



## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Marilynne Beard, Deputy City Manager  
**Date:** October 5, 2014  
**Subject:** 2015-2016 OUTSIDE AGENCY AND TOURISM BUDGET

As part of the 2007-2008 Budget, the City Council revised the outside agency funding process. Beginning in 2007, funds were awarded according to these 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 was given to the Kirkland Performance Center, Bellevue YMCA for the Kirkland Teen Union Building, and the Kirkland Downtown Association.
- **Special Events** – Events that have significant public appeal and are substantially funded and staffed by the City. The Fourth of July fireworks display has been funded under this category. 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 4<sup>th</sup> of July Celebration, Concerts in the Parks and the Holiday Tree Lighting events as Community Events.
- **Community Agency Funding** – Activities and projects that would be funded on a one-time basis through a competitive process. Total funding to be dispersed is determined on an annual basis.
- **Tourism Grants** – Tourism projects and activities that are eligible for funding from Lodging Tax funds. The Tourism Development Committee develops recommendations for Lodging Tax requests.

### Looking Back at 2013 and 2014

Economic difficulties during the 2010 budget process significantly reduced funding available for outside agencies, particularly for those organizations funded through the General Fund. Special event funding was not recommended in the proposed budget, except for events funded from Lodging Tax and recommended by the Tourism Development Committee. Funding for events was provided through the Kirkland Downtown Association's annual allocation of \$45,000. One of the KDA's contracted responsibilities was to help organize and administer events in the downtown Kirkland.

During this period, the City Council also requested that a comprehensive review of the City's special events policies be completed in response to feedback from some event organizers about the difficult process required for securing event permits and the cost for required City support. The report was reviewed by the Planning and Economic Development Committee and the City Council ultimately adopted a revised Special Event ordinance as a result of that study. One of

the recommendations in the study was the designation of certain events as "Community Events."

Funding for Community Events would be considered in the biennial budget process and in 2013 and 2014 the City Council provided financial support for the 4<sup>th</sup> of July event. Also 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. The first year of the funding was made available in 2014 and the City Council allocated the \$32,000 as follows:

- 4<sup>th</sup> of July Celebration -- \$16,000
- Summer Concert Series -- \$8,000
- Holiday Tree Lighting --- \$8,000

During this time, support of partner agencies continued with appropriations approved in the biennial budget process and supplemented through budget adjustments during the biennium. Likewise, the Tourism Development Committee solicited funding requests for tourism activities, including support for events.

#### Looking Ahead to 2015-2016

The 2015-2016 Budget continues support for outside agencies and incorporates the \$32,000 in funding support from Waste Management for Community Events. The budget continues the 2013-2014 funding levels and includes two recommendations for funding increases:

- The City Manager's proposed budget includes a recommended City "match" of Waste Management's funding for Community Events by providing \$32,000 in additional one-time funding to be allocated proportionally to Community Events based on the allocation of the initial \$32,000. This would double the annual level of support for Community Events to \$64,000 in 2015 and 2016.
- The Tourism Development Committee (TDC) is recommending the use of Lodging Tax Reserves for a one-time increase in staff support and outside agency funding in 2015 and 2016. Over the past few years, cash reserves have accumulated beyond the amount needed for basic working capital purposes. The TDC is recommending increasing grants to outside agencies from \$50,000 to \$75,000 per year, increasing staff time (\$12,000 per year), as well as augmenting line items for public relations consulting and advertising (see attached memo from the Tourism Development Committee regarding the recommended funding levels).

The TDC is also recommending that the Lodging Tax Fund reserve target be established at 50% of the most recent year's annual revenue. Previously the target was established at \$50,000 as a hedge against revenue fluctuations. Based on 2013 actual revenue, the TDC reserve recommendation would equate to \$122,794. The fund balance is sufficient to meet the recommended reserve requirement as well as the proposed use of fund balance for one-time service level increases. The Finance staff has reviewed the proposal and confirmed that the reserve recommendation is supported.

It should be noted that any modification to the TDC's proposed budget must be referred back to the committee for review and endorsement.

