

# Bellevue-Redmond Tourism Promotion Area 2023-2024 Budget and Work Plan

## Background

Washington State Legislature has authorized local governments to establish Tourism Promotion Areas (TPAs), recognizing the significant impact that the tourism industry can have region's economy. The Bellevue-Redmond TPA, established in 2023, aims to boost local economy through tourism. Under Washington state ordinance no. 6724, lodging businesses in Bellevue and Redmond will impose a \$2.00 base charge and a \$0.50 additional nightly charge.

The revenues from each of the two established zones, a Bellevue zone and a Redmond zone, will be collected applied toward tourism promotion in each respective zone. The City of Bellevue, which has been designated as Legislative Authority, will keep revenues collected from respective zones and deposit them into separate accounts.

### *Management*

In accordance with the Interlocal Agreement between the two cities, the Advisory Board has recommended that the management of the BRTPA be handled by destination management organizations (DMOs), whose expertise in each respective city will be best suited to develop tourism in the Bellevue and Redmond zones. Visit Bellevue and OneRedmond have been recommended as the designated DMOs for the BRTPA.

### *First year budget*

Under the interlocal agreement for the joint establishment of the BRTPA, the Advisory Board is required to develop and recommend an Annual Budget, to be submitted to the legislative authority by no later than July 30<sup>th</sup> of each year, with the exception for the first year of the BRPTA, during which the annual budget shall be submitted no later than December 31<sup>st</sup> and will be effective for a 16-month period.

## Strategic Work Plan

### *Allowable uses under Interlocal Agreement*

The Interlocal Agreement between the Cities of Bellevue and Redmond for the Joint Establishment of a Tourism Promotion Area gives guidance for revenues in Section X: Use of Revenues for Tourism Promotion, particularly in parts C and D. Below are these guiding excerpts:

C. In accordance with the proposed Petition, the revenues derived from Lodging Charges will be used for Tourism Promotion, which includes, but are not limited to:

1. The general promotion of tourism and convention business within the BRTPA as may be recommended by the Advisory Committee, 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.

D. The uses described in this section may include payment of administrative costs associated with the operation and management of the BRTPA. The City of Bellevue is authorized to retain charges limited to a total of 5% that is proportional to each zone's revenue for administrative cost recovery of BRTPA management. Reports of staff time and cost shall be presented to the BRTPA advisory board and the City of Redmond.

Currently, 1% of all revenues are being retained by Department of Revenue and are not remitted to City of Bellevue.

## Uses

Both Destination Management Organizations have adhered to the allowable uses in the Interlocal Agreement and have created their own areas of focus (“buckets”). We list these below, along with the category under which they may fall, within the Interlocal Agreement.

### **Marketing and Communications** (*Advertising, Marketing, and Public Relations*)

Expenses may include Advertising, Paid Marketing, Public Relations, Trade Shows, Content Development, social media, Collateral, and Professional Agencies.

### **Destination sales** (*General Promotion of Tourism*)

Expenses may include Trade Shows, Sales Missions, Site Inspections, Collateral, Memberships, Marketing, and Communications.

### **Tourism Development** (*General Promotion of Tourism*)

Expenses may include welcome center, visitor services, Tourism development grants, wayfinding & multicultural promotion.

### **Festivals, Events, and Programming** (*Tourism Development Programs*)

Expenses may include festival grants, event sponsorships, convention & meetings sponsorships.

### **Administration and Research** (*Tourism and Visitation Research and Data*)

Expenses may include research, consulting, data collection, & indirect allocation.

### **Contingency**

The contingency budget will cover any unexpected costs that may arise throughout the year.

**Reserves**

The amounts in the reserve budget are set aside for future use or significant, unexpected events or expenses. Reserves will be held in separate accounts for the Bellevue and Redmond Zones with the Legislative Authority.

*Zone Differences*

While both zones, Bellevue and Redmond, have similar areas of focus in their budgets, the amounts allotted to each bucket will differ because of the varying tourism needs of the community. For example, while the Redmond Zone is building their reserves as part of their development plan, the Bellevue Zone will not add their reserves at this time, having a robust tourism program already in place. The marketing and communications expenses of the Redmond zone fit in within their destination sales budget.

# Bellevue Zone 2023 – 2024 Budget

<b>Projected TPA Revenue (based on 2022 lodging)</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	TOTAL
Projected TPA Collections	\$1,137,000	\$509,000	\$602,500	\$878,500	\$837,000	\$3,964,000
Department of Revenue Fee 1%	-\$11,370	-\$5,090	-\$6,025	-\$8,785	-\$8,370	-\$39,640
Legislative Authority Fee 5%	-\$56,850	-\$25,450	-\$30,125	-\$43,925	-\$41,850	-\$198,200
<b>Total</b>	<b>\$1,068,780</b>	<b>\$478,460</b>	<b>\$566,350</b>	<b>\$825,790</b>	<b>\$786,780</b>	<b>\$3,726,160</b>
<b>Marketing and Communication</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$220,268	\$264,857	\$199,618	\$175,118	\$184,062	\$1,043,923
<b>Destination Sales</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$99,600	\$319,103	\$181,115	\$170,090	\$155,819	\$925,727
<b>Tourism Development</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$276,500	\$232,500	\$273,500	\$96,000	\$42,500	\$921,000
<b>Festivals and events</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$37,250	\$47,897	\$43,263	\$16,500	\$160,200	\$305,110
<b>Administration and Research</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$41,600	\$15,000	\$15,000	\$31,200	\$31,200	\$134,000
<b>Contingency (10%)</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$113,700	\$50,900	\$60,250	\$87,850	\$83,700	\$396,400
<b>Reserves</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>						<b>\$3,726,160</b>

# Redmond Zone 2023-2024 Budget

<b>Projected TPA Revenue (based on 2022 lodging)</b>						
	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24 TOTALS	
Estimated Revenue	\$333,535	\$155,193	\$171,545	\$277,813	\$239,370	\$1,177,456
1% DOR Fee	-\$3,335	-\$1,552	-\$1,715	-\$2,778	-\$2,394	-\$11,775
5% Legislative Authority Fee	-\$16,677	-\$7,760	-\$8,577	-\$13,891	-\$11,969	-\$58,874
Totals	\$313,523	\$145,881	\$161,252	\$261,144	\$225,007	\$1,106,807

  

<b>Marketing and Communication*</b>	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses						\$0
*The Redmond Zone has accounted for their marketing and communication expenses within destination sales.						

  

<b>Destination Sales</b>	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$4,700	\$8,750	\$3,000	\$3,000	\$3,000	\$22,450

  

<b>Tourism Development</b>	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$20,000	\$10,840	\$13,500	\$13,500	\$10,500	\$68,340

  

<b>Festivals and events</b>	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$0	\$0	\$0	\$0	\$0	\$0

  

<b>Administration and Research</b>	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
Expenses	\$77,868	\$66,000	\$66,000	\$66,000	\$66,000	\$341,868

  

<b>Contingency (10%)</b>	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
	\$33,354	\$15,519	\$17,155	\$27,781	\$23,937	\$117,746

  

<b>Reserves</b>	Q4 '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	
	\$156,761	\$73,940	\$82,626	\$130,572	\$112,504	\$556,403

  

<b>TOTAL</b>						\$1,106,807
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