

AGREEMENT FOR LODGING TAX (CIVIC IMPROVEMENT) FUNDS

THIS AGREEMENT FOR LODGING TAX (CIVIC IMPROVEMENT) FUNDS (this "Agreement") is entered into the date last below written between the City of Bainbridge Island, a Washington state municipal corporation (the "City"), and Bainbridge Island Downtown Association (the "Recipient").

WHEREAS, the Recipient submitted a proposal for funding interactive capabilities for funding for a multi-media destination marketing campaign as described in Attachment A (the "Proposal"); and

WHEREAS, upon recommendation of the Lodging Tax Advisory Committee and approval by City Council at their December 1, 2015 meeting, the City has awarded a contract for the Proposal; and

WHEREAS, the Recipient has the expertise and experience to arrange for said services and is willing to do so in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, promises, and agreements set forth herein, it is agreed by and between the City and the Recipient as follows:

1. SERVICES BY RECIPIENT

The Recipient shall arrange for the services as specified in this Agreement and as necessary to accomplish the scope of work described in the Proposal. The Recipient shall arrange for all services, labor and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement. The Recipient shall execute this Agreement by June 30, 2016 in order to receive funding, and all goods and services specified in this Agreement shall be provided during calendar year 2016.

Recipient shall identify all Proposal activities in promotional and other business materials as having been funded by the City of Bainbridge Island.

2. PAYMENT

A. The City shall pay the Recipient Fifty-One Thousand Eight Hundred Forty-Two Dollars (\$51,842) for all services performed and all approved expenses incurred for the sole and specific purpose of accomplishing the scope of work described in the Proposal, to be billed quarterly in equal amounts.

B. The Recipient shall submit quarterly invoices for services performed in a previous quarter in a format acceptable to the City. Each project and each task within a project shall be the subject of a separate invoice. The Recipient shall maintain time and expense records and provide them to the City upon request.

C. All invoices shall be paid by mailing a city check within sixty (60) days of receipt of a proper invoice.

D. If the services rendered do not meet the requirements of this Agreement, the Recipient shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.

3. REPORT ON EXECUTION OF SERVICES

The Recipient shall submit a report on services provided with the final invoice, no later than January 20, 2017. This report should be no longer than two pages long, excluding budget detail, and should follow the outline below:

- Summarize the activities undertaken in providing the work described in Attachment A.
- Reference the project objectives specified in Attachment A. Were those objectives achieved? Why or why not? Were there any unexpected positive outcomes or challenges?
- Reference the specific measurable results specified in Attachment A. Were they achieved? If not, what challenges prevented the achievement of the anticipated results?
- Describe involvement of any partners specified in Attachment A, as well as any unexpected cooperative relationships that developed through implementation of the project.
- Reference the project budget specified in the Attachment A. Provide an analysis of actual expenses and income in relation to the projected budget.
- Provide a good faith best-estimate of actual attendance generated by the Proposal in the three categories below:
 - a. Travelers staying overnight in paid accommodations away from their place of residence or business;
 - b. Travelers staying overnight in unpaid accommodations (e.g., with friends and family) and traveling more than 50 miles;
 - c. Travelers for the day only and traveling more than 50 miles.
- Describe the methodologies used to arrive at the good faith estimate of actual attendance numbers described above.

4. INSPECTION AND AUDIT

The Recipient shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Recipient shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Recipient shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Recipient shall provide the city with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

5. INDEPENDENT CONTRACTOR

A. The Recipient and the City understand and expressly agree that the Recipient is an independent contractor in the performance of each and every part of this Agreement. The Recipient expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195. The Recipient, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Recipient shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

B. The Recipient shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Recipient shall pay the same before it becomes due.

C. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Recipient performs hereunder.

6. DISCRIMINATION AND COMPLIANCE WITH LAWS

A. The Recipient agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, sexual orientation, age, disability, or other circumstance prohibited by federal, state or local law or ordinance, except for a bona fide occupational qualification.

B. The Recipient shall comply with all federal, state and local laws and ordinances applicable to the work to be done under this Agreement.

C. Violation of this Section 6 shall be a material breach of this Agreement and grounds for cancellation, termination or suspension by the City, in whole or in part, and may result in ineligibility for further work for the City.

D. The Recipient and any subcontractors shall obtain a business license and, if applicable, pay business and occupation taxes pursuant to Title 5 of the Bainbridge Island Municipal Code.

7. TERM AND TERMINATION OF AGREEMENT

A. This Agreement shall become effective upon execution by both parties and shall continue in full force until December 31, 2016, unless sooner terminated by either party as provided below.

B. This Agreement may be terminated by either party without cause upon thirty (30) days' written notice to the other party. In the event of termination, all finished or unfinished documents,

reports, or other material or work of the Recipient pursuant to this Agreement shall be submitted to the City, and the Recipient shall be entitled to just and equitable compensation at the rate set forth in Section 2 for any satisfactory work completed prior to the date of termination.

8. OWNERSHIP OF WORK PRODUCT

All data, materials, reports, memoranda and other documents developed under this Agreement whether finished or not shall become the property of the City, shall be forwarded to the City in hard copy and in digital format that is compatible with the City's computer software programs.

9. GENERAL ADMINISTRATION AND MANAGEMENT

The City Manager of the City, or designee, shall be the City's representative, and shall oversee and approve all services to be performed, coordinate all communications, and review and approve all invoices, under this Agreement.

