

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 Arts & Humanities Council (the “Recipient”).

WHEREAS, the Recipient submitted a proposal for Lodging Tax/Tourism funds (Civic Improvement Fund) to provide potential visitors with access to *Currents Magazine*, which showcases the arts and cultural offerings of Bainbridge Island, 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 Two Thousand Dollars (\$2,000) 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. Payment will be made by the City only when documentation of delivery of contracted services or products is provided to the City.

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.
- Complete a Joint Legislative Audit and Review Committee (JLARC) report as directed by the City that will 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.

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.

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.

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

IN WITNESS WHEREOF, the parties have executed this Agreement as of May 23, 2016.

BAINBRIDGE ISLAND ARTS &
HUMANITIES COUNCIL

CITY OF BAINBRIDGE ISLAND

By Jennifer Coates

By Douglas Schulze

Name Jennifer Coates

Douglas Schulze, City Manager

Title Co-Executive Director &

Secretary of the Board

Tax I.D. 91-1341760

Attachement A

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

Project Name: Promotion of Bainbridge Island Arts and Culture Opportunities

Name of Applicant Organization: Arts & Humanities Bainbridge

Applicant Organization IRS Chapter 501(c)(3) or 501(c)(6) status and Tax ID Number: 91-1341760

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

August 13, 1986

Primary Contact: Jennifer Coates, co-Executive Director

Mailing Address: 221 Winslow Way W, Ste. 201, Bainbridge Island, WA 98110

Email(s): ed@ahbainbridge.com

Day phone: 206-842-7901

Please indicate the type of project described in your proposal: [X] Project Type

<input checked="" type="checkbox"/> Tourism marketing	
Marketing and operations of special events and festivals designed to attract tourists	
Supporting the operations of a tourism-related facility owned or operated by a nonprofit organization*	
Supporting the operations and/or capital expenditures of a tourism-related facility owned or operated by a municipality or a public facilities district*	

*If the proposal requests funds for a tourism-related facility, please indicate the legal owner of that facility: N/A

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Arts & Humanities bainbridge

LOGGINT/TOURISM FUND APPLICATION

Applicant Information

1. Describe the applicant organization's mission, history and areas of expertise. Describe the applicant's experience in tourism promotion on Bainbridge Island and its demonstrated ability to complete the proposed project. If appropriate, please identify the project partner(s) and briefly describe the involvement of each. Please note that the maximum award of \$80,000 will apply to any single project, even if proposed by a team of partners.

The mission of Arts & Humanities Bainbridge is to create an environment on Bainbridge Island in which the arts and humanities flourish. Founded in 1986, AHB nurtures our local culture through island-wide programs, services, and collaborations. We promote the island's cultural offerings daily, provide free and below- market-price support services to artists and cultural organizations, engage young people in a full range of quality arts and humanities education programs, award grants to outstanding members of the cultural community, and engage people beyond our island in the creative milieu that is Bainbridge.

Although we are an independent, self-sustaining organization, in recognition of the importance of cultural programs and activities to Bainbridge Islanders and its visitors, the citizens of Bainbridge Island, through COBI, have designated AHB as the "official body of the City empowered to act on all matters pertaining to the development, enrichment and support of the arts and humanities within the City."

Our programs have a wide reach and deep impact. We engaged 3,000 Bainbridge Island public school students in our award-winning Arts in Education program in the 2014/15 school year while employing a roster of local, professional teaching artists for project-based residencies within the schools. We manage the City of Bainbridge Island's Public Art Program while also funding and organizing free cultural enrichment events such as the National Poetry Month and our Celluloid Bainbridge Film Festival. We also facilitate monthly Cultural Reps and Directors Forum meetings to help Bainbridge arts and humanities groups bolster their reach through collaborative information exchange, shared planning, and promotion.

Of most importance to LTAC, AHB serves as the cultural communications hub for Bainbridge Island organizations, artists and patrons of the arts. We recognize that culture, commerce, and tourism are fully intertwined on Bainbridge Island. Through Currents, our quarterly arts and culture magazine, as well as our online Cultural Calendar, our social networks on Facebook, Twitter, and through eBlasts, we promote Bainbridge Island cultural events and programs, attracting tourists, as well as locals, to Bainbridge organizations and businesses.

We have many years of experience in regional tourism promotion, exemplified through our Bainbridge in Bloom event, which attracts a national audience using both print and online media.

With LTAC support over the last three years, we have amplified our destination marketing efforts by joining the Seattle Visitors & Convention Bureau and distributing quarterly issues of *Currents* to tourists arriving in Seattle and looking for activities to undertake. We also increased our circulation by distributing several thousand copies of *Currents* on the Seattle/Bainbridge ferry run and terminals.

