

[visitbellevuewashington.com](http://visitbellevuewashington.com)

July 31, 2012

To: Mayor Lee and Bellevue City Council Members  
From: Sharon Linton, Marketing & Communications Manager, Visit Bellevue Washington  
Cc: Steve Sarkozy, City Manager

This brief is to update the council on recent work completed by the Visit Bellevue Washington Advisory Committee and to share the methodology we have developed to estimate the value of visitors to our community.

#### **WHY SHOULD BELLEVUE INVEST IN ATTRACTING VISITORS?**

Visit Bellevue Washington (VBW) is working to develop a set of performance measures that are relevant to our stakeholders and consistent with the mission of the organization. One metric used by Destination Marketing Organizations (DMOs) across the country is to estimate visitor impacts including direct spending, tax revenue generation and employment impacts. This measure helps to answer the question of why Bellevue should invest in attracting visitors by estimating the impacts of visitors to our community. VBW worked to develop a model to calculate these estimates with the help of Destination Analysts, the market research company who did the initial 2010 Bellevue Leisure Travel Market Study. The *Bellevue Washington Annual Visitor Impact Model* shows the details that went into developing these estimates of impact and is attached for your review. We will be discussing the model in more detail at the Council Meeting on August 6.

#### **Estimates of Visitor Impact to Bellevue-2011**

- **848,000 overnight visitors plus 405,000 day-trippers** to Bellevue spent an estimated **\$484,800,000** in our community.
- Local and state tax revenues directly generated by travel spending were **\$44 million**.
- Total employment directly generated by visitor spending was **7,634 jobs and \$263.7 million in wages**.

Direct visitor spending benefits hotels, retailers, restaurants, attractions, transportation services, and other businesses as well as supporting employment in Bellevue and the region. Visitor spending also generates substantial tax revenues as most of the goods and services purchased are taxable at the point of sale.



## DESTINATION VIDEO

The Visit Bellevue Washington (VBW) video was completed in June and launched on the Visit Bellevue Washington You-Tube Channel, on our Facebook page and Blog. The 4-minute video reflects the Visit Bellevue Washington brand positioning that encourages visitors to stay in Bellevue and experience all that the Puget Sound region has to offer. I will share the video at the council meeting but if you wish to view the video now it is online via links from the VBW home page or at [www.youtube.com/user/VisitBellevueWA](http://www.youtube.com/user/VisitBellevueWA).

## MEDIA RELATIONS EFFORT YIELDS STRONG RESULTS

Our media relations efforts are paying off. We have gained the attention of travel writers and generated significant media coverage of Bellevue and the new VBW Destination Marketing Organization. In early 2012 we held a media familiarization tour that attracted 13 writers. Since then several additional writers have visited Bellevue and written about the destination and its amenities. **Media generated for Bellevue to date in 2012 is valued at \$83,553.** This coverage would not have happened without the combination of \$35,000 budgeted for this effort through the VBW budget and the contributions of VBW affiliates to host and provide experiences for the writers. Copies of all of the articles written so far this year are provided as a separate document.

## VBW AFFILIATE PROGRAM

The VBW affiliate program is a way for area businesses to connect with the VBW program. Currently, there are 62 VBW affiliates including 40 businesses (retailers, restaurants, hotels, museums, and sightseeing organizations) and 22 Bellevue hotels.

## OFFICIAL BELLEVUE VISITOR GUIDE

The 2012 Visitor Guide was delivered in January this year. Seventy-five thousand (75,000) copies of the guides were printed and are being distributed through Bellevue hotels, at Bellevue City Hall, Bellevue Collection, The Bravern, Golf Course at Newcastle, Crossroads shopping center and Kidsquest Childrens Museum at Factoria. In addition the guides are distributed via Certified Folder to the international arrivals terminal at Sea-Tac Airport and at the Seattle CVB's Visitor Centers. We are now in the planning stages for the 2013 guide.

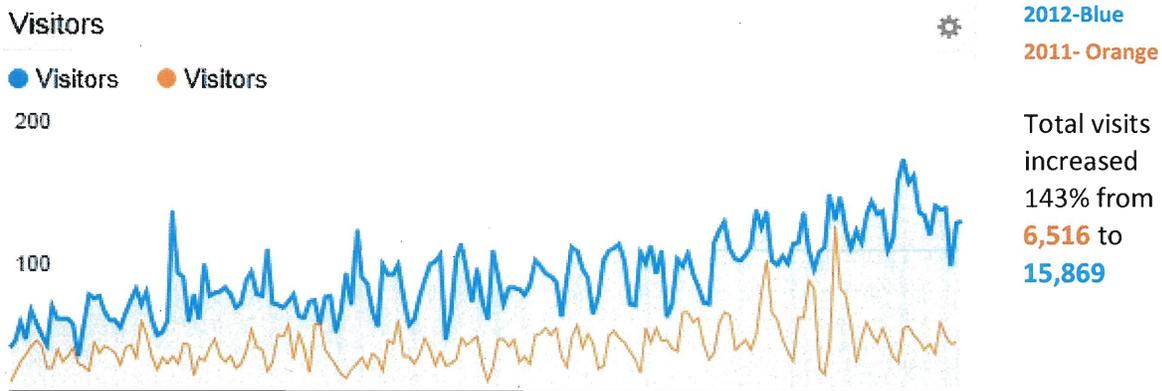
**WEBSITE TRAFFIC- VisitBellevueWashington.com**