10. HOLD HARMLESS AND INDEMNIFICATION

A. The Recipient agrees to protect, defend, indemnify, and hold harmless the City, its elected officials, officers, employees and agents from any and all claims, demands, losses, liens, liabilities, penalties, fines, lawsuits, and other proceedings and all judgments, awards, costs and expenses (including reasonable attorneys' fees and disbursements) caused by or occurring by reason of any negligent act, error and/or omission of the Recipient, its officers, employees, and/or agents, arising out of or in connection with the performance or non-performance of the services, duties, and obligations required of the Recipient under this Agreement.

B. In the event that the Recipient and the City are both negligent, then the Recipient's liability for indemnification of the City shall be limited to the contributory negligence for any resulting suits, actions, claims, liability, damages, judgments, costs and expenses (including reasonable attorneys' fees and disbursements) that can be apportioned to the Recipient, its officers, employees and agents.

C. The foregoing indemnity is specifically and expressly intended to constitute a waiver of the immunity of the Recipient under Washington's Industrial Insurance Act, RCW Title 51, as respects the other parties only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the employees of the Recipient. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

D. The City's inspection or acceptance of any of the Recipient's work when completed shall not be grounds to void, nullify and/or invalidate any of these covenants of indemnification.

E. Nothing contained in this section of this Agreement shall be construed to create a liability or a right of indemnification in any third party.

F. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

11. INSURANCE

The Recipient shall maintain insurance as follows:

- Commercial General Liability as described in Attachment B.
- Directors and Officers Liability as described in Attachment B.
- Automobile Liability as described in Attachment B.
- None.

12. SUBLETTING OR ASSIGNING CONTRACT

This Agreement, or any interest herein or claim hereunder, shall not be assigned or transferred in whole or in part by the Recipient to any other person or entity without the prior written consent of the City. In the event that such prior written consent to an assignment is granted, then the assignee shall assume all duties, obligations, and liabilities of the Recipient as stated herein.

13. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

14. SEVERABILITY

A. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

15. FAIR MEANING

The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

16. NON-WAIVER

A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement.

covenant, condition or right.

17. NOTICES

Unless stated otherwise herein, all notices and demands shall be in writing and sent or hand-delivered to the parties at their addresses as follows:

To the City: City of Bainbridge Island
 280 Madison Avenue North
 Bainbridge Island, WA 98110
 Attention: City Manager

To the Recipient: Bainbridge Island Downtown Association
 120 Madrone Lane North, Suite 203
 Bainbridge Island, WA 98110
 Attention: Executive Director

or to such addresses as the parties may hereafter designate in writing. Notices and/or demands shall be sent by registered or certified mail, postage prepaid, or hand-delivered. Such notices shall be deemed effective when mailed or hand-delivered at the addresses specified above.

18. SURVIVAL

Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement shall survive the term or expiration of this Agreement and shall be binding on the parties to this Agreement.

19. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

20. VENUE

The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Kitsap County, Washington.

21. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of 2/18, 2016.

BAINBRIDGE ISLAND DOWNTOWN
ASSOCIATION

CITY OF BAINBRIDGE ISLAND

By 

Name Geraldine Lane

Title Executive Director

Tax I.D. 91-1390519



By _____
Douglas Schulze, City Manager

ATTACHMENT A

LODGING/TOURISM FUND APPLICATION
CITY OF BAINBRIDGE ISLAND
2016 LODGING/TOURISM FUND PROPOSAL COVER SHEET

Project Name: Bainbridge Island Downtown Association Multi-Media Destination Marketing Campaign

Name of Applicant Organization:

Bainbridge Island Downtown Association (BIDA)

Applicant Organization IRS Chapter 501 (c) (3) or 501 (c) (6) status and Tax ID Number:

BIDA is a 501 (c) (3). Tax ID #91-1390519

Date of Incorporation as a Washington State Corporation and UBI Number:

Incorporated 1992. UBI#601 389 111

Primary Contact:

Jerri Lane, Executive Director - Bainbridge Island Downtown Association

Mailing Address:

120 Madrone Lane N, Suite 203 Bainbridge Island, WA 98110

Email(s): jerri@bainbridgedowntown.org

Day phone: 206.842.2982

Cell phone: 206.331.1984

Please indicate the type of project described in your proposal:

Requested \$54,170. Awarded \$51,842

	Project Type
	<ul style="list-style-type: none">Tourism marketing
	<ul style="list-style-type: none">Marketing and operations of special events and festivals designed to attract tourists
N/A	Supporting the operations of a tourism-related facility owned or operated by a nonprofit organization*
N/A	Supporting the operations and/or capital expenditures of a tourism-related facility owned or operated by a municipality or a public facilities district*

LODGING/TOURISM FUND APPLICATION

Applicant Information

The mission of the Bainbridge Island Downtown Association (hereinafter referred to as BIDA) is to build and sustain community through a vibrant downtown. By partnering with the BI Chamber of Commerce (BICC), The BI Lodging Association (BILA) and engaging with our local community to promote the downtown Bainbridge neighborhood and business district, BIDA promotes downtown as the heart of our island as a unique place to live, work, visit, stay, dine, shop and play...

