



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Ellen Miller-Wolfe, Economic Development Manager
Philly Hoshko, Special Projects Coordinator

Date: September 4, 2015

Subject: Tourism Development Committee 2016 Funding Recommendations

RECOMMENDATION:

The Tourism Development Committee (TDC), which functions as Kirkland's Lodging Tax Advisory Committee (LTAC), recommends that the outside organizations below receive funding for expenses related to 2016 programs and events at the levels specified below and that the 2016 City Tourism Budget be approved.

BACKGROUND:

The total amount of funds requested for 2016 outside agency funding was \$207,900.00. In 2015, the Committee set aside \$75,000 and \$9,219.81 was unused. This year the Committee again set aside \$75,000 and would like to "carry-over" \$9,000 of the unspent 2015 funding for a total distribution of \$84,000.

Kirkland Tourism Staff sent out applications for funding in June, 2015 and received 18 applications for funding totaling \$207,900.00. TDC met on August 26, 2015 to hear presentations from the applicants. On September 3, 2015 it met again to make a final recommendation.

The Committee discussed a number of criteria in evaluating the 18 applications received:

1. Promote overnight stays, especially in the off season
2. Provides visitor attractions and/or promote existing attractions like the Kirkland waterfront and CKC.
3. Partner with other Kirkland organizations including government, nonprofit and for-profit enterprises.
4. Improve the City's overall image to stimulate positive customer awareness.
5. Demonstrate capacity to implement a successful and sustainable event or program.

Members rated the 18 applications individually on a number scale based on those criteria. The scores were tabulated and the totals shared with the group. The Committee then determined levels of funding based on those scores and criteria.

In their September 3, 2015 meeting the Tourism Development Committee voted unanimously to recommend the distribution of funds as listed below (Attachment A):

2016 Tourism Funding Applications				
Event	2015 Awarded Amount	2016 Funding Requested	2016 Approved Amount	TDC Score
Junior Softball World Series	\$ 10,000.00	\$ 10,000.00	10,000	27
12K's of Christmas Holiday Run	\$ 3,500.00	\$ 3,500.00	3,500	26
SIFF Kirkland	\$ 10,000.00	\$ 10,000.00	10,000	25
EvergreenHealth 7 Hills of Kirkland to End Homelessness	\$ 3,500.00	\$ 19,700.00	6,500	24
Eastside Subaru Mother's Day Half Marathon		\$ 3,600.00	3,500	22
Kirkland Uncorked	\$ 6,000.00	\$ 15,000.00	6,000	22
Bill Holman: The Composer's Composer	3000*	\$ 5,000.00	3,000	20
Celebrate Kirkland 4th of July	\$ -	\$ 6,100.00	4,000	20
Kirkland Artist Studio Tour (KAST)	\$ 6,000.00	\$ 12,000.00	8,000	20
Kirkland Oktoberfest	\$ 6,000.00	\$ 15,000.00	7,000	20
Kirkland Classic Car Show	\$ 4,000.00	\$ 5,500.00	4,000	19
Kirkland Winterfest	\$ -	\$ 8,000.00	3,000	19
Kirkland Summerfest	\$ 6,000.00	\$ 10,000.00	6,000	18
StoryBook Theatre & Summer Teen Show		\$ 8,000.00	4,000	17
Kirkland Performance Center Presents Cirque Alfonse: Timber!	6000*	\$ 32,500.00	3,500	16
Classic Music Concert		\$ 10,000.00	2,000	15
Kirkland Home Tour		\$ 4,000.00	0	12
The Kirkland Halloween Parade		\$ 30,000.00	0	10
		\$ 207,900.00	84,000	
*different performance		Total to allocate	84219.81	
**KPC's moisture festival did not occur in 2015		2015 Tourism Funding savings	9,219.81	
		2016 allocated amount	75,000	

The 2013 updated legislation requires that the City Council “may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee” (Attachment B). The Council may choose to remove recipients from the list but cannot add any and cannot change funding amounts.

Tourism Development Committee also approved the 2016 City of Kirkland tourism budget. The Committee voted unanimously to support the budget of \$258,561 that was part of the City’s

biennium budget. The budget line item includes the \$75,000 awarded to outside agencies for a total of \$333,561.

