

CITY COUNCIL AGENDA TOPIC**2025 Recommended Budget and Strategic Plan for the Bellevue-Redmond Tourism Promotion Area**

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EXECUTIVE SUMMARY**DIRECTION**

The Bellevue-Redmond Tourism Promotion Area (BRTPA) Advisory Board must submit for approval a budget and strategic plan to the City Council, in its capacity as Legislative Authority for the BRTPA. This budget and strategic plan governs the use of revenues derived from Lodging Charges, which are collected from businesses furnishing 40 or more units of taxable lodging. If approved, staff will bring back legislation authorizing expenditures consistent with the recommended budget and plan as part of 2025-2026 budget process. If not approved, staff will communicate the Council's rationale, and the BRTPA Advisory Board will prepare an alternative recommendation.

RECOMMENDATION

Direct staff to return with legislation as part of the 2025-2026 budget process to support expenditures consistent with the annual budget and strategic plan as recommended by the BRTPA Advisory Board.

BACKGROUND/ANALYSIS

In 2023, after adopting chapter 3.100 of the Bellevue City Code (BCC), the City Council, as the Legislative Authority of the Bellevue-Redmond Tourism Promotion Area (BRTPA), established the BRTPA Advisory Board. Among its duties, the BRTPA Advisory Board makes recommendations to the City Council regarding the use of revenues collected from certain Lodging Charges.

This is the second budget and work plan prepared and recommended by the BRTPA Advisory Board. The last Budget and Strategic Plan was brought to Council in October 2023 and covered a 16-month period. Currently contracted BRTPA administrators, Visit Bellevue and OneRedmond, are mid-way through administration of the first Budget and Strategic Plan.

The BRTPA Advisory Board is comprised of representatives from Lodging Businesses in both the Bellevue and Redmond Zones, in equal number, as required by BCC 3.100.010 and the Interlocal Agreement between the cities of Redmond and Bellevue.

Regarding the BRTPA Advisory Board's recommendations, the Council may approve the recommended budget and work plan, or it may deny and return it to the Advisory Board for alternative

recommendations. If the Council denies and returns the budget and plan, then it must provide a rationale for the denial. The Council may not add a project to the budget or business plan that was not previously considered by the Advisory Board.

Collection and Remittance of Lodging Charges

The BRTPA has two zones, the Bellevue Zone and Redmond Zone, each consisting of the geographic boundaries of their respective cities. Lodging Charges are collected by Lodging Businesses with over 40 units in the two zones and submitted to the Washington State Department of Revenue (DOR). DOR then remits those revenues to the City of Bellevue, as the Legislative Authority of the BRTPA.

The City of Bellevue maintains separate accounts for revenues from each zone in accordance with the Interlocal Agreement and BCC 4.60.070. Revenues collected within each city must be used for tourism promotion of that city.

Allowable Use of Revenues

As stated above, revenues collected from BRTPA Lodging Charges must be used for tourism promotion. RCW 35.101.010 defines tourism promotion as:

“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.

BCC 4.60.060 and the Interlocal Agreement give additional guidance for the use of these revenues:

1. The general promotion of tourism and convention business within the BRTPA as may be recommended by the Advisory Board, Redmond, Bellevue or destination marketing organization or other similar organization with whom the Legislative Authority shall contract to administer the operation of the BRTPA.
2. Advertising, marketing, public relations, and communications programs designed to attract overnight visitors to, increase consumer demand to, and increase market share to the BRTPA.
3. Tourism development programs, corporate visitation, meetings, conventions, festivals, events programs to promote and increase local tourism resulting in overnight stays within the BRTPA.
4. Tourism and visitation research and data to inform and advance tourism to the BRTPA.

Contractors

The annual budget and strategic plan recommended and presented adheres to these guidelines and were developed with significant input from organizations contracted to administer the TPA funds for the two cities: OneRedmond and Visit Bellevue (Bellevue’s official Destination Management Organization).

The BRTPA Advisory Board recommended these two organizations to Bellevue City Council, and they were then contracted with the City in January 2024.

Timing

The 2025 Budget and Strategic Plans come just a few months into the inaugural year’s work, given that OneRedmond and Visit Bellevue were contracted to administer each zone’s funds in January 2024.

While available data has been used to inform the budgets and strategic plans, a conservative estimate of the projected collections has been taken for this budget.

Overview of Annual Budget for Both Zones

Similar to 2024, budgets and strategic plans for both the Bellevue and Redmond Zones follow the same format within the same allowable uses, further defined by specific areas of focus or buckets. Buckets include Marketing & Communications; Destination Sales; Tourism Development; Festivals, Events, and Programming; Administration and Research; and Contingency and Reserves. The budgets within the buckets for each zone reflect the individual needs and priorities for the individual zones.