Incorporated in 1992, since 1998, BIDA has been recognized as one of only 13 Washington Main Street Programs accredited as a Historic Main Street by the National Trust for Historic Preservation and the Washington State Department of Community, Trade and Economic Development, and Department of Archaeology. BIDA works throughout the year to create and support a downtown that offers visitors unique experiences including:

- Walkabout Guide – BIDA produces 100,000 of the popular annual *Walkabout guide* which is distributed by Certified Folder Display to more than 270 Seattle/regional locations including hotels, conference facilities, ferries, visitor information locations and tourism specialists throughout the Puget Sound. Virtual exposure for the *Walkabout Guide* is provided via the digital displays on the Washington State Ferries (WSF) Bainbridge Island - Seattle route.
- BIDA produces a year-round calendar of high-quality promotions and events that encourage local and out of town visitor traffic. A partial list of events include the July 3 Street Dance; Monthly Art Walk; Girls Night Out; Trick or Treat Downtown and a full complement of holiday special events. Summer floral hanging baskets and holiday decorations are also provided by BIDA. BIDA manages the over the street Banner program and the Light Pole Banners.
- BIDA has a rich history of providing services and activities essential to successfully attracting and engaging local, regional, national and international tourism. For more than a decade, BIDA has worked closely with the Seattle Concierge Associations (accounting for approximately 15% of direct visitor referrals), Visit Seattle, Cruise Ships and Kitsap Peninsula Visitors and Convention Bureau to communicate current information on the variety of new and existing retail businesses, restaurants, waterfront recreational activities, festivals, events and lodging that make Bainbridge Island a popular visitor destination. Year to date, we are tracking a 6% increase in visitor traffic. Visitors come from every state in the Union, every Province in Canada and over 40 countries.

Thanks in part to BIDA's focused destination marketing efforts, Bainbridge Island and our Historic Downtown are now being regarded as a not-to-be-missed destination, essential for inclusion in itineraries by meeting planners, travel agents and travelers as they plan their visits to the Pacific Northwest.

2. Project Partners.

Although this is not a partnership proposal, BIDA, the Bainbridge Island Chamber of Commerce and the Bainbridge Island Lodging Association have collaborated to assure our proposals each address a separate part of destination marketing, with minimal overlap. Because Bainbridge Island does not have an official Tourism office, this approach is essential to maximizing the usage of LTAC funding to reach as many travel segments/booking channels as possible. The three organizations operate as a central

LODGING/TOURISM FUND APPLICATION

communication funnel promoting all island events and promotions.

3. BIDA Lodging Tax (Civic Improvement) Fund within the past five years (2010–2015).

Year	Initiative	Requested	Funded
2015	Destination Marketing Campaign	\$60,016	\$29,015
2014	Destination Marketing Campaign	\$30,355	\$24,735
2013	Destination Marketing Campaign	\$31,043	\$ 8,400
2012	Bainbridge Island Wine Festival	\$23,000	\$10,000
2011	Downtown Walkabout Guide	\$12,000	\$10,000
2010	Concierge Tour/Blooming Baskets	\$ 9,250	\$ 6,860

4. Unfunded/incomplete projects: None

Project Information

1. Proposed Project description

1A - The main objective of BIDA's multi-media Destination Marketing project is to stimulate economic growth by promoting visitor and local traffic to the Bainbridge Island downtown, with an emphasis on off-peak periods (October – May).

Strategies include a strong outreach to increase visitor traffic and overnight stays particularly in the off-peak season; to produce and distribute a useful *Walkabout Guide* to invite, guide and educate visitors; to assure a vibrant, beautiful, seasonally decorated downtown; to produce and market successful events which draw locals and visitors; to effectively partner with on island and off island organizations positioned to refer visitors; to host an informative and dynamic website (linked to BICC's Visitor's Microsite and booking engine powered by Regatta Travel Solutions); to advertise and market judiciously, using a minimum of targeted print advertising and maximizing the impact and growth of social media channels. Other strategies include partnering with BICC in maintaining Avius America, an I-pad, web based customer feedback system with virtually unlimited reporting capabilities to assure we are hearing the voice of the customer.

1B - Proposed Services:

Tourism Marketing

Walkabout Guide.

We will revise, produce, print and distribute 100,000 copies of the annual Walkabout Guide to over 270 locations in the Pacific Northwest.

Proposed Service - Walkabout Guides – 100,000 Timeline: Distributed 4/1/2016	Total Cost	Estimated Sponsorships	Requested LTAC Funding
Graphic Design	\$ 2,500		
Printing	\$14,500		
Staff Labor	\$ 3,000		

LODGING/TOURISM FUND APPLICATION

Distribution Certified Folder	5,200		
Total Cost	\$25,200	\$6,200	
Requested LTAC Funding			\$19,000

Visit Seattle Membership

Visit Seattle is the official destination marketing organization for Seattle/King County. A membership with Visit Seattle allows Bainbridge Island to piggy back on their \$15,000,000 marketing fund initiatives and outreach, including advertising, tradeshow and events. The membership also provides solid tourism statistics.

Proposed Service: Membership Visit Seattle Timeline: 1/1/2016 - 12/31/2016	Total Cost	Requested LTAC Funding
Membership fee	500	
Total Cost	500	
Requested LTAC Funding		\$ 500

Membership in the Washington Tourism Alliance

In 2011, the Washington State Legislature eliminated its State Department of Tourism, becoming the only state in the union not to have a supported Tourism outreach. The industry developed the Washington Tourism Alliance in an effort to provide private funding for tourism.

Proposed Service: Membership Washington Tourism Alliance Timeline: 1/1/2016 - 12/31/2016	Total Cost	Requested LTAC Funding
Membership fee	500	
Total Cost	500	
Requested LTAC Funding		\$ 500

Avius Insight License fee, Feedback solution and additional floor standing Bouncepad. In 2014, the Chamber and BIDA partnered to install an I-Pad kiosk web based customer feedback system at the Chamber office and at the Visitor Information Center. There is a yearly licensing fee plus a yearly charge for statistical analysis cloud storage. This program has virtually unlimited reporting capabilities that will enable the Chamber and BIDA to generate educational services to merchants, attractions, lodging, restaurants and city officials based on quantitative customer feedback.

