



Cultural & Economic Development

Quarterly Update

Mac Cummins, Director

Philippa Marsh, Economic Development Manager

Community Development

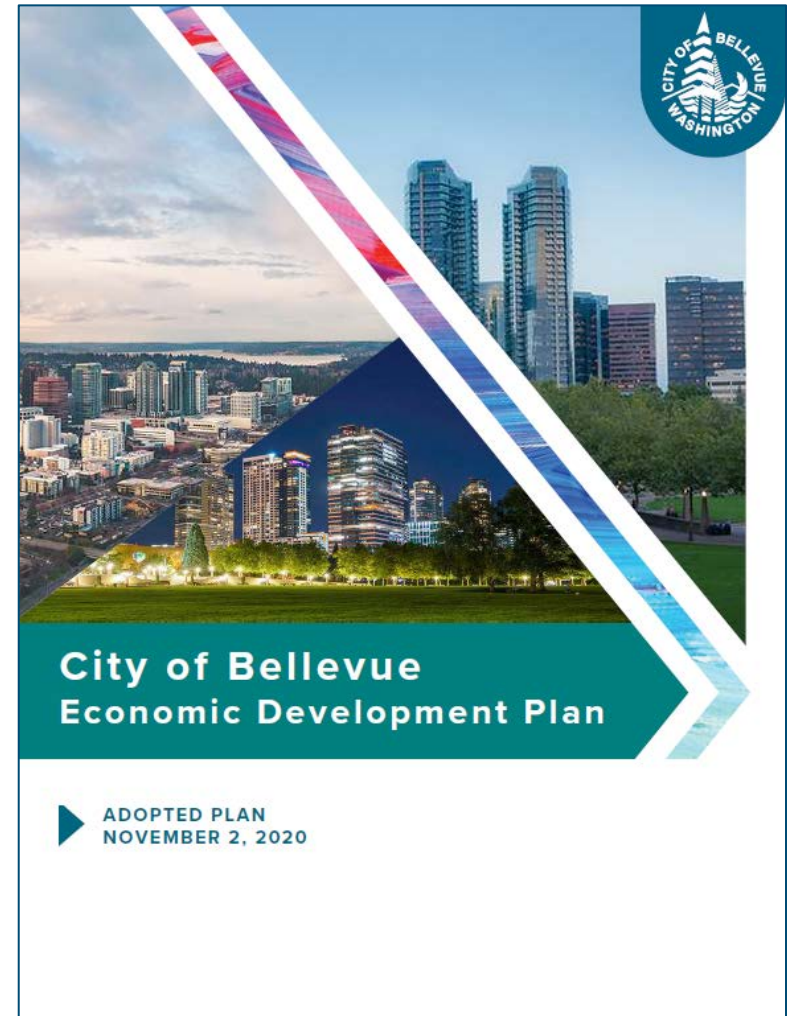
Brad Jones, Executive Director, Visit Bellevue Washington

11/08/2021



Direction Requested

- Tonight's presentation is a report on ongoing operations and programming.
- Staff request direction to return to Council with a draft Interlocal Agreement for the Tourism Promotion Area.





Agenda

1. Economic Recovery
2. Small Business Assistance
3. Tourism Promotion Area





Recovery Trends

- Bellevue's Q3 recovery is tracking positively.

KPI	Current	Previous Period	Pre-Pandemic	Trending
Unemployment	3.9%	4.3%	2.2%	Positive
Commercial Real Estate Vacancy	9.45%	9.62%	4.96%	Stable with Q4 optimism
Hotel Occupancy	59.1%	53.1%	79.4%	Positive



Commercial Real Estate

- Commercial Office Vacancy dropped slightly from last quarter to 9.45%
- New Q3 tenants include:
 - Snowflake Computing
 - Bytedance (TikTok)
- Increased availability of sublease space has allowed new tenants to establish footprints in Bellevue
- Investors continue to show strong interest in the commercial market
 - 7 major transactions in Q3





Small Business Rent Relief

- Received 155 applications | 43 Awards
- Demographics of businesses ownership
 - 50% female owned
 - 67% minority owned
 - 27% Immigrant owned
- Met the full need of over ½ of the awarded businesses, reducing their threat of eviction.

