

Hotel/Motel Taxes

Program Outcome Statement

Meydenbauer Center provides an economic engine to the community by creating jobs, tax revenues, and commercial activity in the City. The Center strives to operate in a manner that maintains its competitive position in the marketplace, maximizes local hotel room use to support the hotel industry and provides a facility for community events and performing arts while maintaining a self-supporting status.

Services and Accomplishments

The City supports economic and cultural development efforts by remitting transient occupancy tax collections to the Bellevue Convention Center Authority (BCCA) in support of Meydenbauer Center operations and by providing oversight of Meydenbauer Center activities.

**Hotel/Motel Taxes
Organizational Chart**

Staff support for administration of this budget is provided by the Finance Department.

City of Bellevue
2009-2010 Biennial Budget

Hotel/Motel Taxes

Budgeted Cost Summary	FY 2007 Budget	FY 2008 Budget	FY 2009 Budget	FY 2010 Budget
Economic & Cultural Development	7,048,790	7,863,633	8,117,054	9,008,491
Base Budget	7,048,790	7,863,633	8,117,054	9,008,491
Reserves	3,683,608	3,867,738	4,561,795	4,789,643
Total Budget	10,732,398	11,731,371	12,678,849	13,798,134
Expenditure Category Summary	FY 2007 Budget	FY 2008 Budget	FY 2009 Budget	FY 2010 Budget
Interfund	1,462,811	1,791,439	1,451,000	1,457,000
M & O	5,585,979	6,072,194	6,666,054	7,551,491
Total Expenditures	7,048,790	7,863,633	8,117,054	9,008,491
Total Reserves	3,683,608	3,867,738	4,561,795	4,789,643
Total Budget	10,732,398	11,731,371	12,678,849	13,798,134
Funding Summary	FY 2007 Budget	FY 2008 Budget	FY 2009 Budget	FY 2010 Budget
Hotel/Motel Tax Fund	10,011,608	11,013,738	11,959,500	13,078,500
Interest & Debt Redemption-Regular Fund	720,790	717,633	719,349	719,634
Total Resources	10,732,398	11,731,371	12,678,849	13,798,134
FTE Summary	FY 2007 Budget	FY 2008 Budget	FY 2009 Budget	FY 2010 Budget
No Staff				

**City of Bellevue
2009-2010 Biennial Budget**

Hotel/Motel Taxes

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2007 Actual	FY 2008 Target	FY 2009 Target	FY 2010 Target
Economic & Cultural Development						
\$ of economic impact generated (\$ millions)	\$	Effectiveness	17.90	22.40	21.70	21.90
# of hotel nights generated (thousands)	#	Effectiveness	15.90	18.00	18.50	19.10
Customer service rating: quality of facility/equipment	%	Effectiveness	99	95	95	95
Customer service rating: food & beverage service/quality	%	Effectiveness	95	95	95	95
# of Meydenbauer Center events	#	Effectiveness	382	406	418	430
% of time hotel room-night goals met for Meydenbauer Center	%	Effectiveness	116	100	100	100
% of events target achieved - Meydenbauer Center	%	Effectiveness	107	100	100	100
% of theater target achieved - Days Booked	%	Effectiveness	106	100	100	100
Coverage ratio (operating revenues/operating expense)	%	Effectiveness	92	93	93	93
Theatre days booked	#	Effectiveness	313	324	324	324
% of theater target achieved - Performances	%	Effectiveness	105	100	100	100
# of Arts Performances	#	Effectiveness	174	169	174	179

Hotel/Motel Taxes

2009-2010 Work Initiatives

- Transfer hotel/motel tax to the BCCA pursuant to the Operating Agreement between the City and the BCCA.
- Annually update the hotel/motel tax forecast with area experts, City and BCCA staff, and the Bellevue hotel/motel community.
- Act as liaison between the BCCA and the City.
- Annually update/review with BCCA staff the BCCA Finance and Insurance Plans.
- Monitor and report on BCCA financial activity and operations.

Major Challenges for the Biennium

- Providing support to the Meydenbauer Center during the 2009-2010 biennium to remain competitive in the current market.

Hotel/Motel Taxes Economic & Cultural Development

Program Statement

This program supports the City's economic and cultural development efforts by remitting hotel/motel tax collections to the Bellevue Convention Center Authority (BCCA) in support of Meydenbauer Center operations, by providing oversight of Meydenbauer Center, by acting as liaison between the City and the BCCA and by supporting Meydenbauer Center activities.

Summary of Services Provided

Economic Engine

- One of the primary benefits Meydenbauer Convention Center provides to the community is economic impact. Events at Meydenbauer Convention Center bring people into the city which generates sales tax dollars for the region, stimulates employment, and increases business activity. Information obtained from the International Association of Convention and Visitors Bureaus (IACVB) is used to calculate the economic impact of Meydenbauer Convention Center activity. Based on the 2007 data, the estimated economic impact attributable to Meydenbauer Convention Center activity was \$17.9 million.

Competitive Position in the Market Place

- Meydenbauer Convention Center's coverage ratio (ratio of operating revenues to operating expenses) for 2007 was 92%, exceeding its target of 88%. This rate compares favorably to the industry norm.
- Meydenbauer Convention Center continues to achieve an exceptional customer service rating. Customers are pleased with staff, food and beverage services, as well as the quality of the facility. The 2007 rating met or exceeded the targets set for all aspects of customer service.
- The number of events held at the Meydenbauer Convention Center totaled 382 for 2007, exceeding the target by 16%. Several event categories met or bettered their targets, with the main Events category generating the largest increase over budget.

