

BELLEVUE-REDMOND TOURISM PROMOTION AREA ADVISORY BOARD  
MEETING MINUTES

January 30, 2024  
10:30 a.m.

Bellevue City Hall  
Room 1E-113 / Virtual

MEMBERS PRESENT: Chairperson Dermarkarian, Wade Hashimoto, Melody Lanthorn, Cassandra Leiberman, David Nadelman, Kim Saunderson

MEMBERS REMOTE: None

MEMBERS ABSENT: Rocky Rosenbach, Rashed Kanaan

STAFF PRESENT: Lorie Hoffman, Lizzette Flores, Jesse Canedo, Department of Community Development; Brian Wendt, City Attorney's Office

OTHERS PRESENT: Audrey Fan, Kristina Hudson, OneRedmond; Brad Jones, Jane Kantor, Patrick McCluskey, VisitBellevue

MINUTES SECRETARY: Gerry Lindsay

I. CALL TO ORDER

The meeting was called to order at 10:37 a.m. by Caroline Dermarkarian who presided. All members were present with the exception of Rocky Rosenbach and Rashad Kanaan.

2. APPROVAL OF AGENDA AND MINUTES

A. Approval of Agenda

Motion to approve the agenda was made by Wade Hashimoto. The motion was seconded was by Melody Lanthorn and the motion carried unanimously.

B. Approval of Minutes

Motion to approve the September 13, 2023, minutes as submitted was made by Cassandra Leiberman. The motion was seconded was by Melody Lanthorn and the motion carried unanimously.

3. ORAL COMMUNICATIONS – None

4. ACTION, DISCUSSION AND INFORMATION ITEMS

A. Welcome New Board Member

Lizette Flores announced that the fourth member of the Redmond zone, Rashed Kanaan, will join the board at the next meeting.

## B. Bylaws

Assistant City Attorney Brian Wendt brought proposed bylaws to the table for discussion and direction, noting that action to approve the bylaws would occur at the next regular meeting of the BRTPA. The City Council adopted Chapter 3.100 of the Bellevue City Code, which pertains to the governance of advisory board, and pursuant to Chapter 3.100.050, the BRTPA is required to adopt bylaws that are consistent with the standards and requirements established by the City Council. Those standards specifically address the conduct of meetings, scheduling and noticing of meeting to the public, and certain administrative requirements.

Brian Wendt noted having first presented the bylaws to the BRTPA in August 2023. Part of the subsequent delay in seeking final action on the bylaws is due to additional drafting to incorporate recent changes made by the City Council specific to the remote participation requirements as well as public decorum, and to make sure the proposed bylaws are consistent with those of other city advisory boards.

The bylaws must be consistent with all legal obligations governing the BRTPA. RCW 35.101 pertains to tourism promotion areas; BCC 3.100 is specific to the governance of advisory boards; and BCC 4.60 contains the general governance of the tourism promotion area specifically. Additionally, other state laws, including the Open Public Meetings Act, all public records laws, and all ethics laws, also must be adhered to.

The proposed bylaws incorporate 17 different articles, including a definition section that provides some helpful definitions regarding the work of the BRTPA. The articles also address the scope of the Board's authority and responsibilities; membership requirements; the duties of the respective positions of the Board members; the order in which business is to be transacted; the process for receiving and fielding public comment; how motions are to be presented, acted on and represented in the meeting minutes; the voting requirements for each discreet item presented for Board business; the minute-taking requirements; compliance with state and local laws; communications to the Bellevue City Council; the records retention requirements; compensation and reimbursement requirements; and how to amend the bylaws.

The areas of greatest interest to the Council as well as to sister advisory boards are located in Article IV, which addresses the duties of the presiding officer. The presiding officer must always be present in person at all meetings. Should the presiding officer need to attend remotely, he or she can do that provided there is someone attending in person appointed to preside over the meeting.

