

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6738

AN ORDINANCE related to the administration of the Bellevue-Redmond Tourism Promotion Area (BRTPA); establishing a BRTPA advisory board; amending the Bellevue City Code to include a new Chapter 3.100 to be known as the “Bellevue-Redmond Tourism Promotion Area Advisory Board;” amending the Bellevue City Code to include a new Chapter 4.60 to be known as the “Bellevue-Redmond Tourism Promotion Area;” providing for severability; and providing an effective date.

WHEREAS, the tourism industry is a vital and substantial component of the local economy, and the promotion of tourism increases the number of visitors to the region, which in turn increases regional sales supporting the local economy;

WHEREAS, the Legislature of the State of Washington has recognized the importance of tourism promotion and, pursuant to Chapter 35.101 of the Revised Code of Washington (RCW), as it now exists and may hereafter be amended (the “TPA Act”), authorizes cities to establish tourism promotion areas and levy tourism promotion charges on the furnishing of lodging by certain lodging businesses (“Lodging Businesses”) to fund tourism promotion as defined in the TPA Act;

WHEREAS, RCW 35.101.010(2)(b) and RCW 35.101.040 allow cities located in a county with a population of one million or more to form a tourism promotion area when acting pursuant to an interlocal agreement under Chapter 39.34 RCW (the “Interlocal Cooperation Act”);

WHEREAS, pursuant to the TPA Act and the Interlocal Cooperation Act, the City of Redmond (date 1/9/2023) and the City of Bellevue (date 1/17/2023) entered into an “Interlocal Agreement for the Joint Establishment of a Tourism Promotion Area”(the “Interlocal Agreement”), as it may be amended from time to time, to designate the Bellevue City Council (the “City Council”) as the “Legislative Authority” for purposes of the Bellevue-Redmond Tourism Promotion Area (the “Bellevue-Redmond TPA” or “BRTPA”);

WHEREAS, on January 18, 2023, operators of Lodging Businesses, located in the proposed Bellevue-Redmond TPA, presented a petition (the “Initiation Petition”) to the City Council for the establishment of the BRTPA;

WHEREAS, the Initiation Petition contained all required elements under RCW 35.101.020;

WHEREAS, after receipt of the Initiation Petition, the City Council passed Resolution No. 10216 on January 23, 2023 (the "Resolution of Intent"), providing notice of intent to establish the Bellevue- Redmond TPA and setting the time and place for a public hearing to receive evidence for or against the proposed BRTPA;

WHEREAS, following proper notice as required by the TPA Act, and the authorization contained in the Interlocal Agreement, the City Council held a public hearing on February 6, 2023;

WHEREAS, following the public hearing, the City Council, as the designated "Legislative Authority" for purposes of the TPA Act and the Interlocal Agreement, adopted Ordinance No. 6724 (date 2/13/2023), establishing the BRTPA, prescribing its area boundaries, setting the rate of charges to be levied on Lodging Businesses, identifying how revenues derived shall be used, detailing modification/disestablishment processes, and authorizing the Bellevue City Manager to take all administrative actions needed to carry out the purpose of the ordinance; and

WHEREAS, to ensure the City of Bellevue can properly receive and account for revenues generated by the Bellevue-Redmond TPA, establish an advisory board for the same, and promote tourism within the BRTPA, consistent with the TPA Act, the Interlocal Agreement, the Initiation Petition, and Ordinance 6724; now therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. There is hereby established an advisory board, to be known as the "Bellevue-Redmond Tourism Promotion Area Advisory Board." This advisory board shall have the powers prescribed by the Interlocal Agreement between the City of Bellevue and the City of Redmond and as further detailed in the new chapter of the Bellevue City Code adopted under Section 2 of this Ordinance.

Section 2. A new Chapter 3.100 of the Bellevue City Code, to be known as the "Bellevue- Redmond Tourism Promotion Area Advisory Board," is hereby enacted as follows:

Chapter 3.100
Bellevue-Redmond Tourism Promotion Area Advisory Board

Sections:

- 3.100.010 Advisory Board Established.
- 3.100.020 Officers.
- 3.100.030 Meetings.
- 3.100.040 Council Communications.
- 3.100.050 Bylaws and Procedures.
- 3.100.060 Staff Support.
- 3.100.070 Powers and Duties.
- 3.100.080 Limitations.

- 3.100.010: Advisory Board Established.

There shall be an Advisory Board to the Legislative Authority (as defined in BCC 4.60.020), which shall make recommendations regarding the use of revenues from lodging charges collected within the Bellevue-Redmond Tourism Promotion Area (BRTPA) in accordance with Chapter 4.60 BCC. The Advisory Board shall be known as the "Bellevue-Redmond Tourism Promotion Area Advisory Board."

