

## AM No. 10-004 (C6)

**MEMO TO:** City Council

**FROM:** John Marchione, Mayor

**DATE:** January 5, 2010

**SUBJECT: 2010 TOURISM MATCHING GRANT AWARDS RECOMMENDATIONS**

### **I. RECOMMENDED ACTION**

Approve the Lodging Tax Advisory Committee's recommendations for the 2010 Tourism Matching Grant awards, totaling \$60,500.

### **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 nine percent (9%) of the total revenue received to Tourism Matching Grants. The remaining revenue is directed toward the Overnight Visitor Program, 50 percent (50%); Special Events/Arts Programs, 39 percent (39%); and administering the program, two percent (2%).

In response to the matching grant fund announcement, the City received seven grant requests. The Lodging Tax Advisory Committee, 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 (who recused himself from the 2010 US Senior Open vote); Miguel Llanos, Redmond Historical Society (absent/e-mail vote); and Christina Henning, Redmond Town Center, met on December 10, 2009, and the members by a majority vote recommend that the Council approve the following matching grants:

#### **1. 2010 US Senior Open Conducted by the US Golf Association**

Sahalee Country Club in Sammamish, WA, is the host of the 2010 US Senior Open Championship, July 26-August 1, 2010. Parking for the event will be at Marymoor Park. This is a national golf championship and the most highly recognized senior golf tour in the world, expecting 156 players, professional and amateur, to compete in four rounds of golf for approximately \$2.6 million in prizes. Last year a \$26,500 grant was awarded to this event for Phases 1 and 2 of the marketing plan.

This funding grant is requested to conduct in April 2010 Phase 3 of the marketing plan, which will include marketing the event with radio, TV, outdoor, and print ads. This project is a significant event for Redmond and will make major contributions to the community's economy and to our hotels' revenues, resulting in significant Lodging Tax revenue. Guaranteed room nights in Redmond for the event already are 2,000, and more are expected.

Grant Amount Requested: \$37,500

**Lodging Tax Advisory Committee Recommendation: \$26,500**

2. Eastside Summer Chamber Music Festival at The Overlake School

The Eastside Summer Chamber Music Festival at The Overlake School requests tourism funds for its Sixth Annual Chamber Musical Festival to be held August 4-13, 2010. Internationally acclaimed musicians from throughout North America play a varied repertoire in this fine concert hall in its picturesque, peaceful and rural setting. There will be five main series concerts, five 30-minute free admission pre-concert recitals, and a family concert. Additional free seating is offered outside the hall to hear "Music Under the Stars." The five main series concerts will be broadcast live on KING FM, reaching an additional 10,000 listeners each evening. Over 90 percent of ticket buyers reside outside Redmond.

The grant funds will be used for enhanced advertising efforts to cultivate a larger audience, locally and regionally. These efforts will include brochures mailed to 20,000 on audience lists, full-color advertisements; spots on KING FM and KPLU radio; print advertising in *Eastside Encore*, *ParentMap* and other publications; and promotion to Redmond businesses. The City of Redmond can select one of the concerts to be named sponsor.

Grant Amount Requested: \$3,500

**Lodging Tax Advisory Committee Recommendation: \$3,500**

3. Marymoor FSA Grand Prix

For this weekend of bicycle racing July 23-25, 2010, most of North America's and some international elite track athletes come to Redmond and Marymoor Park Velodrome for two full days and evenings of exciting Olympic-style bicycle track racing events. This event will be one of, if not the largest, track cycling championship in the U.S. during the summer of 2010. Expectations are for 250 racers, along with their families, most from out of the area, and about 4,800 spectators.

The tourism grant money would be used to publicize the event through a number of regional and national cycling publications and Web sites. The applicant organization

will design an event poster, flyer and mailer. Approximately 500 full color posters will be posted in conspicuous locations throughout the region. The event flyer will be distributed through the Cascade Bike Club newspaper (circulation approximately 10,000). The mailer will be used in targeted direct mail campaign focused on likely spectators in the local area.

