



CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Ellen Miller-Wolfe, Economic Development Manager

Date: February 4, 2016

Subject: Recommendation to approve funding from lodging tax reserves for the Kirkland Performance Center Technology Upgrades

RECOMMENDATION:

It is recommended that the City Council approve by motion the recommendation of the Tourism Development Committee (TDC) to commit \$100,000 from lodging tax reserves to partially fund the Kirkland Performance Center's Technology Upgrade Proposal. The funding is contingent on the Kirkland Performance Center successfully raising the remaining \$400,000 required to fund the full proposal.

BACKGROUND DISCUSSION:

The TDC which acts as the City's Lodging Tax Advisory Committee (LTAC) received a request from the KPC to partially fund needed technical equipment upgrades. The KPC is currently using 20-year old, antiquated equipment that, according to the Executive Director, Jeff Lockhart, and described in the [Kirkland Performance Center Technology Upgrade Project Summary](#) (Attachment A), limits the KPC's ability to attract entertainment and business meetings, each of which depend upon state-of-the-art digitized equipment. Further, the quality of the equipment decidedly places the KPC at a competitive disadvantage compared to existing community entertainment and convention centers (Edmonds Center for the Arts, Meydenbauer Center in Bellevue, Federal Way Performing Arts and Conference Center) as well as new centers (Tateuchi Center Bellevue) planned for the near future. New technical equipment for the KPC will attract more quality entertainment, business meetings and recording opportunities and result in more overnight stays for attendees of those programs.

The Tourism Development Committee heard and discussed the proposal at its meetings on January 7, 2016. (Attachment B) and February 4, 2016 (Attachment C). The TDC has the authority under state law for "supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality" (RCW 67.28.1816). Past capital expenditures of the TDC included improvements to the Chamber's Visitor Center. In recent years lodging tax expenditures have primarily focused on tourism marketing and support for tourism events.

Other municipalities use lodging taxes for capital improvements. The KPC's Executive Director noted theatres in Longview and Bellingham that have benefitted from tourism sources.

The decision to not advertise for other proposals (RFP), as is the usual practice of announcing the availability of lodging tax funds, was reviewed by the City Attorney and found to be supportable. The rationale is that the KPC is City property and the City's major tourism asset, and also there would be no comparable facilities who could compete for this funding.

Fund Balance and Reserve Policies

The budgeted balance in the TDC reserve fund is \$190,548. This is the number recognized and adopted by the Council during the 2015-2016 budget process. It is not the usual policy of the City to update reserve amounts in between biennial budgets so the next time the TDC reserves would be officially recognized and updated would be at the end of 2016. However, in 2015 the Lodging Tax Fund spent \$81,000 less than budgeted and revenue came in at \$44,000 higher. This provides an additional \$125,000 that flow to TDC reserves when these funds are officially recognized in 2016. However the Council could also ask staff to update the reserve amounts earlier in the year and the Finance Department has confirmed that there is approximately \$320,000 now in the cash balance, and this amount can only be spent on tourism-related activities.

The City of Kirkland sets a target of at least \$50,000 in the reserve. So even without recognizing the new revenue, allocating \$100,000 to the KPC complies with Kirkland's current financial practice, as \$90,548 in recognized revenue would be remaining.

However the TDC has adopted its own tourism reserve policy that recommends that the TDC not draw down reserves to more than half of annual lodging tax revenue. This reserve policy has not been reviewed and approved by the Council, so it is not binding on the City. However it was important to the TDC to remain within their adopted policy. Revenue has been coming at approximately \$300,000 annually and the cash balance is currently at approximately \$320,000 (which is the \$190,000 reserve plus the additional cash balance). Therefore this withdrawal, if approved, meets TDC policy as well as city-wide practice regarding remaining TDC reserves.

The \$190,000 in the fiscal note is based on budgeted reserves including Council-approved adjustments. Since the City did not adjust budgets for the 2015 performance, the \$124,000 is not in the budgeted reserve number but will be recognized by the Council in the future.

Those voting in support of the \$100,000 request included the Chair, Toby Nixon. There was one vote in opposition from Jac Cooper, representing The Woodmark Hotel. He stated his belief that tourism funds should be used for marketing and promotion to directly attract overnight visitors to Kirkland, and other City funds should cover capital expenses like those under consideration here.

