

BELLEVUE-REDMOND TOURISM PROMOTION AREA ADVISORY BOARD  
MEETING MINUTES

April 28, 2026  
1:00p .m.

Bellevue City Hall  
Room 1E-113 / Virtual

MEMBERS PRESENT: Chairperson Wade Hashimoto, Henning Nopper, Kim Saunderson

MEMBERS REMOTE: Nate Moore, Crystal Pia

MEMBERS ABSENT: Kate Hudson, Rocky Rosenbach, Cassandra Leiberman

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

OTHERS PRESENT: Brad Jones, Visit Bellevue; Kristina Hudson, Melody Lanthorn, OneRedmond

MINUTES SECRETARY: Gerry Lindsay

I. CALL TO ORDER

The meeting was called to order at 1:04 a.m. by Chair Wade Hashimoto who presided. All members were present with the exception of Kate Hudson, Rocky Rosenbach and Cassandra Leiberman.

2. APPROVAL OF AGENDA AND MINUTES

A. Approval of Agenda

Motion to approve the agenda was made by Kim Saunderson. The motion was seconded was by Henning Nopper and the motion carried unanimously.

B. Approval of Minutes

Motion to approve the March 24, 2026, minutes as submitted was made by Kim Saunderson. The motion was seconded was by Henning Nopper and the motion carried unanimously.

3. ORAL COMMUNICATIONS – None

4. ACTION, DISCUSSION AND INFORMATION ITEMS

A. Information – Welcome New Board Member

New board member Henning Nopper, general manager of the Bellevue Hyatt, was introduced and welcomed. Each member in turn introduced themselves.

B. Information – Financial Review

Arts Community Manager Lorie Hoffman reminded the organization that the interlocal agreement was entered into in 2022, revenue collection began in 2023, and the administrators were onboarded in 2024. Planning for the 2027 budget cycle is underway and leadership has

determined that a third-party financial review should be conducted to assess processes and ensure responsible stewardship of funds. The city will manage the competitive procurement process to select a qualified consultant, likely a certified public accounting firm, and the review is expected to take approximately two to three months, with findings anticipated by June or July.

Chair Wade Hashimoto asked how the audit will be paid for. Lorie Hoffman said the costs are projected to be modest, on the order of \$10,000, and will be paid from the five percent retained by the city from both zones as administrative fees. Any unused portion of the funds not used flows back into the participating zones.

Crystal Pia asked who the third party auditor will be and Lorie Hoffman explained that the city uses a competitive process that involves getting bids from multiple contractors. That process is currently under way.

#### C. Information – TPA Legislation Update

Lorie Hoffman explained that RCW 35.101 authorizes a \$2/night TPA fee. In 2020 the legislature permitted an additional but temporary fee of up to \$3/night, which the Bellevue Redmond Tourism Promotion Board organization partially utilized by adding a supplemental charge of fifty cents. The additional fee represented a significant portion of the annual revenue. However, the enabling legislation is scheduled to expire on July 1, 2027, and although a bill was introduced during the 2026 short legislative session to extend or modify the provision, it did not advance through the full legislative process. Stakeholders anticipate renewed efforts during the long 2027 session. Failure to extend the authorization will reduce the nightly fee and result in an estimated ten percent revenue decline in 2027, and a sustained 20 percent reduction in subsequent years. The legislation required TPA administrators to submit a report to the legislature, which both Visit Bellevue and OneRedmond were heavily involved in.

Chair Wade Hashimoto expressed appreciation for the current funding level and inquired about the possibility of proposing a higher supplemental fee in the future. Lorie Hoffman acknowledged that such an increase could be considered if the legislative authority is maintained. The maximum allowable fee could be substantially higher. Any proposal will require careful timing and procedural review following the legislative session, and the staff are committed to researching the formal process and reporting back to the Board.

Henning Nopper said it would be helpful to understand the fifty cent fee relative to other jurisdictions. The fee represents a significant percentage of the overall revenues.

Kim Saunderson said it will be valuable to understand the historical reasoning behind the existing percentage difference and concurred that the disparity warrants further examination.

Crystal Pia also indicated an openness to exploring an increase in funding and requested clarification regarding the legislative calendar, to which Lorie Hoffman responded that legislative sessions typically begin in January, with short sessions concluding in the spring.

Lorie Hoffman said staff will prepare an informational session outlining the procedural steps required to increase the fee, emphasizing that such a session will focus on process education rather than an immediate decision. Chair Wade Hashimoto acknowledged the importance of ensuring alignment among all Board members, including those not present, before advancing any future consideration of funding adjustments.