	Bellevue Zone 2025 Budget	Redmond Zone 2025 Budget
<i>Projected Collections after administrative fees</i>	<i>\$2,914,000</i>	<i>\$828,418*</i>
<i>Marketing and Communication</i>	<i>\$843,242</i>	<i>\$24,000</i>
<i>Destination Sales</i>	<i>\$747,700</i>	<i>\$29,500</i>
<i>Tourism Development</i>	<i>\$617,058</i>	<i>\$610,000</i>
<i>Festivals and Events</i>	<i>\$316,000</i>	<i>\$0</i>
<i>Administration and Research</i>	<i>\$142,000</i>	<i>\$237,000</i>
<i>Contingency</i>	<i>\$248,000</i>	<i>\$88,130</i>

Each zone accounts for the 1 percent admin fee retained by DOR, and the 5 percent administrative fee retained by the Legislative Authority

* The Redmond Zone's budget includes a withdrawal of \$160,212 from their reserves.

Bellevue Zone Strategic Plan

Bellevue's Strategic Plan includes updating its Destination Development Plan (DDP), with Resonance Consultancy tasked to craft the Bellevue DDP to boost tourism and economic growth. The DDP aims to improve the visitor experience, drive economic growth, and enhance infrastructure. Progress has been made on DDP priorities since 2017, with ongoing efforts to update and refine strategies, expected to complete the revised plan by Q3 2024.

Visit Bellevue's tourism initiatives, such as the BellHop shuttle service, Mobile Welcome Center "Scout," and Mobile Concierge web app, aim to enhance the visitor experience and stimulate tourism growth. The Festivals and Events Incubator Program supports local events, while the Multicultural Tourism Council promotes diversity in Bellevue's hospitality sector. Collaborating regionally with neighboring cities, Visit Bellevue aims to expand the tourism portfolio and boost economic impact across Greater Seattle.

In 2024, Visit Bellevue plans to establish new tour options tailored to the city, partnering with a tour operator to offer weekday and weekend experiences linked to Bellevue hotels, including transportation to local attractions, culinary tours, and excursions to the outdoors.

Visit Bellevue has launched a marketing campaign targeting Japanese tourism through traditional PR, media relations, and social media, introducing Belle the Bobcat as a mascot to engage Japanese visitors authentically.

Redmond Zone Strategic Plan

The Strategic Plan for the Redmond zone utilizes TPA funds to expand its tourism development, emphasizing the enhancement of marketing and data management tools. Given the early stage of development in the Redmond Zone, there is a concentrated effort on building organizational capacity, reflected in a significant allocation towards administration and research in the budget.

Destination development efforts include master planning, a promising pilot program for special events shuttles, and the launch of Redmond's inaugural concierge program. Additional resources are dedicated to destination sales strategies such as direct booking initiatives, professional memberships, and customer relationship management tools aimed at optimizing sales opportunities and monitoring marketing effectiveness.

These initiatives are geared towards fostering growth and fortifying the tourism economy in Redmond.

POLICY & FISCAL IMPACTS

Legal Authority

BCC 4.60.100(B): The legislative authority may approve the annual budget and business plan, or it may deny and return the budget and business plan to the advisory board for further, alternative recommendations. If the legislative authority denies and returns the budget and plan, it shall provide a rationale for the denial. The legislative authority may not add a project to the annual budget or business plan that was not previously considered by the advisory board.

BCC 4.60.100(C): After it is approved by the legislative authority, the annual budget and business plan shall govern the use of the revenue derived from the lodging charges imposed under this chapter during the calendar year for which it is approved. The legislative authority may from time to time approve amendments or modifications to the budget and plan, upon the appropriate recommendation from the advisory board.

Policy Impact

The TPA will provide dedicated funding to support tourism, consistent with the City's Economic Development Plan (Sections T1-T2: Tourism).

Fiscal Impact

The proposed budget and work plan are fully supported by the expected revenues. The TPA has an overall positive fiscal impact with projected revenues estimated to be \$3.7 million (approximately \$2.9 million from Bellevue and approximately \$830,000 from Redmond), increasing year after year as tourism is promoted within the area. The resulting increase in visitor spending is expected to have a net positive impact on the hotel occupancy tax, sales tax, and admissions tax.

OPTIONS

1. Direct staff to return with legislation as part of the 2025-2026 budget process to support expenditures consistent with the annual budget and strategic plan as recommended by the BRTPA Advisory Board.
2. Provide alternative direction to staff.

ATTACHMENTS

- A. 2025 Bellevue-Redmond Tourism Promotion Area Budget and Work Plan
- B. Visit Bellevue preliminary Scope of Work
- C. One Redmond preliminary Scope of Work

AVAILABLE IN COUNCIL LIBRARY

N/A