Article V Section G addresses remote participation. After Covid the city experienced success with remote meetings, and such meetings are also helpful to the public. It is important to the City Council, however, that Board members make an effort to attend meetings in person. Members may participate remotely if they notify the Chair and staff liaison no later than 12:00 p.m. the day before the meeting. Only three members can participate remotely and vote at any given meeting. If for some reason more than three need to participate remotely, only three of them will be able to vote on any discreet items. The staff liaison will work with the Chair in determining which three persons requesting to participate remotely will be allowed to do so and count toward the required meeting quorum.

Article VII Section E addresses public participation and decorum at meetings. The rules must be observed by the public in order to allow the Board to effectively administer its business. The section was drafted with the intent of balancing the ability of the public to participate in meetings and exercise their constitutional rights with the ability of the Board to respectfully control the flow of meeting business. The section includes a process for excluding the public

in the rare instance where that might be necessary. There is also a process included allowing the public to appeal any exclusion ordered by the Chair.

Brian Wendt said any amendments to the draft bylaws that are deemed warranted by the Board can be made, provided that any revisions cannot conflict with applicable state law, local law or Council standards. Any provisions suggested by the body would need to be taken under review before the next meeting to make sure there is no conflict with other applicable laws or rules.

Article V Section A addresses the timing of the Board's regular meetings. As drafted, the section calls for quarterly meetings, which is consistent with local code as well as with the interlocal agreement with the city of Redmond. As drafted, the quarterly meetings are to be held at 10:00 a.m. on the fourth Thursday of every January, April, July and October.

Melody Lanthorn asked if the Chair needs to be remote, who is qualified to run the meeting. Brian Wendt said the bylaws do not talk about qualifications with respect to the Chair. Any board member is thus qualified to serve as the presiding officer.

Arts Community Manager Lorie Hoffman said the first month of each quarter was purposely chosen in order to allow for reviewing the previous month's financials.

There was consensus favoring the bylaws as drafted.

### C. Staff Update

Lizzette Flores reported that since the Board's last meeting the staff have been working on a number of items. The budget was presented to the City Council along with the strategic plan for the two recommended organizations to administer the TPA funds. The budget and the strategic plan was subsequently incorporated into the city's biannual budget. That allowed for pursuing the recommendation of the Board for OneRedmond and VisitBellevue to administer the TPA funds. The contracts were approved by the City Council on January 2, 2024. Both organizations will be presenting updates at each quarterly meeting.

Lizzette Flores noted that as previously discussed, there are some carve-out exemptions to the TPA for medical stays and airline stays. There is currently a bill proposing an administrative change that would allow the legislative authority, which for the BRTPA is the city of Bellevue, to make decisions related to the exemptions. Such decisions are currently made on a case-by-case basis, but if the bill passes, the city of Bellevue will be able to continue with the current exemptions.

By way of context, Lorie Hoffman said the bill in question is HB-2137 and applies to all TPAs in the state. The bill represents an administrative fix to give further clarity that the legislative authority can have certain exemptions in accordance with the petition and the interlocal agreement.

Answering a question asked by David Nadelman, Lorie Hoffman said no jurisdiction is allowed to create a TPA without the current process. The bill simply gives the legislative authority of a TPA the ability to create the exemptions.

David Nadelman asked if Seattle has a TPA in place. If they do not, they would not be subject if airlines were made to pay the fee. Lorie Hoffman said the bill does not change the current status quo.

Cassandra Leiberman asked if passage of the bill would require further action on the part of the Board to make any modifications to the contracts. Lorie Hoffman said no matter what it will be necessary to enter into a new agreement with the Department of Revenue for 2025 and beyond. The bill if passed will allow for going right into the contracting period. If the bill does not pass, it will be necessary to amend the petition and go back through the established process without the exceptions.

