

BELLEVUE-REDMOND TOURISM PROMOTION AREA ADVISORY BOARD
MEETING MINUTES

February 7, 2025
10:00 a.m.

Bellevue City Hall
Room 1E-113 / Virtual

MEMBERS PRESENT: Chairperson Dermarkarian, Wade Hashimoto, Rashed Kanaan, Nate Moore, Rocky Rosenbach, Kim Saunderson

MEMBERS REMOTE: None

MEMBERS ABSENT: Cassandra Lieberman

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

OTHERS PRESENT: Claire Sumadiwirya, Human Trafficking Awareness BelRed Arts District Jones, Jane Kantor, Meredith Langridge, Megan Adams, Visit Bellevue; Jackie Lalor, Audrey Fan, OneRedmond

MINUTES SECRETARY: Gerry Lindsay

I. CALL TO ORDER

The meeting was called to order at 10:25 a.m. by Caroline Dermarkarian who presided. All members were present with the exception of Cassandra Leiberman and Rashed 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 Rocky Rosenbach and the motion carried unanimously.

B. Approval of Minutes

Motion to approve the October 24, 2024, minutes as submitted was made by Nate Moore. The motion was seconded was by Wade Hashimoto and the motion carried unanimously.

3. ORAL COMMUNICATIONS – None

4. ACTION, DISCUSSION AND INFORMATION ITEMS

A. Welcome New Board Member Nate Moore

Nate Moore noted having worked with Marriott International for 27 years and as the general manager of the Redmond Marriott for a little over six months expressed a willingness to do everything possible to bring more tourism to the area. Developments such as the introduction of light rail and preparations for the World Cup will contribute to a promising future.

Nate Moore shared currently serving as a colonel in the United States Army Reserves that includes a command position at Joint Base Lewis-McChord. He said his wife works for the Department of Veterans Affairs, and said he has four children.

The board extended a warm welcome to Nate Moore and expressed their gratitude for a willingness to contribute to the organization.

B. Human Trafficking Awareness

Claire Sumadiwirya noted having been the keynote speaker for the January 30 Port of Seattle Anti Human Trafficking Alliance and addressing all of their vendors, airline and hospitality representatives, as well as representatives from intelligence agencies. The need for a clear alignment between government entities and the private and public sectors in combating human trafficking, especially in anticipation of major events such as the World Cup, was emphasized at the event.

Three types of human trafficking were identified: sex exploitation, the type most commonly talked about; labor trafficking, which may occur in settings such as farms or restaurants; and child trafficking, which is experiencing a significant rise. Child trafficking does not necessarily involve sexual exploitation but may involve forced domestic help and other forms of exploitation.

Claire Sumadiwirya stated that during the COVID-19 pandemic when restaurant businesses suffered severe losses, the decision was made to work with survivors of human trafficking, whose courage and resilience inspired the establishment of a job readiness training program at Bellden Cafe. Every individual experiences trauma differently and identifying the source of trauma is essential for healing and successful reintegration into society. Working for six months with a nonprofit organization as a corporate relations manager reinforced the commitment to the cause.

Every year, some 40.3 million people are trafficked around the world. Of that number, about 16 million individuals are forced into sexual exploitation, while 24.9 million are involved in forced labor. Roughly 25 percent of trafficking victims are children. Human trafficking affects people from all backgrounds, including children from affluent families who may be vulnerable because of isolation or a lack of social connection.

There are warning signs and preventive measures the hospitality industry could adopt to help safeguard vulnerable individuals without causing harm to staff or compromising business operations.

Claire Sumadiwirya said traffickers can earn substantial sums of money for each victim. Even modest sums could enable a trafficker to continue destructive activities. In America the industry associated with trafficking generates approximately \$52 billion dollars annually, primarily in the construction and service and hospitality industries. While there is significant trafficking activity in areas like Europe and Central Asia, as a developed country, the United States possesses the necessary technology, tools, and resources to combat human trafficking more effectively than developing countries.