Proposed Service Avius Insight Feedback Timeline: 1/1/2016 - 12/31/2016	Total Cost	Partnership BIC Chamber	Requested LTAC Funding
Licensing, Feedback solution	\$1,200		
Additional Floor standing Bouncepad	540		
Total Cost	\$1,740	\$870	
Requested LTAC Funding			\$870

LODGING/TOURISM FUND APPLICATION

Marketing and Operations of Special Events and festivals designed to attract tourists

July 3 Street Dance

BIDA produces and executes the popular July 3 Street Dance. Estimated attendance at the 2015 Street Dance exceeded 10,000, including both locals and visitors. Featuring three bands, a DJ, fourteen food vendors, a Beer and Wine Garden, and a Kiddie Korner (this year featuring Elsa, the Ice Queen and Karaoke), this event is a solid hit that relies heavily on volunteer participation.

In 2016, the Rotary Auction will be held on July 2, with a ten day lead-in, requiring intensive island volunteer participation. Due to demands on a limited volunteer force for the Rotary Auction, July 3 Street Dance and Grand Old Fourth of July, we anticipate the need to hire additional labor to effectively execute the event.

Proposed Service - July 3 Street Dance Timeline: 7/1/2016 - 7/4/2016 (Event 7/3/2016)	Total Cost	Estimated Sponsorships	Requested LTAC Funding
Liability Insurance	\$ 1,000		
Staff Labor - Coordination/execution	4,000		
Hired Labor - On Site Execution	3,200		
Equipment Rental/Signage	1,750		
Event Supplies	6,600		
Bands, Entertainers	3,600		
Permits, printing, postage, Graphic Design, Adv	1,850		
Contract Services: AV, Misc	4,672		
Total Cost	\$26,672	\$10,000	
Requested LTAC Funding			\$16,672

Trick or Treat Downtown

Each year, BIDA produces and executes Trick or Treat Downtown, attracting approximately 4,000 local and visitor attendees. This popular family event is geared to providing a safe and fun Halloween, with Winslow Way closed between Madison and Ericksen and merchants providing a wide range of 'tricks and treats'.

Proposed Service - Trick or Treat Downtown Timeline: 8/1/2016 - 11/1/2016 (Event 10/31/2016)	Total Cost	Estimated Sponsorships	Requested LTAC Funding
Staff Labor - Coordination/execution	\$ 750		
Event Supplies	600		
Permits, printing, postage, Graphic Design, Adv	1,250		

LODGING/TOURISM FUND APPLICATION

i	\$2,600	\$1,100	
Requested LTAC Funding			\$1,500

Holiday Promotions and Events

Each year, BIDA produces and distributes a marketing piece promoting downtown holiday businesses. In 2014, we produced 5,000 coupon books. In 2015 and subsequent years, we will produce a Holiday 'Passport' which lists the Bainbridge Island holiday event schedule and represents an opportunity for visitors/locals to win one of four valuable gift certificate baskets in return for visiting participating merchants. In addition, BIDA sponsors the 'Elves on the Shop Shelves'; Giving Trees; strolling carolers; Photos with Santa and Open House Saturday. BIDA stores the over the street Stars-And-Scrolls decorations and coordinates volunteers to maintain, install and remove them. BIDA purchases the Holiday tree and decorations and coordinates volunteers to install and decorate. BIDA also produces the Holiday Tree Lighting ceremony with a full program of volunteer entertainment and arrival of Santa on his fire truck.

Proposed Service - Holiday Promotions (includes 13,500 Passport Books) Timeline 8/1/2016 – 2/4/2016 (Events begin 1/27/2016)	Total Cost	Estimated Sponsorships	Requested LTAC Funding
Staff Labor - Coordination/execution	\$ 3,300		
Graphic Design	1,500		
Holiday Decoration Storage (yearly)	1,200		
Distribution Seattle	300		
Printing	3,500		
Event Supplies	2,300		
Postage	300		
Adv	1,200		
AV	2,000		
Total Cost	\$15,900	\$5,400	
Requested LTAC Funding			\$10,500

LODGING/TOURISM FUND APPLICATION

Seattle Hotel Concierge Association and Concierge Guild familiarization tour to Bainbridge Island According to BI Chamber of Commerce statistics, approximately 15% of visitor referrals to the island can be attributed to the two Seattle concierge organizations, the Seattle Hotel Concierge Association and the Seattle Concierge Guild. There are over 100 individuals represented in the two organizations and it is vital that they understand the rich visitor opportunities available on the island. BIDA will coordinate, market and produce a comprehensive, all expense paid tour next September, which is the beginning of our shoulder period. We will coordinate the dates with the annual Harvest Fair. The tour will be extensive, culminating in a farm to table culinary experience and a complimentary overnight stay, along with a logoed parting gift.

Proposed Service: Seattle Concierge Familiarization Tour Timeline: September 2016	Total Cost	Estimated Sponsorships	Requested LTAC Funding
Seattle Hotel Concierge Association and Concierge Guild fam trip to Bainbridge Island	\$2,300		
Total Cost	\$2,300	\$0	
Requested LTAC Funding			\$2,300

1C – If appropriate, provide details about the facility operating costs to be funded. BIDA is not requesting facility operating costs.

2 - Narrative statement addressing each of the stated selection criteria, including anticipated outcomes

2/A - Expected impact on increased tourism in 2016. According to the Chamber of Commerce, we have seen a 6% ytd increase in the number of visitors counted at the ferry kiosk and in their offices. Visitors come from all 50 states, all Canadian Provinces and more than 40 countries. Citing Tourism Economics, Visit Seattle reported a 3.7% increase in 2014 overnight visitors with a similar increase projected for full year 2015. Seattle has over 2,000 hotel rooms scheduled to be built during the next 5 years, and the Convention Center has announced a major expansion which will effectively double its size. Bainbridge Island benefits directly from the Seattle Tourism boom.

