



MEMORANDUM

To: Kurt Triplett, City Manager

From: David Wolbrecht, Communications Program Manager
Martha Chaudhry, Economic Development Special Projects Coordinator

Date: October 19, 2022

Subject: 2023-2024 OUTSIDE AGENCY AND TOURISM BUDGET

The City Manager's Office allocates Outside Agency Funding based on the following categories:

- **Partner Agencies** – Organizations that operate an ongoing program or facility owned by the City or provide services on behalf of the City. This designation is given to the Kirkland Performance Center (KPC) and the Kirkland Downtown Association (KDA).
- **Special Events** – Events that have significant public appeal and are substantially funded and staffed by the City. In 2014, the City Council adopted a policy identifying a category of "Community Events" that are significant community events primarily intended for Kirkland residents and that do not require an admission fee to attend. The City Council designated the 4th of July Celebration, Summer Concert Series, and the Winterfest events as Community Events.
- **Tourism Funding** – The Tourism Development Committee (TDC), acting as the Lodging Tax Advisory Committee (LTAC), develops a recommendation to the City Council for the Explore Kirkland Tourism Program Budget for tourism projects and activities and funding for outside agencies producing tourism events.

Looking Back at 2021 and 2022

Special Events

In 2013–2014, Waste Management, the City's contracted waste hauler, agreed to contribute \$224,000 over seven years (\$32,000 per year) to help fund Community Events. This contribution launched in 2014, and the City Council allocated the funds as follows:

- 4th of July Celebration: \$16,000
- Summer Concert Series: \$8,000
- Winterfest: \$8,000

Since 2015, the City Council has matched the Waste Management contributions to support those same events at the same allocation amount. The City matched Waste Management’s contribution with one-time funding for 2021-2022 for a total of \$64,000 (\$32,000 per year).

Due to the ending of Waste Management’s contract in mid-2022, its contributions to community events were pro-rated for that year, resulting in an anticipated decrease in funding. However, carryover savings from cancelled events in 2020 due to the pandemic allowed the City to maintain the same total investment amount in the 2021-2022 budget. More information on this is detailed in the [2021-2022 issue paper](#).

[Note that a portion of the City’s annual Partner Agency support to the Kirkland Downtown Association of \$45,000 also supports event organization and promotion.]

Tourism Funding

The Tourism Development Committee awarded \$60,000 per year for tourism events and activities that attracted visitors from more than 50 miles away. For events occurring in 2022, and in an effort to stimulate tourism post-COVID, the TDC increased the program funding to \$102,000, which included carryover from unused tourism funding in 2021. \$102,000 was distributed among 12 nonprofits and event organizations, which coordinated a total of 21 events in the City of Kirkland.

As of September 2022, the status of these events is as follows:

- Two events were cancelled because event organizers had to focus their efforts within their organizations. These awarded grant funds were returned to the Tourism Funding Program with the intent of rolling \$9,000 into the 2023 program.
- For the remaining 19 events that were funded, 12 successfully completed in the months April through August, with 3 events scheduled for the Fall months and the remaining 4 scheduled for completion in November/December.

Looking Ahead to 2023-2024

Partner Agency

Agency	2021–2022 Approved	2023–2024 Requested	2023–2024 Recommended	Source
Kirkland Downtown Association (KDA)	\$90,000	\$90,000	\$90,000	Ongoing General Fund
Kirkland Performance Center (KPC)	\$100,000	\$100,000	\$100,000	One-Time General Fund

The 2023-2024 budget continues to support the KDA and the KPC as partner agencies through the biennium.

Special Events

The 2023-2024 Budget continues to support special events. The City renewed its contract with Waste Management (which has since rebranded itself as “WM”) on July 1, 2022. As part of the contract, WM included \$40,000 annually in donations to community events over the term of the new 10.5-year contract. This allocates \$40,000 toward special events for 2023 and again in 2024.