- A. Membership and Appointment. The Advisory Board shall consist of eight (8) members, four (4) members from the Bellevue Zone and four (4) members from the Redmond Zone, as both zones are described in BCC 4.60.040, who shall be appointed by the Bellevue City Manager, after receiving a list of qualified candidates from the Advisory Board. Advisory Board members shall be appointed without respect to political affiliation and shall serve without compensation. For purposes of the initial appointments, in order to first establish the Advisory Board as described in this chapter, the Bellevue City Manager may appoint members without receiving a list from the Advisory Board, provided all other criteria in this chapter is observed.

- B. Eligibility. All members of the Advisory Board shall be representatives of Lodging Businesses (as defined in BCC 4.60.020) that are subject to the lodging charges as described in Chapter 4.60 BCC. The term "representative" as used herein means an operator of a Lodging Business, whether in the capacity of owner,

general manager, or any other similar capacity. A member of the Advisory Board may not represent a Lodging Business that receives funding from revenues derived from lodging charges as described in Chapter 4.60 BCC.

- C. Terms of Office. The term for all positions on the Advisory Board shall be four (4) years. Each position shall expire on May 31st of the last year of the term. The expiration date of the terms of the positions on the Advisory Board shall be staggered so that no more than four positions expire in the same year. No person shall serve more than two consecutive terms, provided a person appointed to fill an unexpired term of less than two years is eligible to serve two successive four-year terms, and provided further, a person who is ineligible to serve for having served two consecutive terms may again serve after two years have elapsed from the end of the second such term.

- D. Vacancies, Removal of Advisory Board Members, and Filling of Unexpired Terms.
 - 1. The position of a member of the Advisory Board shall become vacant upon such member ceasing to be a representative of a Lodging Business.

 - 2. Members on the Advisory Board may be removed at any time by the Bellevue City Manager for neglect of duty, conflict of interest, unexcused absence from three consecutive regular meetings of the Advisory Board, or for any reason deemed sufficient by the Bellevue City Manager. The decision of the Bellevue City Manager shall be final and there shall be no appeal.

 - 3. Vacancies occurring for reasons other than the expiration of a term shall be filled for the unexpired portion of the term by appointment by the Bellevue City Manager, consistent with this chapter.

- E. Ethical Standards. Advisory Board members shall be held to high ethical standards and shall at all times comply with the provisions of Chapter 3.92 BCC, as they exist now or may be hereafter amended.

3.100.020 Officers.

A chair, vice chair, and other officers as the Advisory Board deems necessary shall be elected annually from its members. The chair shall preside over meetings; the vice chair shall preside over meetings in the absence of the chair.

3.100.030 Meetings.

- A. The Advisory Board shall meet at least once a quarter.

- B. All meetings shall be open to the public; provided, the Advisory Board may hold executive sessions as permitted by law. Advisory Board business shall be conducted in compliance with the requirements, as applicable, of the Open Public Meetings Act, Chapter 42.30 RCW, and the Public Records Act, Chapter 42.56 RCW, as they exist now or may be hereafter amended.
- C. A majority of the membership shall constitute a quorum. Action may be taken by a majority of the members present when a quorum exists.
- D. Affirmative votes from a majority of members present and voting shall be necessary to carry any proposition. A member who fails to vote without a valid disqualification is declared to have voted in the affirmative.
- E. Remote Participation.
 - 1. Advisory Board members are encouraged to attend meetings in person when practicable. A member not able to be physically present for a meeting may participate remotely using approved teleconferencing equipment. Remote participation must be approved by the Advisory Board in advance of the meeting.
 - 2. The presiding officer must be physically present for a meeting. If the presiding officer is unable to be physically present, the presiding officer must pass the presiding officer role to an Advisory Board member who is physically present at the meeting.
 - 3. No more than three members may participate remotely during any one Advisory Board meeting. Such remote participation will be considered attendance at the meeting and shall be counted toward determination of a quorum.

3.100.040 Council Communications.

Formal communications with, or feedback to, the Legislative Authority shall represent the official majority and/or minority opinions of the Advisory Board, and not those of individual board members. Members wishing to express an individual opinion shall provide their comments at the public comment opportunities on the meeting agenda.

3.100.050 Bylaws and Procedures.

The Advisory Board shall adopt bylaws and procedures consistent with any requirements established in the Bellevue City Code for the conduct of its meetings and hearings, setting of times of hearings, and giving of notice to the public.

3.100.060 Staff Support.

The Community Development Department shall provide technical and clerical support to the Advisory Board.

