

AGREEMENT FOR LODGING TAX FUNDS

THIS AGREEMENT FOR LODGING TAX FUNDS (“Agreement”) is entered into on the date written below between the City of Bainbridge Island, a Washington State municipal corporation (“City”), and Bainbridge Arts & Crafts, a Washington State nonprofit corporation] (“Recipient”).

WHEREAS, the Recipient submitted a proposal for Lodging Tax funds for off-island advertising package as described in **Attachment A**; and

WHEREAS, upon recommendation of the Lodging Tax Advisory Committee and approval by the City Council at their December 11, 2018 meeting, the City has awarded this Agreement to effectuate the scope of work, as described in **Attachment A**; and

WHEREAS, the Recipient has the expertise and experience to arrange for said services and work 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 AND WORK BY RECIPIENT

The Recipient shall arrange for the services and work as specified in this Agreement and as necessary to accomplish the scope of work attached hereto as **Attachment A** and incorporated herein by this reference as if set forth in full. 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 scope of work set forth in **Attachment A** shall also include a project budget for the services and work to be performed for the City under this Agreement.

The Recipient, in its activities and promotional materials, shall acknowledge financial support from the City related to the work and services funded by this Agreement.

2. 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, 2019, unless sooner terminated by either party as provided below. The terms of this agreement shall cover activities performed by the Recipient between January 1, 2019 through December 31, 2019.

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 3 for any satisfactory work completed prior to the date of termination.

3. PAYMENT

A. The City shall pay the Recipient Fifteen Thousand Dollars (\$15,000.00) for all services and work performed and all approved expenses incurred for the sole and specific purpose of accomplishing the scope of work, according to the budget provided within **Attachment A**, in amounts to be billed quarterly. The Recipient shall execute this Agreement by March 31, 2019, in order to receive funding, and all goods and services specified in this Agreement shall be provided during calendar year 2019.

B. The Recipient shall submit, in a format acceptable to the City, quarterly invoices for services performed in a previous quarter. Each 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. The City shall pay all invoices by mailing a City check within sixty (60) days of receipt of a proper invoice from the Recipient.

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.

4. REPORT ON EXECUTION OF SERVICES

The Recipient shall submit a report on services and work prior to or accompanying its final quarterly invoice, but not later than January 17, 2020. This report should be no longer than five pages, excluding budget detail, and should follow the outline below:

- Summarize the activities undertaken in providing the scope of 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 scope of work 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.

5. 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 if 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.

6. 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 its 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 and work required under this Agreement. The Recipient shall make no claim of City employment nor shall the Recipient 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.

7. NONDISCRIMINATION 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 7 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.

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 and 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 their 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 shall defend, indemnify, and hold the City, its officers, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits, including attorneys' fees, arising out of or resulting from the acts, errors, or omissions of the Recipient in the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

B. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Recipient and the City, its officers, officials, employees, and volunteers, the Recipient's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Recipient's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Recipient's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

C. 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.

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

11. INSURANCE

The Recipient shall maintain insurance as follows and as further described in **Attachment B**:

- Commercial General Liability as described in **Attachment B**.
- Directors and Officers Liability as described in **Attachment B**.
- Automobile Liability as described in **Attachment B**.
- Workers' Compensation 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 A and B**, 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.

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 the later of the signature dates included below.

BAINBRIDGE ARTS & CRAFTS

CITY OF BAINBRIDGE

Date: _____

ISLAND Date: March 13, 2019

By: _____

By: _____

Name: _____

Morgan Smith, City Manager

Title: _____

Tax I.D. #: _____



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.

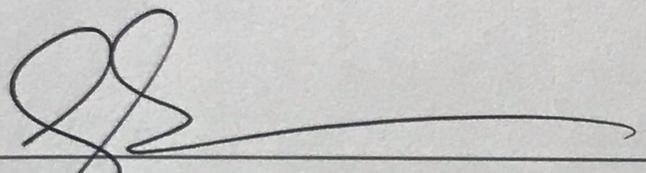
IN WITNESS WHEREOF, the parties have executed this Agreement as of the later of the signature dates included below.

