



CITY OF KIRKLAND

City Manager's Office

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MEMORANDUM

To: David Ramsay, City Manager

From: Sheila Cloney, Special Projects Coordinator
Tracy Burrows, Sr. Management Analyst

Date: September 26, 2006

Subject: 2007 City Manager Recommendation for Outside Agency Funding Requests

The 2007 Outside Agency Funding recommendations reflect progress toward the City Council policy direction regarding the continued funding of outside agency requests. In the past, all outside agency requests were considered within available funding from a community grant and business grant program (\$10,000 and \$25,000 set aside annually). Actual requests were far in excess of the annual grant programs and some agencies/programs were funded year after year through one-time allocations. The staff recommendation defined outside agency funding in terms of a few categories.

- “Partner Agencies” are those that operate an ongoing program or facility owned by the City or provide services on behalf of the City. Designation as a partner agencies acknowledged the on-going nature of the City’s support for agencies such as the Kirkland Performance Center, Teen Center (Friends of Youth) and the Kirkland Downtown Association.
- “Special Events” are events that have significant public appeal and are substantially funded and staffed by the City. An example is the Fourth of July fireworks display.
- “Community Agency Funding” represents activities and projects that would be funded on a one-time basis through a competitive process. Annual funding would be a set amount.
- “Tourism Grants” are those projects and activities that apply for and are eligible for funding from Lodging Tax funds. The Lodging Tax Advisory Committee recommends which outside funding requests should be addressed through the LTAC budget.

Given the ongoing relationship and programs offered by the Partner Agencies, Council asked that they be included in the ongoing basic budget along with the 4th of July Fireworks display. All other outside agencies would compete for Community Agency Funding or Tourism Grants with a recommended annual allocation of \$60,500, consistent with the current funding level. The Council also acknowledged that the basic budget for staff and community training in Human Resources would cover attendance at programs such as Leadership Eastside. Requests for operating subsidies from Leadership Eastside would be considered in the Community Agency Funding process. In the 2005-2006 Biennial Budget, outside agencies were considered for one-year increments. The 2006 portion of the budget included \$35,000 of ongoing funding with an additional \$196,500 in one-time funding allocated to cover all of the outside agencies. Based on Council direction, staff prepared a service package request for the 2007-2008 Budget that incorporates ongoing and one-time funding levels described to Council at their retreat. The table below shows the General Fund allocations requested in the service package (Lodging Tax requests are addressed by a separate LTAC process and are discussed in a separate issue paper):

Biennial Funding Requests	Ongoing Funding Requested	One-Time Funding Requested
<i>Partner Agencies</i>		
-Kirkland Performance Center	\$103,500	--
-Friends of Youth (Teen Center)	\$125,000	--
-Kirkland Downtown Association	\$ 52,500	--
4 th of July Fireworks	\$ 63,000	--
Community Event Grants	--	\$125,500
Total	\$344,000	\$125,500

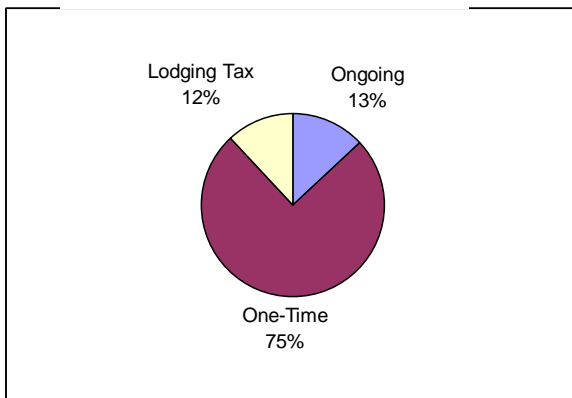
Total Funding Request for 2007-2008 **\$469,500**
Existing Ongoing Fund (savings) **70,000**
Net Funding Request **\$399,500**

It should be noted that the service package requests include an inflation adjustment for the second year of the biennium. Of the \$399,500 net funding requested, \$125,500 is one-time funding for the Community Event Grants.