2/B – Expected impact on or increase in overnight stays on the island. BIDA, in partnership with the Chamber of Commerce, the Lodging Association and the North Kitsap Tourism Coalition is working on promoting events and activities which will increase overnight stays on Bainbridge. With the implementation of a booking engine on the Chamber's website, prospective visitors can make reservations directly from the site. According to the management of Bainbridge Island's largest hotel, the 52 room Best Western Plus, YTD occupancy and RevPar far exceed performance in 2014 and previous years, and 2016 is forecasted to exceed 2015.

2/C – Projected economic impact on Bainbridge Island Businesses. According to Tourism Economics as reported by Visit Seattle, in 2014 approximately 19.2 million overnight visitors to King County generated

LODGING/TOURISM FUND APPLICATION

\$6.4 billion in revenue. Based on statistics received from Visit Seattle and the National Travel & Tourism Office, it is reasonable to expect an 8 – 10% increase in 2016 Bainbridge Island visitors. Visitors spend money directly for food, lodging, retail, transportation, arts, recreation, and entertainment. Visitor expenditures create induced spending, whereby the Bainbridge Island hotel housekeeper, retail clerk and restaurant employee in turn spend money on goods and services.

2/D – The project's potential to draw visitors to the island and increase overnight stays. BIDA's primary destination marketing strategy is based on driving visitor and overnight demand to off peak periods...

2/E – The applicant's demonstrated history of organizational and project success. BIDA has successfully represented the downtown merchants in promoting and supporting a vibrant downtown since 1992 and the 1998 designation as a nationally accredited Historic Main Street is one to be nurtured.

2/F – Describe any partnerships with other organizations in the proposed project, including efforts to minimize duplication of services and encourage cooperative marketing. Since Bainbridge Island does not have a Tourism Bureau BIDA has collaborated with BICC and BILA on our proposals to ensure maximum reach to tourism segments with minimum overlap.

2/G – Describe to what degree the project goals are measurable. Increased hotel occupancies can be measured by year over year comparison of RevPar (revenue per available room) and lodging tax collections. Increase in business success can be measured by year over year sales tax collections and employment statistics. Visitor satisfaction can be measured by direct feedback from Avius America's iPad based customer survey system, currently installed at the Chamber of Commerce and at the Ferry terminal. The Chamber also conducts a yearly 'count' of visitor traffic and we can rely on the Washington State Ferry statistics to keep us informed of both vehicle and foot traffic volumes.

2/H – Describe the degree to which the project will leverage award funds with additional matching funds or donated in-kind goods or services. Volunteer hours, staff project management, sponsorships, and in-kind donations form the framework of BIDA's programs. We can document over 2,500+ volunteer hours. When calculated at \$9.47 per hour, the leveraged amount totals \$23,675. In-kind or steeply discounted or in-kind goods and services account for an additional \$15,000 each year. BIDA relies heavily on cash sponsorships from companies like Virginia Mason, Harrison Medical center, Columbia Bank, John L. Scott Realtors, Cook Family Funeral Home and Puget Sound Energy to produce the annual event schedule.

Supporting Documentation

1. Timeline - The timeline for this project is January 1, 2016 to December 31, 2016. Specific event dates are noted in the individual listings.
2. Budget - The budget is attached containing each individual listing and its related costs.
Attachment A
3. Scalability: Describe program's scalability and how the budget will be adjusted and/or achieved should the full amount of the LTAC Funding request not be awarded. In order of priority:
 - Delete Membership in Washington Tourism Association: \$500
 - Delete contribution to Trick or Treat Downtown - \$1,500

LODGING/TOURISM FUND APPLICATION

- Lower contribution to July 3 Street Dance by \$2,500
- Lower contribution to Walkabout Guide by \$2,500

As noted on the detailed budget, BIDA's proposal assumes cash sponsorships. Although in-kind donations and volunteer hours are not called out, BIDA cannot produce its events without at least 2,500 yearly volunteer hours. BIDA has not requested full funding of any major project. Any decrease in funding of the three above listed events will require BIDA to lower/delete elements of the offerings historically provided.

4. Financial Statements – Provided following the budget:
 - a. 2014 year end P&L – Attachment B
 - b. 2015 Budget – Attachment C
 - c. 2015 Estimate revenue/expenses - Attachment D
5. Letters of Partnership – Provided following Financial statements.
 - a. Bainbridge Island Chamber of Commerce – Attachment E
 - b. Bainbridge Island Lodging Association - Attachment F
 - c. Eagle Harbor Inn – Attachment G

LODGING/TOURISM FUND APPLICATION

Budget-Attachment A

Project	\$ Total Cost	\$ Estimated Sponsorships	\$ Requested LTAC Funding
100,000 Walkabout Guides			
Graphic Design	2,500		
Printing	14,500		
Staff Labor	3,000		
Distribution Certified Folder	5,200		
Total Cost Walkabout	25,200	6,200	19,000
Visit Seattle Membership fee	500	\$0	500
WA Tourism Alliance Membership	500	\$0	500
Avius Insight Feedback Solution	1,740	\$870	870
July 3 Street Dance			
Liability Insurance	1,000		
Staff Labor	4,000		
Hired Labor/Onsite Execution	3,200		
Equipment Rental/Signage	1,750		
Event Supplies	6,600		
Bands, Entertainers	3,600		
Permits, Printing, Postage, Design, Adv	1,850		
Contract services, AV,	4,672		
Total Cost July 3 Street Dance	26,672	10,000	16,672
Trick or Treat Downtown			
Staff Labor	750		
Event Supplies	600		
Permits, Printing, Postage, Design, Adv	1,200		
Total Cost Trick or Treat	2,600	1,100	1,500
Holiday Promotions			
Staff Labor	3,300		
Graphic Design	1,500		
Storage Holiday decor (yearly)	1,200		
Distribution (Seattle)	300		
Printing	3,500		
Event supplies	2,300		
Postage/Shipping	300		
Advertising	2,000		
AV/Technical	1,500		
Total Holiday Promotions	15,900	5,400	10,500
Seattle Concierge Familiarization Tour	2,300	0	2,300
Production, marketing, gifts, events			
Totals	75,412	23,570	\$51,842