With regard to revenues, Lizzette Flores noted that the report included in the meeting packets a report of all the revenues collected for the TPA zone for 2023 through the end of December. The state Department of Revenue has retained its one percent administrative fee, and the city of Bellevue has retained four percent of the allotted five percent.

Wade Hashimoto noted there has been an uptick in business and voiced the opinion that any overages over and above the budget would go toward creating a surplus. The question asked was whether or not there would need to be a mid-year adjustment made to the budget. Lorie Hoffman said any overage funds would be held and made available for the next budgeting cycle.

#### D. Annual Report to the City of Redmond

Kristina Hudson, CEO of OneRedmond, said the hotel and tourism committee charter is laser-focused on increasing overnight stays in Redmond hotels. The process relative to strategy development and master planning is just at its very beginning. To help lead out in the effort an industry veteran, Audrey Fan, was brought on board.

Audrey Fan noted having more than 30 years of experience in hotels, destination management and tourism. Data regarding Redmond's occupancy as reported by Star Reports was shared with the Board, along with information regarding the city's event recruitment efforts. Listed was the Association of Volleyball Professionals for a summer 2025 tournament; Electric Vehicle Expo, held in September 2023 with the goal of having it be a recurring event; Ironman 70.3 in the fall of 2025; and the Fred Hutchinson Obliteride in August 2024 and 2025. The ongoing work includes researching and building a list of venues and facilities in Redmond, creating relationships with those locations, and matching their availabilities with the Redmond hotel stakeholders availability to focus on driving overnight accommodations for Redmond.

Also shared with the Board was a report on a marketing plan. OneRedmond is working with its partners at the city of Redmond to develop a tourism strategic plan. It will be imperative to have all of the information to give clarity and unity on the Redmond tourism program vision. The Redmond stakeholders did act to approve as members State of Washington Tourism, Seattle Sports Commission, Washington Festival and Events Association, Washington State Chapter of Meeting Professionals International, and the Puget Sound Business Travel Association. Each will focus on increase support for marketing, increasing tourism, and increasing overnight stays.

Some of the strategic initiatives being researched include cost and analysis of the ideas and focuses provided by the stakeholders. That data should be in hand in the second quarter of the year and it will be aligned with the Redmond tourism strategic plan, which should be completed either in the second or third quarter of the year.

Audrey Fan said the master planning work is at its beginning. The goal is to work toward providing a foundation and support for creating and establishing a new tourism line of business for Redmond. Communication and action items in relation to the stakeholders is being looked at as part of the strategy to provide active regeneration for all hotel partners.

Brad Jones, executive director of VisitBellevue, all governance has been established and the oversight process has been activated. The work program has been in motion for the better part of a quarter. The organization is in a position to collectively harness the TPA into future growth and collective input. The individual department directors will attend each of the quarterly meetings going forward.

The VisitBellevue team is fully staffed. There are three destination sales managers who are deployed to the events, conventions and meetings markets. Each person has been assigned specific segments on which to concentrate, and they will be challenged with new segments going forward. On the marketing side, there is a communications manager who is in charge of public relations and communications as well as the media program. The marketing manager does a lot of the digital activations and website work. There is a partnership manager on the marketing team along with an events services manager and a mobile welcome center representative.

The work plan and program is organized by work division and aligned with the TPA scope of work. The destination sales department generates leads, executes destination sales, conducts analysis to lost business and future prospects. The group conducts sales missions and trade shows in an effort to expand and grow Bellevue relative to events, conventions and meetings. On the marketing and communication side there is paid marketing, social media, PR and earned media, and overseas marketing which is a new initiative for VisitBellevue made possible by TPA funding. The website is the front door to Bellevue tourism and is robust, modern and optimized. Digital content is the big thing in marketing and communications. The greatest challenge for a relatively small staff is to generate content.