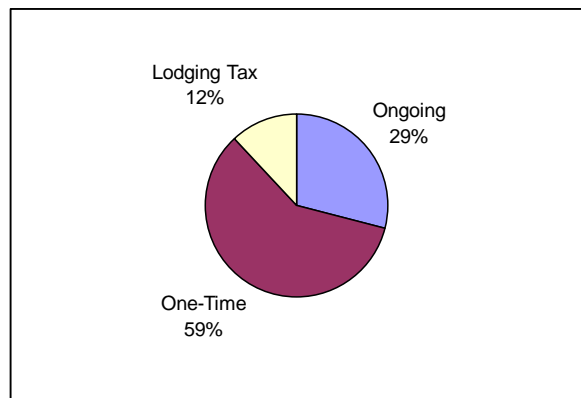
The table and charts below illustrate the City Manager's recommendation to make progress toward the goal of providing ongoing funding for the City's partner agencies and programs. Because of funding constraints, the City Manager's budget recommendation does not include funding for all of the recommended partner agencies and programs on an on-going basis. Rather, an additional \$70,000 in ongoing funding is recommended in the budget (\$35,000 each year). With the existing funding of \$70,000, the total ongoing funding recommended for partner agencies in 2007-2008 is \$140,000. It is recommended that the City make progress in this direction by funding Friends of Youth and a portion of the Kirkland Downtown Association allocation on an on-going basis. The remaining partner agencies and programs continue to be funded on a one-time basis, with the intention that the City continue to make progress toward the goal of on-going funding in future years. In addition, a set amount of one-time funding is now allocated to community events and projects on a competitive basis.

	Ongoing Funding Recommended	One-Time Funding Recommended
<i>Partner Agencies</i>		
-Kirkland Performance Center	--	\$100,000
-Friends of Youth (Teen Center)	\$120,000	--
-Kirkland Downtown Association	\$ 20,000	\$ 30,000
4 th of July Fireworks		\$ 60,000
Community Event Grants	--	\$122,000
Total	\$140,000	\$312,000

2006 Outside Agency Funding



2007-2008 Outside Agency Funding



Community Agency Funding Requests

A total of \$397,855 in requests for 2007 Community Agency and Lodging Hotel Tax funds have been received from outside agencies, including the funding amounts Council has been considering for on-going funding. The City Manager has recommended that one-time competitive outside agency requests be funded at a level of \$61,000 per year, consistent with Council direction at the City Council retreat (the Lodging Tax Advisory Committee (LTAC) has recommended funding requests at a level of \$30,000 from the lodging tax fund as addressed in a separate issue paper). **Community Agency Grants are funded on a one-year cycle.** Consequently, only requests for 2007 are addressed. The summary table attached to this memo shows the amounts requested by each agency for 2007, along with the recommended amount and a comparison to the 2006 approved amount (see attachment A).

Based on the discussion at the March 25, 2006 Council Retreat the funding for Community Agency requests are based on the establishment of a Community Agency budget in the amount of \$61,000 to fund organizations on an annual one-time basis.

Funding recommendations assume the following:

- Friends of Youth (Teen Center) annual funding is newly incorporated into the ongoing Parks base budget (\$60,000);
- Base funding for the Kirkland Downtown Association is included in the on-going budget (\$10,000).
- Funding for the Kirkland Performance Center, Fourth of July Fireworks, and a portion of the Kirkland Downtown Association continue to be funded on a one-time basis.
- Additional outside agencies are funded with one-time funds that are allocated on a competitive basis.

The one-time and on-going 2007 requests are summarized below with the recommended funding and sources summarized in the attachment:

BRIDLE TRAILS PARK

Bridle Trails Foundation has applied for first time funding to cover the actual cost of hanging banners to advertise the annual Party in the park. Funding would be contingent upon the inclusion of ExploreKirkland.com in all marketing materials.