KIRKLAND PERFORMANCE CENTER TECHNOLOGY UPGRADE



PROJECT SUMMARY

2015-16

TABLE OF CONTENTS

Project Proposal	Pages 3-9
Appendix A – Technology Upgrade Case Studies	Page 10
Appendix B – Venue Tourism Revenue Comparisons	Page 11
Appendix C – Technologies Upgrade Comparison	Pages 12- 14
Appendix D – Equipment and Labor Price List	Page 15

INTRODUCTION

Kirkland Performance Center (KPC) is preparing for a capital project focused on a much needed upgrade to its production technology. For KPC, this proposed capital project will create a contemporary and forward-looking technological platform for performing arts, corporate meetings and conferences, arts education, web-based streaming capabilities, and audio-video production. As authorized by the KPC's Executive Committee of the Board of Directors, the KPC administration team has undertaken an intensive planning phase for this project.

This document is the summary of the KPC Technology Upgrade Project Plan. Its objectives are as follows:

1. To establish the objectives, project phases, and outcomes to accomplish the capital funding project.
2. To outline necessary equipment and labor for the proposed project.
3. To define funding sources for the project and assure normal operations continue throughout.

CASE STATEMENT

Kirkland Performance Center (KPC) is a vital arts resource in the Eastside community that has benefited hundreds of thousands of people. KPC's unique relationship and kindred partnership with the City of Kirkland and the support received by the municipality has added to the quality of life "Kirklanders" enjoy as their lives are enhanced by local, national, and international artists. Visitors to KPC are not merely passive observers; they are artists, students, and engaged patrons.

KPC's mission is to enrich, educate, and entertain through performances that ignite the imagination and connect audiences and artists. It asserts the belief that each and every individual has a purpose that is awakened when encountering creativity and its expression in the context of performing arts excellence and connectivity. Core to this belief is the interconnectivity between industry and artistry. Artistry can enhance enterprise and economic development, and symbiotically, industry can provide resources and networks that support artistic endeavor. KPC desires to achieve a greater platform of influence and leadership in the Eastside arts and business community by providing an evolved and technologically "current" environment for both creative artistic expression and business communications applications that enhance and complement one another.

KPC plans to invest in a new phase of production and communications technology to provide artists, students, clients, and customers the opportunity and resources to express their craft and share their work with the highest caliber technological excellence. Updating KPC's production value to offer industry standard equipment will

position KPC as an innovative leader that attracts businesses and production enterprises that desire an environment that meets and enhances their creative communications needs.

Kirkland Performance Center, built in early 2000, has provided a unique and intimate performance center experience for the Eastside region, yet is currently using production technology that is outdated and at the end of its useful life, after nearly sixteen years of exhausted service. Today's expectations of theatres and event venues assume state-of-the-art multi-media and production technology infrastructure. Over the last decade, advances in communications and media technologies have allowed opportunities to transform the theater experience throughout the performing arts and business communications world.

The standard for audio/visual elements and production values in theaters is higher than ever, and technological advances in the performing arts industry have provided artists with a way to produce events that are digitally efficient throughout the globe. KPC's research has shown that in our market area the majority of competitive performing arts venues have state of the art production and communications technology. These venues include, but are not limited to:

- Edmonds Center for the Performing Arts - Edmonds, WA
- Neptune Theatre – Seattle, WA
- Broadway Center for the Performing Arts – Tacoma, WA
- Columbia Theater – Longview, WA

It is becoming increasingly challenging for KPC to attract higher quality and more diverse shows and production opportunities with our current production technology. There have been artists/performance groups, corporations, and film and recording production companies that have declined presenting at KPC due to technological limitations. Seattle International Film Festival, which has used KPC as a venue for the past 6 years, has to rent and use their own projector in order to show films in the theater. This limits their ability to run multiple screening events at KPC. With upgrades to the current production technology, there are opportunities for expanded usage of the facility for business communications and multi-media production.

KPC's current system is even becoming obsolete with shows that have been presented in the 2015/16 season. During the Macy Gray performance at Kirkland Performance Center (November 7th, 2015), audio equipment had to be supplemented by the artist with rentals in order for the band to use their instruments and necessary monitors. This required time and staff support, increasing load-in and sound check work. KPC was reliant on the performer-rented equipment for this sold out show that brought ticket buyers from across Washington State

and Canada to the theater. Although this is not the case with all presented performances, this is the increasing trend with higher profile artists that draw larger audiences from across the region.

The Columbia Theater in Longview, Washington – a comparable venue to Kirkland Performance Center - underwent an 11 million dollar remodel which began in 2009 to remodel and restore the vaudeville era venue. In the following years, as the theater received funding, they spent \$100,000 on new lighting installation (October 2014) and \$20,000 on video projection (Spring 2015). The Columbia Theater saw a 50% increase in show bookings after the upgrades to the facility and technology. Their shows have also begun to draw audiences from Portland, Oregon (58 miles from Longview, WA). They were also able to increase their theater overall usage rental prices and include lighting rental at the cost of \$2400 per event. Due to the similarities in proposed upgrades, KPC expects and hopes to follow in the trend of the Columbia Theater.

