


Agenda Sheet for City Council Meeting of:

10/02/2023

Date Rec'd

9/18/2023

Clerk's File #

OPR 2022-0622

Renews #**Submitting Dept**PLANNING & ECONOMIC
DEVELOPMENT**Cross Ref #****Contact Name/Phone**

MIKE PICCOLO X6237

Project #**Contact E-Mail**

MPICCOLO@SPOKANECITY.ORG

Bid #**Agenda Item Type**

Contract Item

Requisition #**Agenda Item Name**0650 – CITY/COUNTY INTERLOCAL AGREEMENT AMENDMENT TO THE
TOURISM PROMOTION**Agenda Wording**

County Ordinance No. 22-0602 would be modified to add \$1 per day to the existing \$2 per day additional charge enacted in Resolution No. 22-0602 and will add two additional voting members to the current three for a total of five voting members.

Summary (Background)

In September of 2022, the City Council approved an interlocal agreement with Spokane County, OPR 2022-0622, for the Establishment of Spokane County Tourism Promotion Area (TPA). The ILA established a special assessment per room/per day of a \$2 base charge and a \$2 additional charge for a total of \$4. The County has received a petition from the lodging business operators requesting a \$1 increase to the additional charge.

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact**Budget Account**

Neutral \$

#

Select \$

#

Select \$

#

Select \$

#

Approvals**Council Notifications****Dept Head**

GARDNER, SPENCER

Study Session\Other

F&A 8/21/23

Division Director

MACDONALD, STEVEN

Council Sponsor

CM Zappone; CP Kinnear

Finance

ORLOB, KIMBERLY

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Approved by Spokane City Council
on: 10/09/2023

city clerk

Committee Agenda Sheet

Finance & Administration Committee

Submitting Department	Planning & Economic Development
Contact Name	Teri Stripes
Contact Email & Phone	tstripes@spokanecity.org (509) 625-6597
Council Sponsor(s)	CM Zappone
Select Agenda Item Type	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion Time Requested:
Agenda Item Name	0670 – City/County Interlocal Agreement Amendment to the Tourism Promotion Area
Summary (Background) *use the Fiscal Impact box below for relevant financial information	This amendment pertains to the Tourism Promotion Area established under the provisions of RCW 35.101.080 and enacted through the Spokane City/County Interlocal Cooperation Act Agreement. County Ordinance No. 22-0602 would be modified to add \$1 per day to the existing \$2 per day additional charge enacted in Resolution No. 22-0602 and will add two additional voting members to the current three for a total of five voting members.
Proposed Council Action	
Fiscal Impact Total Cost: <small>Click or tap here to enter text.</small> Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Funding Source <input type="checkbox"/> One-time <input checked="" type="checkbox"/> Recurring Specify funding source: Special assessment for Tourism Promotion Area added for per room/per day. Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts (If N/A, please give a brief description as to why)	
What impacts would the proposal have on historically excluded communities?	
How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?	
How will data be collected regarding the effectiveness of this program, policy or product to ensure it is the right solution?	
Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?	

**AMENDMENT NO. 1 TO INTERLOCAL COOPERATION ACT AGREEMENT FOR
ESTABLISHMENT OF SPOKANE COUNTY TOURISM PROMOTION AREA**

THIS AMENDMENT NO. 1 AGREEMENT (“Amendment No. 1”) made and entered into by and between **Spokane County**, a political subdivision of the State of Washington, having offices for the transaction of business at 1116 W. Broadway Avenue, Spokane, Washington 99260, hereinafter referred to as the “County,” and the **City of Spokane**, a municipal corporation of the State of Washington having offices for the transaction of business at 808 West Spokane Falls Boulevard Spokane, Washington 99201, hereinafter referred to as the “City,” jointly referred to as the “Parties.”