Grant Amount Requested: \$5,000

**Lodging Tax Advisory Committee Recommendation: \$3,000**

4. Nike Crossfire Challenge 2010

This soccer tournament is hosted by the Crossfire Premier Soccer Club and has become the largest and most competitive soccer tournament in Washington State and one of the top premier soccer tournaments on the West Coast for youths, ages 10-19. The tournament will be held July 10-12 and July 15-18, 2010. In 2009 there were 320 teams participating in the tournament, with over half the teams traveling from out of state, including Canada, Oregon, California, Idaho, Utah, Hawaii and Connecticut. Another 75 teams traveled to Redmond from within the state, resulting in over 3,000 hotel room nights in the greater Redmond area.

The funds requested will be used to market the event to potential soccer club participants from throughout the United States and to target International Youth Soccer Associations as part of an exchange program.

Grant Amount Requested: \$50,000

**Lodging Tax Advisory Committee Recommendation: \$15,000**

5. Second Story Repertory at Redmond Town Center – 12<sup>th</sup> Season

The Second Story Repertory is a professional theatre company whose mission is to bring an eclectic season of professional theater for adults and children to the greater Eastside. Most patrons come from Eastside communities: Redmond, Bellevue, Sammamish, Kirkland, Bothell, Woodinville, Mercer Island, Duvall, and Issaquah, but the theater plans an expanded marketing program.

The tourism grant requested will be used for print, online, radio and internet marketing. Specific marketing programs will include sponsorships with KUOW, advertising with Comcast, and partnering with NW Source to implement direct marketing on *The Seattle Times* Web site. Season brochures will go out to the 9,000 addresses in our database and be distributed in our theater and around Redmond. Postcards for each Mainstage production will be sent to media and direct-mailed to patrons and production friends. The theater's e-newsletter will go out monthly to over 2,600 patrons; print marketing will continue in the *Redmond Reporter*; and

social networking on Facebook and other networks will increase. Posters will be placed at strategic locations.

Grant Amount Requested: \$25,345

**Lodging Tax Advisory Committee Recommendation: \$7,500\***

\* Contingent upon the theater completing a full 12<sup>th</sup> season; grant check not to be sent until December 2010.

6. Triple Crown Sports Memorial Day Youth Baseball

This three-day event is the largest youth baseball tournament in Washington and will be held at Marymoor Park over the Memorial Day weekend May 29-31. In 2009, 46 teams played at Marymoor with an average of 30 travelers per team, with many staying in Redmond's hotels, eating at our local restaurants, buying gas and shopping. The funding will be used to market the event and for some operations that are legally allowed uses for tourism tax grant money.

Grant Amount Requested: \$5,000

**Lodging Tax Advisory Committee Recommendation: \$5,000**

All these events will also be highly promoted on the Tourism Fund Program's own ExperienceRedmond.com Web site.

Summary

Matching grant funds of \$26,500 for the 2010 US Senior Open, \$3,500 for the Eastside Chamber Music Festival at Overlake School, \$3,000 for Marymoor Grand Prix, \$15,000 for Nike Crossfire Challenge 2010, \$7,500 for Second Story Repertory at Redmond Town Center (contingent on 2010 season completion), and \$5,000 for the Triple Crown Sports Memorial Day Youth Baseball Tournament, totaling \$60,500 are recommended by the Lodging Tax Advisory Committee for City Council's approval.

One grant application was not recommended for funding: the partial funding (\$5,000) for an Executive Director position to market Northwest Senior Games events. A ballroom and line dancing event is planned to be held at the Redmond Senior Center in mid-June 2010. The current request was not for the event but for partial funding of the position. The LTAC members decided to see how this event develops and possibly fund *marketing* of a Senior Games event to be held in Redmond in 2011.

**IV. IMPACT**

- A. Service Delivery:** The Council's major themes of community connections, diversity, regionalism, and economic development are reflected in the grants recommended. These events benefit the community and encourage visitors to come and enjoy our city. All applicants receiving matching grants are required to provide follow-up information to the Tourism Program Administrator on project success before the grant check is issued.
- B. Fiscal:** All funds come from a one percent (1%) special excise tax on overnight lodging. These events would be funded from the matching grant portion of the hotel-motel tax revenue.

**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.