

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 Island Lodging Association, a Washington State nonprofit corporation] (“Recipient”).

WHEREAS, the Recipient submitted a proposal for Lodging Tax funds for “Destination Bainbridge 2019” 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 Sixty Thousand Dollars (\$60,000.00) 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 ISLAND LODGING
ASSOCIATION

CITY OF BAINBRIDGE ISLAND

Date: 2/21/19

Date: February 15, 2019

By: 


By: _____

Name: Stella Ley

Morgan Smith, City Manager

Title: Treasurer / Board

Tax I.D. #: 602-175-381

ATTACHMENT A
SCOPE OF WORK

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.

Bainbridge Island Lodging Association (BILA) was formally incorporated in 2001. The Association's mission is to promote **overnight tourism** – supporting lodging owners, providing a complete tourism website, and promoting Bainbridge Island. Since 2012, **our Association has taken the lead in promoting tourism via the Internet**. We invest in Internet marketing to increase visibility of overnight accommodations and publicize tourism attractions, dining, and local activities.

The Lodging Association's efforts do not duplicate those of other tourism organizations, like the Chamber of Commerce and the Island's Downtown Association. Those organizations focus on **welcoming and assisting day visitors** - through events, visitor centers, and brochures. In contrast, BILA concentrates on overnight travelers. We also host travel writers for familiarization trips.

In 2017 and 2018, lodging tax funds were awarded to BILA to produce a brand new trip-planning website at www.DestinationBainbridge.com. Lodging tax funding allowed our Association to upgrade and expand our website to include blogging, itineraries, Google placement advertising and social media promotions. The funding encouraged BILA to partner with local businesses, attractions, and tours to promote overnight stays especially during the off season.

This application continues our distinctive approach to promoting Island tourism. Lodging tax funding allows our Association to use an **inclusive** approach that can *promote and assist every Island lodging business, all related tourism businesses and attractions*. BILA does not require paid membership or advertising fees; LTAC funding allows the Association to include all lodging, dining, shopping, parks & trails, and tourist attractions.

The second distinction of our approach is a **commitment to collaboration**. In 2018, we updated and expanded our listings of dining and tourist attractions on our website and worked with local visitor attractions to produce overnight packages. For 2019, the Lodging Association will continue collaborative efforts with the Chamber of Commerce and the Bainbridge Island Downtown Association (BIDA). Additionally, for 2019, BILA asks for funding for **two partnered tourism events**.

Describe the event proposed including its purpose, history, and budget. Include past attendance history and estimate the number of tourists drawn to the event. Please estimate total attendance and the number of tourists estimated to attend for 2019. How has the activity been promoted in the past (if applicable) and what promotion is planned for 2019?

One event is the **Fourth of July Fireworks Show** over Eagle Harbor. This annual event just celebrated its tenth anniversary. The show costs approximately \$30,000 each year, which has always been raised by appeals to local residents and businesses and by setting up donation tables. The Fireworks show is operated by a volunteer committee although talks have been started with the Rotary Club to establish a formal organizational sponsor.

BILA is interested in partnering on the evening fireworks because the show keeps visitors on the Island for the night of the Fourth. With the 4th of July falling on a Thursday, in 2019, visitors can be encouraged to extend their stays into the following weekend. It is estimated that 3,500 people watch the show each year from boats, local parks, restaurants, shoreline homes, parties, and street ends. The show has had only limited marketing in the past: on the Celebrate Bainbridge website operated by the Chamber and through a popular Facebook page. The stark reality is that raising the funds for the show has become more and more difficult each year and **the annual event may face cancellation in 2019**. Formal sponsorship by the City of Bainbridge Island ensures its continuation. New promotions include a vigorous Internet campaign, banners & signs, and promotion of local viewing sites and events. Materials for the Fireworks are included in Exhibit 2.

The 2019 Fireworks Committee is exploring the possibility of substituting an **Aerial Drone Show** to replace fireworks. The possible reallocation of lodging tax funds for a drone show has been confirmed by the 2019 Chair of LTAC and City Administration.

The second event for which we propose a partnership is the annual **Paint Out Winslow** event. This is a **“plein air” art event** that has taken place for the past five years under the sponsorship of Winslow Arts & Crafts. This year the event was managed by Winslow Art Center and held September 8th. It included 30 artists— both amateur and professional — who set up their easels around the Winslow community to paint local scenes and sites. The event included a wine tasting coordinated by the Wine Alliance, prizes for the best paintings, an art show and sale. Photos and budgets for the event are included in Exhibit 3.