Beginning in 2022, a local non-profit called BEST, Business Ending Slavery and Human Trafficking, has been working in close partnership with King County. In 2023 there were more than 582 contacts made to the national hotline from Washington state alone; 300 victims were identified through the efforts. King County remains one of the highest reporting areas for human trafficking. Many survivors are young women with children. When mothers experience extreme trauma and are unable to heal, they often find it difficult to provide for

their children. There is a high correlation between maternal trauma and the risk that children may be trafficked or may experience homelessness. Early intervention at the stage of childhood is essential to protecting children and to breaking the generational cycle.

Seattle is an attractive location for traffickers because it lies on the international border with Canada and hosts major seaports and airports. The Port of Seattle not only manages the airport but also oversees maritime ports and cargo containers. The multiple gateways allow traffickers to access the area through various channels. During Covid, trafficking numbers increased. During major sports events, distractions sometimes make it difficult to focus on the protection of children, making it necessary to offer training for volunteers at large events.

Claire Sumadiwirya stated that Seattle is a major tourist destination with attractions such as cruises and a thriving technology industry that includes companies like Microsoft and Amazon. The robust economy and high volume of travel, however, attract additional challenges. There is an increase in online recruitment targeting vulnerable youth, particularly those experiencing homelessness or residing in foster care, and those who feel isolated from their community. There has also been a rise in trafficking cases within the hospitality and service industries on the labor side, as well as among seasonal workers in agricultural settings and within small businesses and retail outlets.

Online training in regard to stress, trauma, and resilience is offered by Bellden Cafe. The one-hour training session not only educates participants about the science of human trafficking but also helps staff and leadership learn to manage and navigate stress when working with marginalized groups. Such training can lower employee turnover, which is particularly important given the high costs of hiring and training new personnel. More than twelve states now require certified anti-human trafficking training for hotel staff. Some hotels in California faced lawsuits from survivors who felt unprotected due to inadequate training. Emphasis was placed on the importance of proper training for frontline workers, such as those working in check-in and housekeeping roles, to enable recognition of the warning signs and how to contact the appropriate authorities. During a special Olympics pre-qualifying event in Alabama, online training for airline staff and volunteers led to a successful sting operation involving federal agencies.

Claire Sumadiwirya said there are direct business costs associated with failing to combat human trafficking. If an incident occurs on business property, it can lead to higher insurance premiums, increased security expenses, and additional training requirements. Companies may face civil penalties of up to \$500,000 per violation if they do not actively protect their properties. There are also costs associated with brand rehabilitation, as incidents may result in a 25 to 30 percent decline in brand image. Furthermore, employee trauma and turnover are significant issues. When employees know that there are resources and clear protocols in place, they are better able to serve customers effectively and maintain customer trust.

When a community works together to protect its members, it leads to increased employee loyalty and retention. Every customer and every project matters. Nurturing relationships and building trust are fundamental to maintaining a positive brand image and ensuring long-term success. Bellden Café has less than a 15 percent turnover rate, which can be credited to investing in long-term staff training. Training is important, not only in regard to human trafficking but also in regard to working with marginalized groups. Employee retention is crucial given the rising costs of labor. Paying higher minimum wages means that staff are well-prepared and capable of performing at the highest standard. Reddit, an endowment in San Francisco that focuses on job readiness training for marginalized groups, is one organization that seeks out hotels for conferences that prioritize social impact in addition to financial performance. More and more businesses, including Amazon, are evaluating companies based on their social responsibility efforts.

Nate Moore pointed out that all of the major hotel brands have mandatory training that is done annually. The impact of the training could be enhanced at the local level by utilizing local resources. Distance learning training does not have the same impact conveyed by in-person training. Claire Sumadiwiryaya said the best training is provided through online portals, which have modules to follow, but there is no practicing or roll playing involved. Hands-on training is far more effective.

C. Board Member Applicant Review

Cultural Tourism Specialist Lizzette Flores said Kate Hudson, who works in hotel marketing in Bellevue, has been recommended by the staff for appointment to the Bellevue zone TPA board.

Arts Community Manager Lorie Hoffman briefly explained the application process. Applicants approved by the Board are ultimately appointed by the City Manager.

A motion to approve Kate Hudson for appointment to the Bellevue zone TPA board was made by Rocky Rosenbach. The motion was seconded by Wade Hashimoto and the motion carried unanimously.

