



City of Bainbridge Island

Recommendations for 2017 Civic Improvement Fund Expenditures Lodging Tax Advisory Committee November 2016

**2017 Lodging Tax Advisory Committee (LTAC)
(Appointed by City Council on August 9, 2016)**

Michael Scott	(City Councilmember, Chair)
Roger Townsend	(City Councilmember, Vice-Chair, Non-Voting)
Susie Burdick	(Eligible Recipient Organization Representative)
Lorie Quick-Mejia	(Eligible Recipient Organization Representative)
Patricia Nash	(Eligible Lodging Business Representative)
Zoe Bartlett	(Eligible Lodging Business Representative)*

*Appointed on October 18, 2016

Overview

In response to a Request for Proposals (RFP) issued by the City in September, the Lodging Tax Advisory Committee (LTAC) received 14 proposals for funding from the Civic Improvement Fund (CIF) for 2017 activities. Two of these proposals were determined to be ineligible for consideration, based on the proposal requirements stated in the RFP. The LTAC reviewed the remaining 12 proposals and developed a recommendation for funding awards across that set of activities. This report outlines the LTAC's recommendations as to how the tax proceeds should be distributed.

The LTAC is established through Chapter 67.28 of the Revised Code of Washington (RCW) and is charged with reviewing and making recommendations to the City Council about the allocation of the Civic Improvement Fund (CIF.) This special fund exists pursuant to City Code 3.65.040 through the collection of a tax on overnight lodging on the island.

According to RCW 67.28.1816:

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.

Eligibility

The State's requirements restrict the use of the fund to projects in the following categories:

- tourism marketing projects,
- marketing and operations of special events or festivals,
- the operation of tourism related facilities, or
- capital expenses for a tourism related facility.

For 2017, the City Council approved up to \$200,000 in distributions. The funding parameters for 2017 allow applicants to apply for grants between \$2,000 minimum and \$100,000 maximum. The eligibility requirements for 2017, as stated in the City's RFP, are as follows:

- Applicants seeking funding for capital expenditures for a tourism related facility must be a municipality or a public facilities district created under RCW Chapters 35.57 and 36.100.
- Applicants seeking funding for operating expenditures for a tourism-related facility must a municipality or a public facilities district, or be recognized by the Internal Revenue Service as a tax-exempt nonprofit under 26 U.S.C. Sec. 501(c)(3) or 26 U.S.C. Sec. 501(c)(6).
- Applicants for all other types of projects must be registered with the Washington Secretary of State as a Washington State Corporation.
- Individual persons are not eligible for funding.
- For-profit, private businesses are not eligible for funding.
- Proposals must comply with federal, state and City laws and requirements.

- Proposals are to be for goods and services provided during calendar year 2017; funding requests for goods or services to be provided in 2016 or beyond calendar year 2017 will not be considered.
- Proposals from organizations with a board or staff member serving on the Lodging Tax Advisory Committee are not eligible for funding and will not be considered.
- Proposals involving special events, signs, building or construction, impacts to public property or other activities that require permits under City code or state or federal law must demonstrate that the applicant has researched the appropriate permit regulations, confirmed the viability of the proposed activities and incorporated permit fees in the project budget.

Selection Criteria

The LTAC used the following criteria in evaluating project proposals. Other relevant factors, such as availability of funds, may also have been used to guide the decision process.

Lodging Fund Project Evaluation – Basic Criteria
A. Encourages tourism from visitors traveling more than 50 miles and from visitors traveling from outside Washington State.
B. Expected impact on increase in overnight stays in paid accommodations on the island.
C. Expected increase in tourism. Tourism means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
D. Potential to draw visitors to the Island and increase overnight stays during the off-season, October 1 until Memorial Day.
E. Applicant’s demonstrated history of organizational and project success, including but not limited to previous LTAC-funded projects.
F. Project reflects partnerships with other organizations and businesses, to encourage cooperative tourism marketing and minimize duplication of services.
G. Project goals and/or results can be objectively assessed.
H. Project will leverage award funds with additional matching funds or donated in-kind goods or services.

Recommended Funding

The committee recommends the City Council approve the following awards for 2017:

APPLICANT	PROJECT	REQUEST	AWARD
Arts & Humanities Bainbridge	Event-Bainbridge in Bloom	\$10,000	\$5,000
Bainbridge Arts & Crafts	Marketing	\$4,520	\$3,000
Bainbridge Island Chamber of Commerce	Marketing and Event and Facility Operations	\$71,516	\$56,000
Bainbridge Island Downtown Association	Marketing and Event and Facility Operations	\$72,375	\$48,000
Bainbridge Island Historical Museum	Facility Operations-Extended Hours	\$15,000	\$8,000
Bainbridge Island Lodging Association	Marketing and B2B Partnership	\$61,300	\$48,000
Bainbridge Island Museum of Art	Marketing and Facility Operations	\$15,000	\$8,000
Bainbridge Island Parks Foundation	Event-Trillium Trail 10K	\$3,740	\$3,000
Bloedel Reserve	Marketing-Brochure	\$16,335	\$7,500
Islandwood	Marketing-Brochure	\$10,000	\$0
North Kitsap Tourism Coalition	Marketing-North Kitsap Events	\$10,000	\$7,500
Winery Alliance of Bainbridge Island	Marketing-Winery Tourism Events	\$24,000	\$6,000
	Total:	\$313,786	\$200,000

A complete proposal for each project reviewed by the LTAC is available on the City's website: [Lodging Tax Advisory Committee](#)

Per BIMC 3.65.040:

No more than one-half of the taxes collected under this chapter shall be used to pay for advertising, publicizing or otherwise distributing information for the purpose of attracting visitors and encouraging tourist expansion unless an exception is approved by a vote of a majority of all council members plus one more vote.

The 2017 funding recommendation provides more than one-half of the available funds to these activities, and so will require approval by a majority of City Council members plus one more vote.