



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Sheila Cloney, Special Project Coordinator

Date: June 20, 2007

Subject: Remittance of Concours d'Elegance Admissions Tax Receipts to Evergreen Hospital

RECOMMENDATION:

Approve the remittance of the Concours d'Elegance admissions tax receipts to the Evergreen Hospital Women's and Children's uncompensated care program.

BACKGROUND DISCUSSION:

The City Council received a report from the Concours d' Elegance organizers at their June 5th Council meeting and requested that an action item be brought back to the City Council. A copy of the prior staff report is included for your information.

The Kirkland Concours d'Elegance was founded in 2003 by four local business people whose mission was to give back to the community by creating a unique event that could not be duplicated in the Pacific Northwest. The event provides a venue to see some of the finest and most unique cars in the world while at the same time raising money to help seriously ill children. This event has been growing each year, and currently raises over \$200,000 annually for Evergreen Women's Health Center and Children's Hospitals.

All organizations that charge admission to a Kirkland event are required to collect and remit admissions tax to the City. The admission tax due is based on the established ticket price at a rate of five percent. Following the event, the admissions tax is remitted to the city. In this case, Concours organizers request that the City remit the admissions tax receipts associated with their event to Evergreen Hospital's Women and Children's uncompensated care program as part of Evergreen Hospital's share of the proceeds from the event. Estimated admissions tax receipts are approximately \$3,000.



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Sheila Cloney, Special Project Coordinator

Date: May 21, 2007

Subject: Kirkland Concours d'Elegance – Special Presentation

RECOMMENDATION:

Receive a report from Jeff Clark on behalf of the Concours d'Elegance organization regarding the event and its impact on the Kirkland community. In addition review and consider a request to refund admissions tax generated by the event to the Concours d'Elegance charity.

BACKGROUND DISCUSSION:

The Kirkland Concours d'Elegance was founded in 2003 by four local business people whose mission was to give back to the community by creating a unique event that could not be duplicated in the Pacific Northwest. The event provides a venue to see some of the finest and most unique cars in the world.

The following summaries how much has been raised over the past four years to help seriously ill children.

2003 – \$63,000
2004 - \$134,000
2005 - \$183,000
2006 - \$ 211,00

Council approved \$3000 in Tourism funding and \$2500 in Community Agency support in 2007 to support the Concours event. The tourism program also includes the Concours d'Elegance in the ongoing marketing of events.

The attached document from Kirkland Concours d'Elegance includes a request for a refund of the admissions tax collected at the 2007 event. Organizers estimate that given good weather they will collect approximately \$3000 in admissions tax.

Organizations that charge admission to an event are required to make application for a certificate of registration with the City's Finance Department. The admission tax due is based on the established ticket price at a rate of five percent. Following the event the admissions tax is remitted to the city and by approval of the council the amount collected may be passed on to the charity of the applicant's choice. In this case Concours organizers would like to have the admissions tax go to Evergreen Hospital's Women and Children's program as part of Evergreen Hospital's fifty percent share of the proceeds from the event.

There is precedent for the refunding of admissions tax as the City supports the mission of the Kirkland Performance Center in this way. In 2006 Council approved a request for a refund of admissions tax from Concours d'Elegance in the amount of \$2400.

Kirkland Concours d'Elegance Presentation to Kirkland City Council

June 5, 2007

Purpose

There are three purposes for this document and the June 5, 2007 presentation to the Kirkland City Council:

1. To thank the Council for its support and partnership with the Concours d'Elegance;
2. To inform the Council of new features planned for the 2007 Concours; and
3. To request continued support from the City of Kirkland in the form of an Admissions Tax refund.

History

The Kirkland Concours d'Elegance or, "Contest of Elegance", is patterned after the Pebble Beach Concours d'Elegance which is perhaps the most celebrated classic and vintage collector car event in the world and has enjoyed the participation of some of those in leadership positions at Pebble Beach. Like Pebble Beach, the Kirkland Concours d'Elegance is a celebration of the classic art of automobile design. Invited vehicles are grouped into classes and judged based on their rarity, quality, presence, and most of all their elegance. The most deserving vehicles are celebrated at the conclusion of the event at the "Circle of Champions" award ceremony.

The Kirkland Concours d'Elegance was founded in 2003 by four local business leaders who wanted to give something back to the community by creating a unique event that could not be duplicated in the Pacific Northwest. It provides a venue to see some of the finest and most unique cars in the world while at the same time raising money for to help seriously ill children. All proceeds are contributed to Children's Hospital and Regional Medical Center and Evergreen Hospital Medical Center.

This is the fifth year of the Concours and each year it has expanded its impact and raised more money for the hospitals. Following are the amounts raised each year since the event kicked-off in 2003:

2003	\$63,000
2004	\$134,000
2005	\$183,000
2006	\$211,000

Each year the event got better. In 2004 sponsorship became regional with support from AAA of Washington, Phil Smart Mercedes-Benz and Cutter and Buck. That year, the Concours featured the largest gathering of Duesenbergs ever seen on the west coast.