Currents and its Cultural Events Calendar have a decade long record as a service to our community's organizations and individuals. This application outlines our desired steps in improving on the impact of these resources. With the proposed enhancements to the magazine's distribution, we are confident of our ability to amplify our community's cultural voice into Seattle and beyond, bringing more individuals, families and businesses to Bainbridge Island.

2. If appropriate, please identify the project partner(s) and briefly describe the involvement of each. Please note that the maximum award of \$80,000 will apply to any single project, even if proposed by a team of partners.

We will be exploring partnership opportunities but do not currently have partnerships in place for this project.

3. If appropriate, please list each project and amount of funding awarded and utilized from the Lodging Tax (Civic Improvement) Fund within the last five years (2010-2015).

- 2010 \$39,940 Tourism Alliance Marketing Strategies
- 2011 \$8,000 Bainbridge in Bloom
- 2012 \$10,000 Bainbridge in Bloom
- 2013 \$4,685 for publicizing Bainbridge Island arts and culture scene
- 2014 \$9,271 promotion of Bainbridge arts and culture through print and social media
- 2015 \$7,948 for promotion of Bainbridge arts and culture through print and social media

4. If any projects previously funded through the Lodging Tax (Civic Improvement) Fund were not completed and/or if reports were not submitted to the City as requested, please explain:

Not applicable

Project Information

A. Identify the Project's main objectives and how each will be achieved.

Our objective is to continue branding Bainbridge as an attractive cultural destination with a rich menu of cultural offerings through multi-channel marketing thereby increasing audiences for Bainbridge Island artists and cultural organizations. This approach will require year-round distribution of *Currents magazine* on the Bainbridge – Seattle ferry terminals and in as many other key locations as we can place it.

Currents is a full color, free, go-to guide to what's happening around the island's cultural scene. Each issue of *Currents* features an inclusive events calendar covering three – four months of local cultural

activities as well as non-profit Spotlight advertorials, which we partially subsidize. Thought-provoking, culturally relevant articles, entice our readers and give rich, in-depth look at the inner workings of the lively cultural happenings on Bainbridge. Advertising is generally artistically presented and paid for by businesses supporting the cultural vitality of Bainbridge Island.

Magazines continue to outperform other media in driving positive shifts in purchase consideration and intent. According to research from GfK MRI Starch, 61% of U.S. magazine readers took action, or planned to take action, based on specific advertising seen in magazines. Studies have also suggested that consultation with friends and relatives is perhaps the most often cited source of information used by tourists. (We have been often told by readers that they keep *Currents* on coffee tables as a valuable guide for their visiting guests.) Other sources frequently used are destination-specific literature.

B. Be as specific as possible about proposed services, if appropriate the quantities of materials for and measurable impacts on the tourism market, distribution method and costs.

We have tested distribution expansion of *Currents* with the help of LTAC funds. In 2014 we began distributed *Currents* through Seattle Visitors & Convention Center and to cruise ship tourists. We also enhanced distribution by providing the fall and winter issues on the Bainbridge ferries and the Seattle and Bainbridge terminals. Many people who are on their way to somewhere else use this ferry route. It is not just for commuters.

Throughout 2014 and 2015 our distribution of *Currents* Magazine (16,000 copies) needed to be replenished weekly at both the ferry terminals and the Bainbridge Island Museum of Art. In 2014, with LTAC funds, we were also able to distribute *Currents* through the Seattle Visitors & Convention Bureau and to cruise ship clients. Tourists frequent the ferries, SVCB and the cruise ship terminal. The consistent demand for more magazines showed how *Currents* is not only a staple for Bainbridge residents, but also an actively used form of destination-specific literature.

We would like to continue placing the magazine in the terminals for the Seattle/Bainbridge ferries to encourage visitors to come explore the cultural happenings on Bainbridge as a special destination. Certified Folder Display services charges us \$296.4 per month to place *Currents* Magazine at the Bainbridge-Seattle ferry terminals. The requested \$2000 grant will be used to pay the monthly charges of Certified Folder Display services for prominent placement of *Currents* magazine on the Bainbridge – Seattle route.

We will match this with advertising revenue of at least \$12,000.

C. If appropriate, provide details about the facility operating costs to be funded. N/A

2. Provide a brief narrative statement to address each of the stated selection criteria.

A. Expected impact in increased tourism in 2016. Please provide specific estimates of how the project will impact the number of people traveling to Bainbridge Island from fifty miles or more one way from their place of residence, or travelling from another country or state outside of Washington State. If appropriate, compare and contrast this impact to actual or estimated number of tourists at your event/facility in

2014 and estimates for 2015.

