



January 21, 2021

Whatcom County Executive Satpal Sidhu
311 Grand Avenue, Suite 105
Bellingham, WA 98225

Dear Executive Sidhu:

On behalf of Bellingham Whatcom County Tourism and the Bellingham Whatcom County Lodging Association, we respectfully submit an initiation petition from the lodging industry to form the Bellingham Whatcom County Tourism Promotion Area (TPA) as outlined in the State of Washington RCW 35.101, which authorizes the establishment of tourism promotion areas ("Tourism Promotion Areas") to levy a tourism promotion charge (the "TPA Charge") on the furnishing of lodging on certain lodging businesses (as defined in the TPA Act, "Lodging Businesses") to fund tourism promotion (as defined in the TPA Act). This is not a tax but represents a self-assessment by hotels for the purpose of funding tourism marketing efforts. There is one hotel in unincorporated Whatcom County with 40 rooms or more, which is the Holiday Inn and Suites.

Enclosed with this letter you will find the following:

1. White paper expressing the need for additional tourism marketing dollars to assist the industry with COVID-19 recovery efforts and tourism promotion now and into the future.
2. TPA initiation petition signed by more than 60% of rooms required by the statute to form the area, and in the case of unincorporated Whatcom County, the Holiday Inn and Suites is the only hotel representing 100% participation.
3. Spreadsheet outlining all Bellingham and Whatcom County hotels with more than 40 rooms, and the number of rooms they represent.

If you have questions, please call or email.

Respectfully,

A handwritten signature in blue ink that reads "Sandra L. Ward".

Sandra L. Ward, CEO
Bellingham Whatcom County Tourism

Cc: / Whatcom County Council
Tyler Schroeder, Deputy Executive
Chris Quinn, Prosecuting Attorney's Office

Tourism Recovery District – TPA Particulars

Situation: Due to the COVID-19 pandemic, BWCT is looking at between 50-75% reduction in funding from the City of Bellingham LTAC fund in 2021. Whatcom County has committed to stable funding for 2021, but it is unclear what resources will be available in 2022 and beyond. We must explore options and funding sources to carry us to COVID-19 recovery. BWCT is currently funded (85%) by hotel motel taxes collected in Bellingham and unincorporated Whatcom County. Because we have not been able to get to Phase 3 of the Governor's reopening plan combined with the Canadian border closure, our hotel occupancy levels have suffered greatly. Along with that, we are seeing a dip in ADR. This means that in 2021 and beyond, our DMO will be faced with severe budget cuts requiring us to tap into reserves.

Potential Funding Source and Options: If BWCT is to continue sales, marketing and advertising programs and help the tourism industry in Whatcom County recover, we must look for new funding sources. We are working with hotel partners to explore the formation of a TPA-type Tourism Recovery District (uses the same Washington State TPA legislation) focused on the bulk of hotels in the county with over 40 rooms, which means those hotels located in the city limits of Bellingham. We also could include the Holiday Inn and Suites located in unincorporated Whatcom County, which is scheduled to be annexed into the City of Bellingham in the next couple of years. It is the only hotel in unincorporated Whatcom County that qualifies under the RCW. The County could participate in an interlocal agreement with the City of Bellingham to include the Holiday Inn and Suites until it is annexed. Bellingham and Whatcom County is one of the few remaining areas in the state without a TPA.

What is a TPA in Washington State?

A legislative authority may impose an additional charge up to \$3 per night per stay on the furnishing of lodging by a lodging business located in the area. This charge is in addition to the \$2 charge and expires July 1, 2027.

To impose the additional charge, signatures of the persons who operate lodging businesses that would pay 60 percent or more of the proposed charges must be provided. In addition, the following information must be provided:

- the proposed uses and projects to be funded through the charge;
- the total estimated costs;
- the estimated rate for the charge; and
- a proposed breakdown of charges by class of lodging business for the TPAs that use lodging rate classifications.

The legislative authority's use of revenue derived from the charge must be used to promote tourism that increases the number of tourists to the area. A tourist is defined as a person who travels for business or leisure to a destination at least 50 miles away or, in the case of the Canadian border, from Canada.

What Does This Mean for Bellingham: If hotels pursue this course of action it would require 60% of the hotel rooms in hotels with 40 rooms or more in the City of Bellingham to petition the City of Bellingham to form the district, which is funded by an assessment paid by hotel guests. It is not a tax but an assessment.