The following tables provide a summary of the recommended funding levels by type of funding. Partner agencies are funded in 2015 and 2016. Tourism grants were accepted and recommended for 2015 only, however, the 2016 budget includes the recommended allocation of \$75,000 to be distributed in 2016. Attachment 1 provides a detailed summary of funding recommendations by agency and funding source. Attachment 2 is a summary of the Tourism Development Committee's recommendation.

### 2015-2016 FUNDING REQUESTS AND RECOMMENDATIONS

By Funding Source	2013-2014 Approved	2015-2016 Requested	2014-2016 Recommended
<b>GENERAL FUND</b>			
Partner Agency -- Ongoing	410,000	410,000	410,000
Partner Agency -- One-Time	<u>99,000</u>	<u>100,000</u>	<u>100,000</u>
<b>Subtotal General Fund -----&gt;</b>	<b>509,000</b>	<b>510,000</b>	<b>510,000</b>

### 2013 FUNDING REQUESTS AND RECOMMENDATIONS

Lodging Tax	2014 Approved	2015 Requested	2015 Recommended
<b>Tourism Grants</b>	37,500	134,400	75,000

### PARTNER AGENCIES - ONGOING

#### **BELLEVUE YMCA/KTUB**

The Bellevue YMCA operates the Teen Center (KTUB), a recreation, resource and arts center striving to meet the social, recreational and cultural needs of young people between the ages of 13 and 19 years old.

The Bellevue YMCA provides staffing for the KTUB an average of 35 hours and five days per week throughout the year, with longer hours during the summer months. They work with an Advisory Board comprised of youth and adults to assist in development and direction of a diverse array of programs and activities to meet the needs, interests and social development of Kirkland teens. Currently, the KTUB is funded through the Parks & Community Services Department as a partner agency at \$160,000 per year.

Project	2013-2014 Approved	2015-2016 Requested	2015-2016 Recommended	Source
KTUB Operations	\$320,000	\$320,000	\$320,000	Ongoing General Fund

## **KIRKLAND DOWNTOWN ASSOCIATION**

The Kirkland Downtown Association (KDA) focuses on creating a more vibrant downtown for the Kirkland community. KDA develops and manages programs to support businesses in the downtown core. KDA is funded as a partner agency at \$45,000 from the General Fund. KDA has also received Lodging Tax funds for events, which are awarded on an annual basis and are enumerated later in this report.

<b>Project</b>	<b>2013-2014 Approved</b>	<b>2014 Requested</b>	<b>2015-2016 Recommended</b>	<b>Source</b>
KDA Operations	\$90,000	\$90,000	\$90,000	Ongoing General Fund

## **PARTNER AGENCIES – ONE-TIME**

### **KIRKLAND PERFORMANCE CENTER**

The Kirkland Performance Center (KPC) provides a theater facility in which arts, entertainment and community gatherings are held. KPC's mission is to provide cultural enrichment by offering a home for the presentation, support, and promotion of the performing arts. KPC provides high-quality arts education programs for local students and serves as a gathering place for Kirkland residents. The recommended budget increases the one-time funding to \$50,000 per year for the KPC in 2015 and 2016.

<b>Project</b>	<b>2013-2014* Approved</b>	<b>2015 Requested</b>	<b>2015-2016 Recommended</b>	<b>Source</b>
KPC Operations	\$99,000*	\$100,000	\$100,000	One-Time General Fund

\*Includes \$15,000 in one-time supplemental funding approved as a mid-year budget adjustment and \$16,000 from the Council Special Projects Reserve approved in June 2014.

## **TOURISM FUNDING- ONE-TIME ANNUAL**

### **LITTLE LEAGUE INC. – JUNIOR SOFTBALL WORLD SERIES**

The Junior Softball World Series is a week-long softball tournament involving regional all-star champions from all over the world. The event introduces people from around the world to Kirkland. It is also a major sporting event with a nationally-televised championship game. Overall attendance is estimated to be 6,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Jr. Softball World Series	\$9,000	\$10,000	\$10,000	Lodging Tax Fund

## **SEATTLE INTERNATIONAL FILM FESTIVAL – SIFF KIRKLAND**

The Seattle International Film festival will feature an 8-day presence in Kirkland showcasing 20-25 files from all over the world exhibited at the Kirkland Performance Center. SIFF Kirkland will also feature an Opening Night film and party. Overall attendance for Kirkland is estimated to be 5,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
SIFF Kirkland	\$4,500	\$9,600	\$10,000	Lodging Tax Fund