Next year, Paint Out Winslow will expand to a three-day event, September 6 - 8, 2019 featuring 50 to 75 artists. It will include instruction, demonstrations, speakers, painting events for children and teens, and related exhibitions. The 2019 show can be heavily advertised with overnight packages and spotlights with regional and national media. Like the Fireworks event, Paint Out Winslow relies heavily on volunteers and donated materials.

2. Please identify the project partner(s) and briefly describe the involvement of each.

BILA’s 2019 application is a collaborative proposal with a large number of partners. First, our partnership involves **all licensed accommodations** on Bainbridge Island. Every lodging property is given a free listing of their accommodations at our new website. Owners have the option of paying dues for a premium listing that allows additional photos and overnight specials.

Second, our proposal engages **local tourism experts**. Website services and social media marketing are managed locally and Kelly Shannon Gurza provides contract staffing activities. Our proposal includes local talent and contributes to our local economy.

Third, our proposal is offered in partnership with **local businesses and tourist attractions** — which are listed on our website. These partners are included in our directories, in new visitor itineraries and in blogs about visiting Bainbridge Island.

Fourth, this proposal engages partners in two tourism events. BILA will provide assistance with both promotion and event management for the **4th of July Fireworks** and **Paint Out Winslow**.

Finally, BILA will work with the **Bainbridge Island Downtown Association** and the **Chamber of Commerce**. The Lodging Association proposal will contribute funds and advertising content to BIDA’s WalkAbout Guide. The Downtown Association will provide a match with in-kind assistance with blogs, maintaining our shopping page, and overnight packages. Additionally we will work together with Visit Bainbridge staff to provide common information in our directories.

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	\$50,000	Enhanced website to include shopping, travel itineraries. Partnered with BIDA on Walkabout Guide and with Visit Kitsap
2017	\$48,000	New trip-planning website at www.DestinationBainbridge.com ; Internet marketing; partnerships for Overnight Lodging Packages
2016	\$0	BILA received no Lodging Tax funding for 2016.

2015	\$27,743	Website enhancement; Social media marketing and targeted advertising; Content development; Community partnerships.
2014	\$25,200	Website enhancement; Social media marketing; Content development; Member events; Promotional consulting.
2013	\$10,000	Marketing: Website update; Online marketing; targeted advertising; Brochure production; Graphics and copywriting.

II. Project Information

SCOPE: Identify the Project's main objectives and how each will be achieved. Be as specific as possible about the proposed services, measurable impacts, distribution method and costs.

Travelers today rely on the Internet for travel inspiration and for committing to both a destination and to a choice of accommodations. The research is conclusive: **65% of bookings are now made through the Internet** – even more are influenced by information gleaned from travel sites. Our funding proposal concentrates on attracting and increasing overnight visitors. Costs for each objective are in the following budget document.

OBJECTIVE A. Manage and enhance www.DestinationBainbridge.com which is BILA's trip planning and tourism website.

Lodging tax funds awarded by the City of Bainbridge Island have allowed the Lodging Association to develop a comprehensive trip planning website. The site is designed to provide **one-stop-shopping for overnight tourists**. It offers a directory of Island lodging, an up-to-date availability calendar, and search and sorting capabilities to assist travelers to find overnight accommodations. The website presents a series of travel itineraries under the heading of "Planning Your Trip." And it presents directories and maps, along with direct links to websites and booking sites for Island lodging and for Bainbridge restaurants, shops and tourist attractions.

Our proposal for 2019 includes the following, with cost estimates in the next section.

1. Routine management and update of the new website – including domain registrations, hosting, and the addition of new properties, restaurants and attractions.
2. Enhance reservation calendar and search capabilities to include date range and amenities.
3. Augment the site with a new directory of Island amenities and services, such as massage, food delivery, transportation, seamstress and emergency repairs.

Internet traffic to DestinationBainbridge.com increased dramatically over traffic to our website in 2017. From January 1st to August 31st of 2018 we recorded 12,695 site visits with an average of 3 minutes on the site. For the first eight months of 2017 our website received 7,069 visits with a 2 minute, 51 second average time on site. Overall the number of site visits increased by 80% this year. A detailed report on website activity is attached in Exhibit 1.4.