One hotel with more than 40 rooms, located just outside the City of Bellingham is the Holiday Inn and Suites at BLI, which is scheduled to be annexed into the City of Bellingham in the next couple of years. It is the only

hotel with over 40 rooms in unincorporated Whatcom County. In order to participate in the TPA, we would need the Holiday Inn and Suites to petition the county. Once the hotel is annexed, it would then just become part of the Bellingham Whatcom County TPA/Recovery District.

Assessment: The amount we are looking at now, based on recommendations of other areas of the state with TPAs, is \$3 per occupied room. The great thing about TPA money is that it does not impact rate – it is below the line on the guest folio. If hotels were to run at 60% occupancy based on 2018 collections, at \$3 per occupied room, approximately \$1.1 million would be collected over a period of one year. This number would grow as occupancy grows. **In the case of the one hotel in unincorporated Whatcom County under the same scenario, about \$82,000 per year would be collected.**

Base LTAC Funding: It is important that, as we move forward, base funding from LTAC is maintained from cities and Whatcom County. As the TPA funding grows, BWCT could potentially move away from its dependence on LTAC funding. In a perfect world, a portion of LTAC funding that might be replaced by TPA funds could be earmarked for a capital project to develop additional tourism infrastructure for the future. A strategic tourism master plan for the future should be considered as soon as possible. Based on MPAR (marketing dollars per available room), and to compete with other similar sized destinations in Washington State, **BWCT should have a budget of at least \$1.8 million per year. A combination of LTAC and TPA funding would get us there in a couple of years.**

Bellingham Whatcom County TPA Petition Spreadsheet

Total hotel rooms in Bellingham Over 40 rooms = 1871 - 98 = 1773 60% = 1064

Total hotels rooms in Unincorporated Whatcom County Over 40 rooms = 153

Hotel Name	# Rooms	Status
Best Western Heritage	90	Signed
Best Western Plus Bellingham	132	Signed
Coachman Inn Motel	60	Signed
Chrysalis Inn and Spa	45	Signed
Days Inn on Samish	67	Signed
Four Points by Sheraton	132	Signed
Hampton Inn (not officially open)	98	Signed
Hotel Leo	40	Signed
Holiday Inn Express	101	Signed
Home2Suites	105	Signed
Hotel Bellwether	66	Signed
Morning Glory Inn and Suites	125	Signed
Oxford Suites	99	Signed
SpringHill Suites Marriott	122	Signed
TownePlace Suites	83	Signed
Total Signed	1365	
Remove hotels not officially open when petition signed	-98	
	1267	

Total hotel rooms in Unincorporated Whatcom County Over 40 Rooms - 153

Holiday Inn and Suites BLI, Whatcom County

Bay City Motor Inn	50	153 Signed
Baymont Suites	70	
Bellis Inn	71	
Bellingham Lodge	56	
La Quinta	81	
Quality Inn	86	
Total Unsigned	414	

**INITIATION PETITION TO FORM THE
BELLINGHAM WHATCOM COUNTY
TOURISM PROMOTION AREA**

WHEREAS, the 2003 State Legislature of the State of Washington (the "State") recognized the importance of tourism promotion in the State and passed Engrossed Substitute Senate Bill 6026, codified at chapter 35.101 RCW, as amended (the "TPA Act"), authorizing the establishment of tourism promotion areas ("Tourism Promotion Areas") to levy a tourism promotion charge (the "TPA Charge") on the furnishing of lodging on certain lodging businesses (as defined in the TPA Act, "Lodging Businesses") to fund tourism promotion (as defined in the TPA Act); and

WHEREAS, the Lodging Businesses within the City of Bellingham and unincorporated Whatcom County desire to present an initiation petition to establish a Tourism Promotion Area pursuant to the TPA Act to the City Council of the City of Bellingham and the Whatcom County Council (the "Bellingham Whatcom County Tourism Promotion Area"); and

WHEREAS, the initiation petition submitted to form a Tourism Promotion Area must contain the information provided in RCW 35.101.020, including (a) a description of the boundaries of the proposed area, (b) the proposed uses and projects to which the proposed revenue from the charge shall be put and the total estimated costs, (c) the estimated rate for the charge with a proposed breakdown by class of Lodging Business if such classification is to be used, and (d) the signatures of the persons who operate Lodging Businesses in the proposed area who would pay 60% or more of the proposed charges;

NOW THEREFORE, the following Lodging Businesses located within the City of Bellingham and unincorporated Whatcom County do hereby petition the City Council of the City of Bellingham and the Whatcom County Council, as follows:

Section 1. Boundaries of the Proposed Bellingham Whatcom County Tourism Promotion Area. The boundaries of the Bellingham Whatcom County Tourism Promotion Area shall include the jurisdictional boundaries of the City of Bellingham and unincorporated Whatcom County, including all revisions, annexations, and other adjustments from time to time.