3.100.070 Powers and Duties.

The Advisory Board shall act in a policy advisory capacity to the Legislative Authority. The Advisory Board may conduct studies, perform analysis, and prepare reports requested by the Legislative Authority. The Advisory Board may perform the following functions in order that the Legislative Authority may support tourism promotion within the BRTPA as described in Chapter 4.60 BCC:

- A. Review tourism promotion activities and expenditures designed to increase tourism and convention business within the BRTPA, including tourism promotion activities and expenditures paid for with lodging charges collected within the BRTPA.
- B. Review relevant financial statements concerning revenues and expenditures for the BRTPA and its two zones.
- C. Provide periodic reports to the Legislative Authority concerning the BRTPA revenues and expenditures.
- D. Develop and recommend an annual strategic/business plan for use of lodging charge revenue to be submitted to the Legislative Authority no later than July 30 of each year. An exception shall be made for the first year of the BRTPA, during which the annual strategic/business plan shall be submitted no later than December 31.
- E. Develop and recommend an annual budget, to be submitted to the Legislative Authority no later than July 30 of each year. An exception shall be made for the first year of the BRTPA, during which the annual budget shall be submitted no later than December 31.
- F. Provide an annual report to the Redmond City Council concerning the BRTPA, including revenues and expenditures, strategic plans, budgets, and management agreements.
- G. Review and recommend proposals for management agreements with tourism destination marketing organizations, public entities, or other similar organizations to provide for the management and operation of the BRTPA.
- H. Recommend qualified candidates to serve as members to the Advisory Board.

- I. Perform other duties related to the BRTPA as may be assigned by the Legislative Authority.

3.100.080 Limitations.

The Advisory Board shall have no powers or duties related to the following activities:

- A. Advocacy on behalf of the City of Bellevue, City of Redmond, or the Advisory Board without express permission from the Legislative Authority.
- B. Supervision of staff, administrative operations, maintenance or hiring of consultants and other independent contractors. However, this section shall not be interpreted to limit the Advisory Board's authority to review and recommend proposals for agreements for the management and operation of the BRTPA.
- C. Regional issues not specifically assigned to the Advisory Board by the Legislative Authority.
- D. Authority to enter into contracts or otherwise acquire property or other assets. All procurement related to tourism promotion shall adhere to the codes, regulations, and rules promulgated by the City of Bellevue.

Section 3. A new Chapter 4.60 of the Bellevue City Code, to be known as the "Bellevue-Redmond Tourism Promotion Area," is hereby enacted as follows:

Chapter 4.60
Bellevue-Redmond Tourism Promotion Area

Sections:

- 4.60.010: Tourism Promotion Area.
- 4.60.020: Definitions.
- 4.60.030: Lodging Charges.
- 4.60.040: Classification of Lodging Businesses.
- 4.60.050: Lodging Charge Exemptions.
- 4.60.060: Use of Lodging Charge Revenues.
- 4.60.070: Collection and Administration.
- 4.60.080: Legislative Authority.

- 4.60.090: Advisory Board.
- 4.60.100: Annual Budget and Business Plans.
- 4.60.110: Contracts Authorized.
- 4.60.120: Modification and Disestablishment.
- 4.60.010: Tourism Promotion Area.

Pursuant to RCW 35.101.080, Ordinance No. 6724, and that certain interlocal agreement between the City of Bellevue and the City of Redmond, as now exists or may hereafter be amended, there is a tourism promotion area that includes the entire jurisdictional area of the City of Bellevue and the City of Redmond. The tourism promotion area shall be known as the "Bellevue-Redmond Tourism Promotion Area."

- 4.60.020: Definitions.

"Advisory Board" means that board created to make recommendations regarding the use of revenues collected from the Bellevue-Redmond Tourism Promotion Area and to serve in an advisory capacity to the Legislative Authority.

"Bellevue-Redmond Tourism Promotion Area" or "BRTPA" means the jurisdictional area identified in BCC 4.60.010, encompassing the entirety of the Bellevue and Redmond city limits.

"Legislative Authority" means the Bellevue City Council, as the same shall be duly and regularly constituted from time to time, and which has been designated to serve as the Legislative Authority for the BRTPA pursuant to an interlocal agreement adopted by the cities of Bellevue and Redmond. The Bellevue City Council shall have all powers authorized under Chapter 35.101 RCW and the Interlocal Agreement to fund Tourism Promotion in both the cities of Bellevue and Redmond.

"Lodging Business" means a business located within the BRTPA that furnishes lodging taxable by the State under Chapter 82.08 RCW and that has 40 or more lodging units. Lodging facilities with fewer than 40 rooms are not considered a "Lodging Business" and are exempt from any fees authorized under this chapter.