The destination website (visitbellevuewashington.com) is continuing to build momentum. Total visits and other metrics reflect VBW’s increased visibility in the press, social media and search engine marketing.

The following charts and tables summarize the growth of website traffic on the site over the past six months compared to the same period in 2011.

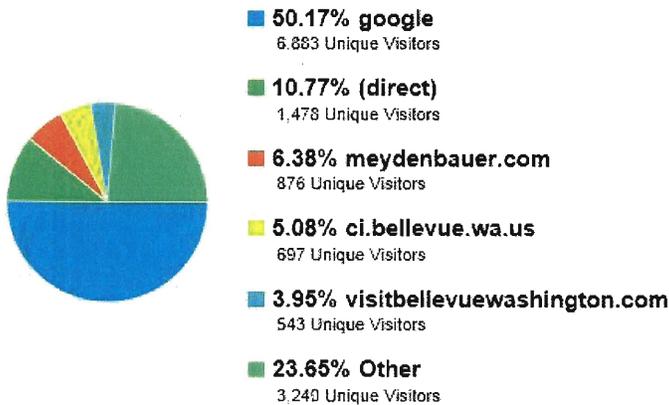
**Visitors**

January 1 to June 30 2012 daily visits compared to the same time period in 2011.



**Traffic Sources**

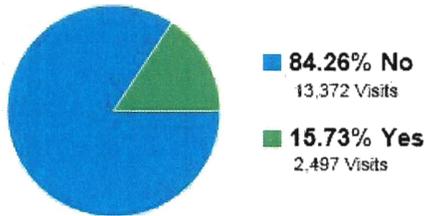
Unique Visitors by Source



Visitors to the site come from a variety of sources including search engines, referrals from other websites and from people coming directly to the site by typing in the URL themselves. The distribution of those sources is shown below.

Use of Mobile Devices

Visits by Mobile

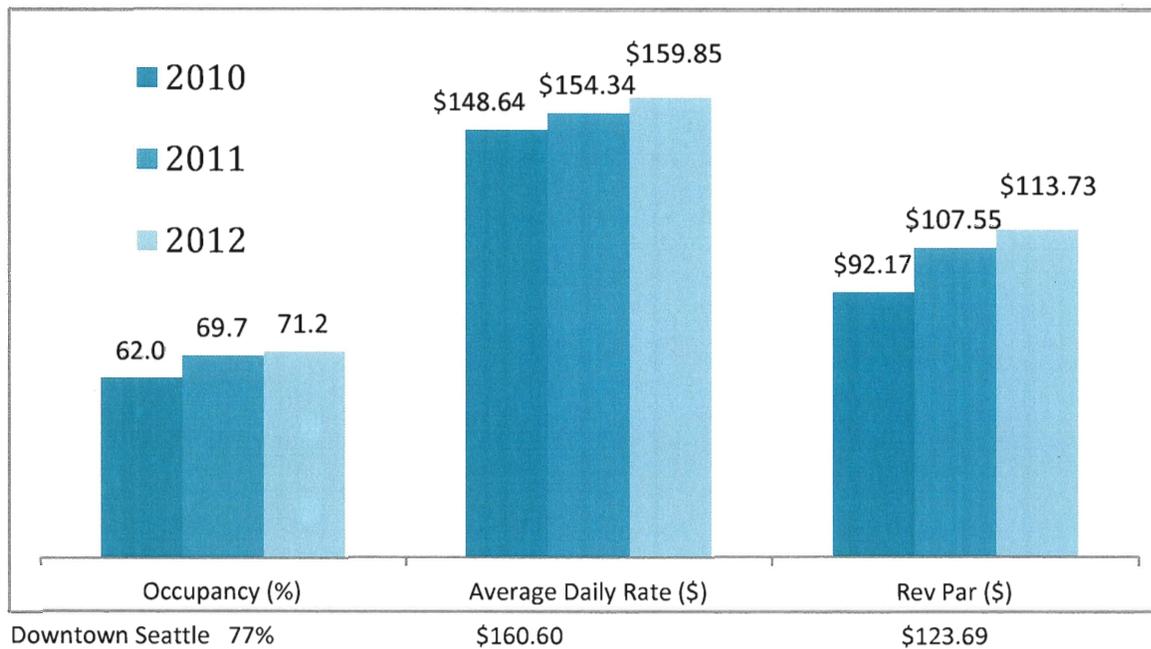


Travelers are increasingly using **mobile devices** (smart phones, i-pads etc) to make travel plans and even more significantly are using mobile once they are in the destination.

