

AM No. 10-003 (C5)

MEMO TO: City Council

FROM: John Marchione, Mayor

DATE: January 5, 2010

SUBJECT: 2010 TOURISM FUND ALLOCATION FOR SPECIAL EVENTS/ARTS

I. RECOMMENDED ACTION

Approve the Lodging Tax Advisory Committee's recommendations for the 2010 Special Events/Arts Programs allocation, totaling \$117,000.

II. CONTACT PERSONS

Rob Odle, Director, Planning and Community Development Director, 425.556.2417

Jim Roberts, Economic Development Manager, 425.556.2424

Karen Nolz, Tourism Fund Administrator, 425.556.2444

III. DESCRIPTION

The Lodging Tax funding structure approved by City Council on March 15, 2005, dedicated 39 percent (39%) of total revenue received to Special Events/Arts Programs. The remaining revenue is directed toward the Overnight Visitor Program, 50 percent (50%); Tourism Grants, nine percent (9%); and administering the program, two percent (2%). The 2010 Special Events/Arts Programs recommended allocation is \$117,000.

The Parks and Recreation Department submitted its proposal for Special Events and Arts Programs funding, requesting \$117,000.

The Lodging Tax Advisory Committee members, consisting of Chair David Carson, City Council; Leah Mannhalt, Silver Cloud Inn Redmond; Dave Norwood, Redmond Inn; Dan Angellar, Redmond Marriott Town Center; Chris Falco, Falco Sult & Company; Miguel Llanos, Redmond Historical Society (absent/e-mail vote); and Christina Henning, Redmond Town Center, met on December 10, 2009, and recommend that the Council approve the following funding for 2010 Special Events and Arts Programs:

Traditional Community Events - \$58,500

- Derby Days will celebrate its 70th year of traditions in 2010. Annual event highlights will include the Criterium, family bike ride, music, food, parades, vendors, two beer and wine gardens, fireworks, and the return of the two-day event with a Friday night concert at City Hall Campus. The continuation of the two-day event will keep the event targeted to overnight attendees. Staff is exploring a new, longer parade route and the potential expansion of the Criterium

to attract more racers to Redmond from other cities and states. An extensive advertising and promotional campaign, including multi-Web site advertising, will promote Redmond as an inviting community for all ages.

- RedmondLights, in its 12th year, will celebrate our community's traditions, cultures and faiths. The event brings together all segments of our community—tourism, business, government, faith, education, and neighborhoods, while showcasing and celebrating unique differences through music, food, performances, and displays. This event is truly unique to Redmond. Redmond Lights will continue its new tradition of taking place on the first Saturday evening in December to encourage overnight stays in Redmond.

Arts and Culture Attractions - \$58,500

- Concerts and Theater Performances are presented in Redmond and promoted throughout the Greater Seattle area and state. There will be two performances a week, one for children and the other for families and adults. These free performances attract visitors to Redmond with entertainment that is well promoted within the region.
- Redmond Digital Arts Festival celebrates Redmond artists and businesses in a distinctive, hands-on festival of digital technology. Collaborations throughout Redmond's business community and artists across the country will make this festival a signature event for Redmond. The festival reaches throughout the world and highlights that which is uniquely Redmond. In 2010, we will present high-visibility digital arts events throughout the year and undertake strategic planning efforts to create a plan to develop and promote the Digital Arts Festival for the next five years.
- Public Art in Redmond includes permanent, temporary, and loaned art. In 2009, the Tony Angell sculpture exhibition came to the city. In 2010, increased public art offerings will be integrated into the streetscape of the downtown area, making Downtown more attractive to visitors to Redmond. This project will include a broadly promoted national arts competition.

Marketing Goals for 2010

- Promote Redmond as a tourist destination and maximize marketing opportunities.
- Continue to expand the marketing plan via local, regional, and out-of-state advertising media, such as Web sites, social marketing, and print ads in newspaper TV, radio, magazines, flyers, posters and mailings.
- Develop five-year marketing plans for major events.
- Increase audience size and distances people travel to attend.
- Continue to improve the content of each program within allocated resources, exploring alternative methods or ideas.

- Maintain current relationships and create new partnerships with corporations, faith groups, educational and government entities.
- Increase community participation through encouraging volunteering at events, committee participation, donations, and more.
- Create formats that interest all age and ethnic populations.

IV. IMPACT

- A. **Service Delivery**: The Council's major themes of community connections, diversity, regionalism, and economic development are reflected in the recommended funding for Special Events/Arts Programs. These events benefit the community and encourage visitors to come and enjoy our city.
- B. **Fiscal**: All funds come from a one percent (1%) special excise tax on overnight lodging.