## **NORTHWEST PADDLE SURFERS – STAND UP PADDLE RACE**

For six years, NW Paddle Surfers has organized Round the Rock, which is the largest Stand Up Paddle (SUP) competition and event in the Pacific Northwest. They would like to host a similar competition in the ideal setting of Juanita Beach Park and attract competitors from all over the region. Overall attendance is estimated to be 200.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Stand Up Paddle Race	N/A	\$10,000	\$7,000	Lodging Tax Fund

## **KIRKLAND DOWNTOWN ASSOCIATION – KIRKLAND SUMMERFEST**

Kirkland Summerfest is a celebration of art, music and food in a festival for the whole family. The event takes place in downtown Kirkland and Marina Park with multiple stages, food trucks and art displays. Overall attendance is estimated to be 50,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Summerfest	\$5,000	\$10,000	\$6,000	Lodging Tax Fund

## **KIRKLAND DOWNTOWN ASSOCIATION – KIRKLAND OKTOBERFEST**

A three-day authentic munchen-style Oktoberfest Biergarten. Admission required and 21 over event. The event features German Music, food, games contests and more. Overall attendance is estimated to be 6,800.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Kirkland Oktoberfest	\$4,000	\$10,000	\$6,000	Lodging Tax Fund

### **KIRKLAND PERFORMANCE CENTER – MOISTURE FESTIVAL AT KPC**

A unique family-friendly performing arts festival showcasing live comedy, circus acts, and vaiete, featuring vaudeville-style performances of about 15 minutes each. The Kirkland Performance Center proposes 4 performances with matinees being family friendly. Overall attendance is estimated to be 900.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Moisture Festival	N/A	\$10,000	\$6,000	Lodging Tax Fund

### **KIRKLAND UNCORKED – KIRKLAND UNCORKED**

Kirkland Uncorked is an annual celebration of food, wine and art on Kirkland's waterfront. The festival features wine tasting, local restaurants and artists. The event raises funds for Homeward Pet Adoption Center. Overall attendance is estimated to be 40,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Kirkland Uncorked	\$4,500	\$15,000	\$6,000	Lodging Tax Fund

### **KIRKLAND ARTS CENTER – KIRKLAND ARTISTS STUDIO TOUR (KAST)**

A wide range of artwork will be on display and available for purchase in over 20 studios located throughout the City of Kirkland. KAST is a great opportunity for art-enthusiasts and novices, cultural creatives, and tourists from throughout the region to enjoy a beautiful Kirkland-based colorful and creative tour. Overall attendance is estimated to be 1,500.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
KAST	\$2,500	\$11,000	\$6,000	Lodging Tax Fund

### **KIRKLAND DOWNTOWN ASSOCIATION – KIRKLAND CLASSIC CAR SHOW**

The Kirkland Classic Car Show has hundreds of classic cars displayed in Downtown Kirkland, open to all classes with fun awards and free to thousands of spectators. Overall attendance is estimated to be 19,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Classic Car Show	\$2,500	\$6,000	\$4,000	Lodging Tax Fund

## **PROMOTION EVENTS – 12K'S OF CHRISTMAS HOLIDAY RUN**

A well-attended holiday themed 12K and 5K running and walking event that highlights the City of Kirkland and the Cross Kirkland Corridor trail. The event also includes a free kid's dash and a 25+ booth exhibitor area and is a benefit for the Sleep Country Foster Kids non-profit. Overall attendance is estimated to be 3,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Event Marketing	\$2,000	\$3,500	\$3,500	Lodging Tax Fund

## **KIRKLAND INTERFAITH TRANSITIONS IN HOUSING (KITH) - 7 HILLS OF KIRKLAND CYCLING TO END HOMELESSNESS**

The Seven Hills of Kirkland is one of the Northwest's premier cycling events and includes a 40, 60 and 100 mile ride. Participants are able to travel at their own pace starting at the Kirkland waterfront and passing beautiful scenery along the way. Overall attendance is estimated to be 1,500.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
7 Hills of Kirkland	\$2,000	\$18,300	\$3,500	Lodging Tax Fund

