



City of Tukwila
**Planning & Economic
 Development Committee**

- ◆ Thomas McLeod, Chair
- ◆ Kathy Hougardy
- ◆ Zak Idan

<u>Distribution:</u>	
T. McLeod	Mayor Ekberg
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	L. Humphrey

AGENDA

MONDAY, OCTOBER 19, 2020 – 5:30 PM

HAZELNUT CONFERENCE ROOM
 (At east entrance of City Hall)

**THIS MEETING WILL NOT BE CONDUCTED AT CITY FACILITIES
 BASED ON THE GOVERNOR'S PROCLAMATION 20-28.**

**THE PHONE NUMBER FOR THE PUBLIC TO LISTEN TO THIS
 MEETING IS: 1-253-292-9750, Access Code 30500012#**

Item	Recommended Action	Page
1. BUSINESS AGENDA		
a. Revisions to the Subdivision Code. <i>Jaimie Reavis, Senior Planner</i>	a. Forward to Planning Commission for a public hearing.	Pg.1
b. 2021/2022 application for lodging tax funds: City of Tukwila for basic operations in the amount of \$290,119.00. <i>Brandon Miles, Business Relations Manager</i>	b. Forward to 11/2 Consent Agenda.	Pg.5
2. MISCELLANEOUS		

Next Scheduled Meeting: *November 2, 2020*



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INFORMATIONAL MEMORANDUM

TO: Planning & Economic Development Committee

FROM: Jack Pace, Director, Department of Community Development

BY: Jaimie Reavis, Senior Planner

CC: Mayor Ekberg

DATE: October 19, 2020

SUBJECT: Updates to subdivision procedures.

ISSUE

Revisions to Chapters 17 and 18 of the Tukwila Municipal Code are needed to establish a process to modify a previously approved preliminary approval for the subdivision of land, and to allow administrative review of final plat applications. Staff is requesting direction from the PED Committee to forward this issue to the Planning Commission for a public hearing.

BACKGROUND

Tukwila Municipal Code chapters 17 and 18 contain procedures for subdividing land. Two main areas have been identified for revisions:

- (1) The addition of a process to allow a proposal to be modified after preliminary approval has been issued but before an application has been submitted for final approval.
- (2) An update to allow administrative review of an application for final subdivision approval in conformance with recent changes in state law (RCW 58.17).

The process for subdividing land in Tukwila involves two steps:

(1) *Preliminary Approval* - a determination of approval or conditional approval made by the Short Subdivision Committee (i.e., representatives from Fire, Public Works, Planning, and Building) that an application for subdivision of land meets the applicable criteria.

For an application involving 10 or more lots, the recommendations of the Short Subdivision Committee on the Preliminary Approval are referred to the Hearing Examiner or the Planning Commission for a public hearing and a Preliminary Approval determination

(2) *Final Approval* - final review and signatures by all departments after the applicant has addressed any conditions of Preliminary Approval and has prepared the final documents to be recorded with King County.

For an application with less than 10 lots, the final review is done by the Short Subdivision Committee and final signature is provided by the DCD Director.

For an application involving 10 or more lots, the Final Subdivision Plat to be recorded with King County is signed by the directors of the Tukwila departments of Finance, Public Works, and Community Development, and review of project compliance with the conditions of Preliminary Approval and state and local requirements are referred to the City Council. City Council holds a public hearing, after which they issue a quasi-judicial decision on the Final Subdivision application. After Council approval of the Final Plat, it is signed by the Mayor and attested by the City Clerk.

DISCUSSION

Staff is requesting that the following zoning code revisions be considered:

Adding a process for modifying a previously approved preliminary plat

The Department of Community Development has received requests to modify subdivision applications that have received Preliminary Approval. Without a process to amend the existing Preliminary Approval, the procedures for this are unclear and the applicant is typically required to withdraw the existing application and re-apply to obtain a new Preliminary Approval. Other cities have adopted a process under which changes can be made to an existing Preliminary Approval before the application for Final Approval is submitted.

Allowing for administrative review for final subdivision approval

At the time a final plat application for land being divided into 10 or more lots is submitted for Final Approval, the project has already had a public hearing before the Hearing Examiner or Planning Commission as part of the Preliminary Approval process. Issues raised during the public notification and the public hearing for the Preliminary Approval can be worked into conditions of Preliminary Approval. Issues raised during the public hearing that is currently part of Final Approval before the Council only have bearing to the extent that they are related to the criteria for final approval.

