



CITY OF KIRKLAND
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Ellen Miller-Wolfe, Economic Development Manager
Date: July 28, 2016
Subject: Request for Partial Funding of Kirkland Community Foundation

RECOMMENDATION:

At the July 19 Council meeting, the Council directed staff to bring back a proposal for the City Council to approve \$30,000 in funding from the Council Special Projects Reserve to fund a study to determine the feasibility of a community foundation for Kirkland. This amount would be combined with \$10,000 raised by the Greater Kirkland Chamber of Commerce in cooperation with the Kirkland Parks Foundation for a total of \$40,000. The study would be managed by the City of Kirkland.

BACKGROUND DISCUSSION:

The Kirkland Parks Foundation, the Kirkland Downtown Association, and the Greater Kirkland Chamber of Commerce are seeking \$30,000 from the City of Kirkland to match a \$10,000 private contribution to hire a qualified consultant to analyze the feasibility of a community foundation. (See Attachment A, letter from the parties and Attachment B, Draft Scope of RFP for Feasibility Consultant as an example).

The potential mission of the community foundation would be to "build philanthropic resources to sustain a healthy and vital community now and into the future." The supporters of this community foundation concept indicate that the current practice where nonprofits each fundraise for their organizations is inadequate. It requires the commitment of many volunteers representing numerous nonprofit organizations in Kirkland working many hours to raise funds for their programs. Moreover, the bigger donors that receive countless requests from the nonprofits are overwhelmed by them. Both donor and nonprofit constituencies have indicated to the City that this method of raising funds is unsustainable given the manpower it requires and its unpopularity among the major funders. Several of these events and organizations are also funded by the City through direct allocations such as the Kirkland Downtown Association and the Kirkland Performance Center, or through various City grant programs such as the funding provided through the Human Services Advisory Committee. Therefore the City has an interest in ensuring the most effective and efficient community fundraising possible.

In place of the current fundraising methods, foundation supporters envision one foundation that would create the opportunity to not only accept significant donations, but also open the door to

larger endowments. The foundation would in turn fund nonprofits in areas to include: parks and recreation, community, arts and culture, education and innovation, environment and sustainability, health, housing and human services, and heritage. Currently, there are 24 community foundations in Washington that serve this purpose, and the proponents of this concept believe it can be successful in Kirkland.

However, to test that assertion, City Council subcommittees and the proponents have concluded that there needs to be a feasibility study. The study would vet whether there is an appetite among the donor community to support a foundation, determine whether nonprofits whose experience to date is to raise their own funds would instead support seeking funds from the larger foundation (in competition with other local nonprofits), and whether the expectation of over a million dollar annual budget is obtainable and sustainable.

The City will manage the feasibility study. Prior to the issuance of the RFP soliciting proposals from qualified consultants to do the study, the City will require receipt of the \$10,000 match. Also, the City will utilize a competitive process that meets City standards in the selection process. The City will manage the selection process and the consultant contract as well as organizing an oversight group comprised of stakeholders and City representatives. The plan is for the study to be completed and findings brought back to proponents and the City Council this fall, with recommendations for further steps.

If the Council concurs with the recommendation, it should pass a motion approving the use of \$30,000 from the Council Special Projects Reserve as described in the fiscal note to fund a community foundation feasibility study.



Kirkland City Council
123 5th Avenue
Kirkland WA 98033

Dear Councilmembers,

Over the years, Kirkland non-profits have depended on volunteers and staff members to raise funding for their organizations. They commit endless hours seeking donations for events to keep their non-profit programs alive. Each week, our biggest donors receive countless requests for donations. Time has shown that this method of raising funds for our Kirkland non-profits is unsustainable and increasingly undesirable to the sponsors. We think there is a better way to go forward. We are requesting \$40,000 to do a feasibility study to determine if there is support to create the Kirkland Community Foundation.

