

CITY OF FIFE LODGING TAX FUNDING AGREEMENT

1. **Parties and Date.** This Agreement is made this 1st day of January, 2013, between the City of Fife, a Washington municipal corporation ("City") and **Fife Chamber of Commerce** ("Recipient").

2. **Recitals.**

2.1 The City collects a tax known as the Lodging Tax and deposits the revenues from the Lodging Tax into a special fund to be used solely for paying for tourism promotion and for the acquisition and/or operation of tourism relate facilities.

2.2 After receiving recommendations from the Lodging Tax Advisory Committee, the City Council has allocated **\$98,000** of the Lodging Tax fund in the City's 2013 Budget to Recipient for the activities set forth in Exhibit A attached hereto, which is an allowed use of Lodging Tax revenue under RCW 67.28.1815.

2.3 In consideration of the terms, conditions and covenants contained herein, the parties agree as follows.

3. **Scope of Work.** Recipient shall perform the activities set forth in Exhibit A ("Scope of Work") attached hereto during the term of this Agreement, for the purpose of attracting tourism business to the City.

4. **Term.** This Agreement shall be effective on January 1, 2013, and shall terminate on December 31, 2013, unless earlier terminated pursuant to Section 13 of this Agreement. Sections 6, 10, 14 and 19 of this Agreement shall survive termination of this Agreement.

5. **Compensation.** The City shall provide from Lodging Tax revenues, an amount not to exceed **\$98,000** in funding (the "Funds") to Recipient to perform the Scope of Work. However, funding for this Agreement is subject to the actual Lodging Tax funds received by the City. **If Lodging Tax receipts are lower than budgeted, funding may be decreased.** Within ten days after the end of each calendar quarter, Recipient shall submit a billing statement detailing how activities and services performed by Recipient during the preceding quarter have specifically promoted tourism in the City, including measurable results. Upon receipt of a conforming billing statement, the City shall promptly process payment. If a billing statement does not conform to this Agreement, the City may withhold payment until the statement is brought into compliance. Such withholding does not relieve the recipient of its obligations under this Agreement. Failure by Recipient to submit conforming billing statements by January 10th after the expiration of this Agreement will result in the forfeiture of remaining unbilled compensation.

6. **Auditing.** The Recipient shall maintain books, records, documents and other materials that sufficiently and properly reflect all expenditures made pursuant to this Agreement. The City shall have full access and the right to examine and copy, during normal business hours, all of the records of the Recipient with respect to matters covered in this Agreement. Such rights shall last for six (6) years from the date the disbursement is made hereunder.

7. **Compliance with Federal, State and Local Laws.** The Recipient agrees to abide by all applicable federal and state statutes and regulations pertaining to the subject matter of this Agreement, including without limitation RCW 67.28.1815, which provides that lodging tax revenues may be used solely for the purpose of paying all or a part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities, as such terms are defined in RCW 67.28.080.

8. **Collaborative Marketing and Promotion.** During the term of this Agreement the Recipient agrees to cooperate and work collaboratively with the City's marketing department and the Fife Chamber of Commerce for the common goal of attracting tourism business to the City.

9. **Reporting.** Within ten days after the end of each calendar quarter, Recipient shall furnish to the City a quarterly report detailing the use of the Funds provided under this Agreement, and such supporting information as the City may require. Such reports and documents shall include, if applicable, a list of festivals and special events sponsored by Recipient with the amount of revenue expended on each festival, special event or tourism-related facility, the estimated number of tourists and/or persons traveling over fifty miles to the destination, and the estimated number of lodging stays generated per festival of tourism-related event. Recipient shall maintain accounting records in accordance with Generally Accepted Accounting Principles (GAAP) to substantiate all billed amounts.

10. **Reimbursement of Funds.** Recipient warrants that the Funds received under this Agreement shall be used solely for purposes permitted under this Agreement and agrees to repay to the City any Funds found to have been used for some purpose other than those permitted herein.

11. **Nondiscrimination.** 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, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.

12. **Independent Contractor.** The Recipient is and shall be at all times during the term of this Agreement an independent contractor and not an employee of the City. Any and all employees of the Recipient, while engaged in the performance of any work or services required by the Recipient under this Agreement, shall be considered employees of the Recipient only and

not of the City. As an independent contractor, the Recipient shall be responsible for the reporting and payment of all applicable local, state, and federal taxes.