The review of a final plat application where land is being divided into 10 or more lots is administrative in nature, in which the approval body reviews materials submitted by the applicant to ensure they meet the criteria of TMC 17.14.030, C, including:

- (1) The final document to be recorded includes the required certificates and statements of approval,
- (2) Those who have signed the recording document are confirmed to be the owners of the property,
- (3) The infrastructure required to be constructed to serve the future development has been completed or otherwise provided for through a financial assurance,
- (4) The plat has been certified as accurate by the land surveyor responsible for the plat,
- (5) All conditions of the Preliminary Approval have been met, and
- (6) The plat meets the state subdivision requirements of RCW 58.17 and other applicable state and local laws in effect at the time of Preliminary Approval.

Recent changes to the state law contained in RCW 58.17.100 state that “The legislative authorities of cities, towns, and counties may by ordinance delegate final plat approval to an established planning commission or agency, or to such other administrative personnel in accordance with state law or local charter.” Numerous other jurisdictions have enacted amendments to allow administrative review by the municipal planning department or Director to facilitate a more efficient final platting process. Additionally, in the past the Washington Cities Insurance Authority recommended that quasi-judicial decisions should be made the hearing examiner instead of the City Council.

The process to adopt these proposed modifications to TMC Chapters 17 & 18 requires Planning Commission review and public hearing prior to bringing forward the proposed revisions to PED and City Council. Council review and public hearings are anticipated in January/February 2021.

FINANCIAL IMPACT

None.

RECOMMENDATION

Forward to Tukwila Planning Commission for review and recommendations to the City Council for final action. Staff will then bring this item back to the Committee with the Planning Commission's recommendation.

ATTACHMENTS

None.



INFORMATIONAL MEMORANDUM

TO: **Planning and Economic Development**

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

CC: **Mayor Ekberg**

DATE: **October 13, 2020**

SUBJECT: **2021/2022 Lodging Tax Funding Requests
City of Tukwila Basic Operations**

ISSUE

Review of a lodging tax funding request from the City of Tukwila, Office of Economic Development for basic operations of the City's tourism program for 2021 and 2022.

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, even by the City, 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 Application(s)

Following its October 9, 2020 meeting, LTAC recommended approval of an application from the City of Tukwila, Office of Economic Development to fund its basic operations activities.

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. 2021 and 2022, City of Tukwila, Basic Operations, (\$290,119)

Overview

The City of Tukwila's Office of Economic Development is the City's lead for tourism program. The Office oversees the City's lodging tax application process; develops and executes special marketing initiatives, such as the Great Tukwila Carryout and Saving Local, KC; provides oversight of contracts with recipients of lodging tax funds; and is the lead in the development and day to day operations of Experience Tukwila. The pending lodging tax application supports the City's administrative costs associated with the tourism program. The application can be divided into three parts:

1. Marketing and Operations

Funds are provided for as needed professional services, such as marketing and graphic design. During 2020 these funds being set aside in the 2020 application were crucial in the City's response to COVID-19. The City was able to quickly launch the Great Tukwila Carryout and Saving Local, King County³.

Funds are also set aside to support small, third party events throughout the City. In the past the City has used these funds to support food truck rodeos at Westfield Southcenter and sendoffs for the Seattle Sounders FC. Funds allocated for these events are typically small, around \$500 to \$1,000 dollars. Having the funds set aside allows the City to quickly react to potential opportunities. It also reduces the administrative burden on groups seeking small amounts of funds from the lodging tax program.

2. Administrative Costs

Funds are provided for the City's administrative costs associated with the lodging tax funds. This includes a halftime FTE in Economic Development, travel, office costs, and other administrative costs. Both staff and elected officials can use these funds to attend events associated with tourism. Without these funds, the City's general fund would have to support these costs.

3. Indirect Cost Allocation

The City charges all special events an indirect cost allocation to reimburse the general fund for its support of the special funds, such as lodging tax. The general fund supports the lodging tax fund by providing accounts payable services, legal supports, fleet, facilities, and technology services. The cost allocation is determined by Finance after the completion of an indirect cost allocation study.

Staff Analysis

This application by the City allows the City to implement its tourism program. Without the approval of the application the City would have to reduce activities, or the general fund would to be used to support staff and activities.

LTAC Recommendation on Application: Do Fund

³ Saving Local, King County also received additional lodging tax funds through its own application. However, the City was able to start Saving Local with the funds in the basic operations application, while the funding request was pending.

Staff Recommendation on Application: Do Fund

FINANCIAL IMPACT

The application total request will not exceed \$290,119 (\$141,160 for 2021 and \$148,959 for 2022). There are sufficient funds in the City's lodging tax (101) fund to support this application.