"Tourism Promotion" means activities and expenditures designed to increase tourism and convention business, including but not limited to advertising, publicizing or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing areas.

4.60.030: Lodging Charges.

There shall be a lodging charge on the furnishing of lodging by Lodging Businesses located within the BRTPA as follows:

- A. Base Charge: \$2.00 per night, per stay at each Lodging Business in the Bellevue and Redmond zones;
- B. Additional Charge: \$0.50 per night, per stay at each Lodging Business in the Bellevue and Redmond zones.

Absent an amendment to RCW 35.101.057, the “additional charge” shall expire on July 1, 2027.

4.60.040: Classification of Lodging Businesses.

Lodging Businesses located within the BRTPA shall be classified as follows:

- A. **Bellevue Zone**: The Bellevue Zone encompasses the jurisdictional boundaries of the City of Bellevue and includes all Lodging Businesses that are not within the Redmond Zone or otherwise exempt.
- B. **Redmond Zone**: The Redmond Zone encompasses the jurisdictional boundaries of the City of Redmond and includes all Lodging Businesses that are not within the Bellevue Zone or otherwise exempt.

4.60.050: Lodging Charge Exemptions.

- A. The lodging charges described in this chapter shall not apply to temporary medical housing that is exempt under RCW 82.08.997, do not constitute a tax on the “sale of lodging” for purposes of RCW 82.14.410, and are in addition to the special assessments that may be levied under Chapters 35.87A and 67.28 RCW.
- B. Lodging charges shall not be imposed on lodging rooms for:
 - 1. Stays by airline crews under contract with Lodging Businesses subject to the lodging charge described under this chapter;
 - 2. Stays exceeding thirty (30) consecutive days; or
 - 3. Stays pursuant to meetings, conventions, and event contracts executed prior to the establishment of the BRTPA.

4.60.060: Use of Lodging Charge Revenues.

- A. The lodging charges imposed within the BRTPA will be used for Tourism Promotion as defined in RCW 35.101.010 and as further clarified in this chapter.
- B. The Legislative Authority has sole discretion over how such revenues will be allocated to promote tourism; provided that revenues collected from Lodging Businesses located inside the Redmond Zone shall be applied for Tourism Promotion within the City of Redmond and revenues collected from Lodging Businesses located in the Bellevue Zone shall be applied for Tourism Promotion within the City of Bellevue.
- C. The revenues derived from lodging charges will be used for Tourism Promotion, which includes, but is not limited to, the following:
 - 1. The general promotion of tourism and convention business within the BRTPA as may be recommended by the Advisory Board, the City of Redmond, the City of Bellevue, or a destination marketing organization or other similar organization with whom the Legislative Authority shall contract to administer the operation of the BRTPA.
 - 2. Advertising, marketing, public relations, and communication programs designed to attract overnight visitors to, increase consumer demand to, and increase market share to the BRTPA.
 - 3. Tourism development programs, corporate visitation, meetings, conventions, festivals, and event programs to promote and increase local tourism resulting in overnight stays within the BRTPA.
 - 4. Tourism and visitation research and data to inform and advance tourism to the BRTPA.
- D. The City of Bellevue is authorized to retain charges limited to a total of five percent (5%) that is proportional to each zone's revenues for expenses incurred in administering the BRTPA.

4.60.070: Collection and Administration.

- A. The lodging charges described in this chapter shall be collected and administered by the Washington State Department of Revenue and the Washington State Treasurer in accordance with Chapter 35.101 RCW.
- B. All distributions to the City of Bellevue for the BRTPA shall be held in the Hotel/Motel Fund, until allocated in accordance with any adopted budget or

authorized contract. Revenues collected from the Bellevue Zone and the Redmond Zone shall be kept separate as appropriate within the fund to ensure proper accounting.

- C. Available funds shall be subject to appropriation by the Legislative Authority after considering the recommendations of the Advisory Board, and shall be used only for the purposes described in BCC 4.60.060.
- D. The Director of Finance and Asset Management, for the City of Bellevue, is authorized to adopt rules and procedures to ensure proper receipt and accounting of all revenues collected under this chapter.

4.60.080: Legislative Authority

- A. The Bellevue City Council shall serve as the Legislative Authority for the BRTPA.
- B. As the Legislative Authority, the City Council shall:
 - 1. Receive recommendations on the allocation of lodging charge revenue.
 - 2. Adopt an annual budget for use of lodging charges collected within the BRTPA.
 - 3. Enter into agreements with third parties as necessary to fully implement the purposes of the BRTPA, including operation and management agreements.
 - 4. Enter into agreements with and receive funds from any federal, state, or local agencies to advance the purposes of the BRTPA.
 - 5. Enter into agreements with the State Department of Revenue.
 - 6. Receive and account for all funds allocated to the BRTPA.
 - 7. Engage in any and all other acts necessary to further the goals of the BRTPA.
 - 8. Receive petitions, adopt legislation, and hold hearings as may be authorized under Chapter 35.101 RCW.