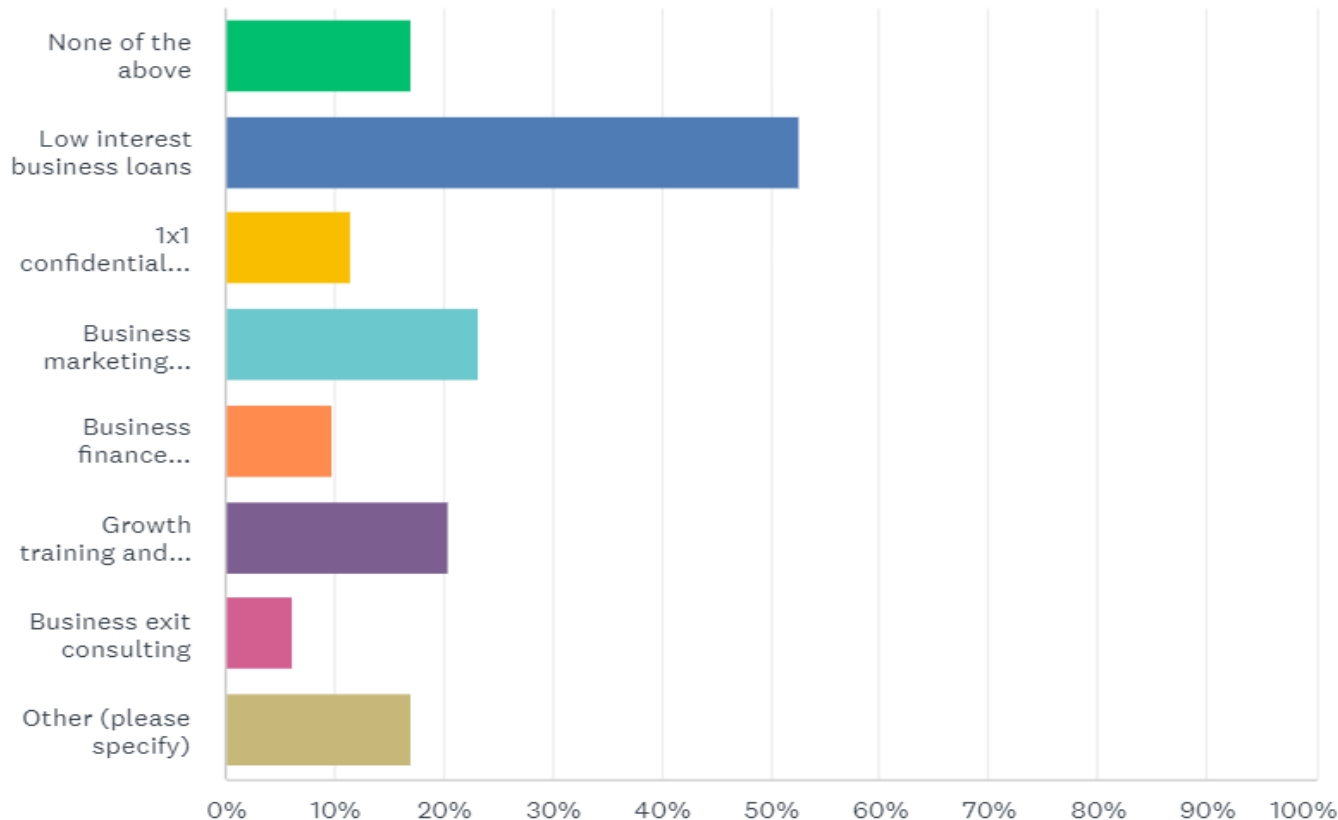
“Thank you so much! This is a huge help to our business” – Owner of My Gym Bellevue





Business Assistance

What resources businesses need most in the next 3 years?