Additionally, in their October 1, 2015 meeting Tourism Development Committee unanimously recommended to add \$15,000 from reserves to the 2016 advertising budget to increase collaborative promotional advertising in regional publication. (Attachment C). The total budget to approve is as follows:

City of Kirkland Program

2016 City Tourism Marketing	\$258,561
2016 Outside Agency Funding	\$75,000
Total 2016 Budgeted	\$333,561

2015 Outside Agency Carry-over	\$9,000
2016 Draw from Reserves for Advertising	\$15,000

Total 2016 Tourism Budget Proposed	\$357,561
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67.28.1815 << 67.28.1816 >> **67.28.1817**

RCW 67.28.1816

Lodging tax — Tourism promotion.

(1) Lodging tax revenues under this chapter may be used, directly by any municipality or indirectly through a convention and visitors bureau or destination marketing organization for:

(a) Tourism marketing;

(b) The marketing and operations of special events and festivals designed to attract tourists;

(c) Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district created under chapters **35.57** and **36.100** RCW; or

(d) Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec. 501(c)(6) of the internal revenue code of 1986, as amended.

(2)(a) Except as provided in (b) of this subsection, applicants applying for use of revenues in this chapter must provide the municipality to which they are applying estimates of how any moneys received will result in increases in the number of people traveling for business or pleasure on a trip:

(i) Away from their place of residence or business and staying overnight in paid accommodations;

(ii) To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or

(iii) From another country or state outside of their place of residence or their business.

(b)(i) In a municipality with a population of five thousand or more, applicants applying for use of revenues in this chapter must submit their applications and estimates described under (a) of this subsection to the local lodging tax advisory committee.

(ii) The local lodging tax advisory committee must select the candidates from

amongst the applicants applying for use of revenues in this chapter and provide a list of such candidates and recommended amounts of funding to the municipality for final determination. The municipality may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee.

(c)(i) All recipients must submit a report to the municipality describing the actual number of people traveling for business or pleasure on a trip:

(A) Away from their place of residence or business and staying overnight in paid accommodations;

(B) To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or

(C) From another country or state outside of their place of residence or their business. A municipality receiving a report must: Make such report available to the local legislative body and the public; and furnish copies of the report to the joint legislative audit and review committee and members of the local lodging tax advisory committee.

(ii) The joint legislative audit and review committee must on a biennial basis report to the economic development committees of the legislature on the use of lodging tax revenues by municipalities. Reporting under this subsection must begin in calendar year 2015.

(d) This section does not apply to the revenues of any lodging tax authorized under this chapter imposed by a county with a population of one million five hundred thousand or more.

[2013 c 196 § 1; 2008 c 28 § 1; 2007 c 497 § 2.]

Notes:

Effective date -- 2013 c 196: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2013." [2013 c 196 § 3.]



**City of Kirkland
Tourism Development Committee (TDC) Minutes
September 3, 2015
9:00-11:00am
Norkirk Room**

Present: Toby Nixon (Chair), Jac Cooper, Michelle Quisenberry, Jennifer Gill, Belinda Jensen, Maxim Khokhlov

Absent: Lori Goldfarb

Welcome: The meeting came to order at 9:06 a.m.

Approval of Minutes: The minutes from May 7, 2015 and August 26, 2015 were approved with the following amendments:

- On the May 7, 2015 minutes, change title from agenda to minutes
- On the May 7, 2015 minutes, add Lori Goldfarb as present
- On the August 26, 2015 minutes, add all TDC members as present

(Maxim moved, Jac seconded, unanimous)

Action to Accept Late Application:

The committee approved the acceptance of the day late applications (Jennifer moved, Michelle seconded, unanimous)

Staff Reports:

Ellen summarized the meeting staff had with the parks permitting coordinator. While some events did have some minor infractions Summerfest had serious concerns from the Fire Marshall.

The TDC asked staff to look into if there is a fine for not adhering to the permit requirements. The TDC would rather have the penalty come from the permitting agency than put the TDC in a position of penalizing events for something not in the scope of tourism.

Selection Criteria Discussion:

Toby reviewed the selection criteria outlined in the application and the additional guiding questions. The committee suggested using the funding that was not spent in 2015 for 2016.

The committee expressed that they are looking to grow the marketing of events and not just add to organizations bottom line.