On the visitor experience side, visitor services is code for treating groups and events that come to town well and coordinating services before they arrive. The multicultural tourism element for 2024 includes a culinary tourism initiative. The Certified Tourism Ambassador program trains and educates the front line staff. Tourism development includes a push toward developing festivals and events. Tourism development grants will be issued in 2024 and will be all about developing new tourism experiences for Bellevue.

VisitBellevue has a destination development plan that has been in place for six years. A process is underway to update the plan and the work will be completed in 2024. It will articulate the current priorities. There is a lot of data and insights that must be harnessed to inform decision making for the future. Reporting and accountability, systems and training, and HR, finance and legal round out the team.

Brad Jones said the primary TPA goals for 2024 and 2025 is to bring in more overnight visitors and to increase citywide occupancy from 62 percent to 72 percent. Bellevue has historically struggled with weekend hotel occupancy and the goal is to increase the current 57 percent to 66 percent. The collective economic impact from all overnight visitors will increase from \$1.44 billion to almost \$2 billion.

For the last quarter overnight visitors totaled 470,000. A good trend is developed in terms of increasing numbers. The total overnight visitors numbers have almost fully recovered from 2019.

The citywide hotel occupancy rate for the fourth quarter of 2023 was 61 percent. October and November had occupancy rates of 68 percent and 64 percent respectively.

There are good trends being seen relative to weekend occupancy as well. October and November 2023 saw historic highs. There was only a two percent drop in December

compared to 2019. There is currently a 57 percent average weekend occupancy rate. Weekend occupancy is being driven in part by the development of new weekend-based events. To that end, work will continue to drive festivals and events to the weekends along with convention business. The collective economic impact of overnight visitors was \$389.5 million in the last quarter of 2023, slightly behind 2019 but close.

Jane Kantor, director of destination sales for VisitBellevue, shared that the last quarter of 2023 exceeded the year-end goal for room nights booked. The room nights lost through 2023 are slowly being normalized. By year end there was a 34 percent conversion rate, which was close to 2019's 36 percent. The additional funding received will facilitate continued prospecting work, with the first mission being the meetings industry conference in Denver at the end of March. The mission will include a focus on cultivating a sports vertical. There is a robust travel schedule for attending trade shows in 2024, more than double 2023. The Meeting Professionals International joint conference with Washington and Oregon is on the calendar for the first quarter of 2024. The additional funding has allowed for engaging with some third-party planners and the intent is to maximize that investments to the fullest. During the year additional opportunities will be explored relative to opening some new verticals, including cruise and sports, festivals and events.

With regard to paid media, Brad Jones explains that there are quarterly campaigns developed and executed. Paid media is difficult and it takes a while to attribute results to it. The third quarter of 2023 ended at about 71 percent of the goal, having created 14.6 million impressions through paid media, and some 57,000 website clicks. There are specific goals relative to cost per click with the intent of keeping them under four dollars. A 0.37 click-through rate was calculated, measured differently for each media. The goal is to increase that to 1.5 percent in the coming year.

Modern marketing is centered around social media content. To that end a certain portion of paid media is done in the social media realm. The organic and boosted traffic made some 10.3 million impressions and generated 391,000 engagements. There were just over 91,000 click-throughs to the website from those engagements, and there currently is an audience of about 22,000 subscribed persons. A little over a quarter of a million users generated 318,000 website traffic sessions. Fully 189,000 of the folks came through organic searches, which speaks to the importance of search engine optimization and marketing.

Turning to public relations, Brad Jones reminded the Board members that the first external public relations firm was hired in July 2023. Some 48 placements have been received relative to travel, tourism or lifestyle programming. The engagement number relates to the total possible readers. The true value is the media value. The system used assigns a monetary value to the readers. The media value of the 48 placements was \$3.2 million.

The communications program involves both blog and vlog marketing. There are a couple of iterations released on an ongoing basis to subscribers. There were just over 50,000 engagements from those, and a 44 percent open rate, which is very high. The four percent click-through rate is also good.

