



SEATTLE HOTEL ASSOCIATION

SERVING OUR COMMUNITY

Seattle City Council
600 Fourth Ave., 2nd Floor
P.O. Box 34025
Seattle, WA 98124

May 8, 2018

Dear Seattle City Councilmembers,

On behalf of the more than 70 members of the Seattle Hotel Association, we write to you today to urge you to oppose a tax on jobs.

Like all Seattleites, we want to see the homelessness crisis addressed. Every day we see the impact of homelessness, not only as residents and business operators but also through the eyes of visitors to our great city. We appreciate your recognition that this is truly a crisis, but we strongly disagree with your proposed solution.

We need a coordinated, regional plan to address homelessness and its many facets, which include mental health and substance abuse issues. The process the city has taken is backwards: we need a sound plan with proven strategies to address the complexities of homelessness first, and a funding plan second.

As you know, the city's spending has increased by 40% from 2012 to 2016, and the city's spending on homelessness has grown by 62% since 2014, but the problem keeps getting worse. The jobs tax proposal doesn't promise to deliver the results we need. We need accountability – through an oversight committee that we can trust, and through a sunset date that forces the city to evaluate the impact of the tax and its ability to deliver results.

We also know that this tax structure will weigh heavily on the hotel community. Because of the structure of the tax, our businesses will face a disproportionate impact. We employ large numbers of people and have high gross revenues by the nature of our business model. While this tax in any form will place an undue burden on our industry, we appreciate the discussion around moving the tax structure to a percentage of payroll. A flat per employee tax treats entry-level jobs the same way it treats high-paying professional jobs, which is inequitable and brings even more of the burden to the hospitality sector.

In fact, those entry-level jobs are an important part of the solution to addressing homelessness. The [2017 King County Point-in-Time Count of Persons Experiencing Homelessness](#) found that the largest reported cause of homelessness in King County is loss of a job. The hospitality industry provides low-barrier, entry-level jobs not found in other industries and we have long welcomed people who need a second chance. The opportunities we provide often lead to lifelong careers and supervisory or management positions.

We also know that this tax will discourage growth and business activity in our City – Amazon’s announcement last week perfectly demonstrates this. In 2016, Amazon alone produced 232,000 hotel room nights in Seattle. Those guests also eat at Seattle restaurants and shop at our local shops, driving the Seattle economy in ways we believe you have failed to consider.

Hotels will be hit twice by a tax on jobs – once by paying the tax directly, and again in a reduction in the guests we serve.

We shared with you earlier this year that the Seattle Hotel Association, through our 2018 Evening of Hope gala, raised over \$940,000 to benefit Mary’s Place to provide critical services to women, children and families experiencing homelessness. Since the first Evening of Hope in 1996, the association, in partnership with our industry and community, has raised \$9.85 million to provide essential funding to critical Seattle non-profits like Mary’s Place. This is in addition to the individual philanthropic efforts members of our industry regularly engage in.

Please recognize and appreciate the important work that Seattle businesses are already doing to address issues of affordability, homelessness and work force development. By passing a tax on jobs, you’ll inhibit our ability to do this, and hurt, rather than help, Seattle.

Again, we urge you to vote no on a tax on jobs.

Sincerely,

BOARD OF DIRECTORS, SEATTLE HOTEL ASSOCIATION:



Shannon Sheron
Board President
Hotel Sorrento



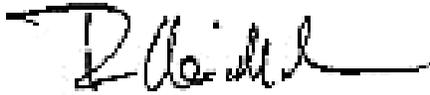
Richard Hill
W Seattle



Diane Holliday Germain
The Westin Hotel



Lars Pedersen
Hotel Andra



Rene Neidhart
Renaissance Hotel Seattle



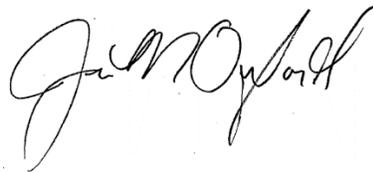
John Power
Hotel 1000



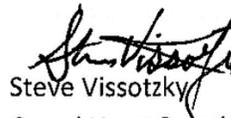
Sean O'Rourke
Seattle Marriott Waterfront



Chris Tudor
Travelodge by Seattle Center



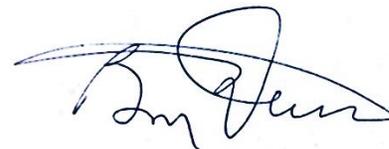
Jenne Oxford
Kimpton Hotels



Steve Vissotzky
Grand Hyatt Seattle & Hyatt at Olive 8



Amanda Parsons
The Thompson Hotel



Bill Weise
Silver Cloud Seattle Stadium

cc: Mayor Jenny Durkan