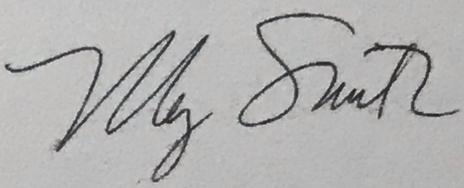
BAINBRIDGE ARTS & CRAFTS

CITY OF BAINBRIDGE

Date: 3.16.19

ISLAND Date: March 13, 2019

By: 



Name: Cheryl Beeser

Morgan Smith, City Manager

Title: Interim Exec. Director

Tax I.D. #: 91-0714664

ATTACHMENT A
SCOPE OF WORK

LODGING/TOURISM FUND APPLICATION

Applicant Information

Please respond to each of these questions in the order listed. If the proposal includes multiple partners, please include the requested information for each organization.

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.

Mission: Founded in 1948, Bainbridge Arts & Crafts (BAC), a nonprofit art gallery, encourages the creation and appreciation of fine contemporary art and craft by exhibiting and selling the work of Northwest artists, and by offering art education to a county-wide audience of all ages. Specializing in art, all-free art education, and art-centered outreach, BAC is the only nonprofit art gallery on Bainbridge Island that provides ongoing opportunities for artists while offering completely free art experiences to tourists, locals, students, teachers, seniors, and the healthcare community.

History: Bainbridge Arts & Crafts was founded in 1948 by a group of local artists who wanted to learn about art, sell art, and see more art created by a wide variety of local artisans and Northwest luminaries. The first meeting in a Bainbridge home gave way to larger gatherings in churches and public halls. By 1953, Bainbridge Arts & Crafts had settled in its first professional home inside "The Old Review Building" near the current ferry terminal drive. The space buzzed with ongoing classes led by local and Seattle artists. No topic or medium was too sophisticated or too humble to explore, whether it was painting, life drawing, or sculpting in dough. (Yes, sculpting in dough.)

Bainbridge Arts & Crafts formally incorporated as a nonprofit in 1958 to further its mission of supporting Northwest artists and providing art education to the community. These concurrent goals have endured. We provide a sales venue for local and regional artists so that we may contribute to their livelihood; we complement arts education in local schools; we put art to work in the human services arena; and we partner with other community organizations across disciplines to broaden our reach and strengthen our ties. All of our activities underscore the richness of Bainbridge Island as a thriving arts community and, equally importantly, as a thriving arts destination.

Areas of expertise: As an island institution and oldest nonprofit art gallery, outreach organization, and education center, Bainbridge Arts & Crafts' areas of expertise and public impact are multi-pronged. By showing and selling fine works of contemporary art and craft, we bring to light new art by Northwest artists, which engages the public and nurtures the livelihoods of artists at all stages of their careers, all year long. We exhibit the work of over 250 local and Washington State artists, (more to come!), through our newly renovated gallery and through a rotating special exhibition program that spotlights a subset of artists, mediums, and/or special themes. We install new special exhibitions once per month without fail. In 2017-18 we installed 29 special exhibitions featuring work by 163 artists working in an array of mediums.

BAC's storefront, special exhibition program, and year-round educational activities draw visitors from all over the country and the world; last year we welcomed 35,189 visitors and shipped works of art to 31 states as well as to Canada and China. Our First Friday artist's receptions are typically full to bursting, consistently welcoming 200-325 visitors per event.

At the same time, by offering completely free visual art education programming, we take the joy of making and learning about art to people of all abilities and means. Of particular significance to our tourism efforts is our First Saturday Artist's Insight series. These monthly artist talks and demos get the public in front of artists at work, offering intimate insights into the artistic process. Last year we offered 24 free Saturday events with a total of over 250 attendees. We encourage a casual, drop-in environment that helps break down barriers between artists and the public. And the fact that we offer these events year-round, not just in the heavy tourist months, underscores our commitment to drawing visitors during the off-season.

Experience in tourism promotion: Art is a big tourist draw, and Bainbridge Island has developed an increasingly fine reputation as an arts destination. Visitors to Bainbridge Island frequently wish to take home their own physical memento of the Northwest, one that tells a story of the region and of their visit. When tourists walk through our gallery, their questions, comments, and target acquisitions revolve around *local* and *special*. Frequent questions include: "Was this made by a local artist?" or, "We just took our first Washington ferry ride. Do you have any paintings of ferries?" or, "Do you have any Northwest glass that I can ship home to my relatives." Visitors have a desire to own a work of art that is local, that is representative of our beautiful region, and that is hand-made, one-of-a-kind, and of outstanding quality. Serving this need is Bainbridge Arts & Crafts' specialty, and in doing so, we fill an important niche in Bainbridge Island's visual art scene.