## **SEATTLE REPERTORY JAZZ ORCHESTRA (SRJO) – SPECIAL GUEST ANAT COHEN**

The Seattle Repertory Jazz Orchestra is delighted to present Anat Cohen, internationally renowned clarinetist, as a special guest artist during the 20<sup>th</sup> anniversary season. Cohen joins the SRJO to play music from New Orleans, Latin America, Eastern Europe and Israel. Overall attendance is estimated to be 400.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Special Guest Anat Cohen	N/A	\$3,000	\$3,000	Lodging Tax Fund

## **MERIDIAN GEOGRAPHICS – NW TRAIL RUN WINTER SERIES**

Meridian Geographic plans to produce a 5 and 10 mile trail run on the Cross Kirkland Corridor in February. Overall attendance is estimated to be 200.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
NW Trail Run	N/A	\$3,700	\$2,000	Lodging Tax Fund

## **MERIDIAN GEOGRAPHICS – STREET SCRAMBLE KIRKLAND**

Street Scramble is an urban adventure. Checkpoints are marked on a map and it's up to participants to find as many as they can before the race clock runs out. Check points can be sponsored by local area businesses. Overall attendance is estimated to be 150.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Street Scramble	N/A	\$2,500	\$1,000	Lodging Tax Fund

## **SEATTLE SYNCHRO – SEATTLE SYNCHRO SUMMERFEST PERFORMANCE**

Seattle Synchro plans to perform at the Kirkland Summerfest for the first-ever open water performances to take place at Marina Park. Expected attendance at the 3-day Summerfest is 50,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Seattle Synchro at Summerfest	\$1,500	\$2,800	\$1,000	Lodging Tax Fund

## **KIRKLAND DOWNTOWN ASSOCIATION – WINTERFEST**

Winterfest consists of decorating downtown with garlands and lights. An evening of music performance culminating in the lighting of the Christmas tree. Overall attendance is estimated to be 8,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Winterfest	N/A	\$3,000	\$0	Lodging Tax Fund

## **KIRKLAND DOWNTOWN ASSOCIATION – CELEBRATE KIRKLAND 4<sup>TH</sup> OF JULY**

Kirkland's annual Fourth of July celebration featuring a "decorate to celebrate" event for kids at Marina Park Pavilion, followed by a parade, live music and a picnic. The evening finishes with a fantastic fireworks display over Marina Park with viewing from most waterfront areas. Overall attendance is estimated to be 45,000.

<b>Project</b>	<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>	<b>Source</b>
Celebrate Kirkland 4 <sup>th</sup>	N/A	\$6,000	\$0	Lodging Tax Fund

Attachments:

A – Funding Recommendations – Detailed Summary

B – Lodging Tax Advisory Committee's Funding Recommendation

City of Kirkland 2015-2016 Budget  
Outside Agency and Tourism Funding

ATTACHMENT A

By Funding Source		2013/2014 Approved	2015/2016 Requested	2015/2016 Recommended
<b>GENERAL FUND</b>				
Partner Agency -- Ongoing				
Bellevue YMCA	KTUB Teen Center Operations	320,000	320,000	320,000
Kirkland Downtown Association	Operating Support	90,000	90,000	90,000
<b>Subtotal Partners -- Ongoing</b>	----->	<b>410,000</b>	<b>410,000</b>	<b>410,000</b>
Partner Agency -- One-time				
Kirkland Performance Center	Operating Support	99,000	100,000	100,000
<b>Subtotal Partners -- One-Time</b>	----->	<b>99,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Subtotal General Fund</b>	----->	<b>509,000</b>	<b>510,000</b>	<b>510,000</b>
		<b>2014 Approved</b>	<b>2015 Requested</b>	<b>2015 Recommended</b>
<b>LODGING TAX FUND -- Tourism Grants</b>				
Little League Inc.	Jr. Softball World Series	9,000	10,000	10,000
Seattle International Film Festival	SIFF Kirkland	4,500	9,600	10,000
Northwest Paddle Surfers	Stand Up Paddle Race	N/A	10,000	7,000
Kirkland Downtown Association	Kirkland Summerfest	5,000	10,000	6,000
Kirkland Downtown Association	Kirkland Oktoberfest	4,000	10,000	6,000
Kirkland Performance Center	Moisture Festival at KPC	N/A	10,000	6,000
Kirkland Uncorked	Kirkland Uncorked	4,500	15,000	6,000
Kirkland Arts Center	Artist Studio Tour	2,500	11,000	6,000
Kirkland Downtown Association	Classic Car Show Marketing	2,500	6,000	4,000
Pro-Motion Events	12K's of Christmas Holiday Run	2,000	3,500	3,500
Kirkland Interfaith Transitional Housing	7 Hills of Kirkland	2,000	18,300	3,500
Seattle Repertory Jazz Orchestra	SRJO Special Guest Anat Cohen	N/A	3,000	3,000
Meridian Geographics	NW Trail Run Winter Series	N/A	3,700	2,000
Meridian Geographics	Street Scramble Kirkland	N/A	2,500	1,000
Seattle Synchro	Seattle Synchro Summerfest Performance	1,500	2,800	1,000
Kirkland Downtown Association	Celebrate Kirkland 4th of July	N/A	6,000	-
Kirkland Downtown Association	Winterfest	N/A	3,000	-
<b>Subtotal Lodging Tax</b>	----->	<b>37,500</b>	<b>134,400</b>	<b>75,000</b>