Section 2. Use of Revenue. The revenue from the TPA Charges collected from the operators of Lodging Businesses within the Bellingham Whatcom County Tourism Promotion Area shall be dedicated to the following uses and projects:

(a) Tourism promotion (as defined in the TPA Act) within the Bellingham Whatcom County Tourism Promotion Area as specified in the Bellingham Whatcom County Tourism Promotion Area business plan to be adopted annually;

(b) Preparing and implementing a comprehensive plan for tourism recovery from the economic impact of the 2019 novel coronavirus ("COVID-19") pandemic and subsequent recession, rebuilding the greater Bellingham-Whatcom County area as a tourist destination,

encouraging tourism innovation and investment in the area, and working with local business, local governments and Lodging Businesses to build a stronger tourist economy;

(c) Marketing convention, conferences and trade shows that benefit local tourism and Lodging Business in the Bellingham Whatcom County Tourism Promotion Area;

(d) Marketing of the greater Bellingham-Whatcom County area to the travel industry in order to benefit local tourism and Lodging Businesses in the Bellingham Whatcom County Tourism Promotion Area;

(e) Marketing of the greater Bellingham-Whatcom County area to recruit sporting, athletic, recreational, entertainment, performing arts and cultural events in order to benefit tourism and Lodging Businesses in the Bellingham Whatcom County Tourism Promotion Area, and for the purpose of increasing overnight visitor stays within the greater Bellingham-Whatcom County region; and

(f) Providing marketing and event assistance for qualifying events that represent a substantial likelihood of benefiting tourism and Lodging Businesses in the Bellingham Whatcom County Tourism Promotion Area, and for the purpose of increasing overnight visitor stays within the greater Bellingham-Whatcom County area.

Section 3. Estimated Costs of Uses and Projects. The total estimated annual costs of such uses and projects are at least \$1.5 million. Bellingham Whatcom County Tourism estimates that, on an annual basis, the revenue from the TPA Charges collected from the operators of Lodging Businesses within the Bellingham Whatcom County Tourism Promotion Area shall be between \$1 million and \$1.5 million. This amount may vary from year to year depending upon fluctuating occupancy rates in the proposed area, and the rate of recovery from the economic impacts of the COVID-19 pandemic.

Section 4. Rate of TPA Charge. The TPA Charge to be imposed on the operators of those Lodging Businesses with 40 or more lodging units is as follows:

Zone	TPA Charge (RCW 35.101.050)	Additional TPA Charge (RCW 35.101.057)	Total TPA Charge
Zone A:	\$2.00 per room/day	\$1.00 per room/day	\$3.00 per room/day
Zone B:	\$2.00 per room/day	\$1.00 per room/day	\$3.00 per room/day

Zone A. Lodging Businesses that are classified as hotels or motels with 40 or more lodging units that are located within the incorporated area of the City of Bellingham.

Zone B. Lodging Businesses that are classified as hotels or motels with 40 or more lodging units that are located in unincorporated Whatcom County.

Section 5. Management of TPA Funds. It is the intent of the petitioners that the City of Bellingham and Whatcom County contract program management and operations of the

Bellingham Whatcom County Tourism Promotion Area with Bellingham Whatcom County Tourism, a registered destination marketing organization.

Section 6. Representations. By signing this Petition, each individual hereby certifies, represents and warrants as follows: (a) each entity listed below furnishes lodging taxable by the State under chapter 82.08 RCW within the proposed Bellingham Whatcom County Tourism Promotion Area; (b) such individual is a duly qualified and acting operator of such Lodging Business for purposes of RCW 35.101.020(4); and (c) such individual is duly authorized to execute this Petition on behalf of such Lodging Business.

Section 7. Execution and Delivery. This Petition is hereby presented by the following persons who operate Lodging Businesses in the proposed Bellingham Whatcom County Tourism Promotion Area and will pay sixty percent (60%) or more of the proposed TPA Charges. This Petition may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Petition shall be dated as of the date of the last signature listed below.