The City Manager is recommending that the City’s contribution maintain at historical levels of \$32,000 a year for 2023-2024. This is primarily due to the City taking on the responsibility of putting on the 4th of July event and needing to consider resource needs required for that added level of service. Based on this recommendation, and using the same allocation formula as in prior biennia, the funding allocated by event and year from both the City and WM will be as follows:

Community Event	2023	2024	2023-2024	Source
4 th of July	\$20,000	\$20,000	\$40,000	WM
Summer Concert Series	\$10,000	\$10,000	\$20,000	WM
Winterfest	\$10,000	\$10,000	\$20,000	WM
Total	\$40,000	\$40,000	\$80,000	WM

Community Event	2023	2024	2023-2024	Source
4 th of July	\$16,000	\$16,000	\$32,000	One-Time General Fund
Summer Concert Series	\$8,000	\$8,000	\$16,000	One-Time General Fund
Winterfest	\$8,000	\$8,000	\$16,000	One-Time General Fund
Total	\$32,000	\$32,000	\$64,000	One-Time General Fund

2023-2024 Tourism Budget

The Explore Kirkland tourism program is funded by the Lodging Excise Tax of 1 percent collected from short-term accommodations as authorized by state statute RCW 67.28. The City Manager’s Office oversees the Explore Kirkland tourism promotion program with the primary goal of attracting visitors to Kirkland in order to sustain a vibrant and healthy economy.

The City Manager’s Office provides staff support to the Tourism Development Committee (TDC), which acts as the Lodging Tax Advisory Committee as required by statute, and whose role is to provide recommendations on the use of the lodging tax funds and help guide Explore Kirkland tourism program goals and priorities.

The TDC recommends continuing to 2023-2024 the base budget-level approved for 2020-2021, with the following changes and reductions to reflect completed projects and alterations made to accommodate the City's current Lodging Excise Tax revenues.

Explore Kirkland Website Hosting - \$42,000

The Explore Kirkland website (www.explorekirkland.com) has been completely redesigned and rolled out to the community in a "soft launch." The soft launch approach was strategic and in alignment with current social distancing guidelines and prohibitions on group gatherings. A formal launch is planned once the future of tourism events has more clearly defined parameters. The TDC is anticipated to recommend \$42,000 for web hosting for 2023.

Marketing and Promotion Strategy

At its May 2022 regular meeting, the TDC voted to refocus its tourism marketing and promotion strategy away from traditional media and public relations towards a digital marketing and strategy expected to deliver more measurable results. At the direction of the TDC, the City terminated its contract with the public relations firm responsible for tourism promotion effective July 1, 2022. The budget allocation formerly supporting the public relations consultant, as well as budget allocated for print advertising and print materials, were re-allocated to support a digital marketing strategy beginning Q3 2022. Digital marketing is expected to be the strategy for tourism promotion for 2023-24.

Tourism Outside Agency Funding - \$60,000

For the 2022 program year, the TDC was able to increase its regular funding total to \$102,000 due to carryover from 2021 of unused tourism funding that was the result of events cancelled due to COVID-19 restrictions. Of this \$102,000, a total of \$93,000 was expended with \$9,000 returning to the tourism funding program due to events cancelled for non-COVID19 reasons. For the 2023 program year, the Tourism Development Committee made the decision to return to the \$60,000 funding amount for outside agencies producing tourism events. Staff opened the funding application process in June and accepted applications through 5 p.m. on August 8, 2022. The City received a total of 23 applications for funding requests totaling \$239,000. The TDC held a Zoom special meeting on August 22, 2022, and applicants had the opportunity to present to the TDC, including five new events by new applicants that resulted from staff outreach. The TDC met on September 1, 2022, at its regular monthly meeting for final review and selection of grant recipients.

Tourism Grant Criteria

In addition to State requirements, the TDC has identified the following criteria that were used in evaluating and ranking the applicants. A change to the bonus points criteria was introduced in 2022 to encourage multi-day competitive tournaments. However, a technical error resulted in the criteria not being used in the 2022 process.

The TDC used the following criteria to rate applications:

Tourist Attraction and Marketing - 50 points

The extent to which the event/program demonstrates the ability to attract visitors from 50 miles or more away and generate overnight stays.

Project Scope - 20 points

The extent to which the event/program improves the City's overall image by providing a positive visitor experience and/or promoting the area's existing attractions including the Kirkland waterfront, Totem Lake area, the Cross Kirkland Corridor, and other compelling areas of Kirkland.

Economic Impact - 10 points

The extent to which the event/program will generate a positive economic impact by supporting small Kirkland-based businesses and increasing visitor expenditures in Kirkland.

Project Success and Sustainability - 10 points

The extent to which the applicant has a proven track record of implementing a successful event/program including contract and permit compliance. The ability of the event to secure additional funding sources beyond City of Kirkland tourism funding.

Community Collaboration - 10 points

The extent to which the applicant partners and collaborates with other Kirkland events and organizations and especially forms culturally diverse partnerships in leveraging resources and marketing efforts.

Bonus Points: Shoulder Season Impact - 10 points

Events that take place in the shoulder season (October-April) qualify for up to 10 bonus points.