**CITY OF KIRKLAND**  
**City Manager's Office**  
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**[www.kirklandwa.gov](http://www.kirklandwa.gov)**

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

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

**Date:** October 2, 2014

**Subject:** TOURISM DEVELOPMENT COMMITTEE (LTAC) FUNDING  
RECOMMENDATIONS

## **RECOMMENDATION:**

The Tourism Development Committee (TDC), which functions as Kirkland's Lodging Tax Advisory Committee, recommends the following for the City of Kirkland Tourism Budget and Outside Agency Tourism Event Funding.

## **CITY OF KIRKLAND TOURISM PROGRAM FUNDING RECOMMENDATION:**

The proposed revenue-backed 2015-2016 Basic Budget for Tourism reflects investment of more of the program's existing resources, in order to capitalize on local opportunities and to remain regionally competitive. Each new restaurant, business opening, anticipated large mixed-use development such as Park Place, Totem Square, and Totem Lake Malls along with key open space acquisitions and improvements, represent opportunities to accommodate new businesses, and promote Kirkland as a great place to visit and spend the night.

The Tourism Development Committee (TDC) and staff are advocating to increase the overall 2015-2016 basic budget for Tourism.

Over the past three years, there has been an average revenue increase of 9% in lodging taxes collected. With current revenue projections, the TDC is proposing to draw roughly \$43,562 from Lodging Tax Fund reserves for 2015 and 2016 to support this one-time increase to the basic budget. In accordance with a TDC decision that at least half of what is collected in a given year remain in reserves, this proposal leaves over \$275,000 in Lodging Tax Fund reserves before service packages.

## **Basic Budget Changes:**

Based on discussions with and direction from the TDC, this memo explains line item expenditures that reflect significant change. For purposes of discussion, staff has defined "significant change" as \$1,000 or more in a given year.

**Professional Services** - Based on the TDC's desire to utilize existing dollars rather than let sit idle in Lodging Tax Fund reserves, increase Professional Services by \$17,500/yr (\$35,000 increase for the biennium) to a total of \$115,000/yr (\$230,000 total biennial budget). Specific line item allocations as follows:

Public Relations - To support an investment in quality Public Relations to better promote Kirkland as a tourist destination, increase the Public Relations project line item by \$12,000/yr (\$24,000 increase for the biennium) to a total of \$42,000/yr (\$84,000 total biennial budget)

Regional Distribution - For rack card distribution, increase the Regional Distribution line item by \$2,500/yr (\$5,000 increase for the biennium) to a total of \$5,000/yr (\$10,000 total biennial budget).

**Advertising** - 3% overall increase to the Advertising line item to total \$27,000 in 2015 and \$28,000 in 2016 (\$18,000 increase for the biennium) plus funding for a WA Tourism Alliance ad at \$6,000 (\$55,000 total biennial budget)

**Dues and Memberships** - In order to leverage and collaborate with regional partners, increase dues and memberships by \$1,670 in 2015 and \$1,690 in 2016. (\$4,360 total biennial budget)

**Printing** - 5% overall increase to Printing line item for print rack cards and posters to total \$17,000 in 2015 and \$18,000 in 2016 (\$1,827 increase for the biennium) (\$35,000 total biennial budget)

## **Service Packages:**

In addition to the above proposed increases to the basic budget, three one-time service package requests totaling \$109,688 are submitted.