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09/25/15

- Cash Basis

Bainbridge Island Downtown Association

Profit & Loss

February 2014 through January 2015

Feb '14 - Jan 15

Ordinary Income/Expense	
Income	
B & O Tax Incentive Program	84,648.39
Banner Income (Banner Income)	1,450.00
Buy Local Income	116.50
COBI- LTAC Program	24,735.00
Corporate Sponsors	21,475.00
Donations	422.77
Event Income	
Business Participation Fees	3,869.00
Event Fundraising Income	77,171.30
Event Income - Other	16,424.32
Total Event Income	97,464.62
Grant Income	6,000.00
Kiosk Income	25.00
Membership Dues	30,635.00
WalkAbout Listing Income (Walkabout Listing Income)	17,700.00
Total Income	284,672.28
Cost of Goods Sold	
Contractors- CGS	19,606.04
Event Goods -CGS (Costs related to sales of program-related inventory - supplies, materi...	14,300.87
Event Staff - CGS	1,390.00
Fees, Licenses.-CGS	1,203.59
Graphic Design -CGS	11,261.70
Hospitality -CGS	620.83
Office Expenses -CGS	20.00
Postage/Distribution -CGS	5,297.95
Printing-CGS	22,382.66
Promo, Advert., Communic.-CGS	36,407.25
Supplies -CGS	23,143.59
T-shirt / T-shirt printing -CGS	3,124.60
Travel/Lodging/Meals - CGS	367.69
Wages -CGS	
Executive Director	64,431.08
Program Manager	28,120.75
Total Wages-CGS	92,551.83
Website/IT - CGS (Website/In	39.73
Total COGS	231,718.33
Gross Profit	52,953.95
Expense	
Advertising & Promotion	6,189.70
Bank Charges	479.06
Charitable Contributions	75.00
Computer	2,714.47
Dues & Subscriptions	451.08
Filing Fees	50.00
Gifts	119.89
Gross Payroll	
P/R Taxes	7,699.01
Wages - Ofc. Asst	924.00
Gross Payroll-Other	5,669.01
Total Gross Payroll	14,292.02
Insurance	
Liability	2,874.00
Total Insurance	2,874.00

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09/25/15

Cash Basis

Bainbridge Island Downtown Association
Profit & Loss
February 2014 through January 2015

	Feb '14 - Jan 15
Meals & Entertainment	1,247.85
Mileage	134.96
Office Supplies	4,717.30
Parking, Ferry, Bridge Toll	149.84
Postage	485.61
Printing	2.60
Professional Services	
Bookkeeper	3,168.75
CPA	1,820.00
Other	75.00
Total Professional Services	5,063.75
Reconciliation Discrepancies (Discrepancies between bank statements and company rec.)	-0.75
Rent	
Office	7,240.00
Total Rent	7,240.00
Repairs	543.79
Seminars, Conferences (Business-related seminars or conferences you attend)	1,377.00
Telephone	
Internet	120.87
Telephone - Other	1,710.15
Total Telephone	1,831.02
Travel	601.70
Travel/Lodging/Meals	301.60
Total Expense	50,941.49
Net Ordinary Income	2,012.46
Other Income/Expense	
Other Income	
Pass Through Income	200.00
Total Other Income	200.00
Other Expense	
Voided check tracking	0.00
Total Other Expense	0.00
Net Other Income	200.00
Net Income	<u>2,212.46</u>

Bainbridge Island Downtown Association
Profit & Loss Budget Overview
 February 1 through September 25, 2015

09/25/15
 Cash Basis

	Feb 1 - Sep 25, 15
Ordinary Income/Expense	
Income	
Direct Public Grants	2,000.00
Foundation and Trust Grants	2,000.00
Total Direct Public Grants	2,000.00
Direct Public Support	
B&O tax credit incentive prog.	84,648.39
Corporate Contributions	39,000.00
Total Direct Public Support	123,648.39
Government Grants (LTAC)	29,019.00
Membership Dues	40,500.00
Program Income (Service Revenue)	
Advertising Sales (other)	10,000.00
Banner	1,450.00
Kiosk	50.00
Prog Service Fees	
Booth Fees	7,400.00
Participation Fee	700.00
Total Prog Service Fees	8,100.00
Special Events Income	
Special Events Contributions	1,600.00
Special Events Sales (Nongift)	16,300.00
Total Special Events Income	17,900.00
Walk About Guide	18,000.00
Total Program Income (Service Revenue)	55,500.00
Total Income	250,667.39
Gross Profit	250,667.39
Expense	
Advertising Expenses	24,393.07
Bank Charges	300.00
Books, Subscriptions, Reference	100.00
Computer/Network Support	1,855.93
Conference/Convention/Meetings	2,000.00
Contracted Services (Bands)	7,000.00
Credit Card Discount	500.00
Dues & Subscriptions	500.00
Event Supplies	18,350.00
Facilities and Equipment	3,600.00

1:35 PM

09/25/15

Cash Basis

Bainbridge Island Downtown Association
Profit & Loss Budget Overview
 February 1 through September 25, 2015