D. Staff Update: Annual Finances, Annual Meeting Review

Lizzette Flores noted having met individually with each board member to discuss how to make the board best serve the community. The feedback received from board members outlined changes based on that input, including the incorporation of roundtable discussions to encourage more informal and interactive discussions during meetings. Additionally, there were plans to foster more collaboration between the Redmond and Bellevue zones. Staff reiterated their willingness to meet with board members individually for further feedback.

Lizzette Flores reported that the contracts for the administration of both the Bellevue and Redmond zones for 2025 were approved by the Bellevue City Council on December 10, 2024. Both Visit Bellevue and OneRedmond have been awarded the contracts for 2025. The organizations will present their scope of work and budgets for 2026 at the next meeting.

With regard to the TPA board meetings schedule, Lizzette Flores allowed that the January meeting had been canceled due to lack of quorum, thus the special meeting date. It was stated that regular meetings would resume on April 24 and then be held on the fourth Thursday of the months of April, July, and October at 10:00 a.m. It was also noted that there would be a special meeting held in May and/or June to approve the budgets and scope of work confirmed during the April meetings. It was emphasized that the meetings would include virtual options for up to three board members if they are unable to attend in person.

The session then moved on to the revenue reports. Lizzette Flores explained that the revenue report for the first full period of 2023 to 2024 had been received and was included in the meeting packets. The report showed the remittances received from the hotels each month along with the interest earned on the funds. While the Department of Revenue holds the remittances for up to two months before sending them to the city of Bellevue, interest is collected during that period and deposited back into each zone's account. An overview of the Bellevue zone was provided with that context in mind.

With regard to the administrative reconciliation, Lizzette Flores noted that the city of Bellevue retains five percent during the year for the administration of the TPA zone, and any unused

funds are returned proportionally to each zone's account. For the Bellevue zone, an amount of \$33,169 was deposited back into the account. The invoiced amounts from Visit Bellevue for each period were shared and it was noted that from August to December an invoice of \$702,000 was received. The account balance for the Bellevue zone was noted as \$256,000. The speaker explained that the balance was not available for use during the current year because all budgets must be approved by the City Council; however, the funds could be carried forward and budgeted for in fiscal year 2026.

Nate Moore asked about carrying a surplus into the new year. Lizzette Flores clarified that maintaining a reserve is allowable and the board could choose to carry forward a balance, although it is not mandatory.

Focusing on the Bellevue zone, Lizzette Flores noted that the expenses were organized into approved buckets corresponding to the scope of work. Monthly invoices detail the expenditures, and any negative amounts were more than covered by the contingency funds. A refund in October, resulting from an overbilling for the BellHop service, was noted. It was confirmed that there remained a surplus of \$337,000 in the Bellevue zone. The surplus, combined with additional remittances, will be available for budgeting in 2026.

Caroline Dermarkarian asked about a discrepancy between the two reports, with one report including data from August to December 2023, while the current report did not. It was explained that the difference was attributed to the fact that Visit Bellevue was able to invoice only from October 16 when the contract was signed, resulting in a shorter initial invoicing period. The board was assured that future fiscal years would follow a January-to-December cycle.

Attention then shifted to the revenue report for the Redmond zone. The report showed the remittances and invoiced amounts. An administrative fee of \$9,764 was noted as having been deposited into the account. The Redmond zone was reported to have a very large balance, with reserves and a surplus that had been budgeted. Expenditures were managed similarly to the Bellevue zone, with contingency funds covering any overages. It was pointed out that a \$3,000 discrepancy in the destination sales figures was due to a transposition error in the contingency. Although the error did not affect the overall budget since the funds remained unspent, it was noted for awareness.

5. REPORTS

A. Visit Bellevue Quarterly Update

Brad Jones, executive director of Visit Bellevue, shared that a group called the Eastside Tourism Council, with representatives from Bellevue, Redmond and neighboring communities, meets quarterly to discuss tourism initiatives and preparing for the future. The importance of continued collaboration, communication, and the sharing of ideas among the participating entities to strengthen community partnerships in tourism cannot be overstated.