Please see Appendix A for more information on the Columbia Theater and additional case studies.

It is KPC's desire to partner with the City of Kirkland and local businesses to encourage and attract tourism and business demand that benefits the surrounding economy. KPC's location makes it an ideal tourism draw to Downtown Kirkland. Increased demand and usage of KPC by diverse constituency groups provides the opportunity to increase hotel stays, restaurant spending, and shopping. An update to KPC's technology is expected to create a demand for local services by visitors not only locally but from a 50+ mile radius and beyond.

Please see Appendix B for Venue Tourism Revenue Comparisons.

There is a scarcity of meeting venues for over 100 people in Kirkland. KPC fulfills that need and can provide a venue with state of the art production and presentation technology. However, it has been noted that the introduction of new performing arts facilities in the region will become a credible threat to KPC and the community that it serves in the near future. Theaters currently in construction, including the Tateuchi Center for the Performing Arts (Bellevue, WA), the Federal Way Center for the Performing Arts, and the Vashon Island Center for the Arts will all have current technology that outperforms the production and communications equipment in place at KPC. The consideration of upgrades to KPC's technological and production infrastructure will allow KPC to continue as a leading center for performing arts and business communications in the Eastside region.

Given the production and business communications constraints of the current equipment, KPC is in need. KPC's vision is to evolve a fantastic building that currently employs technology that reflects the past into one that projects the technological future. The plan will utilize the strong foundation of KPC's well-designed and

beautiful theater space into a 21st century platform for production. Beginning in summer 2016, KPC will update all production lighting, front of house sound applications, video and audio recording infrastructure, online streaming capabilities, video projection technology, audience services, and lighting for video production. The intended result will offer a fully equipped space that uses technology to inspire creativity and seizes opportunities in the changing world of arts, business, and communications.

Please see Appendix C for a more detailed comparison of current and proposed technology/equipment.

PROJECT CONCEPT

The KPC technology upgrade project will include:

- Purchase and installation of all sound applications:
 - Front of house console
 - Monitor system
 - Sound speakers
 - Cabling, and digital wiring

- Purchase and installation of all stage lighting

- Purchase and installation of new facility theatrical lighting

- Purchase and installation of video and audio recording equipment and infrastructure

- Purchase and installation of video projection technology

- Purchase and installation of video production rigging and infrastructure

- Purchase and installation of internet streaming production equipment and infrastructure

- Concessions area and equipment upgrades

- Necessary labor for installation support

Please see Appendix D for proposed equipment with MSRP listing and labor expenses.

Prospect Approach, Fundraising Sources, and Public Announcements

The organization-wide goal is to rely on a small number of significant gifts and grants to fund the majority of this campaign. KPC will conduct a low profile, one to one solicitation approach. 59.6% of the \$500,000 goal will be raised in Major Gifts, the potential sources of which are outlined below:

- City of Kirkland project support - \$100,000
- 4Culture Equipment Grant - \$50,000
- State of Washington project support, with assistance from private donors - \$48,000
- Private Major Gifts - \$100,000, with \$10,000 already received from a private family foundation

Plans for subsequent donor approaches will be developed if needed at the appropriate times. During the project, KPC may announce that a committee will be formed to meet project needs, or even to report that major gifts have been received. When the project becomes “public,” it will receive major visibility through various media outlets and events. At that time, a minimum of 80% of the needed pledges will have been made and the final goal will have been confirmed. Additional funds will be contributed by KPC donors, patrons, and various KPC supporters.

Assumptions

1. KPC is adequately staffed to conduct the project. The current staff is stable and will continue their quality service for the duration of the project. Current theater operations and general operation fundraising will continue as usual.
2. The funds will come from several sources including The City of Kirkland, 4Culture, public and private foundations, corporations, and individuals. Although there is dependence on a limited number of major gifts, gifts and grants of every size will be received with gratitude.
3. KPC has the capability for research to identify potential major donors, and to determine appropriate strategies in asking for the gifts and grants.
4. KPC has started a designated fund to begin the project with a \$10,000.00 contribution toward the goal.

PREMISES OF THE PROJECT

1. The goal will be \$500,000.00
2. The period of fundraising will be dependent upon additional major gifts to the project.
3. The project will have its own identity, but it will be managed in conjunction with other on-going KPC fundraising activities. It will be carefully coordinated with KPC’s various annual fund programs and continuing promotional and event schedules.