[Signature Pages to TPA Petition Follow]

BEST WESTERN PLUS


Signature of Authorized Representative

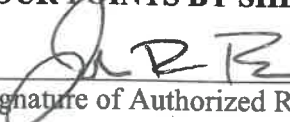
Name: Dana Weber
Title: General Manager
Date: 1/5, 2021

CHRYSALIS INN & SPA

SEE ATTACHED
Signature of Authorized Representative

Name: _____
Title: General Manager
Date: _____, 20____

FOUR POINTS BY SHERATON


Signature of Authorized Representative

Name: John Burns
Title: General Manager
Date: 1/05, 2021

HOTEL LEO


Signature of Authorized Representative

Name: Peter Frazer
Title: ~~General Manager~~ Managing Partner
Date: 1/05, 2021

HOLIDAY INN EXPRESS

Terri Sirmans
Signature of Authorized Representative

Name: TERRI SIRMANS
Title: General Manager
Date: Jan 6, 2020

HOLIDAY INN AND SUITES

SEE ATTACHED
Signature of Authorized Representative

Name: _____
Title: General Manager
Date: _____, 20____

HOME2SUITES BY HILTON

Sara Holliday
Signature of Authorized Representative

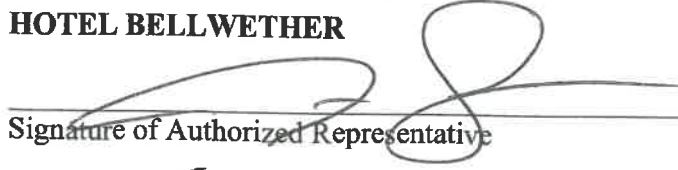
Name: SARA Holliday
Title: General Manager
Date: Jan 5, 2021

HAMPTON INN

Craig Schulte
Signature of Authorized Representative

Name: Craig Schulte
Title: General Manager
Date: Jan 5, 2021

HOTEL BELLWETHER


Signature of Authorized Representative

Name: Jim Haupt
Title: General Manager
Date: 01-05, 20 21

LA QUINTA

Signature of Authorized Representative

Name: _____
Title: General Manager
Date: _____, 20 _____

MORNING GLORY INN & SUITES


Signature of Authorized Representative

Name: ESTHER YOON
Title: General Manager
Date: 1/6, 20 21

OXFORD SUITES


Signature of Authorized Representative

Name: Austin Gardner
Title: General Manager
Date: January 6, 20 21

SPRINGHILL SUITES BY MARRIOTT



Signature of Authorized Representative

Name: KEITH COLEMAN

Title: General Manager

Date: 1/5/21, 2021

TOWNEPLACE SUITES BY MARRIOTT



Signature of Authorized Representative

Name: KEITH COLEMAN

Title: General Manager

Date: 1/5, 2021

X

BELLINGHAM LODGE

Signature of Authorized Representative

Name: _____

Title: General Manager

Date: _____, 20____

BEST WESTERN HERITAGE INN



Signature of Authorized Representative

Name: Hafiz Mangrio

Title: General Manager

Date: 1/20/21, 20____

COACHMAN INN MOTEL



Signature of Authorized Representative

Name: MOHINDER SINGH

Title: General Manager

Date: 1-14-2021, 2021

COMFORT INN

Signature of Authorized Representative

Name: _____

Title: General Manager

Date: _____, 20____

DAYS INN

SEE ATTACHED
Signature of Authorized Representative

Name: _____
Title: General Manager
Date: _____, 20__

QUALITY INN

Signature of Authorized Representative

Name: _____
Title: General Manager
Date: _____, 20__

BAYMONT SUITES

Signature of Authorized Representative

Name: _____
Title: General Manager
Date: _____, 20__

GUEST HOUSE

Signature of Authorized Representative

Name: _____
Title: General Manager
Date: _____, 20__

BELLIS INN

Signature of Authorized Representative

Name: _____
Title: General Manager/Owner
Date: _____, 20____

BAY CITY MOTOR INN

Signature of Authorized Representative

Name: _____
Title: General Manager/Owner
Date: _____, 20____

**Bellingham Whatcom County Tourism Promotion Area (TPA)
Lodging Establishment Ballot for Initiation Petition**

Lodging Business Name: The Chrysalis Inn & Spa

Number of Rooms: 45

Our lodging business supports does not support (check one) the formation of a Tourism Promotion Area (TPA) with the proceeds to be used by Bellingham Whatcom County Tourism to fund sales and marketing programs designed to increase leisure tourism, conferences, meetings, sports, and corporate travel.

The money is intended to supplement the hotel motel taxes received by Bellingham Whatcom County Tourism to promote tourism and is especially important to help in COVID-19 economic recovery efforts.

I understand this assessment will be collected and remitted by the lodging industry but paid by the guest in the form of an itemized item below the line on the guest folio.

