

CITY OF FIFE LODGING TAX FUNDING AGREEMENT

1. **Parties and Date.** This Agreement is made this 26th day of August, 2013, between the City of Fife, a Washington municipal corporation ("City") and **Funtown Northwest** ("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 **\$1,800** 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 **\$1,800** 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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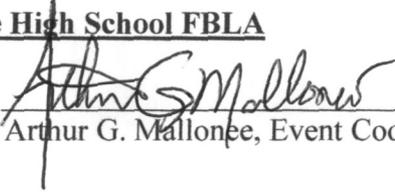
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20. **Entire Agreement.** This document contains all covenants, agreements and stipulations of the parties on the subject matter expressed herein. No changes, amendments or modifications of the terms of this Agreement shall be valid unless reduced to writing and signed by the duly authorized representatives of both parties as an amendment to this Agreement.

RECIPIENT:

Fife High School FBLA

By: 
Arthur G. Mallonee, Event Coordinator

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: **Funtown Northwest**

Address: **5879 SE Lake Valley Rd, Port Orchard, WA**

Form of Organization: **Event/Festival Organizer**

Website Address: **www.funtownnorthwest.com**

Agency Tax ID#: _____

UBI#: **c601 461 309**

2. Contact Person:

Name: **Arthur G. Mallonee**

Phone: **cell: 425-463-5182; hm: 360-769-9595**

Fax: _____

E-mail: **artmal@wavecable.com**

3. Description of Activity:

Funtown Northwest is presenting our 2nd annual "It's A Wonderful Life In Fife!" Movie, Food and Collectible Gift show, to be held Sunday, December 1, 2013. Continuing last year's success, we will be screening the 1946 Jimmy Stewart holiday movie, "It's a Wonderful Life" which will be emceed by **Karolyn Grimes**, who portrayed the little girl Zuzu in the film. Karolyn will be returning to share personal anecdotes and memories of the film and her good friend Jimmy Stewart. **Funtown Northwest is a small family owned and run company that puts people first! Our Vision statement is to: "Create a new kind of entertainment event that is profitable and also give back something to its patrons on an emotional, service, and community level."**

"It's A Wonderful Life In Fife!" is an event, and it is centered in philanthropy. We sponsor collection sites for Northwest Harvest and Toys for Tots; and work to raise awareness for Seattle Pug Rescue, the Special Needs community, and senior citizens. As well, Karolyn has a long history advocating for charitable causes and sharing this great movie's message of hope. Last year Karolyn read 'T'was *The Night Before Christmas*' before the movie in support of student reading literacy.

"It's A Wonderful Life In Fife!" will feature traditional holiday gifts for shoppers such as wreaths, jewelry, soaps, and prepackage holiday gift foods, collectible toys, dolls, books, ornaments etc. We will also have a **family style spaghetti dinner before** the movie. The movie is free to all participants in the spaghetti dinner/gift show (\$1 additional above the dinner price to peruse the gift show before and after the movie.). Diners at the Poodle dog may come into the gift show for one dollar. Attendees can donate two cans of food and may come in to the Gift show for one dollar. The community support for this part of the show is that they can see the movie for free; diners who attend the gift show may watch the movie for free.

4. Proposed Funding:

Can you operate this project with reduced funding? No Yes

Priority 1 - full funding \$ **4250.00** Priority 2 - partial funding (no less than) \$ **2850.00**

Will there be an admission charge for this activity? No Yes If yes, how much \$ **1-10 dollars**

*We have reduced prices to a bare minimum. Basic admission will be \$3 to the gift show. Spaghetti dinner will be \$10. Family pricing may be available. The movie will be free for Poodle dog diners; gift show attendees and spaghetti dinner guests. Poodle dog diners and spaghetti dinner attendees get into the gift show for a dollar. People in need will attend free to all events.

5. Continuing/New Activity:

Is this a new or continuing activity? New Continuing

If continuing, last years City funding received. \$ **2500**

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.