OBJECTIVE B. Advertise and promote overnight tourism through a variety of marketing.

1. For the first time BILA is requesting funding to promote and advertise Bainbridge Island with the Washington Tourism Alliance. ExperienceWa.com is the official tourism website for Washington State and successfully reaches 800,000 out-of-state visitors each year. Our proposal is to work with the marketing professionals at WTA and Island tourism groups on a collaborative and tailored advertising package. We want it to include business and event listings, advertising in their “deals” program, and participation in customized emails publication that will feature Bainbridge Island.
2. BILA regularly uses a set of reliable **promotional tools** that optimize the visibility of our website and respond to travelers interests. **Blogging, Travel Itineraries, and Rack Cards** are important tools for drawing visitors to a website, improving search engine ranking, and for promoting tourism. They also help to welcome and inform visitors.
 - In 2018, BILA presented blogs on Transportation on the Island, Beaches on Bainbridge, Celebrate Bainbridge (4th of July), the Wine & Cheese Weekend, Bainbridge In Bloom, Glamping and Wine Weekends.
 - This year we are developing three new **Travel Itineraries** for overnight tourists to the Island. These are presented on the new website as “travel planners” and include: *Bainbridge For Garden Lovers, Bainbridge Trails, and Bainbridge for Art Lovers.*
 - This year BILA is converting three itineraries into **rack cards** for expanded distribution at lodging establishments. In 2019, we will add three more and make all rack cards available to events coordinated by Visit Bainbridge staff. An example is provided in Exhibit 1.5.
3. Our 2019 proposal requests continued funding for Google advertising. Google ads and Facebook advertising has immediate impact on the number of visitors to the www.DestinationBainbridge.com website and on the clicks through to restaurants and attractions, as well as lodging properties. In 2018, 24% of website users accessed our website through paid google ads.

OBJECTIVE C. Assist lodging owners to provide quality services, ensure customer satisfaction and improve hospitality. Deliver periodic training, familiarity tours of local attractions, tourism collateral and hospitality handbooks for each lodging facility.

An important part of BILA’s mission is to assist lodging owners to provide attractive, high-quality accommodations. This is a tourism strategy: to improve lodging excellence and customer satisfaction. There is an ongoing need for training and informational resources for lodging owners. This year BILA is developing an Island Welcome Book to be made available at each lodging property. The Handbook will provide guests with information on local services, Island attractions, parks, hikes and beaches.

Our 2019 proposal provides for continuing training and personal assistance to lodging owners. It also proposes a solution to identified needs among lodging owners in the following:

1. Provide **training and familiarization workshops** with lodging owners. These could include emergency management, training in testing and using fire extinguishers, a workshop with the Public Health Department and tours of local attractions.
2. Provide a clearinghouse of **tourist collateral** such as maps, brochures, rack cards, and event posters and distribute to lodging accommodations to present to overnight guests.
3. Make the **Island Welcome Book** available for download from our website. With the book available at a digital link, individual pages can be updated and replaced and pages may be printed and presented to visitors.

OBJECTIVE D: Expand the Lodging Association’s partnerships to promote overnight accommodations in tandem with multi-day events, shows and performances. Support BIDA in the production of BIDA’s Downtown Walkabout Guide.

In 2017 and 2018, the Lodging Association developed and tested the viability and effectiveness of overnight packages for attracting overnight guests. We hosted a month of “chocolate fudge packages” for all February guests on the Island. We also worked with the Wine Alliance offering overnight packages to people participating in off-season Wine Tours. In 2019, we will limit our use of promotional packages to just a few organizations and events. Instead, we will partner to promote two larger events that will bring more visitors to the Island.

1. Partner on Paint Out Winslow. The Lodging Association will partner on this three-day event in 2019. The event is in September — on the edge of the Island’s slowing tourism season. This event targets both professional and amateur artists but also brings visitors and overnight tourists to the Island.
2. Partner on Fourth of July Fireworks. The 4th of July Fireworks is always the grand finale to a week of fun activities on the Island. We believe that the 10:30 PM start time encourages visitors to spend an additional night on Bainbridge.
3. Develop a limited number of off-season promotional packages with the Wine Alliance and Bloedel, bundling discounts and special offers with tickets.
4. Continue the use of Internet marketing and social media promotions in 2019. BILA will utilize **social media advertising**, including Facebook and google advertising to promote events at BPA, BIMA, and Bloedel.
5. Support the development and production of **BIDA’s WalkAbout Guide** with the purchase of advertising space on the guide.