RECOMMENDATION

Staff recommends approval of the application and that the Committee forward the application to the City Council's November 2, 2020 consent agenda.

ATTACHMENTS

- City of Tukwila 2021 and 2022 Lodging tax application.

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

Event or Activity Name (if applicable):	2021 and 2022 City of Tukwila, General Administration, Small Marketing, Small Event Support, Indirect Cost Reimbursement, and labor costs.
Amount of Lodging Tax Requested:	\$290,119 (2021: \$141,160; 2022: \$148,959)
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.

_____/s/_____
Signature:
Brandon J. Miles

10/8/20
Date:

1) Describe your tourism-related activity or event.

The City of Tukwila requests funding for 2021 and 2022 for administration of the City's lodging tax fund, basic small marketing activities, office supplies, limited travel, professional services, small event support, reimbursement of the City's indirect charge, and labor (half time FTE).

Funds for this application are used for general administration, staff time (half of an FTE), and related costs incurred by the City in managing its lodging tax program. In the past the funds for this application were used for the following activities intended to support the entire tourism program.

- Office Supplies;
- Professional Services;
- Small Marketing Activities;
- Small event support;
- Training and Education;
- Membership, Registration, and Subscriptions;
- Parking, Travel, and Meals; and
- Indirect Cost Allocation.
- Small Event Support

Last year LTAC approved \$133,000 for the City's Administration application. Lodging tax supports a .5 FTE in the office of economic development, with the remaining .5 FTE being supported by the general fund.

The City is also requesting a charge for the City's indirect cost allocation. The lodging tax fund is one of several special revenue funds managed by the City of Tukwila. Under State Law, the City is permitted to charge special revenue funds for the indirect costs that are incurred by the general fund to support and maintain these special revenue funds. These costs include, but are not limited to, legal support, accounting, insurance, technology services, human services, and office administration. Activities that are needed to support the lodging fund.

The City is also requesting small amount \$290,119 for small sponsorship opportunities throughout the year that could help build the Tukwila brand and help enhance the tourist destination. For 2019, the City had success in using these funds to support marketing of an e-gaming event at Virtual Sports and supporting the food truck rallies at the Mall. Due to COVID-19 in 2020 many of these activities were curtailed. The City is helping to sponsors Halloween activities throughout the City.

In 2019 (2020 is not a good comparison due to COVID-19), the City of Tukwila, Mayor's Office oversaw nearly \$400,000 in lodging tax funds awarded to outside groups. Each award requires a contract and ongoing oversight by City staff. The City is also managing the Experience Tukwila digital platform development and marketing, which launched this year.

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

This request is not for a specific event. However, the application helps support the City's ability to use funds to support third parties and for the City to use lodging tax for possible events. Limited funds are also providing to help support small scale events and activities in the City.

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

Both, the City uses its lodging tax funds to support marketing activities for both day and overnight visitors. These are for activities either done by the City or by third parties.

In the past the City has used its lodging tax funds to support Seattle Southside Regional Tourism Authority; events such as the Rock 'N' Roll Marathon; the Backyard Wildlife Fair; and marketing activities at the Museum of Flight and Starfire Sports. Providing funding for outside organizations requires administrative support from several departments, including Finance, City Attorney, Technology Services, City Clerk, and Economic Development.

Additionally, there are tourism related trainings, events, and memberships that the City would like to be part of. These activities help support the City's ongoing tourism efforts.

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

N/A

The request is for funding to help support City's costs incurred by the City to administer the lodging tax fund and for expenses that are related to tourism. As discussed above, the lodging tax fund is used to support a variety of activities in the region, which bring both day and overnight visitors to the City. Costs associated, such as offices supplies, travel, parking, and education related to tourism and marketing should be charged to lodging tax and not the City's general fund.

Having access to funds for small events allows the City build its destination.

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

N/A.

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

The City has a long history of success in using lodging tax funds to support a wide range of activities, including Seattle Southside Regional Tourism Authority, the Museum of Flight, Starfire Sports, and the Southwest King County Chamber of Commerce (now known as Seattle Southside Chamber of Commerce).

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

N/A

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.

N/A

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

N/A

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?