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

Cultural Tourism Specialist Lizzette Flores noted the draft letter to the city of Redmond had been included in the Board packet. The document follows a format consistent with prior years and summarizes the revenue performance of both operational zones, and includes highlights of the Board's work during the preceding year. The activities outlined in the report include development of the 2026 budget and scope of work, as well as the renewal of contracts with administrative partners.

Three possible courses of action were outlined for the Board: 1) approval of the report as presented; 2) approval with modifications; or 3) rejection of the report pending substantial revisions.

Henning Nopper inquired about the purpose and practical use of the report once submitted to the city of Redmond. Lorie Hoffman said the submission of the report is a contractual obligation under the interlocal agreement between the participating cities. While the report is formally transmitted to the Redmond City Council, ongoing coordination between city staff occurs through regular monthly meetings, ensuring a continuous information exchange beyond the annual reporting requirement. The City of Bellevue, which serves as the legislative authority, receives information through internal channels and therefore does not require a separate report.

A motion to approve the report without changes was made by Kim Saunderson. The motion was seconded by Crystal Pia and the motion carried unanimously.

#### E. Discussion – 2027 Budget and Scope of Work

Lizzette Flores explained that each year the zone administrators prepare draft budgets and scopes of work which are first presented to the Board for deliberation. Those draft budgets were presented to the Board in March. After incorporating Board recommendations, a consolidated budget proposal is drafted and it must be submitted to the Bellevue City Council for approval by the end of July in order to align with the municipal budget cycle. Lorie Hoffman added that while the administrators provide detailed operational budgets, the materials forwarded to the Council are presented at a higher level of summary, with the detailed scopes ultimately forming the basis of contractual agreements executed later in the year.

Nate Moore referred to the supplemental fee authorization and asked if the budget process will have to be revisited if the fee is not extended by the legislature. Lorie Hoffman said that is not something the Board needs to vote on right away, though it is something that is contemplated when making the budgets. The Board could absolutely include a discussion around the reserves, but that is something that will be recommended when the Board sets the budget and strategic plan in a few more months.

Answering a question asked by Crystal Pia, Lorie Hoffman clarified both zones have reserves that are held by the city. Those reserves are sufficient to absorb a projected ten percent revenue reduction in the following year, thereby avoiding the need for an immediate rebudgeting process. The contracts with the administrators limit expenditures to available account balances, which ensures fiscal control regardless of revenue fluctuations. The reserve funds also serve to stabilize operations during seasonal variations in lodging activity. The reserves function as a financial cushion rather than as a separately budgeted allocation; they can be utilized as needed to fulfill contractual obligations, provided sufficient funds remain in the account. However, contract amounts cannot be increased beyond the available balances without formal budget adjustments.

Lizzette Flores shared with the Board a chart indicating the allowable uses mandated by the interlocal agreement on which the budgets can be spent. Expenditures must be directly related to tourism promotion activities such as marketing, destination sales, tourism development, events, administration, and research. The contingency component within the budget acts as a limited safeguard to address unforeseen cost increases arising after the budgets are established.

Lizzette Flores addressed a previously noted discrepancy in the reserve projections for the Redmond zone, explaining that an earlier statement had mistakenly referenced a projected future balance as if it were a confirmed figure.

The Bellevue zone's financial position is relatively straightforward because the projected revenues are intended to be fully utilized, supported by a healthy reserve balance. The Board did not recommend setting aside additional funds. In contrast, the Redmond zone previously drew from its reserves, prompting the Board in the prior year to recommend allocating eight percent of projected revenues back into the reserves to maintain financial stability. While the Redmond zone shows a starting balance of approximately \$207,000, the potential starting balance for 2027 could increase to roughly \$282,886 if the revenue projections are realized. However, the figures remain estimates dependent on actual revenues collected during the current year. The proposed total budget for the Redmond zone includes continuing with the eight percent reserve allocation. In terms of expenses only without the reserves, the Redmond budget totals \$1,328,777. The projections were presented to assist the Board in evaluating priorities as it reviews the scopes of work and funding allocations for the upcoming fiscal year. If the legislation elects not to extend the supplemental fee, the projected revenues for both zones will decline, which in turn will reduce the projected ending balances.

