

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

MOTION NO. 23-568

SNOHOMISH COUNTY TOURISM PROMOTION AREA BUSINESS PLAN 2024

WHEREAS, RCW 35.101.080 authorized Snohomish County to establish a Tourism Promotion Area (TPA) upon petition by the lodging industry; and

WHEREAS, RCW 35.101.05 authorizes the imposition of a lodging charge on the furnishing of lodging by lodging businesses with the TPA, subject to certain exemptions; and

WHEREAS, RCW 35.101.010 describes the limitation on use of the revenues to promote tourism; and

WHEREAS, on December 15, 2010, Council adopted SCC 4.118 which establishes the TPA and the Tourism Promotion Area Advisory Board to advise and make recommendations to the County on allocation of TPA revenues for eligible projects; and

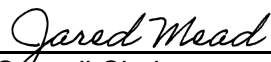
WHEREAS, the County received applications for funding assistance from various eligible public and nonprofit entities in response to a public solicitation for such applications; and

WHEREAS, the Snohomish County Tourism Promotion Area Advisory Board has evaluated the applications for eligibility and recommended funding levels for the projects consistent with provisions of RCW 35.101.010;

NOW, THEREFORE, ON MOTION, the Snohomish County Council approves the 2024 Tourism Promotion Area Business Plan attached hereto for funding at the recommended levels as set forth therein and authorizes Executive Directors' signature authority to sign the agreements on behalf of Snohomish County and any other documents necessary to effectuate all the terms and conditions of said agreements; and further authorizes the Executive to approve and execute additional 2024 Tourism Promotion Area contracts under \$50,000.

PASSED this 17th day of January, 2024.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington



Council Chair

ATTEST:



Deputy Clerk of the Council



SNOHOMISH COUNTY Tourism Promotion Area

Snohomish County Tourism Promotion Area Business Plan

2024



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TPA Establishment and Dedication

Chapter 35.101.080 of the Revised Code of Washington (RCW) allows local municipalities to establish a Tourism Promotion Area (TPA) upon petition by its local lodging industry, and assess a fee of no greater than two dollars (\$2.00) per night on lodging businesses that has 40 or more lodging units.” Effective June 11, 2020, the legislative body may impose an additional charge of up to \$3 per room per night if it has secured the signatures of the persons who operate lodging businesses who would pay 60% or more of the proposed charges. This additional \$3 nightly charge expires July 1, 2027 (Source: <https://mrsc.org/explore-topics/economic-development/special-topics/tourism-industry-and-local-governments#promotion>)

Chapter 35.101.130 specifies “Legislative authority has sole discretion concerning use for tourism promotion”. Specifically:

- (1) The legislative authority imposing the charge shall have sole discretion as to how the revenue derived from the charge is to be used to promote tourism that increases the number of tourists to the area. However, the legislative authority may appoint existing advisory boards or commissions to make recommendations as to its use, or the legislative authority may create a new advisory board or commission for that purpose.
- (2) The legislative authority may contract with tourism destination marketing organizations or other similar organizations to administer the operation of the area, so long as the administration complies with all applicable provisions of law, including this chapter, and with all county, city, or town resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.

Definitions (RCW 35.101.010)

- (1) "Area" means a tourism promotion area.
- (2)(a) Except as otherwise provided in this subsection, "legislative authority" means the legislative authority of any county, or of any city or town within such a county, including unclassified cities or towns operating under special charters.
- (b) Except as provided in (c) of this subsection, in any county with a population of one million or more, "legislative authority" means two or more jurisdictions acting jointly as the legislative authority under an interlocal agreement created under chapter 39.34 RCW for the joint establishment and operation of a tourism promotion area.
- (c) For a city incorporated after January 1990, with a population greater than eighty-nine thousand, and located in a county described in (b) of this subsection, "legislative authority" means the city's legislative authority.
- (3) "Lodging business" means a person that furnishes lodging taxable by the state under chapter 82.08 RCW that has forty or more lodging units.
- (4) "Tourism promotion" means activities and expenditures designed to increase tourism and convention business, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.
- (5) "Tourist" means a person who travels for business or pleasure on a trip:
 - (a) Away from the person's place of residence or business and stays overnight in paid accommodations;
 - (b) To a place at least fifty miles away one way by driving distance from the person's place of residence or business for the day or stays overnight. However, island communities without land access are exempt from the mileage requirement under this subsection (5)(b); or
 - (c) To another country or state outside of the person's place of residence or business.