Brad Jones said the annual report for 2024 will be available for the board's next meeting. It was stated that overnight visitation was healthy in quarter four. The trend from the previous year continued through most of the year, with overnight visitors increasing by six percent in October, four percent in November, and six percent in December. In addition, spending increased due to factors such as hyperinflation. The raw spending data showed increases of 14 percent, 10 percent, and 15 percent, while the economic impact calculations showed increases of 18 percent, 12 percent, and 17 percent. Quarter four was very good, a full recovery from the pandemic.

During Q4 almost 500,000 overnight visitors were hosted with an economic impact of \$427 million. At the end of the year, there were 2.2 million overnight visitors who generated \$1.9 billion in economic impact. Bellevue held a year to date 13 percent market share based on overnight visitors and lodging revenue in King County, while Bellevue had a 12 percent market share of hotels, demonstrating that the performance was above expectations.

With regard to hotel lodging trends, the occupancy numbers for the three-month period revealed a slight dip in December, a pattern that typically extends into January. In December, occupancy was 52 percent. The average daily rates increased by eight percent in December and by nine percent in October. Lodging revenue increased by 11 percent in December, with October showing a 14 percent increase and November falling in between. Citywide occupancy for the quarter was 62 percent, with an average daily rate of approximately \$200. The total lodging revenue for the quarter was \$61 million, which was a 12 percent increase over 2023. At year-end, overall occupancy reached 68 percent, which was an improvement of nine percent over the previous year, and the average daily rate reached \$208, a seven percent increase. The annual lodging revenue was \$272 million, which was a 17 percent increase from the previous year. The three-year trajectory target is 72 percent occupancy.

Nate Moore asked if the midweek occupancy increases are predominantly tied to the influx from the technology sector, including companies such as Amazon, Meta, and others. Brad Jones responded by noting that there was a normalization observed on the business side. Whereas the pre-pandemic business mix consisted of one or two companies, the current mix is comprised of five or six companies, which should be viewed as a positive development. However, the average length of stay for business travel had decreased even though average daily rates have risen. The combination of higher rates and shorter stays is not ideal. The Sunday and the Thursday-Friday window is identified as being particularly challenging. Strategies involving incremental business, group business, and SMERF business are being considered to improve the length of stay. There have been impressive investments in artificial intelligence by nearby companies; three of the four largest companies in the field are located in the area, and that is a good thing. Optimism was expressed that the investments would generate additional conferences and meetings.

Turning to the VISA spending numbers, Brad Jones noted that the domestic spending data, which was available through November only, revealed that the hotel and lodging sector was leading the market with a 37 percent increase in domestic visitor spending, while other segments showed modest increases over the previous year. International spending was the source of incremental growth. In a normalized environment, Bellevue is achieving approximately 18 percent international business; some day that likely will rise to the 20 percent range. International business performed very well last year and that is expected to continue going forward.

It is always interesting to see where visitors are coming from, especially internationally. Brad Jones reminded the board that part of the scope of work was used to invest in the Japanese market. As a result, there was an almost 24 percent increase in card holders from Japan compared to the previous year, and spending from Japan increased by more than 20 percent. New flights scheduled for May and June were expected to add nearly 2,800 seats per day directly from Japan to Seatac. Although the Japanese yen struggled, the hope is that conditions will improve, leading to additional visitation. China remained the number one spending market, while Canada continued to lead the market in terms of the number of visitors. The Canadian market will be interesting to watch in 2025 given that the Canadian dollar is not good and the current geopolitical tensions.

Brad Jones explained that day-of-week trends are difficult to impact within a 12-month cycle because they require coordinated efforts in rate strategy, event strategy, and sales and

marketing strategy. In quarter four, weekend hotel occupancy was 58 percent, while weekday occupancy was 63 percent, resulting in an average day-of-week occupancy of 61 percent. The occupancy rates for weekends in October, November, and December was 59 percent, 54 percent, and similar values, respectively. Geolocation data is used to reveal what people are doing in the market. For the quarter, almost 53 percent of visitors arrived through the airport. While that is a positive indicator, it also presents challenges. While in 2018 and 2019 more than 20 percent of visitors to Bellevue also visited Seattle, that figure has since dropped to less than 12 percent. Olympic National Park and the University of Washington continue to trend well, which emphasizes the point that Bellevue needs to enhance its own activities, events, nightlife, arts, and attractions to provide a holistic destination experience rather than relying on Seattle.