- 1. Increase salaries and benefits** to support nine additional hours per week for the Special Projects Coordinator. This proposal would increase salaries and benefits by \$26,311 in 2015 for a total of \$108,387 and increase salaries and benefits by \$27,684 in 2016 for a total of \$112,651 (\$53,995 total increase for the biennium) (\$221,038 total biennial budget) to support the waterfront optimization study.
- 2. Increase special projects** using Lodging Tax reserves from \$15,000 to \$20,000 is recommended to partly cover the waterfront optimization project's engineering and permitting costs, which total approximately \$70,000. The project was initiated at the request of the Tourism Development Committee (TDC) to respond to focus group recommendations that the waterfront should be further activated; specifically, that seasonal moorage should be added to Downtown and possibly Juanita waterfront parks. A demand study, rate study, and survey of the cost of comparable projects is in progress, utilizing \$20,000 in 2014 tourism funds. The studies will determine whether added moorage will bring more visitors and revenues to Kirkland, whether cost recovery through charging higher fees is feasible, and provide rough costs of moorage. Expenditures of \$20,000 each for 2015 and 2016 will fund engineering drawings and

permits. However, as a prerequisite to expending more money, staff will report the results of the demand study to TDC, Parks Board and City Council by January, 2015. Only with their support, will the project move forward. At that time, additional City funds will be requested for construction in a second service package. The expectation is that permits and approvals can be received in time for moorage to be ready for the 2016 season.

- 3. Increase Outside Agency Funding** in order to seed and support tourism events that bring visitors to Kirkland. Propose utilizing Lodging Tax Fund reserves to increase Outside Agency Funding by \$25,000 per year (\$50,000 for the biennium) reflecting a total of \$75,000 per year (\$150,000 total biennial budget).

Should all three of the above mentioned service package requests be approved, over \$165,000 would remain in Lodging Tax Fund reserves which is more than the recommended reserve target.

### **Outside Agency Funding Recommendation:**

The Tourism Development Committee recommends allocating \$75,000 for Outside Agencies producing tourism events. Kirkland Tourism Staff sent out applications for funding in July, 2014 and received 17 applications for funding totaling \$134,400. The TDC met on September 24, 2014 to hear presentations from the applicants. On October 2, 2014 the Committee met again to make a final recommendation.

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

1. Increase in hotel occupancy in Kirkland by extending length and frequency of overnight stays.
2. Increase in visitors and overnight stays during the off season (October-May).
3. Provide visitor attractions and/or promote the area's existing attractions including the Kirkland waterfront.
4. Partner with other Kirkland organizations including government, nonprofit and for-profit enterprises.
5. Improve the City's overall image to stimulate positive customer awareness.
6. Demonstrate capacity to implement a successful and sustainable event or program.

Members rated the 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.

The Committee voted unanimously to recommend the distribution of funds as listed below:

<b>Event Name</b>	<b>2014 Request</b>	<b>2014 Funding Recommended</b>
Junior Softball World Series	10,000	10,000
SIFF Kirkland	9,600	10,000
Stand Up Paddle Race	10,000	7,000
Kirkland Summerfest	10,000	6,000
Kirkland Uncorked	15,000	6,000
Kirkland Oktoberfest	10,000	6,000
Moisture Festival at KPC	10,000	6,000
Kirkland Artist Studio Tour (KAST)	11,000	6,000
Kirkland Car Show	6,000	4,000
7 Hills of Kirkland	18,300	3,500
12K's of Christmas Holiday Run	3,500	3,500
SRJO: Special Guest Anat Cohen	3,000	3,000
NW Trail Runs Winter Series	3,700	2,000
Street Scramble Kirkland	2,500	1,000
Seattle Synchro at Summerfest	2,800	1,000
Winterfest	3,000	0
Celebrate Kirkland	6,000	0
<b>TOTAL outside agency request</b>	<b>134,400</b>	<b>75,000</b>

Minutes from the October 2, 2014 meeting of the Tourism Development Committee provide information on funding the distribution discussion (Attachment 1).