Today, effective marketing communications work best when messages are sent through multiple channels, multiple times. On average, consumers must receive a message at least seven or eight times before the sender finally makes an impact. That is why the LTAC grants are so important. The Bainbridge Island Chamber of Commerce captured data throughout this past year, documenting the effects of the collective efforts of Bainbridge Island businesses and organizations that have also increased their tourism marketing activities in 2014. According to the Chamber, 2014 saw a substantial (at least 12%) increase in visitors via the ferries. The number of people could be as high as 75,000. This is the total amount of unique visitors who arrived throughout the entire year of 2014. *Currents* magazine at the ferries, airport, piers and in Seattle, with all of its cultural events and organizations highlighted, will be an important ongoing catalyst in the marketing mix that attracts tourists, beginning at their arrival point, to Bainbridge Island. It is the only publication specifically focused on the Bainbridge arts scene, and duplicated nowhere else.

We anticipate year-round distribution of *Currents* magazine will result in an increase in Bainbridge tourism of at least 4%. We base this on empirical evidence. In 2014, we tested our thesis by expanding onto the ferries and through the SVCB. Although we do not take total credit for the substantial increase in visitors in 2014, we know the combined marketing we did with each local cultural organization in *Currents* painted a picture of Bainbridge as a vibrant, cultural destination, and data shows that cultural tourists spend more than tourists who arrive for other reasons. (See "C" below for statistics.)

The US Department of Commerce reports that the percentage of international travelers including museum visits on their trip has increased from 17–23 percent since 2003. Bainbridge Island now has a world-class art museum anchoring its cultural community. *Currents* flies off the desk there, encouraging its varied audience to taste what else the community has to offer.

B. Expected impact on or increase in overnight stays on the island. Please include actual or estimated numbers of tourists who will stay overnight in paid accommodations in Bainbridge lodging establishments in 2016 as a result of proposed activities. Please include the basis for any estimates.

As a result of increased *Currents* distribution and our cultural calendar, we estimate overnight stays will increase at least 4%. We will work with the Chamber to develop a half-page advertorial for each issue of *Currents* centered on drawing people for overnight stays. *Currents* and its cultural calendar, will alert tourists to events and activities, which require more than one day to take advantage of.

With LTAC support we can increase the breath of our marketing strategy for reaching potential tourists and visitors to Bainbridge Island, and showing them exactly how much there is to do here, how to buy tickets or get access, contact organizations, etc. Everything that will make it easy for them to find what they need to have an enjoyable trip, and spend money while here.

C. Projected economic impact on Bainbridge Island businesses, facilities, events and amenities (helpful data may be found on the Washington State Department of

Commerce website).

Arts are the cornerstone of tourism. Cultural tourists are the ideal tourists-- they stay longer and spend more. The US Department of Commerce reports that the percentage of international travelers including museum visits on their trip has increased from 17 – 23 percent since 2003, while the share attending concerts and theater performances increased from 13 to 16 percent. (Only 7% include a sports event.)The Arts are also good for our local merchants. Attendees who live outside the county in which an arts event takes place spend twice as much as their local counterparts during their stay. They will know where to go and what to do before they arrive. This pre-planning will enable visitors to spend more time shopping, eating and enjoying cultural events, rather than wondering what to do or where to go next.

Statistics provided by AmericansForTheArts.org.

D. The project's potential to draw visitors to the Island and increase overnight stays during the off-season, i.e. Labor Day through Memorial Day.

Currents features advertisements from successful realtors on the island who promote home purchases and vacation rentals. Likewise, the magazine features activities which make the island an enticing location to spend an overnight, weekend or vacation. Many events highlighted in the magazine, including Bainbridge in Bloom and Celluloid Bainbridge often take place over more than one day and encourage overnight stays. The Studio Tours, Christmas in the Country and other events highlighted in the magazine occur in seasons other than summer and showing tourists and residents alike, that Bainbridge Island does not close for business during the off-season. As always, we'll continue informing every reader of *Currents* that Bainbridge is an active cultural travel destination with a vibrant art scene, any time of the year.

E. The applicants' demonstrated history of organizational and project success.

Arts & Humanities Bainbridge has been actively supporting arts and culture on Bainbridge Island since 1986. We have been publishing *Currents* magazine, and its predecessor Arts News, for 14 years. In 2011 we consciously remade *Currents* from a black & white newsprint publication of local interest only, to a full-color publication to promote the arts, culture and businesses of Bainbridge Island. It was designed to visually reflect the high quality of the cultural community that exists here, and brand Bainbridge as a cultural destination.