The Kirkland Community Foundation will be a new non-profit business that will provide funding to Kirkland's non-profits. We believe that a robust Kirkland Community Foundation is feasible. Here is why:

- Currently, there are 24 Community Foundations in Washington State. Cities such as Kent, Yakima, Bainbridge Island, Orcas Island, Tacoma, Stanwood, and Everett, raise funds specifically for their towns. Others, such as the Seattle Foundation, The Community Foundation of South Puget Sound, Whatcom Community Foundation, and Kitsap Community Foundation raise funding for their counties.
- A feasibility study would identify if there is a strong base of individuals and businesses in Kirkland and clarify what they would financially support.
- The Kirkland Community Foundation would create the opportunity to not only accept significant donations, but also open the door to endowment contributions. Major donors would be recognized by the community in perpetuity by establishing a donor's wall in downtown Kirkland.

Before we move forward, it is essential that we determine if the Kirkland Community Foundation, with its \$1.5 million goal, is possible. The attached document will provide you with specifics of what is possible with the Kirkland Community Foundation. We are prepared to provide public testimony, and are happy to meet you at any time. If necessary, we are also willing to raise \$10,000 to drive down our request to \$30,000.

Thank you for giving this request your consideration. We would like to do the feasibility study by September, 2016. We hope to discuss this with you further.

Sincerely,

Bruce Wynn
Greater Kirkland Chamber of Commerce

Sally Otten and Tom Neir
Seattle Parks Foundation

Kathy Page Feek, Ed. D
Kirkland Downtown Association

Request for Proposal for Feasibility Study Consultant

Date: July 28, 2016
Kirkland, WA 98033, USA

1.1 PURPOSE & ORGANIZATIONAL BACKGROUND

Purpose

The Kirkland Chamber of Commerce, the Kirkland Parks Foundation and the City of Kirkland seek proposals from qualified fundraising consultants to conduct a feasibility study into the value and viability of forming a Kirkland Community Foundation (KCF). The study should determine the scope of stakeholder near-term and long-term support for a community foundation. Including: highlight concerns and opportunities, size the realistic near-term and long-term financial sustainability, note views on organizational mission, goals and structure, determine how a foundation would complement and conflict with existing entities operating in the city, gather perceptions of the community needs in services and dollars. The study should provide a conclusion and recommendation to the question: would a community foundation be a valuable and viable organization in Kirkland?

Organizational Background

Kirkland has grown into a city of over 84,000 and now has a nonprofit sector of over 100 registered and non-registered charitable agencies. To tackle the growing funding challenges, increasing social needs and the need for far better administration, evaluation and information on nonprofit sector impact, groups of business, donors, charity and nonprofit representatives began to look at options to help.

In 2015, a working group of citizens, with the support of the Chamber and The Kirkland Parks Foundation, was established to prepare a high-level analysis a possible community foundation in Kirkland.

The group:

- Discussed how a community foundation would impact Kirkland's charitable sector and improve the way funding needs are assessed and resources are deployed.
- Created a possible operational model and potential organizational structure
- Developed possible mission statements

- Discussed the possibility of a foundation with community member – philanthropist, business & government leaders, and other non-profits

From discussions it became clear that an independent assessment of the feasibility of a foundation was the most effective way forward. The group approached the City of Kirkland and they agreed to jointly fund a professional feasibility study for the KCF.

1.2 OBJECTIVE AND DELIVERABLES

Outlining the Consultant's Role

We are seeking a qualified consultant to conduct a feasibility study to determine whether or not a community foundation would be valuable and viable in Kirkland. To accomplish this the consultant, in coordination with a Project Steering Group, would:

1. Develop a list of interview questions (approximately 15-20) that address the goals of the study.
2. Determine a list of stakeholders to interview (approximately 35-40). Stakeholders should represent governments, businesses, individuals, non-profits, foundations and other relevant persons or organizations.
3. Conduct interviews in person and document responses
4. Collate, analysis and develop a picture of the stakeholder's specific and general views on the question of a foundation

Objectives of the Feasibility Study

In addition to the above, the consultant's primary deliverable is a feasibility study detailing the KCFs short- and long-term community value and viability. Related to this, the consultant should provide details on the near-term and long-term opportunities for financial success. Specifically, the feasibility study should address the following key areas:

Test basic planning assumptions with potential donors. Find out how potential donors feel about the proposed KCF. Do potential donors see the foundation as important enough to place on their priority giving list?