SCHEDULE: Provide a project timeline that identifies major milestones.

Major Milestones	Date
Enter 2019 Lodging Tax Contract with COBI	January
Subcontract for website management	January
Work with partners to promote Island	Ongoing
Enhance website with new pages and itineraries	February - May
Launch overnight packages for Spring	February - March
Blogging, Rack Cards and Internet advertising	Ongoing
Conduct trainings & networking for lodging partners	Ongoing
Work with partners on Fourth of July fireworks	April - July
Work with partners on Paint Out Winslow	July - September
Launch overnight packages for Fall	September
Assess impacts, apply for 2019 funding, prepare reports	Oct - Dec

BUDGET: Include a detailed budget for the proposed project with expenses and income.

Lodging Association Project Budget	Income
Requested 2019 Lodging Tax Award	\$60,000
Matching contribution from BILA Dues	\$6,000
In-Kind contribution BILA Members	\$8,250
Project Total Income	\$74,250

Project Budget Expense Detail	LTAC Request	Other Sources	Value of In Kind
Administration & Overhead	\$3,500	\$2,000	
Bookkeeping & accounting services	\$1,000	\$1,000	
Office supplies & support	\$500	\$1,000	
City required insurance	\$2,000		
Destination Bainbridge Website	\$8,000	\$1,000	\$1,000
Website Management: domain, hosting, updates	\$ 3,000	\$1,000	
Add listings of Island amenities & services	\$ 2,500		
Improve calendar synchronization and sorting capabilities	\$ 2,500		\$1,000
Promote Bainbridge Island	\$13,500	\$1,000	\$1,500
Advertise with WA Tourism Alliance & Experience Washington	\$4,500		\$1,000
Promotional Tools: Blogs, Itineraries, Rack Cards	\$5,000	\$1,000	\$500
Internet and Social Media Promotion	\$4,000		
Island's Overnight Lodging	\$ 3,000	\$1,000	\$1,750
Familiarization and Training Workshops	\$ 1,000		
Distribute maps, brochures & posters to lodging	\$ 1,200		\$1,000
Welcome to Bainbridge Island Handbook	\$ 800	\$1,000	\$750
Partnerships	\$32,000	\$1,000	\$4,000
Partner on 4th of July Fireworks	\$10,000		\$1,500
Partner on Paint Out Winslow	\$5,000		\$750
Off-season Promotional Packages	\$2,000	\$1,000	\$1,750
Social Media Campaigns	\$5,000		
BIDA's Walkabout Guide and other promotions	\$10,000		
TOTAL	\$60,000	\$6,000	\$8,250

Numbers in red type have been updated since the original proposal.

SCALABILITY: 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 proposal for 2019 continues the approach developed during the last two years. It maintains and enhances the new website, continues Internet marketing, provides assistance and training to lodging property owners, and expands BILA’s partnerships and collaboration in the community. Our estimated needs for BILA in 2019 are about the same as in the past two years: \$49,500.

Notably this application includes allocations for partnership-based events which have not received lodging tax funding in past years. We hope you can consider these funding requests as discrete projects — as highlighted in the budget above.

If full funding is impossible, BILA will need to reduce expenditures in our partnered events and programs. Beyond that we will likely reduce expenditures proportionally.

A. Expected impact on increased tourism in 2019. 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 will travel from another country or state outside of Washington State to attend the activity. If appropriate, compare/contrast this impact to actual number of tourists at your event/facility in 2016 and estimates for 2017.

BILA serves, almost exclusively, overnight visitors. Our estimated impact on the number of people traveling to Bainbridge Island is detailed in the following table. BILA’s proposal has the potential to increase the number of people traveling to Bainbridge Island in several ways:

- Social media marketing targets people traveling at least 50 miles to reach the Island;
- The trip-planning orientation of the website enhances the attractiveness of the Island by presenting lodging options, itineraries, information about Island events and attractions;
- Availability calendars improve the ability for visitors to capture last-minute reservations;
- Travel packages, linking overnight accommodations with events and classes, increase the number of people choosing to travel to the Island.
- Our community partnerships identify and promote tours and events through social media channels that are not being used by our partners or other tourism organizations.