In 2015 we met in consultation with a marketing professional to consider how to make the magazine more attractive to tourists. The fall 2015 issue offers a preview of the new direction for the magazine. The cover no longer features boxes of information, but instead invites one in with one, flush cover image. The cultural calendar readability has been improved and one long-form interview piece has been added. We have evolved with the times and are on a path to taking full advantage of social media promotion of the island's cultural scene in conjunction with *Currents*. We continue to fine-tune its content so that it develops new audiences for our cultural attractions as well as providing enjoyment for the local populace.

F. Describe any partnerships with other organizations and businesses in the proposed project – including efforts to minimize duplication of services where appropriate and encourage cooperative marketing.

Currents is a cooperative effort with more than 20 organizations participating, including BIMA, Bainbridge Arts & Crafts, the Parks District, Studio Tour, etc. They provide content for the Cultural Calendar, photographs, contacts for in-depth interviews, article ideas, in addition to buying advertorials and display advertising.

Organizations may promote themselves in other ways but this magazine does not duplicate their efforts. It reinforces their other marketing using a channel that is available 24/7 year-round.

G. Describe the degree to which the project goals and/or results can be objectively assessed.

Continued monitoring and reporting of magazine replenishment frequency at our off island distribution locations will show the consistent demand for *Currents Magazine*. *We will also have active quarterly conversations, with advertisers to explore the effectiveness of the new approaches in distribution and dedicated overnight lodging advertisements.*

H. Describe the degree to which the project will leverage award funds with additional matching funds or donated in-kind goods or services.

LTAC funding directly ties to increases in advertising revenue. LTAC facilitates the printing of copies of *Currents* magazine to be distributed beyond Bainbridge Island. This is very attractive to advertisers. Currently our readership is at 30,000– 35,000. As circulation increases our advertising base increases. Increasing our readership by another 5,000-10,000 people will be most helpful. It will bring more advertising, which gives us the ability to add pages and editorial content.

Supporting Documentation

1. Provide a project timeline that identifies major milestones.

Attached

2. Include a detailed budget for the proposed project itemizing expenses and income. Include the amount requested from the Lodging Tax Fund and identify other sources of funding anticipated or obtained, including matching funds, as well as any in-kind contributions necessary to complete the project.

Attached

3. If applicable, please describe the project's scalability. How would the project scope and budget be adjusted should the full amount of the LTAC funding request not be awarded? Please provide specifics. *If this information is not provided, the award committee will not consider alternative levels of funding.*

If the full grant is not awarded, we will adjust our budget by reducing the quantity of magazines produced from 20,000 to 16,000. We would also scale back distribution at the SeaTac terminal, the cruise ship terminal, and the Edmonds ferry terminal to distribution on the Bainbridge terminal and

ferry only. If no funds are awarded, we will reduce magazine production to 13,000 copies and only distribute it locally.

4. Provide copies of your organization's 2014 income/expense summary and 2015 budget.

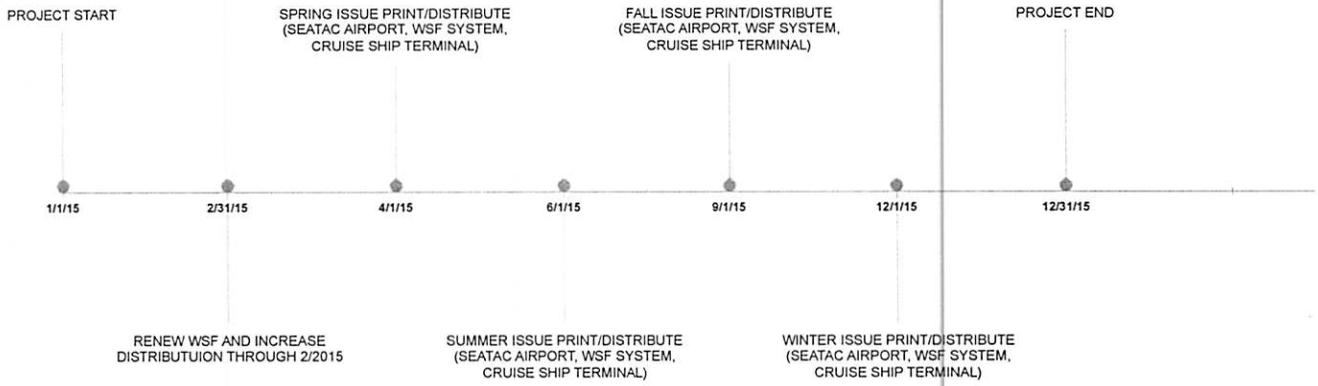
Attached

5. Provide an estimate of 2015 revenue and expenses.

Attached

6. Letters of Partnership – Include letters from any partnering organizations committing to joint sponsorship of the application and specifying their intended activities.