WITNESSETH:

WHEREAS, pursuant to the Constitution and laws of the State of Washington, Spokane County, Washington is a class A county duly organized and existing (“County”); and

WHEREAS, pursuant to the provisions of RCW 36.01.030, the powers of the County can only be exercised through the Board of County Commissioners of Spokane County, Washington (“Board” or “Board of County Commissioners”); and

WHEREAS, pursuant to the provisions of RCW 36.32.120(6), the County, through the Board of County Commissioners, has the care of county property and the management of county funds and business; and

WHEREAS, chapter 35.101 RCW authorizes the establishment of a Tourism Promotion Area by a county or city and the levy of Special Assessments (charges) on lodging businesses to fund tourism promotion therein; and

WHEREAS, pursuant to the provisions of RCW 35.101.080, the Board of County Commissioners of Spokane County adopted Ordinance No. 22-0602 which established a Tourism Promotion Area having certain boundaries to include the unincorporated area of Spokane County and the City of Spokane effective 1201 a.m. January 1, 2023. Ordinance No. 22-0602 also established Special Assessments on operators of Lodging Business within the Tourism Promotion Area on the furnishing of lodging as well as a Spokane Hotel and Motel TPA Commission; and

WHEREAS, pursuant to the provisions of RCW 35.101.040(2), the Parties entered into an interlocal agreement entitled “INTERLOCAL COOPERATION ACT AGREEMENT FOR ESTABLISHMENT OF SPOKANE COUNTY TOURISM PROMOTION AREA” (“AGREEMENT”) wherein the Parties agreed to form a Tourism Promotion Area to include properties within the boundaries of the unincorporated area of Spokane County and the City of Spokane; and

WHEREAS, Paragraph 4 E of the AGREEMENT provides that any change in the Special Assessment rates for any zone as set forth therein shall be made only by amendment of the Ordinance of the Board of County Commissioners, with the approval of the City Council of the City of Spokane. No increase in the Special Assessment rates for any zone or change in the boundaries of any zone shall be made by the Board of County Commissioners of Spokane County except upon affirmative recommendation of the Spokane Hotel and Motel TPA Commission; and

WHEREAS, Paragraph 10 I of the AGREEMENT provides that amendment to the AGREEMENT requires mutual consent of the Board of County Commissioners and the City of Spokane; and

WHEREAS, pursuant to RCW 35.101.057 legislative authorities may impose an additional Tourism Promotion Area assessment charge of up to \$3 per night per stay on furnishing of lodging by a lodging business located in a Tourism Promotion Area (“Additional Charge”). Any “Additional Charge” expires July

1, 2027 under the current law. To consider the imposition of an “Additional Charge”, signatures of the persons who operate lodging businesses who would pay sixty percent or more of the proposed “Additional Charge” must be presented to the Board of County Commissioners. The AGREEMENT executed by the Parties and Ordinance No. 22-0602 already included up to \$2 of the Additional Charge in certain Zone(s). The Board of County Commissioners received a petition signed by more than sixty percent of the lodging business who would pay an \$1 “Additional Charge” in certain of the four (4) Zones which provided as follows:

Section No. 3 RATE of Spokane County Resolution No. 22-0602 would be modified to provide as follows:

(Underlined and highlighted language added, lined out and highlighted language deleted.)

Total Charge
 (“Special Assessments”)

ZONE	BASE CHARGE	ADDITIONAL CHARGE	TOTAL CHARGE (Special Assessment)
Zone A.	\$2.00 per room/day	\$2.00 <u>\$3.00</u> per room/day	\$4.00 <u>\$5.00</u> per room/day
Zone B.	\$2.00 per room/day	\$2.00 <u>\$3.00</u> per room/day	\$4.00 <u>\$5.00</u> per room/day

The Special Assessment to be imposed on the Operators of those Lodging Businesses with room revenues during the preceding calendar year, which did not exceed five hundred thousand dollars (\$500,000.00) is as follows:

ZONE	BASE CHARGE	ADDITIONAL CHARGE	TOTAL CHARGE (Special Assessment)
Zone C.	\$0.50 per room/day	\$0.50 per room/day	\$1.00 per room/day
Zone D.	\$0.00 per room/day	\$0.00 per room/day	\$0.00 per room/day

The Additional Charge portion of the Total Charge (“Special Assessments”) identified above shall automatically expire at midnight on June 30, 2027. Upon the expiration of the Additional Charge portion of the Total Charge (“Special Assessments”), the Total Charge (“Special Assessments”) shall be automatically reduced to the Base Charge as of 12:01 a.m. on July 1, 2027. In the event the legislature extends the Additional Charge portion of the Total Charge (“Special Assessments”) beyond midnight on June 30, 2017, the Additional Charge portion of the Total Charge (“Special Assessments”) shall be automatically extended for the time frame authorized by the legislature.