**16%** of VBW website visitors YTD in **2012** used mobile devices compared to **just 6%** of visits in **2011**.

Hotel Occupancy, Average Daily Rate and RevPar (revenue per available room)

- We monitor hotel trends for Bellevue via reports from Smith Travel and Wolfgang Rood Hospitality Consulting. As the table below demonstrates, the trends for all three measures have been trending upward since 2010.



We look forward to attending the Council Meeting on August 6 and responding to any questions you have at that time.

Thank you for your interest in Visit Bellevue Washington.

## Columnists

Originally published Saturday, July 21, 2012 at 8:00 PM

### The tourists, and their money, are back in Seattle

Tourism supports 51,000 jobs in King County, according to one study. Seattle is one of the top 25 tourism markets in the country.



Jon Talton

Special to The Seattle Times



This is the time of year when I am rarely out on a sidewalk downtown without a tourist asking for directions.

I'm happy to give them, and as he or she walks away I think, "I get to live here!" That's not just Seattle Smug. I've lived in cities all over the country, including San Diego and Denver. Nothing tops this one.

These encounters are a reminder, too, that although the Puget Sound region is known for software and airplanes, tourism is big business. The good news is that it is recovering from the recession.

So far this year, most of the sector's measures are back to pre-recession levels. The downturn hit tourism late here, as it did other industries, but the damage was significant. Hotels, restaurants and destinations saw business fall between 18 percent and 20 percent in 2009.

Now, said Tom Norwalk, president and CEO of Seattle's Convention and Visitors Bureau, "We have rebounded incredibly strongly."

Through May, occupancy growth in the major core hotels was up 6 percent, the strongest on the West Coast.

Conventions are up, too, starting in January with 8,000 members of the Modern Language Association at the Washington State Convention Center.

And all this was before the sweet season of sunny, temperate days while most of the rest of the country is broiling.

Last year, Seattle saw 9.9 million visitors spending \$5.9 billion, according to a report prepared for the bureau by Dean Runyan Associates. That represented a 6.6 percent increase over 2010.

Tourism supports 51,000 jobs in King County, and Seattle is one of the top 25 tourism markets in the country.

Statewide, tourism ranks fourth as an industry, behind software, aerospace and agriculture and food, with 150,000 jobs and \$16.4 billion in direct spending by visitors.

When I asked Norwalk about the reasons for the rebound, he pointed to an improving economy and the effects of a \$2.5 million advertising campaign funded by the hotel-bed tax for the Seattle Tourism Improvement Area.

"This was the first time we had leisure promotion dollars to spend," he said. "The campaign was geared to Vancouver, B.C., Portland and San Francisco, focusing on arts and culture, food and wine, and attractions."

One initiative is a social-media campaign called 2 Days in Seattle, complete with Twitter hashtag (#2DaysInSeattle). The bureau paid for some top social-media mavens — as measured by the site Klout, which ranks online influence — to visit and tweet and otherwise tell the blogosphere about their experiences.

All this is helpful considering that last year Washington became the only state to close its statewide tourism office and offer no money for advertising.

Meanwhile, it's difficult to go around the region without seeing promotions for Montana. British Columbia spends \$60 million a year on tourism promotion. California, although facing huge budget issues, commits \$55 million. Portland is due to begin a campaign aimed at taking business from Seattle. Washington state does nothing.

"We can't allow that to happen for very long. It's an enormous problem," Norwalk said.

States and even the federal government are discovering that tourism represents a valuable export. That seems counterintuitive because people are coming here. But, as with any export, they are leaving their money here.

Tourism is a \$1.8 trillion industry in the United States, but after Sept. 11 and, in part because of more onerous entry requirements here and better promotion abroad, many international travelers have been going elsewhere. The nation of the Grand Canyon, Times Square, the National Mall, Las Vegas and Disneyland has been losing out.

A 2010 report by the U.S. Travel Association, an industry group, and Oxford Economics, found that the decline in international travel cost \$500 billion in lost spending and 440,000 jobs from 2000 through 2009.

One result is Brand USA, a public-private partnership to promote the country to international visitors.

Its "Land of Dreams" campaign includes an advertisement with scenes of the country and music by Roseanne Cash powerful enough to move even a curmudgeon. (You can find it on YouTube.)