- ***This show benefits tourism:*** because out of town guests, relatives, and seasonal travelers will be pleased that they can access the city website and other links to find a quality local gift show, movie event and spaghetti dinner that they can be involved in. This event was very successful last year. It is a reoccurring event that will happen every holiday season; travelers can look forward to this each year. We plan to expand to four fun events a year with different themes. Returning travelers and visitors will look forward to sharing in these events as well. We estimate that a third of our vendors will come from out of town; stay at local hotels and eat locally. As well, Thanksgiving/Christmas is a busy travel time and we estimate several hundred tourists will attend throughout the day. Seasonal travelers who might shop/eat in nearby Federal way or Tacoma will have an event locally to attend instead. Their choice of where to stay may be shaped by the opportunity to shop locally.
- ***This show benefits community unity:*** We have had great support and participation from Fife businesses. Fife flowers, Farmers Insurance and local restaurants provided door prizes and meal certificates and volunteered time to the event. Northwest Harvest received hundreds of pounds of food and Toys For Tots received hundreds of toys. Toys For Tots attended the event and provided a Santa Claus and an elf. They did a fantastic presentation. The Mayor, Rob Cerqui met with us at the Poodle Dog and continues to be excited about our show. He is a regular patron at the Poodle Dog and he told me, "The Poodle Dog is Fife's only landmark." Louise Hospenthal, the President of the Fife Historical Society and Kurt Rueter, of the Parks, Recreation and Community Services Director for the City of the Fife and the Fife Rotary Club were involved in last year's event and we hope they will continue to have a presence at our event. We want to expand to include the Kiwanis, the Lion's club, the Eagles, the VFW's and the Chamber of Commerce to bring in more local excitement to help make this a colorful event.

Advocacy commitments

This show also benefits local community unity through its outreach to senior citizens, its advocacy for Northwest Harvest, Seattle Pug Rescue, a local toy drive, and a reading session for local "Terrific kids" and the special needs community kids A local group, Self-Advocates Of Washington" (SAWS) had several of their folks on hand as porters and had a booth handing out literature about special needs folks in our community.. As well, we offer many ways to receive reduced admission to the gift show and dinner through participating in, or, as a recipient of, the shows various outreach activities. The movie and celebrity panel featuring Karolyn Grimes will be free to all participant/recipients of these activities. The movie will be free to:

- 1) **Winners of "Terrific Kid" awards,** 2) **Children from the Special needs community,** 3) **attendees of the Gift show,** 4) **participants in the spaghetti dinner who attend the Gift show,** 5) **Northwest Harvest food drive donators who attend the Gift show,** **Poodle Dog diners who attend the Gift show,** 6) **guests who donate to Seattle Pug Rescue at the event.**

Our event will reach a diverse customer base and be successful by 1) holding the show in an wholesome home town atmosphere of "The Poodle Dog"; 2) providing good food, and quality products for sale; 3) engaging local community businesses and government,; and 4) because it is advocacy centered. This paradigm will generate repeatable business because it supports local economies/products and because it has the excitement of a being an inclusive family, community and outreach event.

Definition and Quantification of expected results:

- We will be mailing out to 2500 people and last year we advertised in three local papers. We had local radio and TV involvement via interviews on KOMO and service announcements because of the toy drive and our other advocacy events, and had an active word of mouth campaign through Mayor Cerqui's involvement. We were on the city website. We advertised on the 20 foot by forty foot electronic reader board on I-5 for 8 days (10 seconds out of every minute 24 hours a day) which resulted in over a million commuters seeing the name "Fife" connected to our event. All of these efforts will continue and be successful again
- 5000 Posters and fliers will be distributed and posted all over town and in local businesses. Fliers in the Poodle Dog reach an estimated 400-500 customers a day. Employees of the restaurant are spreading the word daily.
- We estimate that a third of our out of town vendors stay at local hotels and eat at the Poodle Dog or elsewhere.
- We expect to raise hundreds of dollars for Pug Rescue; and, to immediately adopt out 5-10 pugs to worthy families.
- We expect to raise money for the Fife Historical society through box donations.
- Toys for Tots will receive hundreds of toys through donations before/after our event.
- 50-60 complimentary dinner/movie tickets will be donated to those in need.
- SAWS will receive donations via a booth at the show which will be worked by individuals with disabilities and their job coaches.
- Northwest Harvest will have a drop box and we expect several hundred pounds of food will be donated.
- We estimate 50-60 senior citizens will be entertained at our event throughout the day.
- We expect many local children and their families will attend after school is over for the day.
- Christmas is a busy travel time and we estimate several hundred tourists will attend throughout the day.
- We expect that 400-500 Poodle dog regulars will attend our event throughout the day

This event should generate many thousands of dollars for the local community, businesses and vendors and provide quality outreach that will be sustainable and repeatable at future events.