4.60.090 Advisory Board.

The Advisory Board shall make recommendations regarding the use of revenues collected from the Bellevue-Redmond Tourism Promotion Area and serve in an advisory capacity to the Legislative Authority, consistent with this chapter and Chapter 3.100 BCC.

4.60.100: Annual Budget and Business Plans.

- A. On or before July 30 of each year the BRTPA Advisory Board shall, after consultation with the Bellevue City Manager, submit to the Legislative Authority for its approval a proposed annual budget and strategic business plan to govern the use of revenues derived from the lodging charges described in this chapter.
- B. The Legislative Authority may approve the annual budget and business plan, or it may deny and return the budget and business plan to the Advisory Board for further, alternative recommendations. If the Legislative Authority denies and returns the budget and plan, it shall provide a rationale for the denial. The Legislative Authority may not add a project to the annual budget or business plan that was not previously considered by the Advisory Board.
- C. After it is approved by the Legislative Authority, the annual budget and business plan shall govern the use of revenue derived from the lodging charges imposed under this chapter during the calendar year for which it is approved. The Legislative Authority may from time to time approve amendments or modifications to the budget and plan, upon the appropriate recommendation from the Advisory Board.

4.60.110: Contracts Authorized.

The City of Bellevue may contract with tourism destination marketing organizations, public entities, or other similar organizations to administer the operation of the BRTPA, provided that such contracts must be approved by the Legislative Authority.

4.60.120: Modification and Disestablishment

- A. The Legislative Authority may modify or disestablish the BRTPA by ordinance after adoption of a resolution of intention and public hearing, consistent with Chapter 35.101 RCW. The resolution of intention shall describe the proposed action and state the time and place of the public hearing, and may be adopted by motion.
- B. The Legislative Authority must adopt a resolution of intention and hold a public hearing to modify or disestablish the BRTPA if a petition for modification or disestablishment is filed with the Bellevue City Clerk and said petition contains the signatures of a majority of persons who operate Lodging Businesses subject to the lodging charges then-imposed.
 - 1. If a petition to modify or disestablish the BRTPA contains the signatures of persons who operate Lodging Businesses that pay a majority of the lodging charges then-imposed, the Legislative Authority must modify or disestablish

the BRTPA consistent with the petition; unless at the public hearing, described in the resolution of intention, protest against the modification or disestablishment is made by persons who operate Lodging Businesses that pay over 50 percent of the lodging charges then-imposed.

2. An ordinance adopted under this section shall take effect within a reasonable time as determined by the Legislative Authority and as allowed under Chapter 35.101 RCW.
- C. If either the City of Bellevue or the City of Redmond elects to withdraw from their interlocal agreement related to the BRTPA, then upon receipt of any formal notice to withdraw from the agreement as prescribed in the interlocal agreement, the Legislative Authority shall then adopt a resolution of intention and hold a public hearing to disestablish the BRTPA. Any ordinance disestablishing the BRTPA under this section shall take effect within a reasonable time as determined by the Legislative Authority and as allowed under Chapter 35.101 RCW.
 - D. A copy of any petition, resolution of intention, and ordinance relating to the modification or disestablishment of the BRTPA shall be provided to the City of Redmond and Lodging Businesses.
 - E. Following disestablishment of the BRTPA, the Legislative Authority shall be responsible for utilizing any remaining unallocated revenue derived from lodging charges consistent with this chapter. Any property or equipment purchased with lodging charges shall be retained by the City of Bellevue and used for any lawful purpose.

Section 4. If any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining parts of this Ordinance.

Section 5. This Ordinance shall take effect and be in force thirty (30) days after passage and legal publication.

Passed by the City Council this 22nd day of MAY, 2023, and signed in authentication of its passage this 22nd day of MAY, 2023.

(SEAL)



A handwritten signature in black ink, appearing to read "Lynne Robinson".

Lynne Robinson, Mayor

Approved as to form:
Kathryn L. Gerla, City Attorney

A handwritten signature in black ink, appearing to read "Brian Wendt".

Brian Wendt, Assistant City Attorney

Attest:

A handwritten signature in black ink, appearing to read "Charmaine Arredondo".

Charmaine Arredondo, City Clerk

Published 5/25/23