STARTUP425



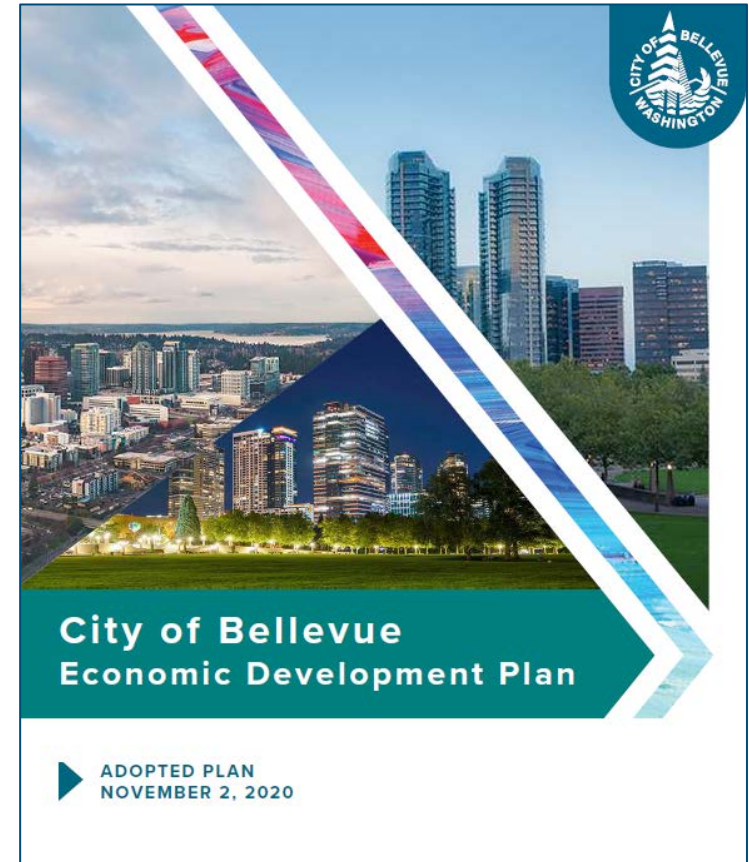
**OneEastSide
SPARK**





What's Next?

1. Arts Program Update
2. BelRed Arts District
3. Crossroads Business Outreach
4. Workforce Navigation Program
5. Tourism Promotion Area ILA



An aerial photograph of a city skyline, likely Seattle, viewed from across a body of water. The skyline features several tall skyscrapers, including the Smith Tower. The foreground shows a calm body of water with some small boats and docks. The background is a hazy, mountainous landscape. The text 'WELCOME' is overlaid in orange, with a blue horizontal line and three dots below it.

WELCOME

Bellevue-Redmond Tourism Promotion Area



Tourism Promotion Area

- State program enables hotels to add a special assessment on room nights to support tourism activity
- Concept supported in Destination Development Plan to support event incubation and promotion
- Visit Bellevue leading consensus work with consultant
- Council action will be required for establishment



Council Actions and Timeline

Council Items	Expected Timeline
Execute Interlocal Agreement	January 2022
Resolution of Intention	February 2022
Conduct Hearing	February 2022
Adopt Ordinance	March 2022
Execute Contract with Department of Revenue	April 2022



Bellevue Destination Development Plan

- Partnership between City of Bellevue & The Tourism / Hospitality Industry to prepare for growth.
- Improve Bellevue's ability to attract visitors and develop tourism segment for future growth.
- DDP jointly developed and approved in 2017





Destination Development Plan Funding



- Based on comparative destinations and DDP scope Bellevue requires \$5 million annual investment / budget needed.
- Current future funding and BCCA finance plan agrees to provide \$2.5 million annually with small adjustments based on market conditions.
- DDP calls for Bellevue to implement Washington State's established Tourism Promotion Area designed for community tourism development.

Current DMO Funding
\$218
Funding Per Available Room

Average DMO
\$875
Funding Per Available Room

With TPA Funding
\$910
Funding Per Available Room

Seattle
\$1,525
Funding Per Available Room

Portland
\$1,344
Funding Per Available Room

Spokane
\$1,018
Funding Per Available Room

Tacoma
\$905
Funding Per Available Room



Industry Engagement

- Bellevue TPA has been discussed with Hotel Industry since 2018. Leadership group has been meeting for 18+ months and timing is right.
- The Bellevue TPA will allow our Industry to prepare for growth, generate demand, and future market share.
- Industry is excited for stable, reliable, and increased funding which will be authorized and overseen by lodging sector.
- Destination Development takes partnerships, fuels jobs, and economic impact.



Spokane

- TPA formed in 2004
- Charge started at \$2.00 per room night and is now \$4.00 per room night
- **\$1.4 billion** in visitor spending in 2019
- Supports **11,750** jobs
- Generates **\$109 million** in non-resident tax revenue
- Spokane County contracts with Visit Spokane to manage TPA



- ✓ Advertising, Marketing & PR
- ✓ Corporate, Meetings & Conventions
- ✓ Tourism Development Programs
- ✓ Festivals & Events
- ✓ Multi- Cultural, Arts





Preparing for GROWTH

Bellevue's Next Boom

The Bellevue TPA will position Bellevue for future growth and success. 2500+ new hotel rooms 40%+ growth.

Become Competitive & Sustainable
Bellevue ranks in the lower 10% of destination funding. With a TPA, we can improve to competitive levels (from \$218 to \$900 PAR).

Public – Private Partnership

Ensure adequate consumer demand and market share to keep pace and accommodate the future surge in supply,





Direction Requested

- Staff requests direction to return to Council with a draft Interlocal Agreement for the Tourism Promotion Area.