Zone A. Zone A encompasses those Lodging Businesses located within the area of the incorporated city limits of the City of Spokane.

Zone B. Zone B encompasses all Lodging Businesses located outside Zone A but within the unincorporated area of Spokane County.

Zone C. Zone C encompasses all Lodging Businesses with room revenue under \$500,000 per year, situated within the Spokane County Tourism Promotion Area, regardless of their specific location.

Zone D. Zone D encompasses Lodging Businesses located within the Tourism Promotion Area, as that term is addressed in WAC 458-20-166 as it presently exists or may be hereinafter amended, other than hotels, motels, and bed and breakfast facilities. Lodging Businesses within this zone, as addressed in WAC 458-20-166, would include only (i) trailer camps and recreational vehicle parks that rent space to transient tenants for house trailers, campers, recreational vehicles, mobile homes, tents, and similar accommodations; (ii) educational institutions that sell overnight lodging to person other than students; and (iii) private lodging houses, dormitories and bunkhouses and similar accommodations operated by or on behalf of a business or school solely for the accommodation of employees of such businesses or student of the school, which are not held out to the public as a place where sleeping accommodations may be obtained.

The charges (“Special Assessments”) imposed are not a tax on the “sale of lodging” for the purposes of RCW 82.14.410 and do not apply to temporary medical housing exempt under RCW 82.08.997.

; and

WHEREAS, consistent with Paragraph 4 E of the AGREEMENT, the Parties desire to recognize the request of the lodging businesses to impose the Additional Charge as referenced in the immediately preceding recital which Additional Charge will be adopted by the Board of County Commissioners after a public hearing; and

WHEREAS, the Spokane Hotel Motel Association has recommended that the Spokane Hotel and Motel TPA Commission established under Paragraphh 7 of the AGREEMENT be expanded by two voting members, one to be appointed by the Board of County Commissioners and one to be appointed by the City of Spokane; and

WHEREAS, consistent with Paragraph 10 I of the AGREEMENT, the Parties desire to recognize the request of the Spokane Hotel and Motel Association and expand the membership of the Spokane Hotel and Motel TPA Commission by two voting members.

NOW, THEREFORE, BE IT HEREBY AGREED by the Parties hereto that the agreement entered into by the Parties and entitled “INTERLOCAL COOPERATION ACT AGREEMENT FOR ESTABLISHMENT OF SPOKANE COUNTY TOURISM PROMOTION AREA” be and is hereby modified so that Paragraph 4 D provides as follows:

(Underlined and highlighted language added, lined out and highlighted language deleted.)

D. It is understood and agreed by and between Spokane County and the City of Spokane that the Operators of Lodging Businesses within the Spokane County Tourism Promotion Area operating in the above-described zones will be subject to Special Assessments to be levied as follows:

Total Charge
 (“Special Assessments”)

ZONE	BASE CHARGE	ADDITIONAL CHARGE	TOTAL CHARGE (Special Assessment)
Zone A.	\$2.00 per room/day	\$2.00 <u>\$3.00</u> per room/day	\$4.00 <u>\$5.00</u> per room/day
Zone B.	\$2.00 per room/day	\$2.00 <u>\$3.00</u> per room/day	\$4.00 <u>\$5.00</u> per room/day

The Special Assessment to be imposed on the Operators of those Lodging Businesses with room revenues during the preceding calendar year, which did not exceed five hundred thousand dollars (\$500,000.00) is as follows:

ZONE	BASE CHARGE	ADDITIONAL CHARGE	TOTAL CHARGE (Special Assessment)
Zone C.	\$.50 per room/day	\$.50 per room/day	\$1.00 per room/day
Zone D.	\$0.00 per room/day	\$0.00 per room/day	\$0.00 per room/day

The Additional Charge portion of the Total Charge (“Special Assessments”) identified above shall automatically expire at midnight on June 30, 2027. Upon the expiration of the Additional Charge portion of the Total Charge (“Special Assessments”), the Total Charge (“Special Assessments”) shall be automatically reduced to the Base Charge as of 12:01 a.m. on July 1, 2027. In the event the legislature extends the Additional Charge portion of the Total Charge (“Special Assessments”) beyond midnight on June 30, 2017, the Additional Charge portion of the Total Charge (“Special Assessments”) shall be automatically extended for the time frame authorized by the legislature.