[Signature] 1-5-2021
Authorized Signature of the Operator (GM/Owner) of the Lodging Business Set Forth Above Date

CERTIFICATION

I, S. Michael Keenan HERBY CERTIFY THAT I AM THE OPERATOR (GENERAL MANAGER/OWNER) OF THE LODGING BUSINESS KNOWN AS The Chrysalis Inn & Spa. I FURTHER CERTIFY THAT AS THE OPERATOR OF THE LODGING BUSINESS, I AM DULY AUTHORIZED AND EMPOWERED TO SIGN THE INITIATION PETITION TO ESTABLISH A TOURISM PROMOTION AREA WITHIN BELLINGHAM AND UNINCORPORATED WHATCOM COUNTY PURSUANT TO THE TERMS OF RCW 35.101 AS ENACTED BY THE WASHINGTON STATE LEGISLATURE.

Dated: Jan 5, 2021

Signature: [Signature]

Please return this completed form in the enclosed pre-addressed, postage-paid envelope.

**Bellingham Whatcom County Tourism Promotion Area (TPA)
Lodging Establishment Ballot for Initiation Petition**

Lodging Business Name: Days Inn by Wyndham

Number of Rooms: 67

Our lodging business supports does not support (check one) the formation of a Tourism Promotion Area (TPA) with the proceeds to be used by Bellingham Whatcom County Tourism to fund sales and marketing programs designed to increase leisure tourism, conferences, meetings, sports, and corporate travel.

The money is intended to supplement the hotel/motel taxes received by Bellingham Whatcom County Tourism to promote tourism and is especially important to help in COVID-19 economic recovery efforts.

I understand this assessment will be collected and remitted by the lodging industry but paid by the guest in the form of an itemized item below the line on the guest folio.

Authorized Signature of the Operator (GM/Owner) of the Lodging Business Set Forth Above 1/12
Date

CERTIFICATION

I Kiran Sohail HEREBY CERTIFY THAT I AM THE OPERATOR (GENERAL MANAGER/OWNER) OF THE LODGING BUSINESS KNOWN AS Days Inn. I FURTHER CERTIFY THAT AS THE OPERATOR OF THE LODGING BUSINESS, I AM DULY AUTHORIZED AND EMPOWERED TO SIGN THE INITIATION PETITION TO ESTABLISH A TOURISM PROMOTION AREA WITHIN BELLINGHAM AND UNINCORPORATED WHATCOM COUNTY PURSUANT TO THE TERMS OF RCW 35.101 AS ENACTED BY THE WASHINGTON STATE LEGISLATURE.

Dated: 1/12

Signature: _____

Please return this completed form in the enclosed pre-addressed, postage-paid envelope.

**Bellingham Whatcom County Tourism Promotion Area (TPA)
Lodging Establishment Ballot for Initiation Petition**

Lodging Business Name: Holiday Inn & Suites Bellingham WA

Number of Rooms: 153

Our lodging business supports does not support (check one) the formation of a Tourism Promotion Area (TPA) with the proceeds to be used by Bellingham Whatcom County Tourism to fund sales and marketing programs designed to increase leisure tourism, conferences, meetings, sports, and corporate travel.

The money is intended to supplement the hotel motel taxes received by Bellingham Whatcom County Tourism to promote tourism and is especially important to help in COVID-19 economic recovery efforts.

I understand this assessment will be collected and remitted by the lodging industry but paid by the guest in the form of an itemized item below the line on the guest folio.

[Signature] Co-Managing Member 1/12/2021
Authorized Signature of the Operator (GM/Owner) of the Lodging Business Set Forth Above Date

CERTIFICATION

I Dan R. Mitze! HEREBY CERTIFY THAT I AM THE OPERATOR (GENERAL MANAGER/OWNER) OF THE LODGING BUSINESS KNOWN AS Holiday Inn Hotel & Suites. I FURTHER CERTIFY THAT AS THE OPERATOR OF THE LODGING BUSINESS, I AM DULY AUTHORIZED AND EMPOWERED TO SIGN THE INITIATION PETITION TO ESTABLISH A TOURISM PROMOTION AREA WITHIN BELLINGHAM AND UNINCORPORATED WHATCOM COUNTY PURSUANT TO THE TERMS OF RCW 35.101 AS ENACTED BY THE WASHINGTON STATE LEGISLATURE.

Dated: 1/12/21

Signature: [Signature]

Please return this completed form in the enclosed pre-addressed, postage-paid envelope.