Back home, Norwalk outlines other challenges. Average room rates are still below where they stood in the local industry's peak year of 2007. And while we don't have troubles of the magnitude of New York City before Rudy Giuliani, aggressive panhandling and drug dealing are a problem.

"It surprises and frightens a lot of visitors and it's an issue that's not getting better."

Another nasty surprise would be if the slowing economy spoils the so-far happy 2012 for the tourism industry. It might not. This is a two-track recovery, with many doing well or at least holding their own, while others continue to suffer from the jobs crisis and financial ruin.

"Our business is cyclical," Norwalk said. "Right now were seeing growth. We can't ever take it for granted."

*You may reach Jon Talton at [jtalton@seattletimes.com](mailto:jtalton@seattletimes.com). On Twitter @jontalton.*

Big draws 2011

Seattle hosts a wide variety of conventions and trade shows attracting people from around the country and the world to the Washington State Convention Center. Last year, Lions Club International had the largest estimated economic impact.

Date	Event	Attend.	Economic
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impact

July	Lions Clubs International	13,234	\$30,382,419
November	SuperComputing 2011	11,600	\$22,970,000
April	Association of American Geographers	7,331	\$16,839,307
February	Corporate meeting	7,062	\$10,882,542
July	Corporate meeting	6,676	\$10,595,916
September	American Political Science Association	6,500	\$14,471,000
March	American Pharmacists Association	6,500	\$14,930,500
November	North American Bridge Championship	5,000	\$7,705,000
January	American Meteorological Society	4,571	\$10,499,587
September	American Fisheries Society	4,200	\$9,647,400
		72,674	\$148,923,671

Source: Washington State Convention Center

## Bellevue Washington Annual Visitor Impact Model

Hotel Segment		2011
Citywide Hotel Room		4,401
Average Annual Occupancy Rate (YTD Dec 2011)		67.0%
Days in Year		365
Total Occupied Room Nights		1,076,265
Average Guests per Room		1.43
Total Visitor Nights/Days		1,539,058
Average Length of Stay		2.60
<b>Total Visitors Staying in Bellevue Hotels</b>		<b>591,946</b>
Average # Rooms Occupied Daily		2,949
Average Daily # Hotel Guests		4,217
Average Spending Per-person, Per-day		\$240
<b>Estimated Total Direct Spending in Bellevue</b>		<b>\$369,373,994</b>

Visiting Friends & Relative Segment		2011
King County Occupied Households		781,977
Occupied Housing Units*		55,551
Bellevue % of King County HH		0.071
King County VFR person Trips		3,600,000
Average Length of Stay		4.4
<b>Total visitors visiting friends and relatives</b>		<b>255,741</b>
VFR Days in Bellevue		1,125,261
Spending Per-person, Per-day		\$63
<b>Estimated Total Direct Spending in Bellevue</b>		<b>\$70,891,412</b>

Day Trip (leisure only)		2011
Adult population of region (100 miles radius)		4,500,000
Percent visiting Bellevue on day trip (2011)		9%
Day trip leisure visitors		405,000
Average number of day trip visits		2.2
Total visitor days in Bellevue		891,000
Average Spending Per-person, Per-day		\$50
<b>Estimated Total Direct Spending in Bellevue</b>		<b>\$44,550,000</b>

Blue = inputs from VBW sources Red= Dean Runyan King County Report Green=Estimated from Bellevue Hotels. Black=calculated results

Annual Visitor Industry Totals: 2011	
Annual Visitors to Bellevue	1,252,687
Total Overnight Visitors	847,687
Visitor Days Spent in Bellevue	3,555,319
Estimated Total Direct Visitor Spending in Bellevue	\$ 484,815,406

Estimates of City of Bellevue Tax Impacts from Tourism		
City's Taxable Gross Receipts	\$ 5,162,346,200	
Estimated % of Bellevue sales Generated from Tourism	9.4%	
Percent of Bellevue sales from Tourism (less the 2% from TOT)	7.4%	
<b>State and Local Sales Tax generated by tourism Less 2% TOT</b>		
City's generated Sales Tax @9.5%	\$	490,422,889
City's sales tax due to Tourism	\$	46,057,464
2% portion of 2011 TOT Tax received	\$	2,710,377
<b>State &amp; Local ST generated by tourism Less 2%</b>	<b>\$</b>	<b>43,347,087</b>
<b>State TOT</b>		
<b>City B&amp;O Taxes</b>		
Gross Receipts * B&O rate .001496	\$	7,722,870
<b>B&amp;O from Tourism</b>	<b>\$</b>	<b>725,284</b>
<b>Combined state and local + B&amp;O</b>	<b>\$</b>	<b>44,072,370</b>



Note: Bellevue represents 7% of all King County households, 9% of hotel rooms and 8% of estimated 2011 visitor spending.  
Visitor Spending: Bellevue=\$485 Million --King County=\$5.9 Billion

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