	Feb 1 - Sep 25, 15
Gifts	100.00
Graphic Design/Web Design	11,675.00
Gross Payroll Expenses	
Exec. Director	72,000.00
Program Manager	35,000.00
Total Gross Payroll Expenses	107,000.00
Hospitality	2,150.00
Insurance - Liability, D and O	2,874.00
List Rental/Certified Folder	5,200.00
Memberships and Dues	495.00
Office Supplies	1,600.00
Parking, Tolls, Ferry	150.00
Permits, Licenses, Other Costs	375.00
Postage, Mailing Service	5,450.00
Printing and Copying	32,900.00
Professional Fees	
Accounting	4,000.00
Legal	1,200.00
Total Professional Fees	5,200.00
Rent, Parking, Utilities	
Rent - office	11,400.00
Staff Parking	80.00
Total Rent, Parking, Utilities	11,480.00
Staff Development/Education	500.00
Telephone, Telecommunications	1,400.00
Travel	1,000.00
Total Expense	248,148.00
Net Ordinary Income	2,519.39
Net Income	2,519.39

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09/25/15

Cash Basis

Bainbridge Island Downtown Association Profit & Loss

February 1through September 25, 2015

Feb 1 - Sep 25, 15

Ordinary Income/Expense	
Income	
Direct Public Support	
B&O tax credit incentive prog.	33,600.00
Direct Public Support - Other	400.83
Total Direct Public Support	34,000.83
Government Grants (LTAC)	29,516.00
Indirect Public Support	1,728.43
Membership Dues	31,144.16
Program Income(Service Revenue)	
Banner	1,150.00
Prog Service Fees	
Booth Fees	4,100.00
Participation Fee	2,315.00
Total Prog Service Fees	6,415.00
Special Events Income	
Special Events Contributions	18,800.00
Special Events Sales (Nongift)	12,680.00
Total Special Events Income	31,480.00
Walk About Guide	17,058.34
Program Income(Service Revenue)-Other	123.00
Total Program Income(Service Revenue)	56,226.34
Total Income	152,615.76
Gross Profit	152,615.76
Expense	
Advertising Expenses	26,516.75
Bank Charges	85.42
Books, Subscriptions, Reference	6.17
Computer/Network Support	2,744.89
Conference/Convention/Meetings	1,387.74
Contracted Services (Bands)	1,900.00
Credit Card Discount	325.60
Donated Prof Fees - GAAP	-209.00
Dues & Suscriptions	438.00
Equip Rental and Maintenance	859.01
Event Supplies	12,907.17
Facilities and Equipment	442.53
Gifts	71.74
Graphic Design/Web Design	7,962.50
Gross Payroll Expenses	
Exec. Director	47,076.91
Program Manager	16,152.00
Gross Payroll Expenses - Other	5,207.36
Total Gross Payroll Expenses	68,436.27
Hospitality	556.60
Insurance - Liability, D and O	3,982.00
Interest Expense - General	400.51
Janitorial Services	30.00
List Rental/Certified Folder	2,581.96
Memberships and Dues	845.00
Office Supplies	1,310.58
Outside Contract Services	4,429.21
Parking, Tolls, Ferry	21.30
Permits, Licenses, Other Costs	209.95
Postage, Mailing Service	523.55
Printing and Copying	16,851.94

1:38 PM
09/25/15
Cash Basis

Bainbridge Island Downtown Association
Profit & Loss
February 1through September 25, 2015

	Feb 1- Sep 25, 15
Professional Fees	
Legal	1,280.00
Total Professional Fees	1,280.00
Rent, Parking, Utilities	
Rent-office	8,550.00
Rent-storage	414.24
Staff Parking	60.00
Total Rent, Parking, Utilities	9,024.24
Telephone, Telecommunications	1,171.70
Travel	
Mileage	153.40
Travel-Other	432.24
Total Travel	585.64
Total Expense	167,678.97
Net Ordinary Income	-15,063.21
Other Income/Expense	
Other Expense	
Payments to Affiliates	422.50
Voided check tracking	0.00
Total Other Expense	422.50
Net Other Income	-422.50
Net Income	<u>-15,485.71</u>

Forecast collecting B&O funding prior to December 31, 2015 to produce a positive cash flow.



BOARD OF DIRECTORS

Executive Board:

Arnie Sturham
Chair

Kelly Muldrow
First-Vice Chair

Claire Chavanu
Secretary

Linda Lincoln
Treasurer

Jeff Waite
Past President

Directors:

- Matt Albee
- Rhonda Brown
- Cheryle Elmquist
- Russell Everett
- Clayton Hallum
- Damien Lawson
- Bryan McConaughy
- Edward Moydell
- Rick Pedersen

Rex Oliver, IOM
President/CEO

Chairman's Circle:

Platinum Members:

- Treehouse Cafe
- Bainbridge Island Brewing
- Harrison Medical Center
- Kitsap Bank

Gold Members:

- Town & Country Markets
- Sears & Associates
- Cook Family Funeral Home
- Avalara
- Fairbank Construction Co
- HomeStreet Bank
- Puget Sound Energy

September 5, 2015

To: Lodging Tax Advisory Committee
Re: Bainbridge Island Downtown Association

Committee Members,

The Chamber would like to offer its support for the Bainbridge Island Downtown Association proposal for tourism marketing on Bainbridge Island.

We are pleased to work with BIDA to distribute the Walk-A bout guide for tourists who are looking for businesses in the Winslow area. The guide is distributed by our staff in the office and at the ferry terminal.

Just as the Chamber greets our many visitors as they come onto the island, the Downtown Association merchants greet the visitors in the shops, books stores, restaurants and sidewalks of downtown Winslow.