CELEBRATE KIRKLAND – 2007

Celebrate Kirkland produces a 4th of July event that fosters community spirit and celebrates the diverse elements of our community. Rotary's picnic at Juanita Beach and the fireworks show provides an opportunity for everyone to recognize and celebrate Independence Day. A multitude of volunteers, community groups and businesses make this event a success.

Based on the March 2006 council retreat, staff recommends the City produce the annual 4th of July fireworks portion of the event with a City budget allocation of \$30,000 that is incorporated into the base budget for special events.

Celebrate Kirkland has requested an additional \$24,500 in Community Agency and Lodging Tax funds to support parade operations (i.e. police, aid, barricades) and marketing efforts.

Celebrate Kirkland received \$43,000 in 2006.

CLASSIC CAR SHOW - KDA

This is the fourth annual Classic Car Show. The event brings 5,000-10,000 visitors to downtown Kirkland where they enjoy the cars, shop and patronize the local restaurants. This will be the fourth year the Car Show has requested funding. In 2006, the car show received \$3,500.

CONCOURS

Concours d'Elegance has applied for first time funding to support its annual display of elegant cars similar to the annual show at Pebble Beach. Tourism funds would be used to leverage ad buys with regional and national travel publications. .

FEET FIRST

Feet First is pedestrian advocacy organization which promotes the rights and interests of pedestrians. The group also helps promote benefits of walking. This group has worked with the Public Works Department on pedestrian related projects. The recommended funding is at the same level as 2006.

FRIENDS OF YOUTH

Through the Kirkland Teen Union Building, Friends of Youth provides recreation, counseling, social services, arts and crafts, music recording, black and white photography, teen jobs, community service opportunities, area excursions, and special events. Friends of Youth has an on-going \$100,000 contract to provide services at the Teen Center. Based on the discussion at the March 2006 council retreat, staff recommends that outside agency funds allocated to Friends of Youth increase by \$60,000 and become incorporated in the Parks and Community Services base budget for the 2007-08 biennium for a total of \$120,000.

HERITAGE SOCIETY

The Kirkland Heritage Society informs residents and visitors about Kirkland's history and preserves artifacts, documents, structures and sites important to Kirkland's past. The City has funded the Heritage Society at this level for several years. Lodging Tax funds will fund a much needed historical site guide for tourists. This is the first time the Heritage Society has applied for lodging tax funds.

INTERLAKEN TRAILBLAZERS

In addition to the two Kirkland Year round Volkswalks, the Interlaken Trailblazers would like to host a one-day walk through Kirkland starting at Juanita Beach. This is the second year the Interlaken Trailblazers have received funding in the amount of \$300.

JR. SOFTBALL WORLD SERIES

The Jr. Softball World Series is a popular week-long softball tournament involving regional Little League all-star champions from five US regions, Canada, Europe, Latin America, Asia and a host team. In 2006 the City funded this event at the \$10,000 level.

KIRKLAND ARTS CENTER

The Kirkland Art Center continues to gain recognition as an eastside destination and studio for artists to practice their craft. The LTAC committee recommends funding in the amount of \$2,200 for the production of an upgraded gallery brochure used to attract visitors as well as students. Staff recommends Community Agency funding in the amount of \$6,000 to offer a variety of free or subsidized art opportunities for young people and families living in Kirkland.

The Kirkland Art Center received \$11,200 in 2006.

KIRKLAND ARTIST STUDIO TOUR

The Kirkland artist studio tour has grown in popularity, supporting the growing art community in Kirkland and attracting visitors to spend Mother's Day in Kirkland. The LTAC recommends that this program be funded at \$2,000.

KIRKLAND DOWNTOWN ASSOCIATION

KDA focuses on creating a more vibrant downtown for the Kirkland community. Based on the discussion at the March 2006 council retreat staff recommends that \$25,000 currently allocated in the base budget under the auspices of the business grant program be incorporated in the Economic Development base budget for the 2007-08 biennium. Having eliminated the business grant program, the City would contract with the KDA to provide economic development services related to promoting downtown businesses. It is proposed that funds be allocated to KDA under a contract with specific performance measures and managed by the Economic Development Manager.

