

BELLEVUE-REDMOND TOURISM PROMOTION AREA ADVISORY BOARD
MEETING MINUTES

July 25, 2024
10:00 a.m.

Bellevue City Hall
Room 1E-113 / Virtual

MEMBERS PRESENT: Chairperson Dermarkarian, Wade Hashimoto, Cassandra Leiberman, Rocky Rosenbach, Kim Saunderson

MEMBERS REMOTE: Rashed Kanaan

MEMBERS ABSENT: None

STAFF PRESENT: Manette Stamm, Lorie Hoffman, Lizzette Flores, Jesse Canedo, Department of Community Development

OTHERS PRESENT: Brad Jones, Jane Kantor, Sheila Freeman, Meredith Langridge, Megan Adams, Visit Bellevue; Audrey Fan, OneRedmond

MINUTES SECRETARY: Gerry Lindsay

I. CALL TO ORDER

The meeting was called to order at 10:03 a.m. by Caroline Dermarkarian who presided. All members were present.

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 Cassandra Leiberman and the motion carried unanimously.

B. Approval of Minutes

Motion to approve the May 28, 2024, minutes as submitted was made by Wade Hashimoto. The motion was seconded was by Cassandra Leiberman and the motion carried unanimously.

3. ORAL COMMUNICATIONS – None

4. ACTION, DISCUSSION AND INFORMATION ITEMS

A. Board Member Application Review

Cultural Tourism Specialist Lizzette Flores noted that two applications had been received to fill the two vacant seats, one for the Bellevue zone and one for the Redmond zone. It was stated that the recommendation of the staff was to approve the appointment of Haje Thurau, a member of the Bellevue community with 30 years hotel experience, who would bring a new perspective to the Board and the community. The other applicant was Kate Hudson, an accomplished applicant and member of the Bellevue hotelier community who is currently serving on the Visit Bellevue Advisory Board.

Wade Hashimoto noted having had the opportunity to interact with both applicants, both of whom have strong voices in the community. Support was voiced for the recommendation of the staff.

Cassandra Leiberman agreed that both applicants bring a lot to the table. They have different backgrounds and experiences that would benefit the Board.

Rocky Rosenbach and Kim Saunderson agreed that both applications looked good.

A motion to approve the recommendation of the staff to appoint Haje Thureau to the Board was made by Cassandra Leiberman. The motion was seconded by Kim Saunderson and the motion carried unanimously.

B. Staff Update

Lizzette Flores reported that the recommended 2025 budget and strategic plan was presented to the City Council on July 23 by staff and Caroline Dermarkarian. The Council approved the budget, which will be adopted as part of the budget process.

Arts Community Manager Lorie Hoffman added that there was a lot of praise on the part of the Councilmembers for the work of the Board.

Caroline Dermarkarian said much of the praise belongs to the staff and to OneRedmond and Visit Bellevue.

Lizzette Flores provided the Board with a brief update regarding revenues through June 2024, with a breakdown of revenues collected both before and after the one percent Department of Revenue fee. Also highlighted were the administrative fees by the legislative authority and the interest collected by each zone.

Lorie Hoffman added that going forward the reports will look a little more like a cash flow statement.

Cassandra Leiberman said it would be helpful to compare what was projected against what was received.

BREAK to address IT issues.

Lizzette Flores reported that there are regular monthly meetings with the Visit Bellevue and OneRedmond zone administrators to gather updates on TPA happenings. Additionally, invoices are being received and processed each month.

C. Visit Bellevue Destination Development Plan Update

Brad Jones with Visit Bellevue took a moment to thank the now retired David Nadelman who was a stalwart in helping to establish the TPA.

Brad Jones said the destination development plan is code in Bellevue for the tourism masterplan. In 2016 and 2017 Bellevue established its first destination development masterplan, which served as the impetus for Visit Bellevue becoming a full-service organization. That plan has served as a roadmap for strategic priorities. Nearly all of the things from the original plan have been accomplished; there remain some items in progress.

