

BELLEVUE-REDMOND TOURISM PROMOTION AREA ADVISORY BOARD
SPECIAL MEETING
MINUTES

September 13, 2023
4:30 p.m.

Bellevue City Hall
Room 1E-113 / Virtual

MEMBERS PRESENT: Chairperson Dermarkarian, Melody Lanthorn, Cassandra Leiberman, Rocky Rosenbach

MEMBERS REMOTE: None

MEMBERS ABSENT: Wade Hashimoto, David Nadelman, Kim Saunderson

STAFF PRESENT: Lorie Hoffman, Lizzette Flores, Department of Community Development

OTHERS PRESENT: None

MINUTES SECRETARY: Gerry Lindsay

I. CALL TO ORDER

The meeting was called to order at 9:05 p.m. by Caroline Dermarkarian who presided. All members were present with the exception of Wade Hashimoto, David Nadelman and Kim Saunderson.

2. APPROVAL OF AGENDA AND MINUTES

A. Approval of Agenda

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

B. Approval of Minutes

Motion to approve the August 29, 2023, minutes as submitted was made by Melody Lanthorn. The motion was seconded was by Cassandra Leiberman and the motion carried unanimously.

3. ORAL COMMUNICATIONS – None

4. ACTION, DISCUSSION AND INFORMATION ITEMS

A. Action – Annual Budget and Strategic Plan

Lizzette Flores noted that the annual budget and strategic plan had been discussed by the Board at its meeting on August 29. The budget and strategic plan must be presented to the City Council for approval.

The Board members were reminded that the City Council has been designated as the legislative authority. All funds will be collected by Bellevue and deposited into the separate accounts for the Redmond Zone and the Bellevue Zone. The Board previously recommended that management of the funds be handled by the selected destination management

organizations, Visit Bellevue and OneRedmond. The first budget covers a period of 16 months and covers the remainder of 2023 and all of 2024; subsequent budgets will be for 12 months.

The strategic plan outlines the allowable uses under the interlocal agreement. Examples of how the revenues can be used are included, along with an outline of the fees to be collected. The uses for both the Redmond and Bellevue zones are listed. While both zones have the same line item allowable use buckets, the amounts deposited into each item varies according to the needs of the individual zones. The uses include marketing and communication, tourism development, festivals and events, administration and research, and contingencies and reserves.

The budgets for the Redmond and Bellevue zones presented to the Board were noted to be similar to what had been presented on August 29. One exception was the marketing and communication bucket for the Redmond zone which had a zero owing to the fact that the bucket activities are accounted for in the destination sales bucket.

The recommendation of staff was to approve the budget.

A motion to approve the budget was made by Rocky Rosenbach. The motion was seconded by Melody Lanthorn and the motion carried unanimously.

B. Info – Future Changes to Collection Exceptions

Lorie Hoffman said the Bellevue-Redmond TPA allows for four collection exceptions or carveouts. The applicable Washington state code (RCW) specifically outlines only one exception. Historically TPAs across the state have interpreted that to mean that one exception is required, but also concluded that additional carveouts can be added. Bellevue and Redmond have followed in that suite by adding additional carveouts similar to other TPAs across the state. Between the time when there were discussions with stakeholders and the drafting of the petition, and when steps were taken to actually contract with the Department of Revenue, an internal reevaluation had been conducted as to how to interpret the RCW. The Department no longer deems the one exception as the only one that is required; it is now held to be the only exception that is allowed. There was some back-and-forth discussions with the Department on their conclusions, particularly in regard to the timing of when that decision was made. The Department allowed the Bellevue-Redmond Tourism Promotion Area to enter into a contract for collections starting July 1, but the contract is provisional and it will end on December 31, 2024. The window was allowed to permit the BRTPA to decide how it wants to proceed.

The language in the interlocal agreement is the same as is in the establishment ordinance. It allows exceptions for stays for the purpose of temporary medical housing; stays by airline crews under contract with lodging businesses, subject to the tourism promotion charge; stays exceeding 30 consecutive days; and stays pursuant to meetings, conventions and event contracts that were executed prior to the start of the BRTPA. Each was important to stakeholders in forming the petition. RCW 35.101 allows an exemption only for temporary medical housing. It does not say that is the only exemption, and it does not say others are disallowed.

Lorie Hoffman suggested the issue is one the Board will need to pick up at some future time, possibly as TPAs across the state seek to change the state law, or as an action to change the local TPA to conform to the Department of Revenue's interpretation. Staff will continue to study the matter and will bring a more in-depth analysis forward at a future meeting. In the meantime, as stakeholder advocates and representatives, the Board members should engage with their communities to gauge the appetite of folks for one path or the other. Consideration

will need to be given to whether or not the four carveouts are critical to the TPA, or if they are less critical in the broader scope.

Caroline Dermarkarian commented that the four carveouts are essential. They are what have been discussed as exceptions and as such they should be fought for.

Cassandra Leiberman asked if the initial sentiment of the stakeholders in regard to the carveouts exist anywhere. Lorie Hoffman said it is reflected in the language of the petition.

Melody Lanthorn asked for an example of temporary medical housing. Lorie Hoffman said it has been described by the Department of Revenue as things like a Ronald McDonald House where persons might stay because of a medical issue but where the stay is less than the 30-day window. Melody Lanthorn pointed out that a Ronald McDonald House is not a hotel. Lorie Hoffman added that the specifics of the administration of collection are always questions for the Department of Revenue. The collection of revenues is not administered at the legislative authority level.

Cassandra Leiberman suggested that as more digging is done there should be a focus on determining the potential segment of temporary medical stays in hotels. The other carveouts all make sense, such as airline crew long stays.

Lorie Hoffman noted the Department of Revenue will be asked to send a representative to make a presentation to the Board on the issue, though they will have the opportunity to decline.

Caroline Dermarkarian asked if the RCW rules apply differently in the Downtown. Lorie Hoffman said the rules apply equally to the entire state. The various TPA's, however, might have different interlocal agreements or establishing ordinances with different carveouts. Caroline Dermarkarian allowed that there are different carveouts in the Downtown. Every TPA in the state is currently going through the same process as the BRTPA.

Lorie Hoffman said the matter will need to be decided by the end of 2024, not the end of 2023. The primary role for the Board members is play is to talk with their counterparts in the stakeholder community of hoteliers and lodging businesses to get their overall sense regarding the carveouts and how essential they are.

Answering a question asked by Rocky Rosenbach, Lorie Hoffman if it is found no one wants to go to the mat over the carveouts, one fix would be to amend the establishment ordinance through an internal process. If the stakeholder community wants to see specific carveouts, other options will need to be pursued.

5. BOARD QUICK BUSINESS

A. Next Meeting Dates and Times

Lorie Hoffman commented that absent an approved set of bylaws to govern the Board, there are no set meeting dates. The petition and interlocal agreement call for quarterly meetings, which is probably the correct cadence going forward. The suggestion was made to hold the next meeting in November after which the Council process will have been completed. The quarterly rhythm could start after that.

There was consensus to schedule the next meeting for November 9 at 9:00 a.m.

6. ADJOURNMENT

Caroline Dermarkarian adjourned the meeting at 9:26 a.m.