4. KPC development programs will continue throughout the project and all donors/friends, whether or not they are capital prospects, will be asked to participate in annual giving programs. Thus, the specific capital fundraising targets of the campaign will be presented as an enhancement to, rather than in place of, continual private support.
5. It is the goal if KPC to diversify donation sources and attain new donors to the organization specifically for this project.
6. KPC leadership understands that City of Kirkland Tourism funds will not be spent on the project until all other campaign fundraising is completed and funds have been committed as bankable pledges.

OUTCOMES

As a result of this successful project:

1. The funds necessary to complete the project will be raised.
2. There will be a re-focus on the mission of Kirkland Performance Center and present significance.
3. New major donors to KPC will be identified and cultivated for future projects and campaigns.
4. There will be updated production and communications infrastructure installed at KPC. KPC's programs and offerings will be enhanced.
5. Kirkland Performance Center will be positioned for its next capital campaign.
6. KPC has full confidence that due to technology upgrades there will be potential for higher profile artists with tourist recognition and more corporate business use of the facility leading to an increase in overnight hotel stays and revenue for retail stores and restaurants in the surrounding Downtown Kirkland area.
7. There will be increased confidence in KPC's leadership.

ESTIMATED PROJECT PHASES

Broad outlines of project activity, dates dependent upon major gifts

I. Planning Phase

- Final approval of the project plan
- Finalize major gift prospect lists, research KPC giving relationships
- Further development of project plan and budgeting details
- Begin soliciting major leadership gifts

II. Implementation Phase

- Begin solicitation of KPC Board members (contributions/referral networks)
- Produce project collateral / literature if needed

- Continuation of corporate, foundation, and individual gift efforts

III. *Completion Phase*

- Continue prospective donor contact and cultivation as required
- Continue major gifts solicitations
- Continue distribution of project information to prospects
- Ongoing recognition of donors of major gifts
- KPC tech project completion celebration

Columbia Theater – Longview, WA

Gian Paul Morelli, Executive Director

- Began 11 million dollar remodel and restoration of vaudeville era theater (excluding major tech equipment) in 2009
- Serves the Longview, WA population – 50% retired/unemployed/receiving government assistance
- Theater upgrades brought new sense of pride/commerce to the city since remodel and tech upgrades
 - October 2014 - \$100,000 lighting installation
 - Spring 2015 - \$20,000 video projector
- After 2014 went from 47 total annual events to 82 annual events
 - 32 presented shows / 50 rental shows
 - 50% increase in show bookings
- Increased rental prices for theater usage
 - Able to charge rentals for lighting at each presentation for a cost of \$2,400 per event after upgrade
 - Increased theater rental usage for business purposes – considered the main presentation auditorium in Longview, WA
 - Increased usage has been “profound” (no exact percentages/data)
- Shows are beginning to draw Portland residents for presented shows (58 miles away)

Mount Baker Theater – Bellingham, WA

Brad Burdick, Executive Director

- Theater invests in LED light conversion every year (beginning in 2010)
- Profound payoff in energy/labor savings
- More technical ability with lighting after upgrade (color changes, dimmable LED colors)
- Upgraded sound system in 2000 with plans to upgrade again – currently renting sound equipment for artists at a large cost when necessary

Neptune Theater – Seattle, WA

Josh LaBelle, STG Executive Director

- Lighting - ETC LED Par cans and numerous moving lights
- Sound – D&B Speakers and Midas mixing board
- 3rd full season (September 2014 – August 2015) at The Neptune after upgrading to performance venue (after housing single screen movie theater)
 - 185 performances and private events
 - 114,664 patrons served
 - Total gross ticket sales: \$2.7M

APPENDIX B
VENUE TOURISM REVENUE COMPARISONS

Kirkland Performance Center (KPC) has been in contact with several regional performing arts venues throughout November/December 2015 for information regarding the economic impact of tourism as it relates to ticket sales for the venue and the surrounding tourist economy (hotels, restaurants, etc.). This information also includes percentages of overnight stays of patrons attending events traveling from 30-50 miles away. Data varies from not tracked to extensive reporting, depending on the venue. Most venues have rough estimates, but are not structured to gather specific data.