2024 SNOHOMISH COUNTY TOURISM PROMOTION AREA BUSINESS PLAN



In 2011 the Tourism Promotional Area (TPA) was established by Snohomish County under Snohomish County Code (SCC) 4.118, following receipt of an initiation petition from the lodging industry pursuant to Revised Code of Washington (RCW) 35.101. As requested in the petition, SCC 4.118 established an assessment of \$1.00 per room night, funded by the lodging industry through a "self-assessment". As established by the TPA Bylaws, the purpose of the fund shall be to increase overnight stays in Snohomish County. On March 16, 2020, the County received a petition document from the lodging industry, bearing the necessary signatures of hotel operators of lodging businesses with 62% of TPA-paying rooms, requesting the increase to \$2.00 per night. The Council scheduled a Public Hearing and Ordinance #20-023 amending the code was approved April 15, 2020.

Per RCW 35.101, the legislative authority imposing the charge shall have sole discretion as to how the revenue derived from the charge is to be used to promote tourism. The Snohomish County Council created Snohomish County Code 4.118.050, Uses of Lodging Charge Revenue, which allows revenue collected from the TPA to be used for general promotion of tourism as specified in the annual tourism promotion area business plan adopted pursuant to SCC 4.118.090.

Revenue from lodging charges collected under this chapter shall only be used for the following purposes:

***(a) The general promotion of tourism within Snohomish County as specified in the annual tourism promotion area business plan adopted pursuant to SCC 4.118.090,**

(b) The marketing of convention and trade shows that benefit local tourism and the lodging businesses in the county,

(c) The marketing of Snohomish County to the travel industry in order to benefit local tourism and the lodging businesses in the county, or

(d) The marketing of Snohomish County to recruit sporting events in order to benefit local tourism and the lodging businesses in the county.



SCC: 4.118.090 Annual Business Plans

- (a) On or before January 31 of each year the tourism promotion area advisory board shall, after consultation with the County Executive, submit to the county council for its approval a proposed annual business plan to govern the use of revenue derived from the lodging charge imposed by SCC 4.118.020 during the following calendar year. The advisory board shall develop an application process to facilitate consideration of proposed tourism promotion projects for incorporation into annual business plans, which process shall be presented to the council for approval by motion. The board shall submit with each proposed annual business plan a complete list of projects for which application was made for that year.*

*To-date projects, additional projects will continue to be approved throughout the calendar year.

**The 2024 business plan is subject to amendment upon the completion of the Tourism Promotion Area Analysis and Recommendations Study.

Annual Review – Snohomish County Tourism Promotion Grant Application



By November 30 of each calendar year, the TPA Advisory Board will review the Snohomish County Tourism Promotion Grant Application, and finalize any changes needed to keep the application current and aligned with the TPA Advisory Board's funding priorities.

Each project application will designate an individual to serve as the primary accountable contact for the project. This individual will be the primary representative in dealings with the County.