Expand potential prospect list. Test the optimal funding mix of lead donors, major donors, private foundations, government grantors and partners, and business funders.

Ascertain potential financial support. The consultant will determine if there are enough donor prospects, and enough prospects at different giving levels, to reach the a sustainable breakeven financial position.

Identify volunteer leadership potential. Identify possible board leadership and their fundraising capabilities. Assess what it will take to recruit volunteer leadership.

Prepare written report/fundraising plan. The completion of the feasibility study will be a written report that synthesizes the findings from the confidential interviews, and the consultant's recommendations for

conducting a successful capital campaign.

Deliverables

Situation Analysis. Complete a SWOT analysis that represents the feedback from all stakeholders.

Case for Support. Develop foundational document and appropriate supporting documents argue for or against the formation of the KCF.

Donor Prospect List, Volunteer Leadership Prospect List, Top Prospects for Both. Identify most promising prospects for founding and long-term campaign donors and volunteer leadership. Research to uncover potential new donors, volunteer leadership Feasibility Report & Suggested Campaign Structure. Test case/messaging, prospects (donor and leadership), campaign scope/gift pyramid with key stakeholders to measure the feasibility of conducting a successful campaign.

1.3 PROPOSAL REQUIREMENTS, EVALUATION & SCHEDULE

Proposal Requirements

Address the following topics in a 15-page (or less) proposal. Please submit additional information or sample materials where relevant, including case statements, campaign collateral, and training material.

- Project Understanding.
- Project Approach including significant phases and deliverables. (i.e., describe your feasibility study process. Include the duties you perform and those you expect to be done by the client staff or leadership. What information and recommendations will be included in the Feasibility Study Report? What, in your view, are the key elements you would study?)
- Project timeline.
- Estimate of fees and expenses for feasibility study.
- Firm capabilities:
 - experience with similar community foundations
 - experience with feasibility studies and fundraising plans—examples of actual completed studies welcome.
 - experience in Kirkland or Seattle region
- Project team. (Biographies or resumes detailing experience with similar projects, raising private funds, working in a similar community)
- References: Complete contact information of three references from the past 3-5 years.

Evaluation Requirements

30% Quality and completeness of understanding, approach and

overall proposal
20% Quality of match between qualifications/capabilities and
experience, project scope and requirements
30% Expertise of project team
20% References

Estimated Schedule

Issue Request for Proposals..... August 1, 2016
Questions/Clarifications due..... August 13, 2016
Answers Provided By..... August 20, 2016
Proposals due..... August 31, 2016
Evaluation of proposals..... September 2-10, 2016
Interviews conducted with finalists..... September 11-20, 2016
Announce decision and send notification. September 30, 2016
Begin work..... October 20, 2016

The Steering Group for this study reserve the right to revise the above schedule.

Questions/Clarifications Contact _____ at ____ email_____

Proposal Submissions Proposals are due no later than **5:00 pm, August 31, 2016**.

Hard copy or electronic copy is acceptable. Please send electronic copies directly to
brucew@kirklandchamber.org

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Ellen Miller-Wolfe, Economic Development Manager							
Description of Request							
Use of \$30,000 from the Council Special Projects Reserve to provide funding to study the feasibility of establishing a community foundation for Kirkland.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$30,000 of the Council Special Projects Reserve. The reserve is able to fully fund this request.							
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
Reserve	Council Special Projects Rsv.	250,000	181,000	80,000	30,000	119,000	250,000
	Prior uses: Contingent use of \$80,000 for Northshore Public Health Center funding; \$1,500 for ArtsFund Economic Impact Study, \$2,500 for sponsorship of the Advanced Transportation Technologies Conference, \$32,000 for replacement of the Downtown Holiday Tree, \$15,000 for the second Eastside Winter Shelter, \$35,000 for Sound Transit 3 public outreach, and \$15,000 for a communications study. Prior authorized addition: Return of \$80,000 from the release of contingent funding for the Northshore Public Health Center.						
Revenue/Exp Savings							
Other Source							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	August 10, 2016	