Community Events

- Attendance at the Meydenbauer Convention Center Theatre totaled 42,084 in 2007, which was 5% greater than budgeted. Performances, totaling 174, exceeded budget by 5%. The coverage ratio for 2007 activity was at 53% compared to 51% budgeted.

Maximizing Hotel Use

- Meydenbauer Convention Center generated 32,455 hotel room nights attributable to events held at the Center, representing a 16% increase over projected activity. This measure is based on actual room nights booked for specific conventions within a reserved block of rooms. This methodology does not capture room nights booked outside the block – such as bookings made through the internet, which are becoming more prevalent with the discount prices available.

Budgeted Cost Summary	FY 2007 Budget	FY 2008 Budget	FY 2009 Budget	FY 2010 Budget
02 Bond Proceeds	-	-	-	-
1995 Bcca Bonds	-	-	-	-
Hotel/motel Taxes	6,329,000	7,147,000	7,399,000	8,290,000
Limited Go - 2002	719,790	716,633	718,054	718,491
Base Budget	7,048,790	7,863,633	8,117,054	9,008,491
Reserves	3,683,608	3,867,738	4,561,795	4,789,643
Total Budget	10,732,398	11,731,371	12,678,849	13,798,134

**City of Bellevue
2009-2010 Biennial Budget**

**Hotel/Motel Taxes
Economic & Cultural Development**

Expenditure Category Summary	FY 2007 Budget	FY 2008 Budget	FY 2009 Budget	FY 2010 Budget
Interfund	1,462,811	1,791,439	1,451,000	1,457,000
M & O	5,585,979	6,072,194	6,666,054	7,551,491
Total Expenditures	7,048,790	7,863,633	8,117,054	9,008,491
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Total Resources	10,732,398	11,731,371	12,678,849	13,798,134

FTE Summary	FY 2007 Budget	FY 2008 Budget	FY 2009 Budget	FY 2010 Budget
No Staff				

Key Departmental Metrics	Unit of Measure	Type of Indicator	FY 2007 Actual	FY 2008 Target	FY 2009 Target	FY 2010 Target
Assure Meydenbauer Center is available for community events						
% of theater target achieved - Days Booked	%	Effectiveness	106	100	100	100
% of theater target achieved - Performances	%	Effectiveness	105	100	100	100
Assure Meydenbauer Center maintains its competitive position						
Customer service rating: quality of facility/equipment	%	Effectiveness	99	95	95	95
Customer service rating: food & beverage service/quality	%	Effectiveness	95	95	95	95
Coverage ratio (operating revenues/operating expense)	%	Effectiveness	92	93	93	93
Theatre days booked	#	Effectiveness	313	324	324	324
# of Arts Performances	#	Effectiveness	174	169	174	179
Assure Meydenbauer Center provides economic stimulation						
\$ of economic impact generated (\$ millions)	\$	Effectiveness	17.90	22.40	21.70	21.90
# of Meydenbauer Center events	#	Effectiveness	382	406	418	430
% of events target achieved - Meydenbauer Center	%	Effectiveness	107	100	100	100
Assure Meydenbauer Center supports hotel community						
# of hotel nights generated (thousands)	#	Effectiveness	15.90	18.00	18.50	19.10
% of time hotel room-night goals met for Meydenbauer Center	%	Effectiveness	116	100	100	100

Hotel/Motel Taxes Economic & Cultural Development

Issues related to Department Performance

Lodging Tax revenue collections have begun to level off. Consistent with the slowing economy, 2008 revenues are projected to exceed 2007 collections but fall short of budget by 4%. The 2008 increase is primarily attributed to an increase in the average daily room rate over the past year. The 2009 forecast projects revenues to exceed 2008 collections by 9% and increase an additional 12% in 2010, primarily due to new hotels planned for 2009 and 2010 and a moderate increase in the average daily room rate.

Program Notes

In June 2002, the City of Bellevue issued \$10.5 million in 30-year Long Term General Obligation (LTGO) bonds in order to redeem the original Bond Anticipation Note (BAN). The residual proceeds were held to finance the acquisition of a site for future expansion and/or to finance capital improvements. In June 2006, the City closed on the purchase; the property is adjacent to the Center and preserves the opportunity for future expansion of the Convention Center.

**City of Bellevue
2009-2010 Biennial Budget**

Hotel/Motel Taxes

Biennial Budgeted Cost Summary	2007-2008 Budget	2009-2010 Budget	% Change
Economic & Cultural Development	14,912,423	17,125,545	15 %
Base Budget	14,912,423	17,125,545	15 %
Reserves	3,867,738	4,789,643	24 %
Total Budget	18,780,161	21,915,188	17 %
Biennial Expenditure Category Summary	2007-2008 Budget	2009-2010 Budget	% Change
Interfund	3,254,250	2,908,000	(11)%
M & O	11,658,173	14,217,545	22 %
Total Expenditures	14,912,423	17,125,545	15 %
Total Reserves	3,867,738	4,789,643	24 %
Total Budget	18,780,161	21,915,188	17 %
Biennial Funding Summary	2007-2008 Budget	2009-2010 Budget	% Change
Hotel/Motel Tax Fund	17,342,738	20,477,500	18 %
Interest & Debt Redemption-Regular Fund	1,437,423	1,437,688	- %
Total Resources	18,780,161	21,915,188	17 %

