

CITY COUNCIL AGENDA TOPIC**2026 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, then staff will bring back legislation authorizing expenditures consistent with the recommended budget and plan as part of 2026 mid-biennium technical budget process. If not approved, then 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 2026 mid-biennium technical budget process to support expenditures consistent with the annual budget and strategic plan as recommended by the BRTPA Advisory Board.

BACKGROUND/ANALYSIS

In 2023, following the adoption of Chapter 3.100 of the Bellevue City Code (BCC), the Bellevue City Council, acting as the Legislative Authority for the Bellevue-Redmond Tourism Promotion Area (BRTPA), formally established the BRTPA Advisory Board. As part of its responsibilities, the Advisory Board provides recommendations to the City Council on the allocation of revenues generated through designated lodging charges.

This is the third budget and work plan prepared and recommended by the BRTPA Advisory Board. Most recently, the 2025 Budget and Strategic Plan was submitted to Council on July 23, 2024, and subsequently adopted as part of the City's 2025-2026 Operating Budget on November 19, 2024..

The BRTPA Advisory Board consists of an equal number of representatives from lodging businesses located in both the Bellevue and Redmond Zones, in accordance with BCC 3.100.010 and the Interlocal Agreement between the Cities of Redmond and Bellevue.

Upon receiving the BRTPA Advisory Board's recommendations, and consistent with BCC 4.60.100, the Council may either approve the proposed budget and work plan or return them to the Advisory Board with a request for alternative recommendations. Should the Council choose to deny and return the proposal, it is required to provide a rationale for its decision. The Council may not add any project to the budget or work plan that was not previously reviewed 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 a 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, and 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 input from organizations currently contracted to administer the TPA funds for the two cities: OneRedmond and Visit Bellevue (Bellevue's official Destination Management Organization).

Since their contracts were formally approved by the Bellevue City Council in January 2024, these two organizations have served as the fund administrators for their respective zones.

Overview of Annual Budget for Both Zones

Consistent with previous years, the budgets and strategic plans for both the Bellevue and Redmond Zones adhere to a standardized format and align with the same allowable uses. These are further categorized into defined focus areas, or "buckets," which include: Marketing & Communications; Destination Sales; Tourism Development; Festivals, Events, and Programming; Administration and Research; and Contingency and Reserves. Each zone's allocations within these buckets are tailored to reflect its specific needs and priorities.

	Bellevue Zone 2026 Budget	Redmond Zone 2026 Budget
<i>Projected Collections after administrative fees</i>	<i>\$2,946,900</i>	<i>\$942,059*</i>
<i>Marketing and Communication</i>	<i>\$970,500</i>	<i>\$295,307</i>
<i>Destination Sales</i>	<i>\$662,200</i>	<i>\$178,584</i>
<i>Tourism Development</i>	<i>\$743,500</i>	<i>\$430,869</i>
<i>Festivals and Events</i>	<i>\$303,500</i>	<i>\$48,000</i>
<i>Administration and Research</i>	<i>\$110,400</i>	<i>\$272,084</i>
<i>Contingency</i>	<i>\$156,800</i>	<i>\$122,484</i>
<i>Reserves</i>		<i>\$75,365</i>

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

* The Redmond Zone's budget includes a withdrawal of \$480,634 from their reserves.

Bellevue Zone Strategic Plan

In 2026, Visit Bellevue will continue advancing destination sales, marketing, visitor experience, and tourism development programs guided by stakeholder priorities. The Bellevue zone's Strategic Plan includes implementation of its recently completed Destination Development Plan (DDP). The DDP aims to improve the visitor experience, drive economic growth, and enhance infrastructure.

Visit Bellevue remains committed to elevating the visitor experience through enhanced mobility options. Recent improvements include the expansion of the Bellhop shuttle fleet with a larger, ADA-compliant vehicle to ensure greater accessibility. Additionally, the recently launched airport shuttle service now provides direct transportation to SEA from multiple downtown Bellevue locations. For guests interested in exploring the city's extensive bike trail network, Bikehop, Visit Bellevue's electric bike program, is now available at several participating hotels.

Visit Bellevue's tourism programming continues to offer visitors a variety of engaging ways to experience our city. A Tech Walking Tour is in the works, providing an augmented reality experience accessible via mobile devices. Bellevue bound, a newly launched podcast, will allow listeners to delve deep into Bellevue's tourism and business community, providing an entertaining way to hear stories about what makes Bellevue special.

Visit Bellevue's newly established Destination Stewardship department will lead programs focused on sustainability, accessibility, placemaking, arts, innovation, and community engagement. A key initiative

under its purview will be the development of a comprehensive Sustainability and Environmental Stewardship Plan to guide the city's long-term commitment to sustainable tourism practices.

Redmond Zone Strategic Plan

Entering its third year, the Redmond Zone Tourism Promotion Area (TPA) will maintain its focus on advancing tourism initiatives that align with the City of Redmond's Tourism Strategic Plan. A primary objective in the upcoming year is to support targeted efforts that increase hotel occupancy. Concurrently, the TPA will prioritize the development of measurable benchmarks to guide long-term planning and performance evaluation.

As part of its destination development strategy, the Redmond zone is actively cultivating niche tourism programs designed to differentiate and elevate its appeal as a unique travel destination. One such initiative focuses on expanding Redmond's presence in the emerging dog-friendly tourism market. By positioning Redmond as an ideal location for travelers accompanied by their dogs, the city aims to highlight its pet-friendly amenities, parks, trails, and businesses. This specialized approach not only enhances Redmond's tourism offerings but also supports broader economic development by attracting a passionate and growing segment of leisure travelers.

Expanding smart transportation options remains a priority for Redmond. The zone will use TPA funds to evaluate new and enhance existing transportation options in the city, with the intention of facilitating leisure travel within Redmond and to tourism draws outside of the city, such as Woodinville.

These initiatives are designed to drive growth and strengthen the overall resilience of Redmond's tourism economy.

Next Steps

If approved, these budget numbers will be reflected in the 2026 mid-biennium technical budget process update. Contracts and detailed scopes of work for Zone Administration would come to Council for approval after the 2026 mid-biennium technical budget process is approved.

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 \$3.9 million (approximately \$2.9 million from Bellevue and approximately \$942,000 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 2026 mid-biennium technical budget process to support expenditure consistent with the annual budget and strategic plan as recommended by the BRTPA Advisory Board.
2. Provide alternative direction to staff.

ATTACHMENTS

- A. 2026 Bellevue-Redmond Tourism Promotion Area Budget and Work Plan

AVAILABLE IN COUNCIL LIBRARY

N/A