The KDA is requesting an additional \$67,500 in Community Agency and Lodging Tax funds to fund holiday lighting/decorations, events, organizational and business development training, web-site development, and downtown marketing.

The level of funding for 2007-2008 biennium is recommended at \$50,000 from the Economic Development base budget, and \$26,500 in one-time funds from the Community Agency and Lodging Tax Funds.

Ultimately, the 2007 recommendation funds the KDA at \$51,500 the same level that it was funded in 2006.

KIRKLAND LIBRARY

The Kirkland Library has applied for first time funding to foster a wide interest and participation in all of Kirkland reading the same book.

KIRKLAND PERFORMANCE CENTER

The Kirkland Performance Center provides a theater facility in which arts, entertainment and community gatherings are presented. Approximately 70,000 people attend events at KPC annually. In 2006 the KPC received \$50,000 in outside agency support. Based on the March 2006 council retreat, staff recommends that outside agency funds allocated to the Kirkland Performance Center be incorporated in the Parks and Community Services base budget for the 2007-08 biennium in the amount of \$100,000.

The Kirkland Performance Center is requesting an additional \$10,000 in Lodging Tax funds to fund the 2007-2008 KPC Season Brochures. This project was funded at \$10,000 in 2006.

LEADERSHIP EASTSIDE

Leadership Eastside offers training in a classroom and practical setting. These skills are designed to give individuals the courage to become more actively involved in community issues.

At the March 2006 Council Retreat, Council discussed allocating ongoing funds in the Human Resources Department's training budget to fund two organizational scholarships for employees and/or neighborhood leaders. Funding for one scholarship each year is included in the Human Resources basic budget and is not reflected as outside agencies funding. Leadership Eastside is requesting an additional \$6,000 in community agency funds for operating support.

Council allocated \$6,000 to Leadership Eastside in 2006.

SEVEN HILLS OF KIRKLAND - KITH

The Seven Hills bike ride raises funds for the on-going programs of the Kirkland Interfaith Transitions in Housing. The ride will bring approximately 700 cyclists to the downtown for an event that has been widely recognized by the biking community. Seven Hills also offers an opportunity for KITH to explain its programs and projects to a wide variety of community members.

In 2006, Seven Hills received \$7,000 in funding.

TRANSPORTATION CHOICES COALITION

Transportation Choices Coalition provides education and support for expanding transportation options for Kirkland residents in an effort to improve mobility and preserve the environment. This is the third year Transportation Choices Coalition has requested funding. The recommended funding is at the same level as 2006.

KIRKLAND GALLERY ASSOCIATION

The Kirkland Gallery Association submitted a request for tourism funding in the amount of \$10,000 for the distribution of the Gallery Brochure which is intended to promote Kirkland as a destination for galleries and public art to greater Seattle residents and tourists. The brochure is widely distributed to major hotels, corporations, car rentals, ferries, convention halls and chambers. Staff recommends funding the brochure at \$5,000 from the tourism budget with the remainder of the expense covered by a credit held by the tourism program with the company that distributes these same brochures.

Performance Evaluation

This year, the outside agency funding program formally incorporates performance measures. Each outside agency has submitted both qualitative and quantitative measures of the success of their program as part of the 2007 funding application. For events that receive LTAC funding, these measures must relate to the success of the event's marketing and promotional efforts, the success of the event in attracting out-of-town visitors, and the event's impact on local hotel stays.

As part of their annual reporting to the City, recipients of outside agency funding will report on their success in achieving the measurable objectives that have been established for the event or program. This information will be used to evaluate the effectiveness of the program and will help shape the funding recommendations for subsequent years.