With regard to paid media, Brad Jones noted that the marketing agency generated just over 7.5 million impressions in quarter four, along with 140 clicks to the website. The cost per click remained under one dollar, and the click-through rate exceeded three percent. A transition to holiday messaging in November proved to be effective. For the year-end, there were 31 million impressions and 344,000 click-throughs, with the cost per click dropping below 50 cents and click-through rates staying above three percent. The only goal not met was the impressions goal, but the improved efficiency in generating clicks is a positive outcome.

Social media performance was highlighted as a major success. In quarter four, social media generated 24 million impressions, 167,000 engagements, and 279,000 click-throughs. The subscriber audience increased by over 46,000, and the team produced 6,100 pieces of content. The results are outstanding, particularly because it is challenging for destination marketing organizations to retain an audience when visitors tend to leave after their visit.

The public relations efforts for the quarter generated 14 placements along with nearly 500 million engagements with a media value of \$4.5 million. The year-end efforts resulted in 138 placements, significantly exceeding the goal of 85. The potential readership reached 902 million and the media value of the coverage was \$6.7 million. A new newsroom feature was created on the website to allow users to view all the coverage, with an easy option to repurpose content for their own use.

A feature article titled "I flew to Seattle but stayed in Bellevue and loved the walkable streets, great food and outdoor escapes" served as a great example of the type of promotion the organization sought. Chef Shota, the star of the show in terms of culinary tourism, was featured in a Forbes article. Additionally, the sales team collaborated with Black Meetings and Tourism to create an article promoting Bellevue as the next big meetings destination.

Jane Kantor, director of destination sales for Visit Bellevue, explained that the sales team, although small, achieved impressive results. The team, which had been composed of two full-time sales managers and recently added a third person, generated impressive leads. Although the team fell just short of their lead generation goal by about two percent, they achieved a new high watermark for the year. The team exceeded their sales booking goal by 16 percent, marking another success for the team.

Jane Kantor said there were challenges encountered, including the loss of 45 pieces of business to downtown Seattle. By year end, the conversion rate was 29 percent; the 2019 conversion rate was 36 percent.

Caroline Dermarkarian asked about the "unable to fill room block" category. Jane Kantor explained that the biggest generator is the online RFP proposal system. Sometimes the event planner had not selected a wide enough variety of hotels in Bellevue, and sometimes hotels

choose not to bid. For larger groups, sometimes too many hotels are needed to fill the block, making a meeting package untenable.

Addressing a question asked by Rocky Rosenbach regarding competition from other in-state destinations, Jane Kantor noted that Tacoma and Spokane were the biggest competitors, particularly for education-based groups. Collaboration with Tacoma occurred on several occasions, including a dinner hosted in November following a connect event. Bellevue's room compare very favorably with those in Tacoma.

Nate Moore made the suggestion that in addition to leads also received by Seattle, it would be good to see which leads were received by Seattle that were not also received by Bellevue or Redmond. They could be tracked and targeted through proactive campaigns. Jane Kantor acknowledged the suggestion and agreed that such leads would be valuable to capture. Seattle has recently made efforts to improve the city's image, making it more attractive to meeting planners. That has been somewhat of an Achilles heel for Bellevue. Bellevue's efforts to offer more individualized attention and to differentiate its experience offer key advantages.

Nate Moore asked about the size of Bellevue's convention center and was told by Jane Kantor that it spans 54,000 square feet, with the largest space being 36,000 square feet. It works well for groups of about 800.

The last update was from Meredith Langridge, the Director of Visitor Experience, who reviewed the Bellhop program, highlighting its success and noting that more than 126,000 visitors had used the service. Also mentioned was continued expansion efforts for the program. Additionally, a new Bellevue Airport Shuttle service was launched just before the end of the year with support from various stakeholders. The shuttle serves as an essential service that provides affordable transit options to visitors and the community. Further promotion is needed to increase bookings.