Proposed Funding Distribution for the 2024 Plan



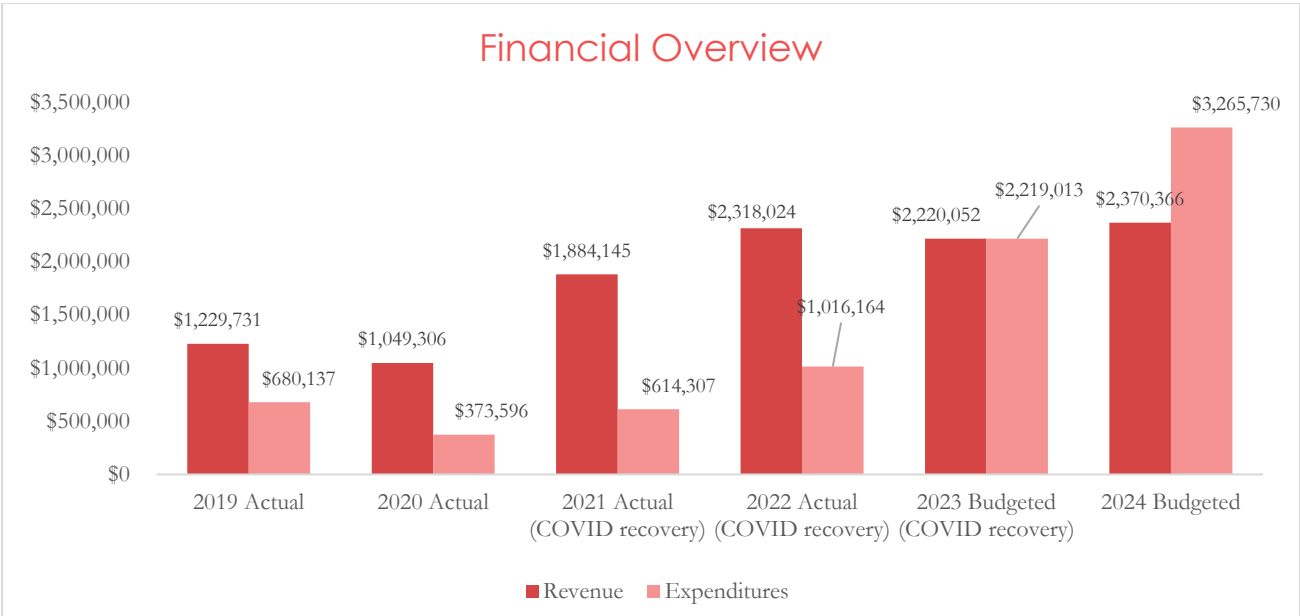
The following is a breakdown of the 2024 expenditures of the TPA funds:

1. **Snohomish County administration costs** - County administration of the fund and general board support as outlined in SCC 4.118.070 & 4.118.080(6). General duties include general board support, grant program management, maintenance of board membership materials, appointments, resignations, and TPA marketing and development to promote awareness. The County may not charge more than 9% administrative cost, as reflected on the five-year approved TPA Fund Forecast. This administrative cost is based on the first \$1.00 of fees collected.
2. **Snohomish County Sports Destination Marketing Organization (DMO)** - Full funding of the "2024 Snohomish County Sports Commission Budget" operated under the Snohomish County Sports Commission (SCSC). As required under RCW 35.101.130, the DMO is required to comply with all applicable provisions of the establishment of the TPA. * See attached outline and operating budget.
3. **TPA Grant Projects** -
 - a. The Advisory Board previously approved/submitted grants approved by Snohomish County Council with motion in January (see below).
 - b. 2024 new grants submitted by the TPA Advisory Board, approved, and authorized within the calendar year. Motion approved by Snohomish County Council in January of each year grants the Executive the authority to approve and execute additional contracts, with TPA approval, under \$50,000. New contracts over \$50,000 will still need Council approval. (Budget for these additional grants shall not encumber funds that would cause the balance to erode the minimum reserve balance of \$500,000. This reserve balance is based on the first \$1.00 of fees collected.)
4. **Opportunity Fund** - The TPA, the SCSC and the Snohomish County Lodging Association (SCLA) advocated and got approved an additional \$1.00 fee to be added. Implementation became effective July 1, 2020, and these funds will be held aside in a fund for a future tourism promotion project. Possible 2024 projects include the following:
 - a. Connected TV: continue Numbers Campaign support from 2023
 - b. Expanded International Marketing Efforts
 - FAM tours
 - In-market events in regions like Asia and Europe

