342,419		2,954,926	3,080,258	3,281,700	3,304,135	
Ending Fund Balance: \$		2,129,529	2,954,926		3,080,258	3,281,700	3,304,135	2,872,443	

Notes

This document does not bind the City to provide funds nor does it authorize any funding. All use of lodging tax funds must be approved by LTAC and the City Council through an application process. The blue shaded cells indicate updates to what was initially approved. Salary/Benefits for Business Relations Manager is split 50/50 between general fund and lodging tax and is estimated to increase 3% annually after 2024. The City overhead charge is charged to all special funds. It recoups the cost to the general fund to support the lodging tax fund. It includes facilities; technology, legal, accounting, and record keeping services and is estimated to increase 3% annually after 2024.