In 2005, support for the Concours expanded nationally with Sports Car Market Magazine, Haggerty Collector Car Insurance and RM Auctions joining the list of sponsors and the event attracting automobiles from some of the nation's most prestigious car collectors including Blackhawk out of Danville, California. In 2005 the Concours added classic wooden boats and vintage motorcycles.

Last year's event was the biggest and most successful yet. The Concours featured the largest gathering of custom Dietrich-bodied cars ever held in the United States. National notoriety

expanded as Glenn Mounger, past co-chair of the Pebble Beach Concours, accepted our invitation to be Head Judge. In addition, two of the world's premier automobile museums, Nethercutt and Peterson sent cars to the event. A 1937 Bugatti T-57, owned by the Peterson Museum and once owned by the Shah of Iran, won best of show. 2006 was also the year that the Kirkland Concours established its Junior Judges Award, judged and presented by young people from Lake Washington School District elementary and middle schools.

The 2007 Concours has added several new features and has established a goal of raising and contributing to the recipient hospitals \$225 thousand. This year we have added a new Century of Motoring Classic which will feature cars that are at least 100 years old. Perhaps most exciting for 2007 is that on the Friday and Saturday prior to the Concours, we are working with Woodinville wineries, restaurants and hotels to create the Tour d'Elegance, an opportunity for a select group of people with vintage cars to travel in caravan for around 200 miles of northeast King County, with dinner at the DeLille winery.

Thank You to the City of Kirkland

One hundred percent of the proceeds from the Kirkland Concours d'Elegance go to support Evergreen Hospital's Women and Children's program and Children's Hospital and Regional Medical Center's uncompensated care program. The entire event is planned and carried out by volunteers, with literally hundreds of individuals joining forces to ensure a quality, successful event. Not only does this community largesse literally make the event possible, it also provides an opportunity for local and regional residents to contribute to a very important cause.

The benefits to the City are significant and include:

- Puts the "elegance" of Kirkland on the map. Well known and well respected individuals from the Puget Sound region and the nation now know the beauty of Kirkland;
- Organizers CHOSE Kirkland as the venue for the event in spite of offers from other venues;
- Advertising of the Kirkland Concours is nationwide, drawing attention to the community;
- The event is held on private property with minimal impact on residents;
- Economic advantages include literally thousands of dollars brought into the local economy by people staying at local hotels, eating at local restaurants, shopping in local stores and galleries, etc.
- Link from Kirkland Concours website to Kirkland Prospector website creates the possibility of business development.

While we have always had the general support of the City of Kirkland, last year, that support was 'kicked up a notch'! The City Council agreed to reimburse the Admissions Tax (\$1781.65) and the Kirkland Concours also received grant funds from both the Community Grant program and LTAC. The Community Grant dollars are being used to defray operations expenses (specifically police and banners) and the LTAC funds are going to support national advertising in the Pebble Beach Concours program. Taken together that support equals over \$7,000, money which will directly impact our ability to support the hospitals' uncompensated care programs.

It is clear that even though the real benefit to the local community is the support of two fine medical facilities and the children they serve, there are many other benefits to Kirkland. Clearly, the Kirkland Concours d'Elegance provides economic benefits and, in general, adds value to the Kirkland "brand", and it does so with minimal cost or disruption to the city or its residents.

A Request

Finally, we would like to request that the City Council again take action to reimburse to the

Kirkland Concours d'Elegance (a bona fide 501 (c) (3)) the amount of the Admissions Tax. We estimate that that amount in 2007 (assuming good weather) will be around \$3000. The money saved from this action will go directly to benefit the hospitals and we would greatly appreciate your support.

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Sheila Cloney, Special Project Coordinator							
Description of Request							
Request for approval to remit approximately \$3,000 from the Concours d'Elegance admissions tax receipts to the Evergreen Hospital Women's and Children's uncompensated care program. The admissions tax receipts amount is based on the organizer's estimate based on the attendance in prior years. Full payment will reflect actual admissions tax revenue received.							
Legality/City Policy Basis							
Fiscal Impact							
One-time remittance of approximately \$3,000 to be funded from admissions tax revenue collected at the Concours d'Elegance. The full payment will reflect the actual admissions tax received.							
Recommended Funding Source(s)							
Reserve	Description	2008 Est End Balance	Prior Auth. 2007-08 Uses	Prior Auth. 2007-08 Additions	Amount This Request	Revised 2008 End Balance	2008 Target
Revenue/Exp Savings							
Other Source	All organizers that charge admission to a Kirkland event are required to collect and remit admissions tax to the City. The admission tax due is five percent of the established ticket price. The Concours d'Eleganc organizer has estimated that approximately \$3,000 would be collected at this year's event based on attendance records of prior years.						
Other Information							

Prepared By	Sri Krishnan, Senior Financial Analyst	Date	June 21, 2007
-------------	--	------	---------------