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- c. *Domestic Trade Show Events*
- d. *Group Sales*
 - *Framework*
 - *Position*
- e. *Survey Resident and Visitor Sentiment and Awareness*
- f. *Third Party Data Source Audit and Baseline*
- g. *Hotel Image and Video asset production*

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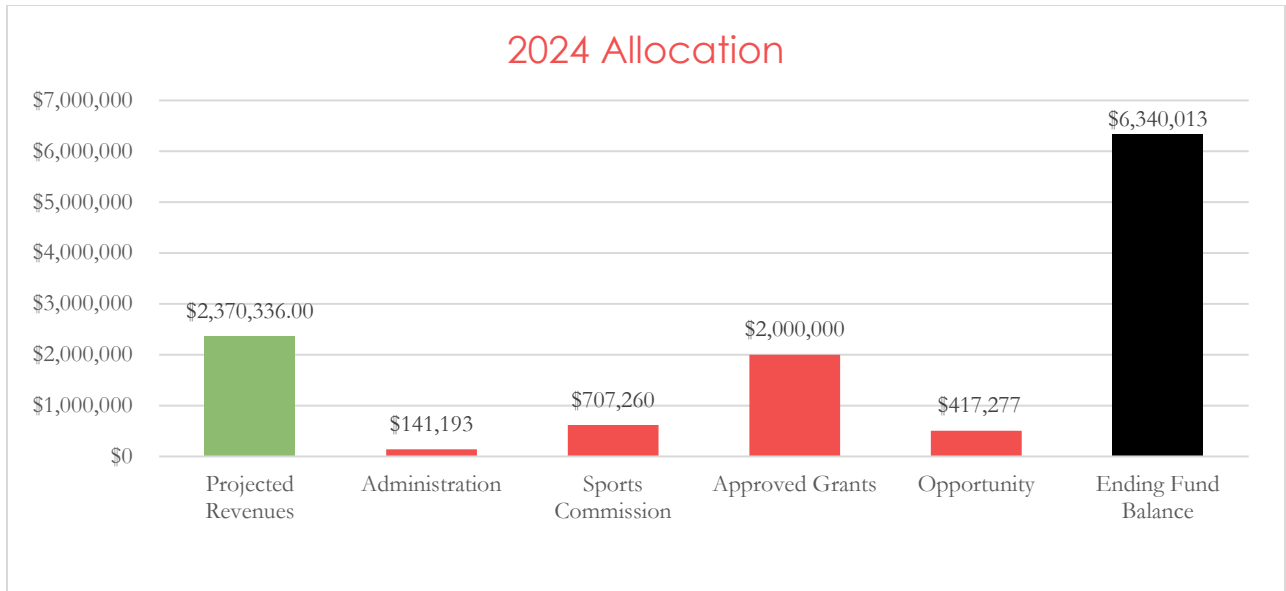


2024 Pre-Approved Grant Project

TPA-24-01	2024 WWA Wakeboard & Wakesurf National Championships - \$50,000
TPA-24-02	Spartan Trifecta Weekend: Beast, Super, Sprint, Trail and Kids - \$75,000
TPA-24-03	Snohomish United 2024 Bigfoot Tournament - \$40,000

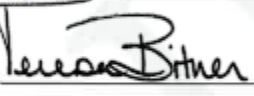
2024 To-Date Awarded Projects = \$165,000.00

2024 SNOHOMISH COUNTY TOURISM PROMOTION AREA BUSINESS PLAN



This 2024 Tourism Promotional Area Business Plan has been endorsed by the TPA Advisory Board and approved for Council review.

TPA Chairperson  Date 11.28.23

TPA Vice Chair  Date 12/13/2023

TPA Secretary  Date 12/08/2023