



CITY OF KIRKLAND

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MEMORANDUM

To: Kurt Triplett, City Manager
From: Ellen Miller-Wolfe, Economic Development Manager
Date: May 6, 2014
Subject: Disbursement of Waste Management Funding for Community Events

Recommendation

That the City Council provides direction to the City Manager to approve an addendum to the 2014 contract with the Kirkland Downtown Association (KDA) totaling \$32,000 to support the production of three Community Events; Concerts in the Park, Celebrate Kirkland (4th of July community celebration and fireworks), and Winterfest (formerly the Holiday Tree Lighting). The \$32,000 is provided by Waste Management as discussed below. The Council should also provide direction as to how the \$32,000 should be allocated among the three events.

Background

In 2013 the City of Kirkland conducted a comprehensive review of the positive and negative impacts of athletic, artistic and civic events in Kirkland, the role of such events in the quality of life of the community, and special events policies and permitting. As part of this effort, the City surveyed the public regarding the events that were most popular among Kirkland residents and businesses. The events that topped the list were the Summer "Concerts in the Park" series, Celebrate Kirkland, and Winterfest. As a result, the City designated these three events as "Community Events" when it updated the events ordinance.

During the same time period, the City held related conversations regarding community events with the leadership of the Kirkland Downtown Association (KDA). The KDA is a 501c3 organization that is a subset of the Greater Kirkland Chamber of Commerce. The City currently provides \$45,000 per year through a contract with the KDA for the management of several events (including the three Community Events) and programs to enhance the vitality of downtown Kirkland. The KDA indicated that the three community events were financially struggling compared to some of the other events that the organization manages. They pointed to the lack of alcohol sales at community events that provides revenue and offsets expenses for other events. They also commented on difficulties covering costs of putting on these Community Events given reduced amount of public funding as well as the problems they were encountering in maintaining a base of volunteers to raise funds, organize and staff the events. The KDA requested additional funds from the City to help these events be successful.

Coming at an opportune time, Waste Management, whose corporate headquarters are in Kirkland, announced this month their commitment of \$128,000 (\$32,000 per year) over the next 4 years to support local Kirkland community programs and events that educate, inspire and entertain Kirkland families. Waste Management's goal is to help communities become more

sustainable by helping to stabilize the base of support for community events. Waste Management is donating the money to the City of Kirkland specifically to support Community Events as designated by the Council. Under the current ordinance this means the Waste Management funds are available for Celebrate Kirkland, Concerts in the Park, and Winterfest. Waste Management has given discretion for allocating amounts between the events to the City of Kirkland. Waste Management's only requirement is that each event receives some of the money.

While the City Council may opt to spend the \$32,000 annual allocation of Waste Management grant funds differently in future years, it is staff's recommendation that for the current year, the funds be re-granted to the KDA through an amendment to its current contract with the City for Kirkland for events management. As per the current contract, the KDA will be reimbursed upon successful production of the events and provision of documentation for approved expenses.

Staff also recommends that the KDA be reimbursed in accordance with the division of funds that the Council selects to ensure that each event receives funding as requested by Waste Management. Two primary options are presented below. The Council may modify either option or proposed a different allocation altogether.

Option 1: KDA recommendation - Approximately equal allocation

Staff met with the KDA which proposed nearly equal allocations as follows:

\$10,000 for Celebrate Kirkland
\$10,000 for Concerts in the Park
\$12,000 for Winterfest

The KDA's rationale for slightly more money to be allocated to Winterfest was that it was easier to fundraise for the first two events and more difficult at the end of the year to generate donations for Winterfest as sponsors tended to be "tapped out."

Option 2: Staff Recommendation - Allocation "proportional" to budget

\$16,000 for Celebrate Kirkland
\$8,000 for Concerts in the Park
\$8,000 for Winterfest

Staff is proposing an alternative allocation more proportional to the overall budget for several reasons. First, Celebrate Kirkland is a much larger and more expensive event than either Concerts in the Park or Winterfest. In addition, Concerts in the Park has historically been more able to cover costs through sponsorships, and Winterfest can be adjusted in size based on available budget. A quick comparison of past budgets for the three events shows that Celebrate Kirkland usually costs over \$60,000, while the budgets of Winterfest are closer to \$20,000 each. (Budgets vary every year). A truly proportional allocation would suggest therefore that 60% (\$19,000) be awarded to Celebrate Kirkland and 40% (\$13,000) be split equally between the Concert series and Winterfest. However staff felt that 50% to Celebrate Kirkland and 50% to the other two events was a more consistent with Waste Management's intent in making the donation. Once Council decides on a final allocation, staff will negotiate an addendum with the KDA to provide the additional funding for the events.