We are an island institution, to connect with visitors, we share with them the story of Bainbridge Arts & Crafts. Founded in 1948, BAC was the first nonprofit arts organization on Bainbridge Island, and since our inception, we have consistently nurtured the development and livelihood of artists at every stage of their careers by publicizing, showing, and selling their work.

Equally important, we provide vital arts programming for schools, grants for local art teachers, and college scholarships for art students. We also send teaching artists into retirement centers and medical facilities year-round, utilizing our expertise to extend the proven healing power of creating art.

We also tell visitors the stories of our artists. We represent 250 artists working in a wide range of mediums. We know these artists, we know where they come from, and we are able to articulate to visitors what makes their work special. What's more, we're able to make visitors feel wonderful about their purchases because they know that the proceeds are going to support free visual art education and outreach in the local community. Visitors tell us that they like knowing that what they buy is having a positive impact on the community that they're visiting.

We consider ourselves ambassadors of Bainbridge Island and call upon our "inner concierge". When a visitor comes through our doors, we always inquire about their day, their activities and their desires for a meal while on Bainbridge Island. We are full of suggestions and always offer directions or a map. Some customers even come back to tell us how grateful they are for our input and let us know that we made their day(or stay here), even better! And a lot of times they come back to say hello and shop in the gallery their very next visit. Many times, the next year!

In addition to our direct customer interactions, Bainbridge Arts & Crafts has a robust year-round marketing plan that promotes our exhibitions and offerings. We distribute a monthly exhibition postcard to 1800 members, patrons, and visitors per month. We have a fresh, up-to-date, easy-to-navigate website. We have a lively social media presence with 1500 Facebook followers. We post our events and exhibitions in community calendars throughout the region including our local publications and *The Stranger's Arts & Performance Quarterly*. We place printed display advertisements in local publications including *The*

Bainbridge Review, The Kitsap Sun, Bainbridge Island Magazine, and Currents as well as the regional publication *Art Access*. We also place monthly ads on the Washington State Ferry video screens.

It is to help support "off island" advertising outlets – *Art Access, The Stranger's Arts & Performance Quarterly, the Washington State Ferries and Seattle Magazine* – for which we seek \$16,000 in LTAC support this year. The three printed publications have large and broad-based distributions throughout the Pacific Northwest along with a strong online presence. And the Washington State Ferry ads are seen by thousands of visitors each year. It is through those outlets that we reach the largest number of tourists and visitors and can, in turn, promote our island as a rich cultural destination.

Demonstrated ability to complete the project: BAC has successfully completed every project made possible in part or in full through grant funds received from the LTAC.

2. If appropriate, please identify the project partner(s) and briefly describe the involvement of each. Please note that the maximum award of \$125,000 will apply to any single project, even if proposed by a team of partners.

While Bainbridge Arts & Crafts is not partnering with one particular organization in our request for LTAC funds this year, it's important to note that in carrying out our exhibitions, education programs, and outreach efforts, we partner with many different businesses and organizations all year, every year. Partnerships this past year included but were not limited to:

The Bainbridge Island School District and local private schools. Bainbridge Arts & Crafts supports visual art education in Bainbridge Island schools by providing annual grants to art teachers and scholarships and prizes to students, and by exhibiting artwork by K-12 students each May. Our annual student shows draw not just local families but also grandparents and the first wave of seasonal tourists. These shows generate an incredible amount of enthusiasm among visitors, who are amazed at the high caliber of student work produced on Bainbridge Island.

Two of our favorite Student Show stories involved visitors from off-island. In one case, an off-island visitor saw a student's ceramic fish sculpture in our front window and offered \$800 on the spot. (Incidentally, the student was brand new to art that year – and the experience prompted him to keep going. The subsequent year, he was a multiple award-winner at Bainbridge High School's annual Student Art Fair.)

In another instance, a representative from a national textbook company, who happened to be visiting Bainbridge, saw a student's photograph on our wall. Six months later, the textbook was published with that same student's work on the cover.