13. Termination. The City may terminate this Agreement immediately by written notice thereof to the Recipient if the tax itself is repealed by appropriate authority or in the event the Funds are not used in compliance with the provisions of this Agreement and/or Chapter 67.28 RCW, as determined by the City or the State of Washington. Further it is agreed that either party may terminate this Agreement for any reason upon giving the other party at least ninety days prior written notice thereof.

14. Indemnification and Hold Harmless. The Recipient shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

15. Assignment. Neither the Recipient nor the City shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other Party.

16. Waiver. Failure to insist upon strict compliance with any terms, covenants or conditions of this Agreement shall not be deemed a waiver of such, nor shall any waiver or relinquishment of such right or power at any time be taken to be a waiver of any other breach.

17. Applicable Law; Venue. This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington and, in the event of dispute, the venue for any action brought hereunder shall be in Pierce County Superior Court.

18. Severability. If any phrase, sentence or provision of this agreement is held invalid by a court of competent jurisdiction, such invalidity shall not affect the remainder of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

19. Attorneys' Fees. In the event that the City is required to institute a lawsuit against the Recipient to enforce any of the terms of this Agreement and the City prevails in such lawsuit, the Recipient agrees to reimburse the City for its reasonable costs, expenses, attorneys' fees and expert witness fees, including such costs, expenses and fees incurred in any appeal.

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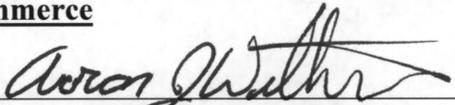
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20. **Entire Agreement.** This document contains all covenants, agreements and stipulations of the parties on the subject matter expressed herein. No changes, amendments or modifications of the terms of this Agreement shall be valid unless reduced to writing and signed by the duly authorized representatives of both parties as an amendment to this Agreement.

RECIPIENT:

Fife Milton Edgewood Chamber of Commerce

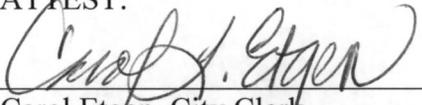
By: 
Aaron Williams, Executive Director

THE CITY:

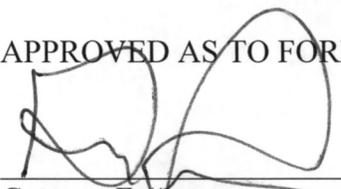
City of Fife, Washington

By: 
David K. Zabell, City Manager

ATTEST:


Carol Etgen, City Clerk

APPROVED AS TO FORM:


Gregory F. Amann
Assistant City Attorney

**EXHIBIT A
SCOPE OF ACTIVITIES**

See Attached Application.



Request for Proposal: Activities to increase Tourism in Fife

1. Name and Address of Applicant (Organization)

Name of Organization: Fife Milton Edgewood Chamber

Address: 2026 54th Ave. E Fife WA

Form of Organization: Non-Profit 501-C-6

Website Address: www.fifechamber.org

Agency Tax ID#: 94-3117909

UBI#: 601-521-435

2. Contact Person:

Name: Aaron Williams

Phone: 253-922-9320

Fax: 253-922-1638

E-mail: awilliams@fifechamber.org

3. Description of Activity:

The Fife Milton Edgewood Chamber of Commerce and its 200+ members are excited to continue our partnership with the City of Fife to market Fife to group travel entities, conference and meeting planners, tourists, adult sports tournaments and recreational event attendees. We have enjoyed success in this arena for 2012 and we look forward to carrying that momentum forward into 2013. We brought "heads in beds" with US Army Rangers booking 20 rooms at the EQC and hundreds of room nights generated by the Chamber Staff and via the Visitor Information Center. With our connection to the City and the Business Community we feel uniquely positioned to be a local advocate for tourism in our fine City.

In addition to continuing our tourism marketing partnership with the City (started in 2012), we also purpose that we would be the host organization for the "53rd Annual Seattle Invitational".

Will there be an admission charge for this activity? No Yes If yes, how much \$ _____

4. Proposed Funding:

Can you operate this project with reduced funding? No Yes

If yes, list priorities: Reduced funding would reduce marketing budget by \$5,000

Priority 1 - full funding \$ 70,500 Priority 2 - partial funding (no less than) \$ 65,500

5. Continuing/New Activity:

Is this a new or continuing activity? New Continuing

If continuing, last years City funding received. \$ 70,500

Do you expect this to be an annual activity, requiring regular and continued funding? No Yes

6. Time Frame

Is this a seasonal activity appropriate to its location? No Yes

If an outdoor activity, are there any weather related constraints? No Yes

If yes, what constraints are there? _____

7. Benefits to City Tourism:

Describe how this activity attracts, serves and facilitates overnight tourism in the City of Fife. For example: Does it lodge or feed tourists; promote tourism; provide for the sale of gifts, souvenirs or other items, or provide programs? Entertainment for tourism? If so, how? Does it provide some other short or long-range economic benefit? Will a tourist facility be constructed? Thoroughly define and quantify the expected results of the activity described in question 3 above.