Venues and organizations approached include:

- ArtsFund (Seattle, WA) 2014 Economic Survey – Included as supplemental material
Full report can be found at:
<http://www.artsfund.org/programs/2014-economic-impact-study>
- Seattle Theater Group (Seattle, WA) Data available – January 2016
- City of Edmonds (Edmonds, WA) Referred to Federal Way – Included as supplemental material
Full report can be found at :
<http://www.cityoffederalway.com/09webb>
- Meydenbauer Center (Bellevue, WA) Referred to ArtsFund 2014 Economic Survey Report – Included
Please see above
- Visit Seattle (Seattle, WA) Data available – January 2016
- Columbia Theater (Longview, WA) Data included below (1)
- Mount Baker Theater (Bellingham, WA) Data included below (2)

1. Columbia Theater – Longview, WA

Gian Paul Morelli – Executive Director

- Theater remodel and tech upgrades brought new sense of pride and new commerce to the city
- After 2014, theater went from 47 to 82 annual events post-upgrades/remodel
 - 32 presented season shows, 50 rental shows
 - 50% increase in show bookings
- Theater is beginning to draw Portland (58 miles away) residents for events on a regular basis
- Exact tourism numbers not available as the momentum is new for the venue and is in the process of being tracked for the first time this year

2. Mount Baker Theater (MBT) – Bellingham, WA

Brad Burdick – Executive Director

- Executive Director (Brad Burdick) serves on the Bellingham Tourism Commission (19 years)
- MBT receives \$400,000 a year as a management fee for partially offset administrative costs to run the theater, which is considered a city facility
- MBT generates appx. 20% of total ticket sales for “tourism” as defined by state statute
- Theater estimates that 15% of numbers above are from overnight stays
- MBT purchases between 400-500 room nights annually for artists performing at the venue
- Annual attendance is 110,000
- Venue annual operating total budget is \$3.3 million

APPENDIX C
TECHNOLOGIES UPGRADE COMPARISON

Section 1: House Interior, Exterior and Stage Lighting assets and effects

Currently, KPC uses industry standard stage lighting and effects, circa 1998. Since then, efficiency and efficacy has been greatly improved in regards to wattage consumption and versatility. For example, the basic lights, or “Pars” above the KPC stage currently require a 750 watt lamp per instrument. There are 56 Pars consuming 42,000 watts per hour. The demand requires twenty-four 2.4K dimmers to operate the Pars as needed adding additional wattage consumption. With LED technology, KPC can cut this power consumption from 750W per instrument to 15W per instrument as well as run all Pars from one single 2.4K dimmer. The basic power savings are calculated below:

20 conventional Pars @ 750W per = 15,000wh (current system)
36 LED Pars @ 15W per = 540wh

For productions at KPC, there would still be a need for conventional instruments, but would no longer be the main source. New LED instruments will be put in place to cover more than 90% of production demand.



ECT Par
Current KPC lighting (750w)



ECT LED Par
Proposed KPC Lighting (15w)



Martin MAC 250
Current (1500w)



Martin Quantam LED
Proposed (50w)

House and exterior lighting is another area that we propose improving upon. This again returns to the efficacy of the fixtures as well as the visibility of the building itself. The lights currently above the KPC Auditorium are not standard lighting fixtures. They are “Strip Lights” designed for orchestra lighting and meant to be hung and used above the stage. In 2003, it was determined that the original Auditorium lighting was too dim. As there was extra strip lights already in-house, these lights were re-tasked to fit above the seat section of the Auditorium. The original cans were relocated to the stairway and the problem of finding funds for house lighting was temporarily delayed. What was a short-term fix has remained the solution for almost thirteen years.

Both the strip lights and cans are “lamp concealed” meaning the bulb is recessed below the fixture making the light directional. This is very ineffective for lighting a large area. A more efficient solution is the exposed lamp fixture which includes a refractive area around the lamp itself that diffuses the light over a large area while keeping the light itself warm. The current KPC Auditorium lighting fixtures hold a total of 120 individual lamps to cover an area that is 50’ by 70’. Current exposed lamp chandelier LED lights will reduce this need to just 12 and give far better coverage.



Altman Borderlights – Current KPC house lights (100w per bulb)



Chroma Q Spectra - Proposed House Lights (25w)



Example of Chroma Q Within Auditorium

Track and soffit lighting are currently the main source for lobby lighting. The original central chandelier is also a lamp concealed fixture. This not only generates a great amount of watt hours, but requires over 80 individual lamps drawing between 25w – 45w each to light an area of 16' by 120'. The proposal would implement LED strips and inserts dropping for 80 to 50 fixtures and the usage per lamp from the 35w average to 3w - 15w per fixture.