Our annual student shows give an important boost to young exhibiting artists, *and* they paint our island's schools and art programs in a tremendously positive light.

Art-centered businesses including Winslow Art Center, Artists' Edge, Sketch Seattle, and M. Graham Paint Company. We have collaborated with these businesses for several years in a row to stage our highly successful annual plein air festival, Paint Out Winslow. We regularly refer customers and artists to these businesses as well as to galleries and frame shops like Roby King and Jeffrey Moose Gallery in Winslow, and Wildfire Framing in Rolling Bay.

BARN, the Bainbridge Artisan Resource Network. BARN, the Bainbridge Artisan Resource Network. We are currently presenting an exhibition with BARN (**BARN @ THE ART PROJECT: COMMUNITY PARTNERS**, September 7 – 30, 2018). This is our third annual show with BARN and features work by members of BARN. This exhibition showcases our local visual art community.

Our artists. We consider our artists to be primary partners. We show the work of artists living throughout the Northwest, from Seattle to Sequim to Port Townsend to Portland to Twisp. These artists are effective co-promoters, and those who participate in special exhibitions during any given month will bring a fresh crop of visitors to Bainbridge to see their work.

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 (2013-2017).
 - **2018:** Advertising in the Stranger: \$1,600. Plus, Postcard Bulk Mailing: Off-Island, \$1080. 10 months of Washington State Ferry video screen advertising, \$2,500
 - **2017:** Twelve months of Washington State Ferry video screen advertising: \$3,000
 - **2015:** Spring, summer, and fall listings in *Art Access* Magazine, plus 10 months of Washington State Ferry video screen advertising: \$3,449
 - **2014:** Seven months of Washington State Ferry video screen advertising; four quarters of listings and images in *Art Access* magazine; one front cover of *Art Access* to promote the Johnpaul Jones exhibit in April: \$5,160
 - **2013:** Six months of Washington State Ferry video screen advertising; four issues of listings in *Art Access* magazine; one cover of *Art Access* to promote the Keiko Hara exhibit in July: \$4,500
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:

Bainbridge Arts & Crafts has successfully carried out and reported on every project funded through the Lodging Tax (Civic Improvement) Fund.

- b. Budget:** 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.

Please see the attached project budget.

- c. Schedule:** Provide a project timeline that identifies major milestones.

Bainbridge Arts & Crafts will purchase, produce, and place the following ads from January 1-December 31, 2018:

- Twelve Washington State ferry ads, one per month
- Six Art Access listings and images, one every other month
- Four Stranger APQ ads, one per quarter, plus additional art related ads one per month.
- Twelve Seattle Magazine ads, one per month
- Monthly off-island New Exhibition Postcard mailings (36% of our total mailing)

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.

Our advertising package project is extremely scalable. As LTAC elected not to award Bainbridge Arts & Crafts the full amount originally requested in October 2017, we have scaled back the number of publications we originally intended to advertise in, and earmarked additional funds from upcoming exhibition sales to cover the difference. This final proposal, along with the attached updated budget, reflect those changes.

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

outcomes anticipated from each criterion, as well as the overall project.

- a. Expected impact on increased tourism in 2018. Please provide specific estimates of how the project will impact the number of people traveling fifty miles or more to Bainbridge Island for the activity, or who will travel from another country or state outside of Washington State to attend the activity. If appropriate, compare/contrast this impact to the actual or estimated number of tourists at your event/facility in 2016 and estimates for 2017.

BAC measures the effectiveness and importance of our off-island advertising in three ways: by tracking sales year to year, by tracking gallery attendance, and by tracking the number of items shipped out of state and out of country each year.

Income from the sale of artwork in 2018 sales was \$407,534; 2017 sales totaled \$499,106. We attribute this dip to the 3 month store closure for a much needed remodeling. We are a 70 year-old organization and were in need of a face lift. At the same time we rebranded the gallery and created a new image to attract a broader reach.

A second measure is the number of people who come into the gallery, which we track at the front desk. In 2018, we had 25,650 visitors. In 2017, we had 35,189. The decrease in visitors was due to the store closure. This is why we are asking for an increase in advertising spending. So that we can reach a broader audience and increase revenue. More than ever, BAC needs the means to maintain a robust advertising program.