The partnership between the City of Fife and the Fife Milton Edgewood Chamber of Commerce is vital to tourism in our City. There is a lot of competition in this area for tourism. As the Chamber continues to market Fife, and Fife only, lodging and conferences facilities, we build relationships and make investments to bring tourists to town. We realize, after increasing our focus on tourism promotion in 2012, that this is a long term endeavor.

We have made strides in connecting with our local hoteliers to learn about their properties so that we can market them effectively. We took a hotel tour with the Fife Marketing Department and learned a lot about the different kinds of properties Fife has to offer. Our narrow focus of only marketing Fife properties makes it easy for us to be experts on why a group would book their event in Fife.

Being a Partner with the City of Fife in tourism as well as hosting the local Visitor Information Center provide us with some unique advantages. Signs direct cars, some of the 144,00 that travel I-5 each day, right to our door. Some of the leads that we are working on for 2013 we found through event organizers visiting our Visitor Information Center looking for information on the local area for their attendees. We turned these inquiries into leads for 2013 by doing complimentary Conference Services for those events.

We would also like to expand on the secondary benefit of having a tourist or group book a room, or a block of rooms, at a local hotel. That secondary benefit is the revenue generated by each visitor in the form of food, gas, and other items while they are in town. Without an active effort to capture those funds we fear that that revenue may be leaking out into the surrounding areas. The way we plan on doing this is through Convention Services. Providing support for a group that is either already booked into a Fife hotel or close by helps us develop those relationships as well as provide information to their guests about Fife businesses. As a Chamber of Commerce, we are uniquely positioned with strong relationships in the business community to be able to keep those out of town dollars in Fife. A great example of this was our involvement with the Seattle Invitational leading to 79 room nights being booked. This also led to other proposals that we are submitting this year. Those proposals for a feasibility study and for us to host the Seattle Invitational at Fife are separate. However, those proposals are part of our overall strategy to bring tourism to Fife.

There are many strategies that we are developing to bring groups to Fife. These strategies, as previously stated, are long term investments of time and hard work. We know that what we have learned a lot about the tourism industry in 2012 and we will build on our successes for a great 2013.

City of Fife RFP Proposal

Budget

(For this proposal only. Not for entire agency)

INCOME:

If you are anticipating receiving partial funding for this activity from another source, please list the source, approximate amount, and the status of funding. Are you seeking hotel/motel taxes from other sources?

Amount	Source	Projected or confirmed date (If projected, date funds are anticipated)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Income: _____

What percentage of your project does your request for City funds represent? _____ %

Expense:

ACTIVITY	CITY OF FIFE FUNDS	OTHER FUNDS	TOTAL
Personnel (salaries & benefits)	\$55,000.00	_____	\$55,000.00
Administration (office expense)	_____	_____	_____
Marketing/promotion	\$10,000.00	_____	\$10,000.00
Travel	\$5,500.00	_____	\$5,500.00
Consultants (specify below)	_____	_____	_____
Construction	_____	_____	_____
Other activities (specify below)	_____	_____	_____
TOTAL COSTS:	\$70,500.00	_____	\$70,500.00

Priority 1 (full) funding _____ \$70,500.00

Priority 2 (partial) funding _____ \$65,500.00

Describe any budget items unspecified in the previous page and explain the differences in the amount listed as funding priorities 1 and 2.

The difference in funding levels would be \$5,000 less for marketing.

The applicant hereby certifies and affirms: 1. That it does not now, nor will it during the performance of any contract arising from this application, unlawfully discriminate against any employee, applicant for employment, client, customer, or other person who might benefit from said contract, by reason of age, race, color, ethnicity, sex, religion, creed, place of birth, or degree of handicap: 2. That it will abide by all relevant local, state and federal laws and regulations and 3. That it has read the information contained in pages 1,2 and 3 and understands and will comply with all provisions thereof.

Certified By: (signature): _____

(Print or type name): Aaron Williams

Title: Executive Director

Date: 08/10/2012