KPC track lights – current lobby lights (50w per bulb)



Proposed Jesco Strip and Spotlight (15W)



Soffit lighting Example – jesco

Section 2: Auditorium and Facility Audio

KPC is one of the best acoustically designed performance settings in all of Washington State. The intimate setting and proximity to the artist is unique. The systems that are currently in place are far outdated and do not meet the basic needs of many clients KPC should and could be attracting. KPC loud speaker system is similar to a home surround sound system. With little speaker surface in the room, the existing speakers must be turned up loudly to reach the persons in the back of the room while punishing those persons closer to the front. We often hear that it is too loud or hard to understand. This problem is solved with the proposed speaker configuration.



Current Speaker Surface



Proposed Speaker Surface

The current mixing console also presents a problem for most artists and technicians. It is also cumbersome, weighing over 300lbs and is 6' by 3.5' taking up an entire section of seating at the back right side of the auditorium. This reduces our seating capacity by eight seats. The proposed upgrade from analogue to digital weighs 100lbs, is 3' by 3' and has so many more built in options, it would be pages to list. The most important point is the digital console is the industry standard and is expected and often required for performances. We currently are forced to rent these consoles to meet the needs of performing artists.



Current KPC Mixing Console



Proposed Mixing Console

The sound system in the lobby is also very limited. The proposed system would allow for better sound throughout the theater and would allow KPC to attract corporate as well as public interest for meetings, luncheons, and events that could include the lobby space by integrating audio and video.

Section 3: Video, Recording and Streaming

KPC currently has a home theater projection system. Although we host such clients as Warren Miller Films, Manhattan Short Film Festival and the Seattle International Film Festival, we do not have the equipment in-house to meet the client needs. These are high visibility rentals for KPC that attract audiences from a wide geographical range. KPC's clients are currently tasked with sourcing the proper equipment. KPC can attract more than projection focused rentals if outfitted correctly.

In addition to projection equipment, KPC has included filming and streaming equipment and technology to this proposal, which the venue currently is without. With the installation of equipment such as Jibs and hard disc recording, KPC can attract clients and artists that will see KPC as a filming and recording venue. This would also allow for streaming capabilities within the auditorium, increasing the appeal as a corporate meeting venue.



Example of Jib with camera attached



Example of Remote Jib

**APPENDIX D
EQUIPMENT AND LABOR PRICE LIST**

Dept	Item	Cost per Unit	Qty	Sub total	Notes	Estimated MSRP Total	Legend
1	ETC LED Par	\$630.00	36	\$22,680.00	MSRP	\$520,567.00	1=Lights Stage
1	Cabling	\$2,500.00		\$2,500.00	Estimated		2=Audio
1	Rigging	\$2,000.00		\$2,000.00	Estimated		3=Lights Facility
1	Martin Quantum Profile	\$6,500.00	8	\$78,000.00	MSRP		4=Audio Facility
1	Altman Spectra Cyc RGBA100	\$1,350.00	8	\$10,800.00	MSRP		5=Labor/Install
			Total	\$115,980.00			6=Video and Streaming
							7=Concessions
2	JBL VXT V25	\$13,500.00	5	\$67,500.00	MSRP		
2	JBL VXT G28	\$5,575.00	3	\$16,725.00	MSRP		
2	Rigging and fly equip	\$15,000.00		\$15,000.00	Estimated		
2	DSP and Amps and cabling	\$4,800.00	10	\$48,000.00	Estimated		
2	Yamaha CL5	\$21,000.00	1	\$21,000.00	MSRP		
2	Snake	\$2,500.00	1	\$2,500.00	MSRP		
2	JBL VXT F12	\$2,350.00	8	\$18,800.00	MSRP		
			Total	\$189,525.00			
3	Kichler 29w 35* LED Outdoor Lights	\$390.00	24	\$9,360.00	MSRP		
3	Chroma-Q Inspire LED House Lights	\$1,900.00	16	\$30,400.00	MSRP		
3	Jesco LED lighting strips and inserts	\$300.00	50	\$15,000.00	MSRP		
3	Installation and retrofitting	\$3,500.00		\$3,500.00	MSRP		
			Total	\$58,260.00			
4	JBL 8128 Speakers	\$47.00	16	\$752.00	MSRP		
4	QSC CX254 Amp	\$1,600.00	1	\$1,600.00	MSRP		
4	Cabling and mounting/misc	\$1,250.00		\$1,250.00	Estimated		
			Total	\$3,602.00			
5	Installation and Labor	\$250.00	75	\$18,750.00	Estimated		
5	Misc equipment	\$3,000.00		\$3,000.00	Estimated		
5	Shopstar Chain Hoist Motor	\$2,150.00	3	\$6,450.00	MSRP		
			Total	\$28,200.00			
6	JIB Auditorium	\$15,000.00	2	\$30,000.00	MSRP		
6	Editing Suit Computer	\$3,500.00	1	\$3,500.00	MSRP		
6	Cat5 and Network	\$6,500.00		\$6,500.00	Estimated		
6	Video Projection	\$20,000.00	1	\$20,000.00	Estimated		
6	Misc and Incidentals	\$10,000.00		\$10,000.00	Estimated		
			Total	\$70,000.00			
7	Concessions Refrigeration	\$14,500.00	1	\$14,500.00	MSRP		
7	Taps and fountains	\$5,500.00	1	\$5,500.00	MSRP		
7	Digital Signage	\$7,500.00	2	\$15,000.00	MSRP		
7	Construction	\$20,000.00		\$20,000.00	Estimated		
			Total	\$55,000.00			