The TDC would like to explore adding into the contracts what the funding should be spent on.

LTAC Funding Application Rating: The committee ranked the events and approved the below recommendation for the event funding. (Maxim moved, Jac seconded, unanimous)

Event	2015 Awarded Amount	2016 Funding Requested	2016 Approved Amount	TDC Score
Junior Softball World Series	\$ 10,000.00	\$ 10,000.00	10,000	27
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Kirkland Home Tour		\$ 4,000.00	0	12
The Kirkland Halloween Parade		\$ 30,000.00	0	10
			84,000	
*different performance		Total to allocated	84220	
**KPC's moisture festival did not occur in 2015		2015 Tourism Funding savings	9219.81	
		2016 allocated amount	75000	

The city tourism budget of \$258,561 was approved to be recommended to City Council (Jen moved, Belinda Seconded, unanimous).

The committee would like to know what the reserve amount is and explore the possibility of investing additional funds from reserves into co-op regional advertising opportunities. Staff will have more information to bring back to the TDC in October.

Next meeting:

Staff mentioned items that they will return with for the next meeting.

TDC member on Events Committee: In the meeting with the event permitting coordinator it was mentioned to have someone from the TDC sit in on the event committee. Staff will bring more information on commitment requirements to the October meeting.

Co-op Advertising Opportunities: Staff will come back with reserve amount and additional advertising recommendations.

Approval of TDC interview questions: The approval of the interview questions for Council when interviewing TDC candidates will be on the October agenda.

Water optimization: Staff will give a report on the status of the water optimization project in October.

Meeting adjourned at 10:36 a.m.

Minutes approved by Philly Hoshko



**City of Kirkland
Tourism Development Committee (TDC) Minutes
October 1, 2015 9:00-10:00am
Lakeview Room**

Present: Toby Nixon (Chair), Jennifer Gill, Lori Goldfarb, Belinda Jensen, Ellen Miller-Wolfe (staff), Philly Marsh (staff)

Absent: Jac Cooper, Michelle Quisenberry

Welcome: The meeting was called to order at 9:07 a.m.

Approval of Minutes: The minutes from September 3, 2015 were approved (Lori moved, Jen seconded, unanimous)

Approval of Interview Questions:

The committee reviewed and approved the interview questions for City Council to use when interviewing Tourism Development Committee members (Jen moved, Lori seconded, unanimous)

Additional Regional Co-op Ad Opportunities:

Philly explained that the revenues for 2015 are on track to be higher than expected so the reserve level is higher than budgeted. An opportunity discussed in the previous meeting was to put additional funding in the 2016 budget for co-op advertising with other Kirkland entities.

The committee approved moving \$15,000 from reserves to the 2016 Advertising budget for Co-op advertising opportunities (Belinda moved, Lori second, unanimous).

Staff Reports

Moorage Expansion Status

Ellen explained the expanded marketing and outreach to the public that was conducted over the summer and a service package that is going to Council to fund engineering feasibility and permitting preparation for the downtown marina and also to explore other potential public moorage opportunities along the lake.

Toby mentioned that exploring a breakwater should be in the feasibility work.

Ellen mentioned that the Parks Department is applying for State funding to repair the dock that is used for recreation but the commercial portion of the marina is not in their scope as the grant only covers recreational boating facilities.

Ellen mentioned that King County is preparing a preliminary report on the potential for a walk-on ferry, similar to the West Seattle ferry, operating between Marina Park and the UW. An interim report is due to be released sometime in October. King County has asked Kirkland to comment and while the City is interested, one concern is that there is currently no additional parking in downtown for this operation, so there would need to be a connector for passengers to get to the ferry from locations outside of downtown.

Event Committee

Philly explained the event committee commitment of once a month for a few hours. Philly will go to these meeting to stay informed on event information and the information will be passed along to the Committee when and if an event that has transpired seeks tourism funding.

Kirkland Downtown Association

Ellen mentioned the KDA is potentially separating from the Chamber.

For the Good of the Order

Lori mentioned that it is really hard to have time for the tourism application presentations to happen in August and September and wondered if it would be possible to move them to later or earlier. Philly explained the budget cycle deadline and that any earlier is hard for new events to apply.

Meeting adjourned at 9:50 p.m.

Minutes prepared by Philly Marsh