

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 **South Sound Sports Commission** ("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 **\$42,500** 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 **\$42,500** 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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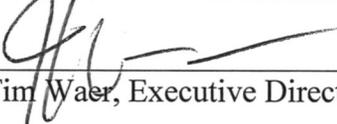
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20. **Entire Agreement.** This document contains all covenants, agreements and stipulations of the parties on the subject matter expressed herein. No changes, amendments or modifications of the terms of this Agreement shall be valid unless reduced to writing and signed by the duly authorized representatives of both parties as an amendment to this Agreement.

RECIPIENT:

^{TACOMA}
South Sound Sports Commission

By: 

Tim Waer, Executive Director

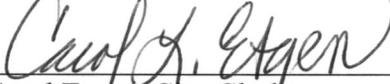
THE CITY:

City of Fife, Washington

By: 

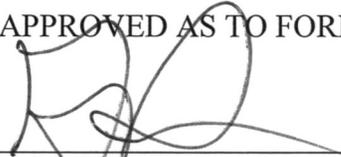
David K. Zabell, City Manager

ATTEST:



Carol Etgen, City Clerk

APPROVED AS TO FORM:



Gregory F. Amann
Assistant City Attorney

**EXHIBIT A
SCOPE OF ACTIVITIES**

See Attached Application.

PROPOSAL RESPONSE

1. Name and Address of Applicant (Organization)

Tacoma South Sound Sports Commission
1119 Pacific Ave, Suite 500
Tacoma, WA 98402

Form of Organization: 501c6 Website Address: tacomasports.org
Agency Tax ID #: 94-3154901 UBI #: 601 289 518

2. Contact Person:

Name: Tim Waer Phone: 253-284-3260
Fax: 253-327-1787 E-mail: timw@tacomasports.org

3. Description of Activity:

Market Fife and Fife hotels as a destination for amateur sports events that create overnight stays and tourism spending in the City of Fife.

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

4. Proposed Funding: \$80,000

Can you operate this project with reduced funding? Yes No
If yes, list priorities:
Priority 1 – full funding \$80,000
Priority 2 – partial funding (no less than) \$75,000

5. Continuing/New Activity:

Is this a new or continuing activity?
If continuing, last years City funding received. \$75,000
Do you expect it to be an annual activity, requiring regular and continued funding? Yes No

6. 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 Tacoma South Sound Sports Commission (TSSC) works with local sports clubs, national governing bodies (NGB's) and local organizing committees to research and bid for, attract, create and promote amateur athletic competitions that will result in direct tourism benefits. Once an event is awarded, the TSSC provides services to the event both within the community as well as the potential competitors to increase the number of visitors, overnight stays and tourism spending in the City of Fife.

The Sports Development Program is implemented through the following sub-programs: Event Development, Club Development, Venue Development, Community Development and Event Servicing.

Event Development: Researches and develops bids for events that attract tourism and overnight hotel stays. Develops relationships with NGB's that result in more events hosted in the region that impact Fife hotels and hospitality related businesses.

Club Development: Works with local clubs to develop bids for events. Incubates club development strengthening sports locally which leads to increased hosting potential.

Venue Development: Advocates, supports, and assists any municipality, district, enterprise fund, or private investors in the development of sports venues that increase the host potential of the region. Better, bigger, newly renovated venues are essential to improving the likelihood of bids being awarded.

Community Development: Increases awareness of events and our mission with the goal of activating businesses and the general public into events. How a community engages sports and sports events is evaluated by decision makers as they measure how their event will be supported.

Event Servicing: This crucial area is the execution of events and serving on Local Organizing Committees to fulfill all commitments made during the bidding process. Event Services enhance the visitor experience for competitors, attendees, fans, families, etc. with the end result being benefits to the tourism industry and the tax collections of the City of Fife.

7. Time Frame

What is your anticipated time for accomplishing this project? Is it a seasonal activity appropriate to its location? If an outdoor activity, are there any weather related constraints?

January 1st to December 31st

8. Additional information:

Provide any additional information which will assist the City in evaluating your project and its benefit to the City of Fife.

See attached

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? Yes

Amount	Source	Projected or confirmed date (If projected, date funds are anticipated)
\$290,000	Tourism Promotion Area	Confirmed
\$30,000	Unincorporated Pierce County	Confirmed
\$50,000	City of Puyallup	12/31/12
\$70,000	City of Lakewood	12/31/12
\$100,000	City of Tacoma	12/31/12
\$5,000	City of Sumner	12/31/12

Total Income: \$625,000

What percentage of your project does your request for City funds represent? 12.8 %

EXPENSE:

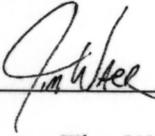
ACTIVITY	CITY OF FIFE FUNDS	OTHER FUNDS	TOTAL
Personnel (salaries & benefits)	\$ 52,000	\$354,250	\$406,250
Administration (office expense)	\$ 9,600	\$ 65,400	\$ 75,000
Marketing/promotion	\$ 7,072	\$ 48,178	\$ 55,250
Travel	\$ 4,000	\$ 27,250	\$ 31,250
Consultants (specify below)	\$ 7,328	\$ 49,922	\$ 57,250
Construction	\$ 0	\$ 0	\$ 0
Other activities (specify below)	\$	\$	\$
TOTAL COSTS:	\$80,000	\$545,000	\$625,000
Priority 1 (full) funding	\$ 80,000	Priority 2 (partial funding)	\$75,000

Describe any budget items unspecified above and explain the differences in the amount listed as funding priorities 1 and 2:

Consultants: Bookkeeping, billing, audit services, and marketplace consultants

Priority 2 funding would keep current events and staff in place but reduce ability to increase event inventory or services to current events.