**City of Kirkland
Tourism Development Committee (TDC) Minutes
January 7, 2016 9-10am
Norkirk Room**

Present: Toby Nixon (chair), Jac Cooper, Lori Goldfarb, Troy Longwith, Ardene Skraban,

Absent: Jennifer Gill, Michelle Quisenberry

Guests: Jeff Lockhart and Molly Arkin from Kirkland Performance Center.

Welcome of New Members: The Committee conducted introductions and welcomed new members Troy Longwith, General Manager at The Heathman Hotel and Ardene Skraban, General Manager at the Courtyard by Marriott.

Approval of Minutes: The minutes from Oct 1, 2015 were approved (Lori moved, Ardene seconded, unanimous)

Kirkland Performance Center Presentation:

Ellen explained the Tourism Development Committee's reserve policy and that there are sufficient funds to grant the request of \$100,000 from the Kirkland Performance Center. She also explained that the Kirkland Performance Center is owned by the City of Kirkland and that tourism funding can be used for capital improvement of city owned facilities.

Jeff Lockhart, Executive Director of the Kirkland Performance Center presented the technology upgrade project proposal. The technology hasn't been upgraded since 2000 and the KPC is finding it hard to compete and attract professional acts and business clientele. There is also demand for a state of the art recording stage from the film industry. In 2015 there were 1500 first time patrons to the Kirkland Performance Center and technology upgrades will be a catalyst for local commerce and tourism. The Kirkland Performance Center with 400 seats positions itself as the premier intimate theatre experience.

After the proposal Ellen shared the City of Kirkland's \$600,000 Capital Improvement investment in facility improvements over the next three years.

Toby asked for clarification on what exactly was going to be purchased. Jeff went over the equipment in detail. Questions arose regarding actual cost of equipment and it was clarified that a competitive bidding process would take place. The total cost of the upgrade is \$500,000 and the Kirkland Performance Center is requesting \$100,000 in tourism funding.

The strategy is to raise the total funding needed for the complete upgrade and install it within a few weeks. Installation in summer of 2016 is an initial target.

Questions arose regarding a depreciation schedule for the equipment and when it needs to be replaced. Jeff explained that a schedule would be developed and managed moving forward. There is limited after-market value for the current equipment that would be replaced.

The committee decided that it would discuss the proposal further in the February meeting when hopefully the absent members are able to attend or call in.

Ellen suggested holding the February meeting at the Kirkland Performance Center.

Staff Reports

Agenda Items for the Year and Tourism Funding Schedule: Philly went over the tourism funding schedule and draft agenda items for the year.

Art Integration Plan for the CKC: Philly mentioned the CKC Art Integration Plan meeting and invited the TDC to attend.

Waterfront Update:

Ellen explained the King County Ferry proposal and some of the challenges including parking and infrastructure that the City would need addressed. Argosy was awarded the lease to the Marina Dock space. A parasailing company also applied and there may be a second RFP for a smaller space on the Second Ave dock. A request is in to the City Manager for continued study and permitting of the Marina dock expansion.

Kirkland Downtown Association:

Ellen reported that the Kirkland Downtown Association is separating from the Kirkland Chamber.

Other:

Jac asked why the TDC was not required to open up the application publically to fund the Kirkland Performance Center. Ellen mentioned that City staff asked and received a legal opinion and that because it was a city-owned facility and one of a kind a competitive RFP process was not required.

Meeting adjourned at 10:20 a.m.