Lizzette Flores reiterated that the contingency funds are intentionally built into the budgets as a flexible portion available to address unforeseen or increased expenses within the approved spending categories. The reserves funds that remain unspent are retained in accounts as a financial safeguard.

For the Redmond zone, the planned activities include an expansion of the marketing campaigns; continued development of branding and niche tourism strategies; visitor mobility initiatives such as transit support programs; potential grant funding opportunities; and increased participation in trade shows and conferences aimed at attracting additional meeting and convention business. The administrative and research functions were highlighted as including financial processing systems and tourism data tools.

For the Bellevue zone, it was noted the initiatives focus on comprehensive marketing and communications campaigns across multiple media platforms; large-scale content production; sales missions and trade show participation; visitor mobility services such as transportation and welcome center support; expansion of culinary tourism programming; and continued development of signature festivals and events designed to enhance destination appeal.

Chair Wade Hashimoto asked if the Visit Bellevue current reserve holdings might be excessively conservative, and suggested the funds held in reserve could potentially be deployed more actively to support marketing and promotional initiatives that will strengthen regional visibility. Confidence was expressed in the organization's performance history and proposed that maintaining large balances without strategic deployment could represent a missed opportunity. Brad Jones, executive director of Visit Bellevue, acknowledged the importance of balancing fiscal prudence with operational effectiveness and recommended establishing a formal reserve policy to define an appropriate target range. The current reserve level of approximately 30 percent of the available funds exceeds the typical organizational practice. The suggestion was made that a range of 20 to 25 percent would generally provide

sufficient protection against economic volatility while allowing for greater flexibility to invest in programmatic activities. The reserves had originally been built in deliberately during the organization's formative years. The present stage of development might warrant refinement of that approach.

Chair Wade Hashimoto agreed with the perspective and reflected on the fact that the earlier cautious approach was appropriate during the organization's initial establishment, but the increased operational confidence might justify reconsideration of the reserve strategies. Adopting a defined reserve standard could improve fiscal efficiency and support more proactive investment in destination marketing. Brad Jones it helps that contingencies are built into the budget. The contingency for 2027 was lowered in light of the healthy reserve account.

Lorie Hoffman explained that the development of a formal reserve policy could occur within the regular meeting schedule and will not require a special meeting. While the board can provide general guidance during the current budget discussions, the development of a formal policy would likely extend beyond the timeline for finalizing the upcoming fiscal year budget. The board was encouraged to offer directional feedback the administrators could incorporate into revised budget proposals while allowing sufficient time for thoughtful policy development.

Brad Jones added that the organization's current financial position places it in a favorable and stable condition, allowing decisions to be made from a position of strength rather than uncertainty.

With regard to the pending legislative action on the TPA funding structure, Brad Jones reaffirmed that there are ongoing efforts to advocate for passage of the legislative extension through collaboration with statewide hospitality organizations. An alternative funding model known as a Business Improvement Area (BIA) is a model that is implemented in other jurisdictions. It operates on a percentage-based assessment rather than a flat nightly fee and offers the potential for incremental revenue adjustments aligned with economic conditions. As part of long-term planning for 2027 and beyond, the Board might benefit from exploring the feasibility of transitioning to such a model should the legislative changes not materialize. The professional consultants involved in the original formation of the TPA could provide guidance on the option.

Chair Wade Hashimoto acknowledged familiarity with percentage-based models from prior professional experience and recognized the potential advantages associated with a system that adjusts automatically with market conditions.

Henning Nopper noted having direct experience with the model in another market and described the successful outcomes that followed from its adoption. The value of expert consultation when evaluating structural changes was emphasized.

Kim Saunderson stressed the importance of understanding all available funding options, particularly in situations where revenue capacity might be constrained.

Nate Moore voiced support for the proposed policy.

Lorie Hoffman responded by advising that while an informational session on the alternative funding structure could be arranged, any transition will be a future consideration and should not distract from the immediate responsibility of finalizing the 2027 budget under the current funding framework. Chair Wade Hashimoto concurred and affirmed that maintaining a focus on the current budget cycle remains the priority. The Board's interest in reviewing alternative models should be discussed at a later date.

Henning Nopper raised concerns about the projected negative balances in the Redmond zone and suggesting that the budgeting assumptions should remain conservative in light of the uncertainty surrounding the continuation of the supplemental fee. A preference was expressed for planning based on lower revenue projections rather than assuming the continuation of funding that might not be secured. Lorie Hoffman explained that reserve balances could be used to stabilize spending levels if the anticipated revenues do not materialize, thereby preserving program continuity without requiring immediate reductions.