We also assess our tourism appeal by the number of items shipped and the geographical spread of the shipping destinations. In 2018 we shipped artwork to 34 states and 2 foreign countries.

While Bainbridge Arts & Crafts cannot provide a precise breakdown of resident vs. tourist activity within our measurement categories, we know that advertising “across the water” is a critical component building visitor awareness year after year.

- 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 Island lodging establishments in 2018 as a result of the proposed activities. Please include the basis for any estimates.

Any overnight stays directly resulting from Bainbridge Arts & Crafts activities will likely come from friends and family who visit artists in celebration of our opening exhibitions, from grandparents and other extended family members who want to see the student art shows, and from our annual plein air festival, Paint Out Winslow. Twelve artists’ receptions, one student art show, and one annual festival total 14 special events, with the potential of one to two overnight stays per event, for a total of 14-28 room nights per year.

- c. Projected economic impact on Bainbridge Island businesses, facilities, events, and amenities, including sales of overnight lodging, meals, tours, gifts, and souvenirs (helpful data may be found on the Washington State Department of Commerce website).

Bainbridge Arts & Crafts serves our island’s business and cultural community by regularly referring visitors to local restaurants, hotels, businesses, and cultural facilities. Our staff knows the island well

and is always ready with suggestions for where to go for meals, retail endeavors, local shows and movies, fresh local food, local lodging, and our wonderful museums. In addition to Winslow attractions, we enjoy sending visitors with cars further afield to our various neighborhood centers and north and south-end attractions. Want natural tranquility? Visit Bloedel Reserve or Fay Bainbridge State Park. A film, a great bite to eat, and a beautiful boutique overnight? Lynwood Center. Convenient lodging with a great pub lunch and coffee nearby? Island Village. A farm experience or an outstanding nursery? Bainbridge Island Farms, Bainbridge Gardens, or Bay Hay & Feed. The list goes on.

The majority of BAC staffers have lived on Bainbridge Island for many years and frequent these neighborhoods and businesses ourselves. We at Bainbridge Arts & Crafts know that we are one part of Bainbridge Island's whole tourist experience, so we revel in referring people elsewhere. Our sincerity and enjoyment resonate outward to visitors' overall positive experience of our rich island.

In addition to anecdotes, there is data. In 2017, Bainbridge Arts & Crafts used the Americans for the Arts' *Arts & Economic Prosperity calculator* to assess the economic benefits that BAC brings to Bainbridge Island. Based on BAC's expenses and visitor count, Americans for the Arts calculated that our organization generates \$811K in local household income; \$59K in local government revenue; and \$62.5K in state government revenue.

Americans for the Arts emphasizes that "What makes the economic impact of arts and culture organizations unique is that, unlike most other industries, they induce large amounts of related spending by their audiences. For example, when patrons attend a performing arts event, they may purchase dinner at a restaurant, eat dessert after the show, and return home and pay the baby-sitter. All of these expenditures have a positive and measurable impact on the economy." See the calculator at www.americansforthearts.org/sites/default/files/aepiv_calculator/calculator.html.

- d.** The project's potential to draw visitors to the Island and increase overnight stays during the off-season, i.e., October 1 until Memorial Day.

As described earlier, we will measure amount of sales, number of items shipped, number of visitors, and number of artists, friends, and family who stay overnight after attending opening receptions at BAC during these off-season months.

- e.** The applicant's demonstrated history of organizational and project success.

BAC has successfully completed every project funded with support from LTAC as well as dozens of projects funded by organizations as varied as Bainbridge Community Foundation, Suquamish Foundation, Kitsap Community Foundation, Fletcher Bay Foundation, and individual sponsors and donors. BAC is a professionally staffed, well-run retail and exhibition gallery with an excellent track record over our 70-year existence.

- 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.

While Bainbridge Arts & Crafts is not directly partnering with any other organizations for this particular project, we engage in ongoing partnerships with other private businesses and nonprofit organizations to fulfill our mission all year long. Please see the response to question #2 in the

“Applicant Information” section for more details.

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

As described in section 2a above, we will track sales, number of items shipped, and gallery attendance as well as overnight stays by artists and their friends and families following special exhibitions and events. All of these measurements will give us an indication of whether our advertising strategy is working. For several years we saw an upward trend in these areas that correlated to supplemental advertising funding; last year we saw a dip in sales that correlated to lower advertising expenditures.