While the original plan was meant to be a ten-year plan, the significant turbulence and market shifts experienced over the last six years calls for revisiting the plan to make sure that all priorities are aligned with the industry and with the community. That work began early in the year. The process has been robust and is nearing its conclusion. The first phase of the process has involved several stakeholder work sessions. The consultant has been in the market several times and has met one-on-one with folks at the workshops. The second phase of the process began in May. A visioning workshop was held in July with a push forward on the priorities of the revised destination development plan. The action plan workshop and prioritization part of the work is now underway. The next workshop will focus on governance and organization. In mid-August there will be a draft of the final plan which will be trotted out for proper endorsements and approvals.

Continuing, Brad Jones said the guiding principles of creative, safe, diverse and sustainable will shock no one and are grounded in what the market represents. Those are the principles leading the next destination development plan. Throughout the process the stakeholders have identified arts and culture, culinary, outdoor adventure, families, sophisticated explorers, active adventurers and enthusiasts.

The updated destination development plan reduces the previous 18 areas of significance to only six was a way of being more strategic. The previous plan had a lot to do with organization and the always-on services like marketing, public relations and destination sales. The new plan takes all of that for granted, allowing for fast forwarding to the six strategic priorities identified by the stakeholders and the community through the workshops and meetings. Brad Jones stressed that the six priorities have not yet been prioritized. The strategic priorities are urban lifestyle and placemaking; arts and innovation; recreation and experiences; culinary destination; conferences and events; and build environment and enabling conditions.

The urban lifestyle and placemaking priority is focused on promoting vibrant neighborhoods and districts; enhancing public spaces; developing immersive experiences; supporting nightlife and the music scene; fostering unique shopping; and promoting the Pacific Northwest quality of life and wellbeing. The strategies that have emerged in the arts and innovation priority include developing and promoting arts and culture; leveraging technology in arts and culture; advocating for new venues, particularly for performances; promoting Bellevue as an innovation hub; and celebrating Bellevue's multicultural heritage. Under the recreation and experiences priority, the strategies include promoting outdoor recreation; enhancing the waterfronts; and promoting family-friendly attractions.

In terms of the culinary destination priority, the strategies include positioning Bellevue as a culinary destination; creating unique culinary experiences via culinary events and festivals; and supporting Bellevue's emerging culinary scene. Bellevue is a destination for conferences and events, so the strategies under that priority include conference center expansions; and growing existing events and developing new events. The built environment and enabling conditions priority has as strategies enhancing event infrastructure and services; wayfinding through new and innovative ways; accessibility; sustainable tourism and tourism stewardship; and workforce development.

Cassandra Leiberman thanked Brad Jones for a thorough and comprehensive presentation. Rocky Rosenbach concurred.

Wade Hashimoto noted having particularly liked the outline detail and said the strategies will continue to leverage Bellevue's presence.

5. COMMISSION QUICK BUSINESS – None

6. REPORTS

A. OneRedmond Quarterly Report

Audrey Fan, program lead for OneRedmond, shared that the second quarter occupancy numbers, drawn from the Star report, represent a 14.5 percent increase from 2023. OneRedmond has finalized partnership agreements with Woodinville Wine Country, and with the Seattle Theater Group Concerts at the Farm at Remlinger Farms. Other strategies being worked on include the CRM and lead generation platforms transportation to area attractions; and researching and building a venue and facilities list for Redmond.

It was noted that there has been no change in membership from the first quarter of the year. The members are State of Washington Tourism; Seattle Sports Commission; Washington Festival & Events Association; Washington State Chapter of Meeting Professionals International; and Puget Sound Business Travel Association.

Recent tourism networking has included the Seattle Sports Commission, which is of interest because of the upcoming FIFA World Cup matches, and Woodinville Wine Country regarding the upcoming partner retreat. The Northwest Event Show in April was attended, as have been the regular meetings of the Washington State Chapter of Meeting Professionals.