Brad Jones said quite a bit of time was dedicated in 2023 to thinking about the overseas campaign. In something of a pilot program, an in-market agency was onboarded to focus on Japan. What the agency will be doing is establishing social and digital channels in a Japanese format and with cultural sensitivity. The Japanese website is almost done and social media channels are being developed. One established, a public relations campaign to the Japanese markets will be kicked off. There will be some paid media and a concentration on influencers to bring traffic to the sites. A pre-spring launch date is envisioned. Another important element will be a Japan-ready toolkit for businesses developed by the visitor experience department.

Disseminating information and tools will position Bellevue businesses to better serve the Japanese market.

The first quarter media campaign will include follow-up on the leads from the recent IMM show in New York, as well as publication of the spring-summer visitor guide, search optimizations, content planning, and culinary tourism. Early in the second quarter an in-market public relations initiative will be executed in Los Angeles. LA journalists in the travel and lifestyle category will be invited to attend.

With respect to the first quarter visitor experience and tourism development initiatives, Brad Jones said Belhop has been a cornerstone of the transportation and sustainability initiative. The hotel shuttles disappeared after the pandemic; shuttles are an extension of and amenity to hotels. Belhop by year end had passed the 40,000 passenger mark. The program is funded through the end of May and Circuit, the provider of Belhop, is being assisted in making connections within the community to develop an annual funding plan. About a third of the ridership is visitors, specifically overnight visitors, and the funding mechanism should match that. The busiest times for Belhop are between 3:00 p.m. and 7:00 p.m.

Turning to the budget, Brad Jones said at the time the budget was put together it was not specifically known how the exempted rooms would play out. The budget assumptions were all based on previous-year occupancy rates, plus a 10 percent contingency. Revenues for the first quarter were about as projected, minus the contingency. Things are looking good on the revenue side of things. On the expense side, things are broken down by category: tourism and development, festivals and events, administration and research, destination sales, media marketing and communication. Patrick McCluskey, CFO for VisitBellevue, is constantly analyzing the finances.

With regard to research and data, the top domestic markets shift month to month. The most visitors come from Washington, Oregon and California. Typically in the first quarter of the year warm weather destinations decrease. Visitor origin is organized by high-value markets as determined by share of spend, total spend, spend per trip, and length of stay.

The organization's VISA dashboard has been organized by industry segments: restaurants and dining, hotels and lodging, retail and other. Going forward the Board will be kept informed as to the segments, year over year trends, and the spend amounts. International visitors are organized by spend amount according to the VISA data. International visitors are making a comeback post-pandemic.

Wade Hashimoto asked about data specific to Canada based on province. Brad Jones agreed to do the research and bring it back to the next meeting.

Wade Hashimoto asked if there were any social media trends or upticks noted that could be tied to a Bellevue happening that received more natural engagement and hits. Brad Jones said anecdotally that video performs very well, as does anything influencer based. Some new channels are being activated as they trend.

#### D. Annual Report to the City of Redmond

Lizette Flores said under the interlocal agreement, one of the Board's responsibilities is to approve and submit an annual report to the Redmond City Council. The report included in the packet has information about the BRTPA revenues and expenditures, the strategic plan, the budget, and management agreements.

Lorie Hoffman said the report conforms to the requirements of the interlocal agreement in terms of form and substance.

A motion to approve the Annual Report to the city of Remond was made by Cassandra Leiberman. The motion was seconded by David Nadelman and the motion carried unanimously.

5. COMMISSION QUICK BUSINESS

A. Time for Next Meeting

Lorie Hoffman noted that because the bylaws had not yet been adopted, a special meeting must be approved for the meeting. As suggested by the bylaws, the meeting should be Thursday the last week of April at 10:00 a.m.

6. REPORTS

A. OneRedmond Update – As Noted

B. VisitBellevue Update – As Noted

7. ADJOURNMENT

Caroline Dermarkarian adjourned the meeting at 11:52 p.m.