BE IT FURTHER AGREED between the Parties hereto that the agreement entered into by the Parties and entitled “INTERLOCAL COOPERATION ACT AGREEMENT FOR ESTABLISHMENT OF SPOKANE COUNTY TOURISM PROMOTION AREA” be and is hereby modified so that Paragraph 7 provides as follows:

(Underlined and highlighted language added, lined out and highlighted language deleted.)

7. Establishment of the Spokane Hotel and Motel TPA Commission.

A. It is understood and agreed that the Board of County Commissioners of Spokane County shall, pursuant to the authority of RCW 35.101.130(1) create a ~~five (5)~~ seven (7) member Spokane Hotel and Motel TPA Commission to advise the Board of County Commissioners of Spokane County on the expenditure of Special Assessment revenues collected within the Spokane County Tourism Promotion Area to fund tourism promotion in the Spokane Metropolitan Area. ~~Three (3)~~ Five (5) members of the Spokane Hotel and Motel TPA Commission as identified in Section B shall be voting members.

B. Members of the Spokane Hotel and Motel TPA Commission shall be selected by the Board of County Commissioners of Spokane County and the City Council of Spokane from a list of nominees prepared by the Spokane Hotel and Motel Association. All nominees for membership on the Spokane Hotel and Motel TPA Commission must be Operators of Lodging Businesses within the Spokane County Tourism Promotion Area or employed by the Operator of such a Lodging Business. One *ex officio* member of the Commission may be appointed from the members of the Board of Commissioners of Spokane County and one *ex officio* member may be appointed from the members of the City Council of the City of Spokane. *Ex officio* members of the Spokane Hotel and Motel TPA Commission may participate in all discussions regarding proposed activities and programs by the Spokane County Tourism Promotion Area for the promotion and marketing of tourism in Spokane County but shall not have voting rights.

C. The Board of County Commissioners of Spokane County shall appoint ~~one member~~ two members and one *ex officio* member of the Spokane Hotel and Motel TPA Commission to represent the County of Spokane and the City Council of the City of Spokane shall appoint ~~two members~~ three members and one *ex officio* member of the Spokane Hotel and Motel TPA Commission to represent the City of Spokane. Any vacancy, on the Spokane Hotel and Motel TPA Commission arising from a resignation or other cause shall be

filled by the appointing entity from the list of nominees prepared by the Spokane Hotel and Motel Association within 30 days from the date the vacancy occurs.

D. It is understood and agreed that the initial voting members of the Spokane Hotel and Motel TPA Commission shall serve staggered terms, with one voting member serving a one-year term and two voting members serving for two-year terms. The length of the term for each individual member of the initial Spokane Hotel and Motel TPA Commission shall be chosen by lot at the first meeting of the Commission. Thereafter, all members subsequently appointed to the Spokane Hotel and Motel TPA Commission shall serve for three-year terms.

BE IT FURTHER AGREED between the Parties hereto that but for that change to Paragraph 4 D and that change to Paragraph 7, as set forth herein above, all other terms and conditions within the agreement entitled "INTERLOCAL COOPERATION ACT AGREEMENT FOR ESTABLISHMENT OF SPOKANE COUNTY TOURISM PROMOTION AREA" shall remain in full force and effect without any change or modification whatsoever. This Agreement No. 1 may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same. The effective date of Agreement No. 1 shall be the last signature date.

IN WITNESS WHEREOF the Parties have caused this Agreement No. 1 to be executed on the date and year opposite their respective signature block.

DATED: _____ SPOKANE COUNTY

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

MARY L. KUNEY, CHAIR

ATTEST:

JOSH KERNS, VICE-CHAIR

Ginna Vasquez, Clerk of the Board

AL FRENCH, COMMISSIONER

AMBER WALDREF, COMMISSIONER

CHRIS JORDAN, COMMISSIONER

DATED: 10/17/2023 CITY OF SPOKANE

By: *Yvonne Hoodward*

Its: Mayor

Attest:

Approved as to form:

Lina A. Piccolo
City Clerk

Michael J. Piccolo
Assistant City Attorney