OneRedmond continues working toward developing strategic marketing initiatives that will align with the Redmond Tourism Strategic Plan. The organization is engaging with and networking at all the different industry membership events for Redmond. Work to build a facility guide to help drive more relationships and partnerships is continuing, as is work to identify partnerships that will drive overnight accommodations.

Audrey Fan said OneRedmond is constantly looking at new lines of vertical tourism lines of business, and at the CRM and communication subscriptions to help increase regeneration, and continues working on communication and action items as they relate to the stakeholders to make sure all the initiatives are aligned and moving forward.

Cassandra Leiberman voiced appreciation for the update regarding the strategies for the Redmond hotels. The question asked was if the occupancy numbers in the packet represented the June 2024 figures. Audrey Fan said the initial packet that went out reflected the 2023 numbers given that the Star report is not released until after the report is due. The numbers shared in the slide presentation, however, were from 2024.

B. Visit Bellevue Quarterly Update

Brad Jones stated that the second quarter was very busy, which is typically the case from a planning and execution perspective. The approved work plan items fall into five categories: destination sales, marketing and communications, visitor experience, tourism development, and research and administration. The TPA goals were set in 2022 with an end date of 2025. Having the longer trajectory gives the latitude needed to change programming as needed. Through June 2024, overnight visitors were just over one million. The annual goal is 2.4 million overnight visitors. To date in 2024, the average citywide hotel occupancy has been 67 percent; the goal is 72 percent by the end of next year. Weekend occupancy stands at 60 percent and work continues to meet the 66 percent goal. The economic impact of the overnight visitors has to date this year eclipsed the \$800 million mark. The target is \$1.85 billion.

The second quarter totals were: overnight visitors, 561,658; citywide hotel occupancy, 73 percent; weekend hotel occupancy, 66 percent; and hotel average daily rate, citywide,

\$209.16; citywide hotel revenues, \$72.6 million; and economic impact, \$438.1 million. All of those numbers are close to or exceed the 2019 benchmark year totals.

Brad Jones shared with the Board the TPA collections and expenses numbers and compared them against the budget assumptions. It was noted that the revenue side is 16 percent over the initial estimates and budget assumptions. On the expense side, 41 percent of the budgeted expenses have been expended.

Jane Kantor, director of destination sales for Visit Bellevue, said room night leads through June have paced ahead of the budget and ahead of the 2023 year end highwater mark. Bookings are also headed in the right direction and at 56 percent of the budget are slightly ahead at the midpoint of the year.

Room nights lost is a reflection of doing more diverse things and bidding on different kinds of business. Branching out in different verticals is a contributing factor. The preferred Downtown Seattle number was much smaller number last quarter, and there has been a dramatic shift in regard to what is being lost to Seattle. That is partly because people are interested in being in Seattle. Fifteen percent of the loss to Seattle is to the Seattle Convention Center; the Westin numbers are close to the same.

The conversion rate is 30 percent year to date, slightly below the 2023 conversion rate of 34 percent. The rate is, however, in line with what has been seen historically.

With regard to the sales pace over time, Jane Kantor said the booking window tends to be 12 to 24 months. Going out farther, the city is either at or above the targets. 2024 is about 137 percent of target; 2025 is about 143 percent; 2026 is about 104 percent of target; and 2027 sits at about 111 percent.

During the second quarter staff were on the road quite a bit and enjoyed getting a much warmer reception than previously. That is facilitating the making of great inroads. In the coming months the intense travel schedule will continue, though it will pace out somewhat. Site inspections were robust in the second quarter and the same is projected for the third quarter.

Going forward, work will continue in terms of ongoing sales prospecting and generating leads. Several trips to Washington, D.C. are planned for the coming months, and efforts to bring people to Bellevue will also continue. A team member has moved on and the search is on for a replacement, someone who can address the verticals for which expansion is planned.

With regard to the lost business to Downtown Seattle, Caroline Dermarkarian asked if folks are turning to the Convention Center because of space or because of price. Jane Kantor said it is often a combination of both. Currently there are some remarkable incentives the Convention Center and Seattle are offering. Bellevue has a number of huge selling points that in time will see visits coming to the city.