State 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 2).



**City of Kirkland  
Tourism Development Committee (TDC)  
Meeting Minutes  
October 2, 2014 9:00-11:00pm  
Peter Kirk Room**

**Present:** Toby Nixon (Chair), Brad Zorich, Belinda Jensen, Jac Cooper, Michelle Quisenberry, Jennifer Gill, Maxim Khokhlov, Philly Hoshko (Staff) Ellen Miller-Wolfe (Staff)

**Welcome:** The meeting came to order at 9:03am.

**Approval of Minutes:** The committee approved the minutes from July 3, 2014 and September 24, 2014. (Maxim moved, Jac seconded, unanimous)

**OUTSIDE AGENCY FUNDING**

**Staff Report of Additional Information**

Ellen and Philly updated the committee on some additional information. They received information from the Kirkland Performance Center that the Moisture Festival total budget is \$28,000. Ellen shared research on SIFF. Bellevue and Renton have not started their process but Renton expects the same investment of \$18,000. Ellen shared information on the Community Events (Winterfest and Celebrate Kirkland). Waste Management has given the city funding toward these events. In 2014 the City decided to fund Celebrate Kirkland 16,000 and Winterfest 8,000. The 2015/2016 budget that will be presented to the City Council has a match by the city doubling the amounts to \$32,000 for Celebrate Kirkland and \$16,000 for Winterfest.

Toby shared information on research he conducted for the Anut Cohen schedule. Her schedule does not yet have any other West Coast locations and is mostly international.

It was suggested by the Committee that next year we obtain information on the revenue and previous year's ticket sales information on the application to understand the gap in funding that there might be for the events. Additionally, for continuing events, compare what was predicted as regards visitor overnights and distance traveled to what the final report indicates.

The committee also discussed the criteria.

The committee then rated each of the events. The scores were tallied and sorted. The committee decided to not fund the "Community Events," events that the City Council has defined as benefitting the

community, based on other funding that is being proposed for them by the City in the 2015-16 budget. The committee then discussed the events and funding levels.

The Tourism Development Committee recommends the amounts listed below for the events that applied for tourism funding (Jen moved, Jac seconded, unanimous)

Event Name	2013 Award	2014 Request	2014 Funding Recommended	Score**
Junior Softball World Series	9000	10,000	10000	30
SIFF Kirkland	4500	9,600	10000	29
Stand Up Paddle Race		10,000	7000	30
Kirkland Summerfest	5000	10,000	6000	27
Kirkland Uncorked	4500	15,000	6000	26
Kirkland Oktoberfest	4000	10,000	6000	24
Moisture Festival at KPC		10,000	6000	22
Kirkland Artist Studio Tour (KAST)	2500	11,000	6000	22
Kirkland Car Show	2500	6,000	4000	24
7 Hills of Kirkland	2000	18,300	3500	25
12K's of Christmas Holiday Run	2000	3,500	3500	25
SRJO: Special Guest Anat Cohen		3,000	3000	28
NW Trail Runs Winter Series		3,700	2000	21
Street Scramble Kirkland		2,500	1000	22
Summerfest Seattle Syncro		2,800	1000	16
Winterfest		3,000	0	22
Celebrate Kirkland		6,000	0	22
TOTAL outside agency request		134,400	75,000	

#### CITY OF KIRKLAND BUDGET

The City Tourism program requests \$250,000 in 2015 and 2016 for internal program costs.

Ellen updated the TDC on her conversation with Jac regarding his concerns on the waterfront optimization study. She explained that part of the study is to increase more commercial business as well as providing added moorage for private boats.

She also mentioned her conversation with the City Manager regarding the requested funding for the permitting, engineering and operations costs. Approximately half of the engineering and permitting costs as well as the cost of installation would come from a city service package request. Based on the results of the Demand Study that is scheduled for December or January the TDC can review and determine if and how it would like to move forward with investing in the implementation of additional moorage.

The Tourism Development Committee recommended that the City Tourism Budget be established at \$250,000 and that the use of the \$20,000 allocated for Special Projects be contingent on further TDC approval. (Maxim moved, Jen seconded, unanimous).

Meeting Adjourned at 10:48am.

Minutes Prepared by Philly Hoshko

DRAFT

**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 many 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.]