




PED Meeting

November 2, 2020



- 
- Tourism Funding Allocation Principles
 - Six-Year Financial Plan



Tukwila Tourism Funding at a Glance

Tukwila's tourism is funded by two separate revenue sources — the City's lodging tax and the Tourism Promotion Area (TPA) fee. Jointly, these funds promote our many attractions and help welcome tourists to the City.

Lodging Tax vs. TPA Fee	LODGING TAX	TPA FEE
<i>Statutory Authority:</i>	Tukwila Municipal Code 3.40	Interlocal Agreement (ILA) between Tukwila, SeaTac, and Des Moines
<i>How charges are calculated:</i>	1% of eligible stay in all city hotels, motels, and Airbnb's Ex. \$100 room rate=\$1 charge	\$2 per night per room of eligible stays only in motels and hotels with 90 or more rooms Ex: \$100 room rate=\$2 charge
<i>Total funds collected from Tukwila properties in 2019:</i>	\$819,000	\$1,149,000 (estimate)
<i>Where do the funds go?</i>	The City's 101 fund for tourism-related expenditures	The Seattle Southside Regional Tourism Authority (SSRTA) which promotes tourism in Tukwila, Seatac, and Des Moines
<i>Does the City Council control the funds?</i>	Yes (Subject to the City's Lodging Tax Advisory Committee approval)	No (Modification of Interlocal Agreement (ILA) required)
<i>Can the tax and fee be repealed?</i>	Yes. The standard process for modifying the Tukwila Municipal Code applies	Yes. The City can opt out of the Interlocal Agreement (ILA) with one year's notice

How Funds Can Be Used

	LODGING TAX	TPA FEE
TOURISM PROMOTION AND MARKETING		
<i>Promotion and marketing to bring tourists that live greater than 50 miles away?</i>	Yes	Yes
<i>Promotion and marketing to bring tourists that live within 50 miles of the City?</i>	Yes	No (Effective July 1, 2020)
<i>Marketing special events?</i>	Yes	Yes (provided the funds are used to bring in tourist from greater than 50 miles)
DESTINATION DEVELOPMENT		
<i>Operations and expenditures related to facilities owned or operated by a municipality or public facilities district?</i>	Yes	No
<i>Supporting the operations of tourism-related facilities owned or operated by a nonprofit organization?</i>	Yes	No
<i>Examples of how we use the funds:</i>	SavingLocalKC, Experience Tukwila, Starfire Sports, Museum of Flight, Seattle Southside Regional Tourism Authority, Seattle Seawolves, Tukwila International Food Truck Rally	Support the Seattle Southside Regional Tourism Authority (SSRTA) which promotes tourism in Tukwila, SeaTac, and Des Moines

Category	Description	Geographical Target	Entity(es) Performing Services	2019 Funding from Tukwila Lodging Tax	2019 Tukwila TPA Funds	2019 Total
Seattle Southside Brand	Specifically focused on tourism marketing and sales under the “Seattle Southside” name.	Outside 50 miles of the City.	<ul style="list-style-type: none"> Seattle Southside Regional Tourism Authority (SSRTA) 	\$202,500	100% of all funds collected, minus 1% administration charge by the Department of Revenue for the collection), estimated at \$1 million.	\$1,202,500
Seattle and other brands	Promoting the City of Tukwila under different brand names, such as “Seattle” in partnership with Visit Seattle or the “Kent Valley WA” aerospace brand with the cities of Kent, Renton, and Auburn.	Outside 50 miles of the City	<ul style="list-style-type: none"> Visit Seattle Kent Valley Wa 	None.	None.	\$0.00
Destination Development	Focused on investments in the City’s tourism infrastructure, events, and festivals. Sponsorships of small and large events falls into this category.	Outside and within 50 miles of the City.	<ul style="list-style-type: none"> Starfire Sports Museum of Flight City of Tukwila (Tukwila Pond) City of Tukwila (Southcenter Art) 	\$180,000 (approximately). Tukwila Pond and Southcenter Art are 2020 and 2021 projects.	None.	\$180,000
Tukwila Brand	Marketing under the “Tukwila” name withing the greater Seattle area such as through Experience Tukwila	Within 50 miles of the City	<ul style="list-style-type: none"> City of Tukwila 	None	None	\$0.00

1. Need for strategic focus for lodging tax funds and TPA funds.
2. Lack of marketing efforts for Tukwila in the Greater Seattle Area.
3. Tourism Promotion versus Destination Development.
4. Lack of other organizations doing tourism promotion and tourism development activities, such as downtown associations and neighborhood groups.
5. Leveraging Lodging Tax Funds to Obtain Grants.
6. The Need for More Varied Use of Lodging Tax Funds.
7. Using Lodging Tax Funds for Business Attraction.
8. Lack of Metrics to Track Success.



1. The TPA revenues should be used to attract overnight visitors from outside the 50-mile radius using the Seattle Southside brand and focusing on state, national, and global marketing.
2. Lodging tax funds should be used for the following:
 - a. Marketing efforts to attract visitors under other brands (such as Seattle and Kent Valley WA).
 - b. Marketing to attract day visitors from within the greater Seattle region using the “Tukwila” brand.
 - c. Destination Development
 - i. Tourism infrastructure
 - ii. Events and Festivals
 1. Operations
 2. Marketing
 3. Development
3. The City of Tukwila should control how its brand is used within the region.

- Six-Year Financial Plan



COME TO THE FREE



Tukwila



HALLOWEEN

DRIVE UP EVENTS

Visit: Tukwilawa.gov/Halloween



- Promote Halloween Events in the City, COVID-19 acceptable
 - Brand the City
 - Destination Development
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