**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?

*We expect no other sponsor funding

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

Break down of requested city funds versus our financial input

ACTIVITY	CITY OF FIFE FUNDS	FUNDS We will expect to Pay	TOTAL
Personnel (salaries & benefits) • Karolyn grimes guest fees • Employee costs for ushers/waiters/ticket takers;	2,750	1,600	4350
Administration (office expense) • Rental of projector and movie • Rental of generator • Miscellaneous ink, paper, phone	150	300	450
Marketing/promotion • Newspaper Ads, Electric Billboard, posters, etc.	800	1500	2300
Travel • Gas • Hotel for Karolyn Grimes	150	350	500
Consultants (specify below) • Legal fees • Show production consultant	100	200	300
Other activities (specify below) • Reduced admission for hardship, senior citizen and people with disabilities.	300	300	600
Total costs	\$4250	\$4250	\$8400

Priority 1 (full) funding: \$4250.00

Priority 2 (partial) funding: \$2,850

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

The show must be successful on both altruistic and financial levels to make it viable and repeatable. Rising costs of travel, gas, food and employee expenses have impacted every business! My hard fees are:

- Karolyn Grimes fee (2,700) which she is already discounting by 50%; she expected to receive an additional 50% of the door revenue as well. To meet the needs of a low cost community free event I must lower admission from \$15 a person to a split structure of \$1-3 dollars for the show plus the price of the spaghetti dinner (\$6-8) and This means a 40% loss in gate revenue and makes it impossible to guarantee Karolyn's half of the door. It puts a strain on the Poodle Dog restaurant as well because they cannot charge banquet prices for their food during their busiest season. They are already giving me facilities at a major discount.
- I plan to discount my vendor booths and my ticket admission prices to make it possible to have a number of complimentary tickets for hardship families, senior citizens and members of the special needs community (I want to support them because I am a Special Education teacher) to attend the movie and spaghetti feed. I anticipate 30 to 50 patrons will fit that category. These folks are usually disenfranchised at most events because they do not know these activities are available or they cannot afford them. I understand that my event is most attractive to the city of Fife if it is a low cost or free community event. I am doing what I can to continue accomplishing this ideal and there are some roadblocks/hard costs that I will have difficulty absorbing if I do keep this free or low cost to many attendees.
- Karolyn and I are advocating for a number of worthy causes; and of my high quality vendors (I jury all vendors) support these causes; as well; my vendors need to make money at this event. The way I can keep my vendors happy about the lower sales they will get from low income attendees is to artificially lower table costs so vendors are getting their booths for \$25-50; which is less than half of what would normally be charged for this type of event. This benefits the community of Fife, and keeps my vendors from feeling overstretched by my charity efforts; but creates a great revenue loss for me that I cannot offset against advertising costs and Karolyn Grimes' guest fee for appearing at the show.

Full funding allows us to balance the need of my vendors to have qualified buyers who pay full admission and spend fluidly, with ours and the city's desire to have a free/ reduced admission for everyone for different portions of the event; and a free show, movie and spaghetti feed for 30-50 underprivileged attendees.

I can absorb some of the hard costs if I am given reduced funding by hiring fewer employees, cutting back on food portions and variety, offering increased pricing for different categories of show events and eliminating the Pug Rescue booth and local toy drive (to reduce advertising costs). I can cheapen the general quality of goods sold, shrink booth size and allow swap meet vendors. None of these choices is efficacious; nor do these cutbacks uphold the ideals of our vision statement.

Full funding also allows me to advertise extensively to attract potential customers. This will bring in many local customers who are qualified buyers but who may not be successfully targeted by newspaper or internet marketing. As well it allows me to expand the scope and ability to reach potential non-local tourists who may be inclined to visit Fife if they are excited by finding out there is a fun event in the region. Some of them will stay overnight as guests in local hotels. They will certainly eat at the Poodle Dog for our event and will undoubtedly frequent other local restaurants and do local holiday shopping as well.

Thank you for your attention to this application.

Sincerely,

Arthur G Mallonee M.Ed

Funtown Northwest, Northwest Winter Holidays

Enterprises Unlimited

360-769-9595 Cell: 425-463-5182 artmal@wavecable.com 5879 SE Lake valley Road, Port Orchard, WA 98367

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 & federal laws & regulations: 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):



Arthur G. Mallonee M.Ed

(Print or type name): Arthur G. Mallonee M.Ed.

Title: Show Promoter

Date: AUGUST 7, 2013