N/A

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.	20,000
b. Number of people who will travel fewer than 50 miles for your event/activity.	19,000
c. Number of people who will travel more than 50 miles for your event/activity.	1,000
d. Of the people who travel more than 50 miles, the number of people who will travel from another country or state.	200
e. Of the people who travel more than 50 miles, the number of people who will stay overnight in Tukwila.	50

f. Of the people staying overnight, the number of people who will stay in PAID accommodations (hotel/motel/bed-breakfast) in Tukwila.	50
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>)	200

Special Note: The numbers provided above are direct estimates for this application and related to the proposed special events part of the budget. Many of these special events will help with the City’s overall destination development goals. Existing hotel guests will be able to benefit from the activities.

Additionally, this application helps supports the City’s efforts in funding activities by third parties. Combined, these third parties marketed the City to nearly 2 million people. For example, in 2019 Starfire Sports received \$44,500 in lodging tax funds and nearly 1.2 million people visited the Starfire Sports campus. The ability to provide funding to these third parties could not occur without the City’s ability to process contracts and provide payment, which is supported by this application.

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?

As discussed above, the City uses its lodging tax funds to support a wide range of activities. In 2020, the City anticipates funding a variety of activities. These funded activities have metrics, which the City will use for reporting purposes for this funding request. However, for reporting purposes the City report the metrics for these third-party applications separately. Additionally, the City’s efforts are intended to create a better tourist economy and encourage more organic visits to the City. These organic visitors are difficult to attract directly, but ultimately success can be tracked by increase sales at area businesses and increase revenue from hotels.

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?

Total requested funding is \$290,119 spread out over two years (see below):

The following is the proposed budget for the campaign (note funds in rows 1-11 might be moved between budget rows, but won't exceed the total amount requested).

Column	Budget Item	2020 Approved Budget	2021 Proposed Budget	2022 Proposed Budget	Notes
1.	Office Supplies	\$750	\$750	\$750	This is for general offices supplies and for domain names holds the City has purchased.
2.	Professional Services	\$11,000	\$12,000	\$12,000	These funds are used to assist with tourism promotion activities that might arise during the year. For example, in 2020 funds were used for the creation of a dining guide to highlight restaurants offering carryout and delivery during COVID-19, photography, Halloween events and activities, and other small-scale operations.
3.	Training and Education	\$6,000	\$2,000	\$6,000	These funds are intended for staff, LTAC Members, and elected officials who might desire or need education or training for tourism related activities. Staff is forecasted a lower

					demand for these activities in 2021.
4.	Memberships, Registrations, and subscriptions.	\$8,000	\$8,000	\$8,500	Memberships could include: <ul style="list-style-type: none"> • Seattle Chamber of Commerce • Seattle Sports Commission • Washington Tourism Alliance • WFEA • Others
5.	LTAC Meetings	\$0	\$100	\$0	Staff tries to minimize expenses for LTAC meetings. Staff is allocated funds for 2021 should equipment or services be needed for virtual meetings.
6.	Parking, Travel and Meals	\$1,000	\$500	\$1,500	This is for staff, City Councilmembers, and LTAC members who might want to attend tourism related meetings. Staff is forecasted a lower need for these funds in 2021.
7.	Small Event Sponsorship	\$8,000	\$15,000	\$15,000	These funds are used to support small events and activities in the City and in the region. Some examples of

					<p>use of the these funds in the past include supporting an e-gaming event at Virtual Sports, Seawolves player appearances, hosting a quarterly meeting of the Seattle Sports Commission in Seattle, and food truck events with Westfield. Having an access to funds allows staff to partner quickly to for events and activities, without going through the lengthy lodging tax process.</p> <p>Some events in 2021 may be virtual to comply with COVID-19 restrictions, while also allowing the city continue branding and marketing efforts.</p>
8.	Sub-Total:	\$34,750	\$38,350	\$43,750	
9.	Labor (wages and benefits)	\$78,834	\$78,802	\$79,978	This is not a new position. Funding for the Business Relations Manager will be split 50/50 between the general fund and lodging tax fund.

10.	Indirect Cost Allocation:	\$19,416	\$24,008	\$25,231	This a transfer to the City's general fund and helps to reimburse the City for cost to the general fund associated with the lodging tax funds, such as accounting, legal, TIS, facilities, and fleet.
11.	Sub-Total:	\$98,250	\$102,810	\$105,209	Funds may be carried over from 2021 to 2022. The total cost will not exceed \$290,119.
12.	Operations Total:	\$133,000	\$141,160	\$148,959	All activities.
It may be necessary to move funds between rows 1-11; however, the total expenditure will not exceed the total listed in row 12.					

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

Without funding it would jeopardize the City's ability to process third party requests for lodging tax funding. Additionally, the City might choose to require the lodging tax fund to "pay as it goes" for support provided by the City. This could result in higher charges being imposed to the lodging fund.

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.