



CITY OF KIRKLAND

Department of Parks & Community Services

505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jennifer Schroder, Director of Parks and Community Services

Date: April 3, 2013

Subject: Amendment to the Agreement between the City of Kirkland and the Kirkland Performance Center regarding the Use and Occupancy of the Performing Arts Center

RECOMMENDATION:

City Council approves an amendment to the Agreement between the City of Kirkland and the Kirkland Performance Center regarding the Use and Occupancy of the Performing Arts Center.

BACKGROUND:

In 2008, the City and the non-profit organization Kirkland Performance Center (KPC) entered into a new 10-year agreement regarding the use and occupancy of the Performing Arts Center. The agreement in part includes a provision returning to KPC 100% of the admission taxes generated from KPC ticket sales for five years. This provision will expire on June 30, 2013.

Since its opening in 1997, KPC ticket sales have been subject to the City's 5% admissions tax as required by the Kirkland Municipal Code (KMC 5.12). Each year the City has returned KPC-generated admissions taxes to KPC, which have averaged approximately \$32,000 annually since 2002.

The admissions tax rebate applies only to KPC to support the public purposes served by the Kirkland Performing Arts Center (the Facility). The rebate does not apply to other non-profit or for-profit agencies.

The Council's Finance and Administration Committee reviewed this issue and recommends approval of the staff proposal to amend the Agreement to continue the admission tax rebate for the entire initial term through June 30, 2018.

Attachments:
Resolution
Amendment

RESOLUTION R-4974

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO SIGN THE FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF KIRKLAND AND THE KIRKLAND PERFORMANCE CENTER REGARDING THE USE AND OCCUPANCY OF THE PERFORMING ARTS CENTER.

WHEREAS, support for the artistic and cultural development of the City of Kirkland and its residents fulfills an important public purpose; and

WHEREAS, the Kirkland Performance Center ("KPC") is organized for the express purpose of operating a performing arts center which promotes this artistic and cultural development; and

WHEREAS, the Performing Arts Center provides an essential venue for the presentation of such artistic and cultural events, and thereby fulfills this important public purpose; and

WHEREAS, the City and the KPC entered into an Agreement Between the City of Kirkland and the Kirkland Performance Center Regarding the Use and Occupancy of the Performing Arts Center ("Agreement"); and

WHEREAS, the Agreement provides that the City will dedicate to the KPC 100% of the admission taxes generated from KPC events at the Performance Center for the first five years of the term, to cover the periods of June 9, 2008 through June 30, 2013; and

WHEREAS, the City and the KPC would like to amend the Agreement to dedicate to the KPC 100% of the admission taxes generated from KPC events at the Performance Center for the entire initial term of the Agreement (from June 9, 2008 through June 30, 2018).

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City the amendment entitled "First Amendment to the Agreement Between the City of Kirkland and the Kirkland Performance Center Regarding the Use and Occupancy of the Performing Arts Center" substantially similar to the amendment attached hereto as Exhibit A.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2013.

Signed in authentication thereof this ____ day of _____,
2013.

MAYOR

Attest:

City Clerk

**FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF
KIRKLAND AND THE KIRKLAND PERFORMANCE CENTER REGARDING
THE USE AND OCCUPANCY OF THE PERFORMING ARTS CENTER**

This FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF KIRKLAND AND THE KIRKLAND PERFORMANCE CENTER REGARDING THE USE AND OCCUPANCY OF THE PERFORMING ARTS CENTER (this “Amendment”) is made and entered as of _____, 2013 (the “Effective Date”) by and between the Kirkland Performance Center (“KPC”) and the City of Kirkland, (“City”).

RECITALS

A. The KPC and the City entered into that certain Agreement Between the City of Kirkland and the Kirkland Performance Center Regarding the Use and Occupancy of the Performing Arts Center dated March 10, 2009 (“Agreement”).

B. The Agreement (Section VII.A) provides that the City will dedicate to the KPC one hundred percent (100%) of the admission taxes generated from KPC events at the Facility to support the public purposes served by the Facility for the first five years of the term, to cover the periods of June 9, 2008 through June 30, 2013.

C. The KPC and the City would like to amend the Agreement to provide that the City will dedicate one hundred percent (100%) of the admission taxes generated from KPC events at the Facility for the entire initial term of the Agreement (June 9, 2008 through June 30, 2018).

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the KPC and the City agree as follows:

AGREEMENT

1. Admission Taxes. Section VII.A of the Agreement is hereby amended to read as follows:

The City agrees to dedicate to KPC one hundred percent (100%) of the admissions taxes generated from KPC events at the Facility to support the public purposes served by the Facility for the entire initial term of this Agreement to cover the periods of June 9, 2008 through June 30, 2018.

2. Full Force and Effect. Except as modified herein, the Agreement shall remain in full force and effect and is hereby ratified and affirmed.

3. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. Any party may execute this Amendment by

facsimile signature and the other party shall be entitled to rely on such facsimile signature as evidence that this Amendment has been duly executed by such party.

DATED as of the date first above written.

CITY OF KIRKLAND

By: _____
Print Name: _____
Title: _____
Date: _____

KIRKLAND PERFORMANCE CENTER

By: _____
Name: _____
Title: _____
Date: _____