**Currents Magazine Expanded Distribution
Cultural Tourism**



Arts & Humanities Bainbridge
Cultural Tourism Promotion

PROJECT BUDGET

	Currents Magazine	Use of LTAC Funds
Income		
Total Government Grants: LTAC	\$ 2,000	\$ 2,000
Display Advertising	\$ 14,000	
Partially Subsidized Advertorials	\$ 6,500	
Total Income	\$ 22,500	\$ 2,000
Expenses		
Contractors - Designs and ad sales	\$ 9,000	
Certified Folder Distribution (SeaTac, WSF Pier 66)	\$ 3,556	\$ 2,000
Postage and Delivery	\$ 3,500	
Misc.	\$ 450	
Printing	\$ 20,000	
Project Management	\$ 11,500	
Total Expenses	\$ 48,006	\$ 2,000
Profit (Loss)	\$ (25,506)	

Arts & Humanities Bainbridge Profit and Loss

January - December 2014

Accrual basis

Income

Contributed	\$	156,671
Earned Income	\$	102,530
Rev Released from Restrictions	\$	41,340
Total Income	\$	300,541

Expenses

Artist fees & commissions	\$	2,034
Catering	\$	18,528
Contractors	\$	26,463
Depreciation Expense	\$	1,131
Equipment Rental	\$	3,237
Awards	\$	13,208
Interest Expense LOC	\$	1,109
Licenses	\$	3,422
Marketing/Advertising	\$	1,743
Meals/Entertainment	\$	983
Merchant Fees	\$	1,149
Occupancy	\$	9,094
Operations Expenses	\$	11,592
Personnel	\$	134,477
Postage/Delivery	\$	6,534
Printing	\$	30,886
Supplies	\$	8,078
Teaching Artists	\$	15,960
Travel	\$	48
Vendors	\$	3,022
Venue	\$	500
Total Expenses	\$	293,197

Net Operating Income	\$	7,344
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Arts & Humanities Bainbridge Budget

January - December 2015

Accrual

Income

Contributed	\$	212,596
Earned Income	\$	91,870
Rev Released from Restrictions	\$	30,200
Total Income	\$	334,666

Expenses

Artist fees & commissions	\$	6,925
Catering	\$	27,550
Contractors	\$	27,345
Equipment Rental	\$	3,240
Awards	\$	12,200
Interest Expense LOC	\$	1,200
Licenses	\$	3,472
Marketing/Advertising	\$	3,549
Meals/Entertainment	\$	754
Merchant Fees	\$	1,764
Occupancy	\$	9,815
Operations Expenses	\$	11,169
Personnel	\$	151,680
Postage/Delivery	\$	7,727
Printing	\$	30,000
Supplies	\$	6,380
Teaching Artists	\$	14,710
Travel	\$	100
Vendors	\$	3,552
Venue	\$	75
Total Expenses	\$	323,206
Net Operating Income	\$	11,460

Arts & Humanities Bainbridge 2015 Profit & Loss projection

As of Sept 30, 2015

Accrual basis

	<u>Projected</u>
Income	
Contributed	\$ 180,000
Earned Income	\$ 90,000
Rev Released from Restrictions	\$ 30,200
Total Income	<u>\$ 300,200</u>
Expenses	
Artist fees & commissions	\$ 3,525
Catering	\$ 17,440
Contractors	\$ 33,000
Equipment Rental	\$ 2,410
Honoraria/awards	\$ 11,772
Interest Expense LOC	\$ 500
Licenses	\$ 3,868
Marketing/Advertising	\$ 1,245
Meals/Entertainment	\$ 496
Merchant Fees	\$ 2,079
Occupancy	\$ 9,906
Operations Expenses	\$ 8,328
Personnel	\$ 145,000
Postage/Delivery	\$ 4,958
Printing	\$ 30,000
Supplies	\$ 5,000
Teaching Artists	\$ 16,500
Travel	
Vendors	\$ 2,994
Venue	\$ 75
Total Expenses	<u>\$ 299,096</u>
Net Operating Income	<u><u>\$ 1,104</u></u>

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.