Caroline Dermarkarian asked if those going to the Westin in Seattle are going because the facility is self-contained. Jane Kantor said the Westin is able to address much larger groups in a self-contained setting. There will always be groups that will choose the self-contained option.

Sheila Freeman, director of marketing and communications for Visit Bellevue, said one of the heaviest hitting channels being invested in is paid media. The results so far have been very good. The majority of the work has been done by the media agency Medium Giant, but other partners have been brought in as well, including Epsilon and Pac Rim. The second quarter

impressions came in at 13.6 million. The year to date total of over 16 million is 41 percent of the goal. The new campaign called Launched Here has improved over the first quarter numbers. There were almost 66,000 clicks in the second quarter, which adds up to more than 150,000 year to date, or 82 percent of the goal. The cost per click remains low ninety-six cents, and the click-through rate is at 1.57 percent; the average year to date stands at 2.14 percent, which exceeds the goal.

Social media is a powerful channel. It does not include paid social media ads. The second quarter impressions totaled over 6.3 million, and the year to date total has reached 76 percent of the goal. Engagements are way up at almost 129,000, exceeding the annual goal. The second quarter clicks were almost 16,000, bringing the total to 54 percent of the goal. The audience segment is doing great and has exceeded the annual goal. Messages are also doing well and have exceeded the goal.

There were in the second quarter more than 125,000 unique website users, bringing the annual total up to 73 percent of the goal. There were over 200,000 sessions in the second quarter, and year to date the total represents 67 percent of the goal. The average time on page is over two minutes and twenty seconds. A significant number of the views came from the blog space, which is almost unheard of in the destination management organization space.

With regard to overall traffic, organic searches remain the top channel, which means something right is being done on the website and that the content is being positioned to drive people in who are searching for things to do. The same is true of the organic blog traffic where both the numbers and the growth trend is impressive.

Sheila Freeman continued by saying public relations and earned media are doing well. Much of the credit belongs to the overseas marketing agency Pac Rim. Second quarter saw 85 placements, bringing the year to date placements up to 113 percent of the goal. There were more than 100 million engagements, exceeding the goal. The media value of \$52,579 for the second quarter was adjusted from the previous PR agency Madden; the year to date total is at 87 percent of the goal. The press trips planned for the year include Foodie FAM, and outdoor adventure trip, and culinary trip, and a trip with meeting planning professionals.

The overseas marketing campaign has almost come to a close. There remain some channels open for custodial work. A great foundation has been put down for a presence in the Japan market, and strong strides have been made in marketing the Japanese micro site. Paid and Google ads have been running and will continue through September.

The project accomplishments have included website content creation and social media marketing. The list of ongoing activities includes an Instagram giveaway campaign and Japanese social media management. Digital marketing has been excellent, as has PR and media outreach. Creation of Belle the Bobcat mascot was done through collaboration with a Japanese designer with extensive “yuru-chara” experience. Big things are planned for Bell going forward, including an official proclamation.

Good things are planned for the third quarter, including the paid media campaign, the 2025 RFPs, PR pitching and many FAM tours, tourism development support, SEO and website organization, culinary tourism activation, and continuing with the communication channels, including The Vue, Insiders Edge, and Planners Edge and Aspire.

Rocky Rosenbach asked what the second phase of the campaign in Japan will start. Brad Jones said the intent is to pause and gain feedback from the TPA before continuing. Much has been learned and a good base has been built in Japan. Before committing to Phase 2, the

desire is to have everyone on board. The Yen is struggling and it is a good time to pause. It may be that a second phase could launch early in 2025.

Shiela Freeman added that just developing the campaign foundation alone has been a huge lift. It is important to remember when entering into overseas markets there must be an infrastructure in place to support visitors in a very culturally competent way, and also in a logistical way.

Cassandra Leiberman asked if all of the social media is handled in house and Shiela Freeman confirmed that it is. The intent is to produce four blog articles per month, and four articles for Aspire which comes out quarterly.