There is a clear need to continue to develop and market Bellevue as a destination while working collaboratively with neighboring cities and businesses to further the tourism objectives.

Meredith Langridge said surveys are still being conducted, primarily with the local welcome center and with people walking by. Overall Bellevue rates well in regard to the experiences people are having and why they are traveling.

Audrey Fan explained that Redmond's hotel inventory has not changed, but occupancy increased by over 11 percent in quarter four of 2024 compared to the previous year. The data for the quarter was sourced from Co-Star, replacing Star Reports, which has only limited data.

The event strategies focused on by OneRedmond included Woodinville Wine Country and the Remlinger Farms Concerts. There was collaboration between Visit Bellevue and OneRedmond to fund and confirm events such as the AVP Pro Beach Volleyball event scheduled for June 2025 at Marymoor Park. Additionally, a dog-focused event is being developed for March and April of 2025.

Audrey Fan said the continuing strategies on the table include researching tools to support and enhance tourism initiatives, to look at venues and facilities in the surrounding area that could help drive tourism into Redmond, and to research partnerships and opportunities for overnight hotel stays.

The organization's membership was unchanged from Q3. Audrey Fan mentioned having attending various events, with a specific focus on networking with partners in the Eastside

region. Collaboration with partners around the Eastside is important and useful when it comes to learning what other TMOs or organizations are focused on so that work can progress toward common goals to increase tourism.

New Visit Bellevue director of destination stewardship and community engagement Megan Adams said the team is in the process of establishing goals and strategies. The focus is on creating and nurturing partnerships with local businesses and community organizations to enhance Bellevue's visitor offerings. By connecting with community partners, the goal is to create public spaces and programming that are well-suited for both visitors and locals. Alongside the efforts, the organization is dedicated to ensuring activities are done in a sustainable manner, focusing on economic, environmental, and social impact.

Megan Adams said collaboration is the name of the game. To that end there are regular meetings with community organizations to keep the regional and local dialog going in terms of hearing their needs and sharing resources. Partner activation meetings are held bi-monthly and they have become more engaging and better attended, helping local businesses access resources provided by Bellevue. The Bellevue Boost quarterly meetup series, a networking opportunity for local businesses, include panel discussions. The topics that will be covered include marketing, social media, sustainability and multicultural tourism. The next Bellevue Boost meeting is slated for February 19.

Brad Jones mentioned a new initiative aimed at addressing the challenge of Bellevue's workforce, over 90 percent of whom live outside of the city. It is challenging to showcase what visitors can do in Bellevue because they leave after work. A new educational and training program is being launched via a new podcast to showcase Bellevue's experiences to the local workforce and encourage them to promote the offerings to visitors.

Following the presentations, Nate Moore raised a question regarding occupancy trends, observing that Saturdays, Tuesdays, Wednesdays and Mondays appear to perform well, but noting there continue to be challenges on Thursdays and Sundays. The suggestion was made to consider launching a campaign targeting Thursday and Sunday nights in Bellevue, with funds allocated in the coming year to incentivize increased foot traffic and higher occupancy on those shoulder nights. Such a strategy would not require redeploying the sales team but would instead involve providing incentives to boost performance on those days. If occupancy on Thursdays and Sundays can be increased into the 60 percent range, it would support the overall goal of reaching 72 percent occupancy. Brad Jones acknowledged the suggestion and explained that the organization is undergoing a significant refresh period. A new marketing agency has been hired and is in the process of refreshing the brand and developing a new marketing campaign.

Wade Hashimoto said the media and marketing work is headed in the right direction. The problem is not isolated only to Bellevue; it is happening to Seattle as well. It is phenomenal that people coming to Bellevue are now staying in Bellevue. It makes sense to venture out to discover destination offerings as untapped resources; that will hopefully help to close the gap.

Wade Hashimoto suggested that some time should be allocated at the next meeting to talk about strategy in regard to FIFA coming to the area. Brad Jones said the team is actually working on a positioning statement and World Cup-ready messaging.

6. ROUNDTABLE UPDATES – None

7. ADJOURNMENT

Caroline Dermarkarian adjourned the meeting at 12:00 p.m.