We also appreciate the partnership of the Downtown Association, the Lodging Association and the Chamber. Working together, we create a dynamic marketing program. Each group keying in on its own strengths yet keeping in mind how it interrelates to the marketing plan as a whole.

Respe

Rex Oliver, TOM
President/CEO
Bainbridge Island Chamber of Commerce

"Creating a Strong, Sustainable Local Economy"



September 28, 2015

To: Lodging Tax Advisory Committee (LTAC), City of Bainbridge Island
RE: Bainbridge Island Downtown Association's 2016 LTAC Proposal

Dear 2015 LTAC Members,

The Bainbridge Island Lodging Association (BILA) strongly supports the Bainbridge Island Downtown Association's (SIDA) LTAC proposal to fund a comprehensive multi-media destination marketing and events campaign which will be coordinated with Bainbridge Island Lodging Association's optimized web campaign to maximize Bainbridge's internet exposure so as to attract more overnight lodgers.

We look forward to developing our internet marketing campaign in conjunction with BIDA's above multi-media marketing as well as the Bainbridge Island Chamber of Commerce LTAC proposal to provide Visitor Services focusing on hotel concierges, cruise ship, convention and Visit Seattle staff as well as meeting and greeting our daily ferry walk off visitors.

BILA, the Chamber and the SIDA plan 2016 to be another highly successful year of joint venturing towards the goal of bringing more overnight visitors to Bainbridge Island. Together, in the past two years, our efforts in our three distinct areas of destination marketing have been coordinated successfully to achieve the result of greater overnight lodging. This has yielded significantly increased Lodging Tax and Sales Tax revenues over the past two years, and millions of additional tourist dollars coming to Bainbridge Island.

Respectfully,

Eric Fredricks, President
Bainbridge Island Lodging Association

MEMBERS

The Bainbridge Island Lodging Association (BILA) is comprised of vacation rentals, guest houses, bed and breakfasts, boutique hotels, inns and cottages on Bainbridge Island, in Washington State. BILA is dedicated to providing guests quality accommodation on our beautiful island in the Pacific Northwest.

2015 Members

Abode on the Sea
Artist's Studio
Bainbridge Island Beach Cottage
Bainbridge Island Beach House
Dori Western PLUS
Bainbridge Island Suites
Crystal Seaside Beach House
Fletcher Bay Landing
Glasshouse at Wacky Nut Farm
Equestrian Center
Holiday Farm
Holy Lane Gardens
Inn at Pleasant Beach
Inn at Vineyard Lane
Island Country Inn
Kelleman Creek
Madison Touchhouses
Pierce Estate
Rising Moon Beach House
Rockaway Beach Retreat
Savon Cottage
Seabold Cottage
Silt Point Guest House & Retreat
The Eagle Harbor Inn
The Nest on Bainbridge Island

2015 OFFICERS

Eric Fredricks, President
Cass Hogstromer, Vice-President
Shelia Lev, Treasurer

The Eagle Harbor Inn
A Petit Hotel on Bainbridge Island

DATE: September 22, 2015

TO: Bainbridge Island Lodging Tax Advisory Committee

FROM: Bonnie & Cihan Anisoglu
The Eagle Harbor Inn

SUBJECT: Support For Lodging Tax Proposal submitted by
Bainbridge Island Downtown Association

We are pleased to submit this letter of support for the full funding of destination marketing projects as developed and submitted by the Bainbridge Island Downtown Association. We encourage the Lodging Tax Committee to fund this project in full.

As the owners of The Eagle Harbor Inn we have an unwavering appreciation for a balanced approach to promoting our island and its many attractions. Destination marketing is -- simply put -- a critical component of effective tourism marketing. The strategies developed by the Downtown Association provide an excellent balance of promotional activities, destination guides, digital advertising, ferry advertising, and tourism publications. Every element of the package plays an important role in attracting day visitors and overnight tourists -- to downtown and to the island as a whole.

We are privileged, here on Bainbridge Island, to have extraordinary marketing knowledge and expertise in-house at our Downtown Association. As hotel owners we are grateful for BIDA's commitment to reaching regional travel markets and to attracting tourists -- as well as meetings, concierges, conferences, travel writers, and bloggers -- to our beautiful destinations.

We strongly support the BIDA proposal for Destination Marketing and urge you to fund this proposal in full.

ATTACHMENT B

Insurance against claims for injuries to persons or damage to property arising out of or in connection with the performance of this Agreement by the Recipient, its officers, employees and agents:

A. Commercial General Liability Insurance written on an occurrence basis with limits no less than \$1,000,000.00 combined single limit per occurrence and \$2,000,000.00 aggregate for personal injury, bodily injury and property damage. Coverage shall include, but not be limited to blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability.

B. Directors and Officers Liability Insurance with limits no less than \$1,000,000.00 limit per occurrence.

C. Automobile Liability Insurance with limits no less than \$1,000,000.00 combined single limit per accident for bodily injury and property damage.

Before commencing work and services, the Recipient shall provide to the person identified in Section 17 of the Agreement a Certificate of Insurance evidencing the required insurance. City reserves the right to request and receive a certified copy of all required insurance policies.

Any payment of deductible or self-insured retention shall be the sole responsibility of the Recipient. City shall be named as an additional insured on the Commercial General Liability Insurance Policy, with regard to work and services performed by or on behalf of the Recipient, and a copy of the endorsement naming City as an additional insured shall be attached to the Certificate of Insurance.

The insurance policies (1) shall state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) shall be primary insurance with regard to City; and (3) shall state that City will be given at least 30 days' prior written notice of any cancellation, suspension or material change in coverage.