Meredith Langridge, director of visitor experience for Visit Bellevue, said BellHop is in a really good place. Funding was secured through the end of the year thanks to the city, Amazon and Visit Bellevue. To date more than 78,000 passengers have been served, with a good split between visitors, residents and officer workers. A new morning route has been started that leaves from Sound Transit to serve more of the workforce. While it is an on-demand service, drop-offs are only to four locations. There are fewer users of the service in the morning and evening hours, and more during the lunch hour and at the end of the work day. There is a strong consistency of use when it comes to days of the week, including weekends.

Visit Bellevue has entered into a new partnership with Duffy Electric Boats NW in support of a pilot program called Bellevue Lake Cruises. With a slip in Meydenbauer Bay, the program will offer daily tours with a tour guide. The anticipating is that the offering will be very popular. Permission has been given to conduct the program from July through October.

The push for culinary tourism is continuing as the first priority. Visit Bellevue is committed to figuring out what Bellevue's story is working with the ambassadors, all with an eye on drawing people to Bellevue per the culinary offerings. Marketing has done a great job of working with Chef Shota Nakajima, who will also be working on a culinary event.

The second priority is Bellevue Food Tours. Currently there is a partnership with Savor, which offers tours in Seattle. Brainstorming is currently underway in regard to developing walking food tours that hopefully will launch in the fall.

The third priority is culinary event/activation in partnership with SE Productions. A fall event is being planned. The large event is planned for the fall of the year and there is excitement around it. The event will run over six to eight weekends with two events per day. The events will be ticketed and exclusive, and the anticipation is that they will sell out. Nothing of the sort is being carried out in Seattle currently.

Meredith Langridge said Bike Hop has been a journey. Two hotels, Hyatt and Courtyard, are confirmed. It is lift for the hotels to take on and there is training involved, but in the end the complementary e-bikes will be offered to hotel guests as an amenity. Visit Bellevue will partner with stakeholders for the procurement, maintenance, management, training and support for the program. E-bikes offer a great way to connect the cities and to build on wellness as a driver.

Looking forward, Meredith Langridge said the mobile welcome center team has been going nonstop in attending a variety of events, including Movies in the Park and Live at Lunch, and will have a presence at the Bellevue Art Museum Arts Fair. The team has been active in Factoria, Crossroads and all over. The incubator fund has been growing and a number of groups have expressed interest. As those events come forward and grow, the team will be

tracking their room blocks and what they might look like in the future. The tourism development programs are also going strong, including Bike Hop, the tours, and the Waterfalls and Wine program. The team is in the middle of fine-tuning the culinary tourism programs and what marketing needs to be done. Funding has been secured to continue BellHop in 2025 and hopefully the program will be expanded. There is a desire to strengthen and improve the Bellevue Lake Cruise and Food Tours programs.

Brad Jones said visitor origin trends are continuing to evolve. While Washington, Oregon and California continue to be the top three visitor origin states, Florida and Texas continue to be great markets and are moving up on the list. The high-value market counties as measured by share of spend, total spend, spend per trip and length of stay include at the top of the list Los Angeles County, Maricopa County and Cook County, but King County is also high on the list. Credit card spending represents 68 percent of spending. The VISA destination insights report shows that while the hotel and lodging segment spending increased by 31 percent, all other segments were a bit stagnant. Given the influx of international visitors, the VISA report indicates hotel and lodging spending increased by 40 percent, and all other segments increased by 16 percent overall. International visitor spending have shown positive increases as well.

Wade Hashimoto asked if there is any correlating data on how the domestic and international visits coming into the market are being captured by Bellevue. Brad Jones said geo data is correlated which makes it possible to say how many visitors Bellevue gets from a geographical perspective. The same is not done for spending on the VISA side. Bellevue visitors come for events and activities happening locally and that trends toward a need to build more in Bellevue and focus less on connecting to things outside of Bellevue.

7. ADJOURNMENT

Caroline Dermarkarian adjourned the meeting at 11:39 a.m.