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): Tim Waer

Title: CEO & President

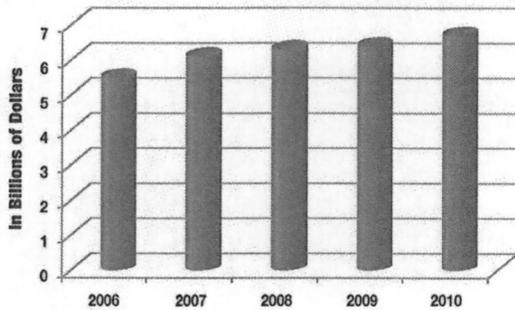
Date: 8-15-12

2013 City of Fife Lodging Tax Application
Additional Information Attachment

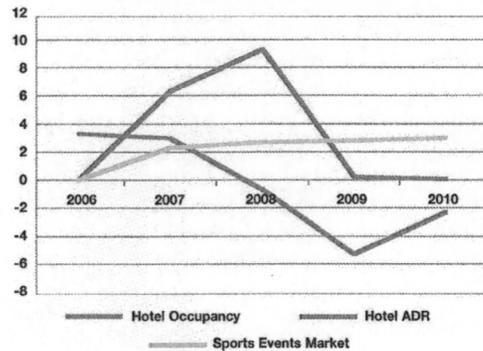
Amateur Sports Market Impact and Trends

- The sports event marketplace represents \$7.1 billion in total annual economic impact.
- 6.7% overall growth in direct spending impact in 2011
- 1/3 of growth from increase spending per participant
- 2/3 of growth from creation of new events as well as increased participation
- Mid-level and smaller sports markets are experiencing highest growth rates
- Diversity of events is key to growing economic impact in a community

Economic Impact Of The Itinerant Sports Events Marketplace



Trends In U.S. Hotel Industry Compared To Sports Events Marketplace



Source: Colliers PKF Hospitality Research & SportsEvents Industry Survey

Strengths

- Rich history of supporting and executing amateur sports
- Diversity of venues: Tacoma Dome, Fields, Water, Mountain, Golf
- Hotel Inventory: Great mix of quality and affordable rooms that work for sports teams and events
- Proximity to Sea-Tac International Airport for National and International Events
- Ease of access to multiple venues from I-5
- Proximity to JBLM
- Sufficient supply of attractions and cultural components: museums, Mt. Rainier, Pt. Defiance, etc.
- Universities and Community Colleges with athletic programs and facilities
- Home to more state high school championships than any other area of the state

Opportunities

- U.S. Open Golf Championships
- Sport Complex construction
- Adaptive Sports Initiative
- Tacoma Dome renovation
- Let's Play Sports and Fitness Festival
- Great Northwest Athletic Conference
- Cheney Stadium and Chambers Bay as multi-sport venues (i.e. soccer, cross country, water sports, kite-flying, etc.)
- Fitness Tourism (Zumba, Cross-fit, Roller Sports, Boot Camp)
- Waterfront: canoe, kayak, dragon boat, etc.
- Diversity of Geography: Mt. Rainier to Puget Sound

Extended Stay – Fife
2820 Pacific Hwy East
Fife, WA 98424

August 15, 2012

Re: 2013 Tacoma South Sound Sports Commission
Lodging Tax Application

To Whom It May Concern:

Please accept this letter in support of **Tacoma South Sound Sports' 2013 Lodging Tax Application**. The relationship that I have had working with them directly over the past several years has been very rewarding. Their dedicated staff has secured many WIAA state championship competitions in the Tacoma/South Sound region as well as bringing in new events that we have never seen before. As a result of their efforts, we have seen significant impact on our overnight stays due to the efforts of this organization.

As you are probably aware our hotel recently finished a renovation as part of a national rebranding effort. Tim Waer and the sales team at Tacoma South Sound Sports have toured and evaluated the changes and expressed excitement and confidence that they will be able to better market this hotel and Fife in general due to the changes we have made. We are excited to work alongside this organization in 2013 and beyond to showcase our region and our new property to competitors, officials, families, and spectators involved with Tacoma South Sound Sports events. The benefits derived from the City of Fife funding to the Tacoma South Sound Sports Commission are extraordinary and critical, and I support full funding of their application for funding by the City of Fife.

Best Regards,

Mark Horace
Extended Stay – Fife