Safe, Inclusive, and Welcoming Events—10 points

Events that have a stated purpose that reinforces the City's commitment to being a safe, inclusive, and welcoming place for all people, with particular focus on increasing awareness of and/or celebrating cultural, ethnic, and/or racial diversity, qualify for up to 10 bonus points.

Multiday Competitive Tournaments (athletic and otherwise) – 10 points

Events that offer multiple days (two or more) of competitive activities, whether athletic tournaments or competitive gaming events, qualify for up to 10 bonus points.

The scores were recorded and averaged, and the totals were shared with the group. The Committee then determined the levels of funding based on the scores and criteria. The Committee voted unanimously to recommend the distribution of \$60,000 in tourism funding to organizations producing the following events:

2023 Tourism Funding Program Year Applications	Past Tourism Awards		Requested and Recommended Funding	
	2022 Awarded Amount	2022 Amount Expended	2023 Funding Requests	2023 Recommended Funding
Junior Softball World Series	\$11,000	pending	\$20,000	\$10,000
Great NW 3-on-3 Basketball Tournament	\$10,000	pending	\$25,000	\$8,500
Kirkland Uncorked	\$10,000	pending	\$15,000	\$8,500
Kirkland Oktoberfest	\$10,000	Pending	\$15,000	\$8,000
Kirkland Waterfront Car Show	\$5,000	pending	\$5,000	\$8,000
Winterfest (KDA)	\$5,000	pending	\$10,000	\$0.00
Kirklandia Waterfront Festival*	\$0.00	\$0.00	\$15,000	\$2,500
Eastside Community Musical (KPC)	\$5,000	pending	\$5,000	\$2,000
Mother's Day Half Marathon	\$2,000	\$1,982.47	\$2,000	\$2,000
Lake Washington Half Marathon	\$2,000	pending	\$2,000	\$2,000
Kirkland Summerfest	\$10,000	\$10,000	\$15,000	\$2,000
SRJO – Thad Jones 100 th Celebration**	\$3,000	pending	\$3,000	\$1,500
Studio East – Shakespeare	\$5,000	\$5,000	\$5,000	\$2,000
Studio East Summer Teen Show	\$1,500	\$1,500	\$5,000	\$1,000
Studio East Storybook Theater	\$0	\$0	\$5,000	\$0.00
Quarterly Wine Walks (KDA)	\$1,500	pending	\$5,000	\$0.00
Space for Youth Children's Fair	\$1,000	\$1,000	\$2,000	\$1,000
Tasveer Film Festival	\$2,000	Pending	\$10,000	\$1,000
Pumpkins in the Park (KDA)	\$2,000	Pending	\$3,000	\$0.00
Kirkland Greenways Bike Valet*	\$0	\$0	\$3,000	\$0.00
Gigantic Film Festival*	\$0.00	\$0	\$14,000	\$0.00
Raskar Music Group*	\$0	\$0	\$50,000	\$0.00
Kirkland Urban Art Fair*	\$0	\$0	\$5,000	\$0.00
12Ks of Christmas	\$2,000	Pending	\$0.00	\$0.00
Kirkland Urban Parade	\$6,000	Cancelled	\$0.00	\$0.00
Celebrate Kirkland (KDA)	\$5,000	\$4,907.51	\$0.00	\$0.00
7 Hills of Kirkland	\$3,000	Cancelled	\$0.00	\$0.00
Total Outside Agency Funding	\$102,000	\$24,389.98	\$239,000	\$60,000

*New Organization/Event

**Returning Organization/Different Event

Summary of Recommended Funding

The following tables provide a summary of the recommended funding levels by type of funding. Partner Agencies and Special Events are funded in 2023 and 2024. Tourism funding is recommended for 2023 only; however, the 2024 budget includes the recommended allocation of \$60,000 to be distributed in 2023.

2023-2024 Funding Requests and Recommendations

Source: General Fund	2021–2022 Approved	2023–2024 Requested	2023–2024 Recommended
Partner Agency - Ongoing	\$90,000	\$90,000	\$90,000
Partner Agency - One-time	\$100,000	\$100,000	\$100,000
Special Events (City Portion Only)	\$80,000	\$64,000	\$64,000
Subtotal General Fund	\$270,000	\$270,000	\$270,000

2023 Funding Requests and Recommendations

Source: Lodging Tax	2022 Approved	2023 Requested	2023 Recommended
Tourism Funding	\$60,000	\$60,000	\$60,000

State law guides that any modification to the TDC's proposed budget must be referred back to the committee for review and endorsement.