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

Our total project budget for off-island advertising is \$43,460, which includes the advertising itself plus the cost of in-house project management, writing, and design. BAC is requesting \$38,360 from LTAC. Trans4Media offers a 50% nonprofit discount, totaling \$1,500 of in-kind contributions. Bainbridge Arts & Crafts will earmark \$3,600 of exhibition sales revenue for advertising.

b a i n b r i d g e
 arts & crafts
 Gallery | Education | Outreach

A nonprofit gallery providing art education and outreach since 1948

Bainbridge Arts & Crafts 2019 Off-Island Advertising Budget	
DIRECT EXPENSES	
Art Access Six issues, \$200 per issue	\$1,200
Washington State Ferry Screens Twelve months, \$250 per month	\$3,000
The Stranger Arts & Performance Quarterly Four issues, \$380 for first issue + discounted pricing for subsequent 3 issues	\$1,400
Monthly 1/4 Page Ad in Calendar Section of Stranger	\$5,300
Monthly Art Walk Opening Bulk Mailing - 36% Off Island	\$1,100
Art Access Seasonal Cover Advertising	\$3,000
TOTAL DIRECT EXPENSE	\$15,000
CONTRIBUTIONS AND MATCHING FUNDS	
LTAC funds (this grant)	\$15,000
Trans4Media in-kind donation (50 percent nonprofit discount)	\$3,000
TOTAL CONTRIBUTIONS	\$18,000
Funding Disbursement Schedule	
Quarter	Amount
Q1 Jan-March 2019	\$3,750
Q2 April-June 2019	\$3,750
Q3 July-Sept 2019	\$3,750
Q4 Oct-Dec 2019	\$3,750
TOTAL DISBURSEMENT	\$15,000

ATTACHMENT B

INSURANCE REQUIREMENTS

A. Insurance Term

The Recipient shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Recipient, its agents, representatives, or employees.

B. No Limitation

The Recipient's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Recipient to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance

The Recipient shall obtain insurance of the types and coverage described below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage.
2. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap liability, independent contractors, and personal injury and advertising injury. The City shall be named as an additional insured under the Recipient's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Directors and Officers Liability insurance coverage.

D. Minimum Amounts of Insurance

The Recipient shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

3. Directors and Officers Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

E. Other Insurance Provision

The Recipient's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect to the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Recipient's insurance and shall not contribute with it.

F. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

G. Verification of Coverage

Before commencing work and services, the Recipient shall provide to the person identified in Section 9 of the Agreement a Certificate of Insurance evidencing the required insurance. The Recipient shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Recipient before commencement of the work. The City reserves the right to request and receive a certified copy of all required insurance policies.

H. Notice of Cancellation

The Recipient shall provide the City with written notice of any policy cancellation within two (2) business days of their receipt of such notice.

I. Failure to Maintain Insurance

Failure on the part of the Recipient to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five (5) business days' notice to the Recipient to correct the breach, immediately terminate this Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Recipient from the City.

J. City Full Availability of Recipient Limits

If the Recipient maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Recipient, irrespective of whether such limits maintained by the Recipient are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Recipient.



THE HARTFORD
BUSINESS SERVICE CENTER
3600 WISEMAN BLVD
SAN ANTONIO TX 78251

March 7, 2019

BAINBRIDGE ARTS & CRAFTS INC
151 WINSLOW WAY E
BAINBRIDGE ISLA WA 98110

Policy Information:

Policy Number:	52 SBA UQ0908
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Contact Us

Business Service Center

Business Hours: Monday - Friday
(7AM - 7PM Central Standard Time)

Phone: (800) 390-7661

Fax: (888) 443-6112

Email: agency.services@thehartford.com

Website: <https://business.thehartford.com>

Enclosed please find information pertaining to your policy. Please contact us if you have any questions or concerns.

Thank you for selecting The Hartford for your business insurance needs.

Sincerely,

Your Hartford Service Team

POLICY NUMBER: 52 SBA UQ0908



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - PERSON-ORGANIZATION

CITY OF BAINBRIDGE ISLAND
280 MADISON AVE N
BAINBRIDGE ISLAND , WA 98110