Chair Wade Hashimoto reflected on earlier budgeting cycles and noted that similar concerns had arisen during the program's initial years. Confidence was expressed in the fiscal discipline demonstrated by both administrative organizations.

Lorie Hoffman invited feedback regarding program priorities, particularly in anticipation of potential reductions in the proposed scope of work for the Redmond zone.

Kim Saunderson asked if any projected shortfall will be fully covered by the reserve funds. Kristina Hudson, CEO of OneRedmond, explained that earlier draft budgets had included funding requests associated with joint programming initiatives, but subsequent review identified opportunities to remove lower-priority items in order to align expenditures more closely with available resources. It was acknowledged that the reserves remain substantial and will provide flexibility during the transition period. The importance of ongoing financial monitoring to avoid excessive reliance on reserve balances was stressed. The revised budget versions have already been prepared to correct earlier projection errors and to reflect the updated priorities.

Kristina Hudson described the decision-making approach used to determine program adjustments, explaining that staff conducted direct outreach to hotel stakeholders to ensure that the funding decisions reflect the operational needs. Particular emphasis was placed on maintaining investment in the destination sales initiatives, which were identified as a critical support function for local hotels. There is a commitment to align expenditures with programs that provide tangible benefits to industry partners while maintaining responsible stewardship of financial resources.

Nate Moore expressed support for the financial management approach as described given the ongoing communication with administrative staff. Confidence was expressed in the diligence demonstrated in budget planning and implementation.

Lorie Hoffman asked if the Board wished to provide directional feedback on an appropriate reserve percentage to guide the administrators as they prepare revised budgets for the following meeting.

Nate Moore referenced the previously mentioned eight percent reserve target for the Redmond zone and suggested it should be given another look as policy is built in the coming weeks. Lorie Hoffman said the current reserve levels are about eight percent for Redmond and 30 percent for Bellevue.

Chair Wade Hashimoto expressed support for maintaining the eight percent reserve level for the Redmond zone as a reasonable operating buffer capable of addressing unforeseen circumstances.

Kim Saunderson proposed that future policy development might consider establishing both minimum and maximum reserve thresholds to prevent reserve balances from growing unnecessarily while still ensuring financial stability. Lorie Hoffman said the concept aligns

with current practice. Revenues exceeding projections or unspent contract funds automatically carry forward into the following year's budget, thereby strengthening the reserve balances, while revenue shortfalls draw from those same reserves. Any underspending at the conclusion of the fiscal year becomes available for subsequent budgeting, and similarly, any unused administrative fees retained by the city are proportionally returned to each zone.

Chair Wade Hashimoto stressed that the reserve and contingency funds represent separate financial mechanisms and should not be confused with each other. Lorie Hoffman affirmed the distinction and explained that contingency funds are incorporated into contracts and are immediately available to address unexpected cost increases within approved programs, whereas the reserves remain unbudgeted funds held by the city and serve as a financial safeguard rather than an operational spending allocation.

Brad Jones offered a practical financial scenario to illustrate the potential impact of the legislative uncertainty on the reserve balances. If the anticipated supplemental fee authorization does not get extended and the organization is required to absorb an estimated ten percent revenue reduction from the reserves, the reserve level will decline from approximately 30 percent to roughly 20 percent, which is still within a prudent operating range. An alternative budgeting strategy would be to incorporate an additional ten percent allocation into the proposed budget as a conditional expenditure, to be reduced internally if the legislative extension does not occur. The approach would allow the organization to plan ambitiously while maintaining financial discipline should revenues fall short.

Lorie Hoffman indicated that implementing such a strategy would require careful coordination with legal counsel to ensure contractual clarity, but expressed confidence that a workable structure could be developed if the Board wishes to pursue the concept.

Chair Wade Hashimoto responded positively to the proposal and acknowledged the importance of maximizing the effectiveness of available funds while also emphasizing the need to build consensus among all Board members. The suggestion was made to develop a working model before the next meeting to demonstrate how such a contingency-based budgeting approach could function in practice. Lorie Hoffman reiterated the importance of ensuring that any approved budget presented to the City Council must remain consistent with all contractual obligations and allowing for flexibility to adapt spending decisions.

5. COMMISSION QUICK BUSINESS – None
6. REPORTS – None
7. ADJOURNMENT

The next meeting was announced for May 26.

Chair Wade Hashimoto adjourned the meeting at 2:01 p.m.