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 2018 as a result of proposed activities. Please include the basis for any estimates.

	Lodging Taxes Generated	Lodging Revenues Generated	Estimated Count of Room Nights	Estimated Count of Overnight Tourists	Change From Previous Year
2017	\$181,000	\$9,050,000	40,222	90,500	13%
2018	\$181,000	\$9,050,000	40,222	90,500	Unknown
10% Increase: website	\$18,100	\$905,000	4,022	9,050	
3% Increase: marketing	\$5,430	\$271,500	1,207	2,715	
2019 Projection	\$204,530	\$10,226,500	45,451	102,265	102,264

BILA's activities are projected to increase overnight bookings by approximately 5,200 nights in 2019, and increase overnight tourists by nearly 11,700 visitors, as explained below.

With heavy promotion of the new www.DestinationBainbridge.com we estimate that an increase in overnight stays of approximately 10% — increasing the count of overnight tourists by 9,050 (assuming an occupancy of 2.25 visitors per reservation). This estimate is based on increases experienced in our first year as a destination website. We also project 2,700 additional overnight stays due to aggressive marketing services — leading to an estimate of nearly 5,200 new overnight bookings overall.

C. Projected economic impact on Bainbridge businesses, facilities, events and amenities, including sales of overnight lodging, meals, tours, gifts, and souvenirs.

Day visitors are a vital part of Bainbridge Island's tourism market, but multiple studies show that overnight visitors have a greater per capita economic impact. Dean Runyan Associates reports that **for every \$1 spent on accommodations in Washington State, \$4 is spent on local retailers, restaurants, arts and entertainment businesses.¹ In fact, overnight visitors account for 79% of all visitor spending in the State of Washington.²** The greatest economic impact for Bainbridge Island appears to be to support proposals that *specifically focus* on growing the number of overnight visitors.

The Lodging Association's proposal, by adding significant new overnight stays in 2018, should increase lodging tax revenues by \$20,000 and increase overnight visitor spending by \$1,000,000.

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.

Our proposal includes overnight promotions and packages that will be highly targeted toward off season overnight stays on the Island. As noted in our response to Criteria B, BILA expects a 10% increase in overnight bookings, due to the new website. We also project, conservatively, 1,000 additional overnight stays due to the promotions — leading to an estimate of **5,000 new overnight stays during 2019.**

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

The Lodging Association is proud of its history in promoting overnight lodging and tourism. Individually our member partners are business owners who study our markets, trends, technology and tourism. We all undertake our own marketing activities and observe the results of our efforts with individual tourists, family reunions, weddings, meetings, tours and visitors considering a move to our Island.

In working together on this application we bring a wealth of backgrounds and talents to the table. Innkeepers are former public employees, lawyers, developers, software engineers, landscape architects, designers, photographers, and artists. We bring extraordinary experience in project management, in education and in community efforts.

SOURCES

¹ Dean Runyan Associates, "Washington State Travel Impacts & Visitor Volume 2001-2011," p. 11.

² Ibid., p. 12.

Finally, BILA has enjoyed 15 years of experience in managing tourism projects and lodging tax contracts.

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.

Our partnerships have been well described in our response to # 2 in the preceding section.

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

BILA relies on Google Analytics, Facebook Insights, and our website's internal metrics to assess website success in the market.

With our new listings we are able to track the number of referrals to accommodations from our website – and we can estimate how many result in bookings for individual businesses. We can count the number and types of links from our website and their popularity.

However, focusing solely on website metrics can distract us from the bigger picture – which is our impact on tourism. Our bottom line is increasing occupancy and lodging tax revenue as the real measures of our success. Staying focused on these measures – tied to the count of overnight visitors and the revenue produced, is the best way to ensure that various elements of our proposal are performing. Our success can be measured by the number of lodging and partner participants in our website, changes in both lodging occupancy and in tax receipts.

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

BILA's proposal will be matched by the following contributions:

- \$6,000 from lodging owners dues;
- \$8,250 in Association members time for training, counsel, promotion, and special events;
- Free lodging listings from Visit Kitsap Peninsula;
- \$6,000 match in in-kind services from partners for blogs, assistance with overnight packages, production and distribution of itinerary rack cards;
- Additional donations toward Overnight Packages from co-sponsors and lodging owners.

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.