V. ALTERNATIVES

1. **Approve the Lodging Tax Advisory Committee recommendation.**
2. **Amend the recommendation** in accordance with the criteria established by the Lodging Tax Advisory Committee and adopted by the Redmond City Council. Any changes to this recommendation would require a 45-day notification period to the Lodging Tax Advisory Committee prior to action.
3. **Do not approve the recommendation.**

VI. ATTACHMENTS

Attachment A: Tourism Fund Criteria

/s/

Robert G. Odle, Planning Director

12/29/09

Date

Approved for Council Agenda: /s/

John Marchione, Mayor

12/29/09

Date

ATTACHMENT A

Tourism Promotion Fund Criteria

State law defining the use of special hotel-motel tax

State law defines promoting tourism as: “activities and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing and operations of special events and festivals designed to attract tourists.”

Awards are based on the extent to which the applicant project or activity meets the following criteria:

- Priority is given to Redmond-based activities and projects.
- Priority is given to programs requesting seed money versus ongoing funding.
- The project or activity:
 - promotes tourism which benefits overall community, rather than a specific segment or interest.
 - supports regional tourism planning/promotion.
 - promotes unique attributes of Redmond for tourists and the community.
 - supports long-lasting assets, capital facilities/amenities.
 - promotes City as a destination place.
 - encourages partnerships (public/private).

Additional guidelines for the grant funded portion are as follows:

- Minimum award is \$1,000.
- No award of funds will exceed 50 percent (50%) of the cost of the event/activity
- Award will be contingent upon the applicant’s demonstration of other funding sources.
- Applicant will sign Memorandum of Understanding with City, and there will be a time limit to complete project.
- Applicant must submit project summary report after event/activity is completed.
- Expenditures are subject to audit.

GENERAL INFORMATION AND BACKGROUND

CITY OF REDMOND TOURISM PROMOTION FUND

What is the Tourism Promotion Fund?

The City of Redmond established the Tourism Promotion Fund to support tourism development and promotion projects in the City. Funding for this program is made possible through revenues that Redmond collects from a one percent (1%) sales tax on the rental of hotel and motel rooms in the City.

The purpose of the fund is to support organizations or groups that promote tourism in the community. State law defines promoting tourism as: “activities and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing and operations of special events and festivals designed to attract tourists.” State law also provides that hotel/motel funds may be used for acquiring, constructing, or operating tourism-related facilities.

Who May Apply

The grant funded portion of the program is open to applications from any public or private organization with the demonstrated ability to accomplish the proposed project(s). These include cultural, historical, heritage, educational and community organizations, museums, galleries, chambers of commerce, and visitor information bureaus. Eligibility of sponsors and projects is defined broadly to encourage wide participation and innovative proposals.

Application Requirements

The project application addresses these specific areas.

Eligibility: Each applicant will define the service to be provided or the activity or capital project to be implemented, and demonstrate how it will carry out the project and account for the expenditure of program funds. The project must be in compliance with State statutes and City ordinances governing the use of Tourism Promotion funds.

Scope of Work: The applicant will submit a scope of work that describes the project in detail.

Time Line: The scope of work will include a schedule indicating the timing of the overall project and its major steps or tasks. Projects awarded in this funding phase should be completed within 12 months of grant approval.

Project Evaluation Criteria: The applicant will explain how the project meets the Tourism Promotion program criteria developed by the Lodging Tax Advisory Committee and adopted by the Redmond City Council.

Project Budget: The project budget will include a description of the items needed to complete the project, the amount of City funds requested, the applicant's other revenue sources for this project, and the total cost of the project.

Reimbursement: The City will reimburse the applicant upon completion of each phase of the project or event. Applicants must first incur costs and then invoice the City under guidelines outlined in the Memorandum of Understanding.

Memorandum of Understanding: Each applicant selected for funding will be required to enter into a Memorandum of Understanding with the City of Redmond. The Memorandum of Understanding will cover project goals, definition of eligible costs, specification of payment procedures, limits of City liability and legal requirements.

Reporting: As a contractual condition, each funded project applicant must submit a final report and invoice at the end of the project, and may be required to submit periodic progress reports during the course of the project.

Contact person: Each project application will designate a primary individual as the contact for the project. This individual will deal directly with the City.

Application, Selection and Contract Process:

1. Organizations seeking funding under this program must submit a Tourism Promotion Program Application for Council's consideration by the announced deadline. Applicants missing the deadline will be eligible for selection in the next round of funding.
2. Applications will be reviewed by staff for completeness and eligibility. An applicant may be contacted to provide clarification, make corrections, or supply additional information. Applications that are not complete or that are not eligible for funding will be disqualified and returned.
3. Qualifying applications will be evaluated on a competitive basis using the official Tourism Promotion funding criteria under **Project Evaluation Criteria** of the application. Funding recommendations will be forwarded to the Mayor and Council.
4. The City Council will make the final decision on project approval and funding levels.

5. Award notifications will be made.
6. A Memorandum of Understanding will be sent to successful grant applicants, along with a project summary report.
7. When the project is completed, applicants will complete and return the Project Summary Report with a final invoice and supporting documentation, including required information on hotel stays generated by the event or activity.