2007 Outside Agency Funding Recommendation

Event / Project	2007 Funding Requests			2007 Funding Recommendations/Source				2006 Approved Funding (for reference)			
	2007 Community Requests	2007 LTAC Requests	2007 Total Requests	LTAC	One-Time	On-going	Total 2007 Sources	LTAC	One-Time	On-going	2006 Total Sources
Bridle Trails Park	\$ 500	\$ -	\$ 500	\$ -	\$ 325	\$ -	\$ 325				\$ -
Celebrate Kirkland 4th of July											
<i>Picnic</i>	4,500	-	4,500	-	4,500	-	4,500		8,000		8,000
<i>Fireworks Show</i>	50,000	-	50,000	-	30,000	-	30,000		30,000		30,000
<i>Marketing - LTAC</i>	-	7,000	7,000	4,000	-	-	4,000	5,000			5,000
<i>Parade</i>	6,000	-	6,000	-	4,500	-	4,500				-
Chamber of Commerce 4th of July	-	-	-	-	-	-	-		3,000		3,000
Classic Car Show	6,500	-	6,500	-	3,500	-	3,500		3,500		3,500
Concours	6,730	-	6,730	-	2,500	-	2,500				-
Concours - tourism	-	4,000	4,000	3,000	-	-	3,000				-
Feet First	1,000	-	1,000	-	1,000	-	1,000		1,000		1,000
Friends of Youth	60,000	-	60,000	-	-	60,000	60,000		60,000		60,000
Heritage Society	2,000	-	2,000	-	2,000	-	2,000		2,000		2,000
Heritage Society	-	3,125	3,125	3,000	-	-	3,000				-
Interlaken Trailblazers	300	-	300	-	300	-	300				-
Jr. Softball World Series	10,000	-	10,000	-	8,000	-	8,000			10,000	10,000
Kirkland Art Center											
<i>Gallery Brochure - LTAC</i>	-	4,900	4,900	2,000	-	-	2,000	2,200			2,200
<i>Free or subsidized art opprotunities</i>	14,000	-	14,000	-	4,000	-	4,000				-
<i>Summerfest - Community Event</i>	-	-	-	-	-	-	-		6,000		6,000
<i>Summerfest - LTAC Marketing</i>	-	-	-	-	-	-	-	3,000			3,000
Kirkland Artist Studio Tours	-	6,800	6,800	2,000	-	-	2,000	2,000			2,000
Kirkland Downtown Association											
<i>General Promotion</i>	-	12,000	12,000	8,000	-	-	8,000	8,000			8,000
<i>Co-op Marketing</i>	-	15,000	15,000	-	-	-	-				-
<i>Community Agency</i>	12,000	-	12,000	-	18,500	-	18,500		18,500		18,500
<i>Business Grant</i>	80,000	-	80,000	-	15,000	10,000	25,000			25,000	25,000
Kirkland Gallery Association - Gallery Brochure	-	10,000	10,000	-	-	-	-				-
Kirkland Library	1,000	-	1,000	-	1,000	-	1,000				-
Kirkland Performance Center (brochure)	-	10,000	10,000	8,000	-	-	8,000	10,000			10,000
Kirkland Performance Center	50,000	-	50,000	-	50,000	-	50,000		50,000		50,000
Leadership Eastside - Operating Subsidy (note 1)	6,000	-	6,000	-	-	-	-		6,000		6,000
Seven Hills of Kirkland	7,000	-	7,000	-	7,000	-	7,000		7,000		7,000
Transportation Choices Coalition	1,500	-	1,500	-	1,500	-	1,500		1,500		1,500
Totals	\$ 319,030	\$ 72,825	\$ 391,855	\$ 30,000	\$ 153,625	\$ 70,000	\$ 253,625	\$ 30,200	\$ 196,500	\$ 35,000	\$ 261,700

(1) There are two scholarships (one each year) for staff/community participation in Leadership Eastside included in the Human Resources budget, which are not part of the outside agencies funding.