Minutes prepared by Philly Hoshko



City of Kirkland
Tourism Development Committee (TDC) Special Meeting Minutes
February 4, 2016 9-10am
Kirkland Performance Center

Present: Toby Nixon (chair), Jac Cooper, Lori Goldfarb, Troy Longwith, Michelle Quisenberry, Ellen Miller-Wolfe (staff), Philly Marsh (staff)

Absent: Jennifer Gill, Ardene Skraban

Guests: Jeff Lockhart, Jeff Cole and Molly Arkin from Kirkland Performance Center. Chris Dodd, City of Kirkland Facilities Manager

Welcome: Meeting came to order at 9:07am. Quick introductions were made.

Tour of Kirkland Performance Center: Jeff Lockhart gave a quick introduction and the members took a tour of the Kirkland Performance Center. Jeff explained and pointed out the light, sound, camera and projection upgrades that would occur as part of the proposal.

Following the tour Chris Dodd, City of Kirkland Facilities Manager gave background on the Capital Improvement Projects that the City of Kirkland has already funded taking place over the next four years. \$400,000 will be invested for roof, HVAC, interior painting and water heating improvements.

Jeff Lockhart gave a recap of the proposal and that the total funding needed is \$500,000 for the technology upgrade proposal. The Kirkland Performance Center (KPC) is asking the Tourism Development Committee for \$100,000. The \$100,000 commitment will help in leveraging other funds but is contingent on the remaining funding being raised.

Jeff Cole, the president of the KPC board stated that the board is 100% behind the proposal for the needed investment in technology infrastructure. The upgrades are needed to be competitive in the type and caliber of programming the KPC would like to bring to Kirkland.

Questions were asked regarding an ROI analysis and depreciation schedule. The KPC would set up a depreciation schedule for the equipment so the equipment could be replaced without another capital campaign. With upgraded equipment the KPC would be able to charge more for rentals which would fund the depreciation account.

A question was asked regarding the capital campaign and board participation. The board would participate and contribute the campaign and Jeff Lockhart shared that he would like 80% of the needed funding raised before going to the public.

The KPC's hope is to have the funds raised by July and equipment installed by their season opening in September.

Toby asked if the committee thought this investment would bring visitors and increase hotel stays. Jac stated that he felt the upgrades were needed but did not believe that tourism funding was the right source to fund the request. He noted that \$100,000 is a large investment that could be used for more direct tourism marketing to increase hotel stays.

Jeff Lockhart shared that other municipality tourism funds go toward theatre funding including Bellingham in which 400,000 goes to the Theater, Longview, Washington, Federal way and Leavenworth.

Troy Longwith mentioned that it was as good use of fund and with a higher caliber of out of state performers coming through they would stay at the Kirkland boutique hotels.

Lori mentioned that it is a great place to gather people and accommodate groups for corporate bookings.

Philly mentioned an initiative she is hoping to achieve with the Kirkland Performance Center, The Woodmark Hotel and The Heathman Hotel to come up with a marketing plan to attract corporate groups to have their conference at the KPC and stay at the Kirkland hotels.

Toby suggested that the KPC should present to City Council and ask for council contingency funding as well.

The Tourism Development Committee approved a recommendation to City Council to commit \$100,000 of Tourism Reserves to fund the Kirkland Performance Center technology upgrades proposal, contingent on the Kirkland Performance Center successfully raising the remaining amount needed to fund the full proposal.

Troy moved, Lori seconded, 4 in favor (Troy, Lori, Michelle, Toby), 1 opposed (Jac) Motion passed.

Meeting adjourned at 10:04am

Minutes prepared by Philly Marsh

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Ellen Miller-Wolfe, Economic Development Manager							
Description of Request							
Funding of \$100,000 from the Lodging Tax Fund reserve for partially fund technical equipment at the Kirkland Performance Center.							
Legality/City Policy Basis							
The Kirkland Performance Center is a City-owned facility.							
Fiscal Impact							
One-time use of \$100,000 from Lodging Tax Fund Reserve. The budgeted balance in the TDC reserve fund is \$190,548, adopted by the Council during the 2015-2016 budget process. The projected cash balance is approximately \$320,000 (which is the \$190,000 reserve plus the additional cash balance from unbudgeted revenue and under-expeditures in 2015). This additional cash balance will be realized in the June budget adjustments, which would bring the balance in line with the TDC reserve policy.							
Recommended Funding Source(s)							
	Description	2016 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2016 End Balance	2016 Target
	Lodging Tax Fund Reserve	190,548	0	0	100,000	90,548	N/A
Reserve	No previous Council-authorized uses or additions to this reserve. The additional cash balance in the fund will be recognized in the June adjustments to bring the balance in line with the TDC reserve policy.						
Revenue/Exp Savings							
Other Source							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	February 4, 2016	