

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 **Tacoma Regional Convention & Visitors Bureau**("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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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 Regional Convention & Visitors Bureau

By: Bennish D. Brown
Bennish Brown, Executive Director

THE CITY:

City of Fife, Washington

By: David K. Zabell
David K. Zabell, City Manager

ATTEST:

Carol D. Etgen
Carol Etgen, City Clerk

APPROVED AS TO FORM:

Gregory F. Amann
Gregory F. Amann
Assistant City Attorney

Proposal Response: Activities to increase Tourism in Fife 2013

1. Name and Address of Applicant (Organization)

Name of Organization: Tacoma Regional Convention + Visitor Bureau

Address: 1119 Pacific Ave., Suite 1400, Tacoma, WA 98402

Form of Organization: 501(c)6

Website Address: www.traveltacoma.com

Agency Tax ID#: 91-1465947

UBI#: 601 216 920

2. Contact Person:

Name: Bennish D. Brown

Phone: 253-284-3251

Fax: 253-627-8783

E-mail: bennish@traveltacoma.com

3. Description of Activity:

The TRCVB President held individual meetings with some tourism stakeholders from the City of Fife to determine the marketing and sales priorities that they think will help drive new tourist dollars to the city. Meetings were held with City of Fife representatives including: the mayor, city manager, and the city economic development and marketing specialist; owner of the Travelodge hotel; sales manager with the Emerald Queen Hotel and Casino. They have asked for the TRCVB to assist with the following activities, and we are including these activities as part of our funding request:

- - Recruit more conventions to the Greater Tacoma Convention and Trade Center because the larger conventions bring overflow room nights to Fife. *(activities: attend targeted tradeshow, online outreach, advertising, articles in magazines, familiarization trips by meeting planners, etc.)*
- - Consider ways to assist the Tacoma Dome in recruiting events because those events bring room nights to Fife. *(activities: attend targeted tradeshow, online outreach, advertising, articles in magazines, etc.)*
- - Consider ways to partner with South Sound Sports (sports commission) to bring more sporting events to the area, because those events bring room nights to Fife. *(activities: sports tradeshow, online outreach, cooperative advertising, articles in magazines, familiarization trips by tournament organizers, outreach to sports convention planners, etc.)*
- - Continue to identify meeting/convention tradeshow and outdoor tradeshow where we have one-on-one opportunities to speak to decision makers about our destination. A representative from Fife has attended these tradeshow with us, and finds them valuable as a sales tool. *(activities: notify various Fife stakeholders, especially the City Economic Development and Marketing Department of targeted tradeshow and cooperative booth opportunities)*

- - Continue to build relationships with travel writers who are writing about our destination. This gives credibility to the entire Pierce County region as a destination area, and some Fife stakeholders see value in this service.
- - Continue to provide media assistance to Fife, with the TRCVB media and communications staff supporting publicity efforts that are aimed at recruiting visitors to Fife and Pierce County.
- - Continue to generate prospects and leads, and send prospect leads to stakeholders in Fife. These are leads that the TRCVB gets from attending various tradeshows and from other marketing and sales efforts. *(activities: attend targeted tradeshows, online outreach, advertising, articles in magazines, familiarization trips by meeting planners and group tour operators, etc.)*
- - Focus on the reunion business as a market for Fife (military reunions, association reunions, etc.) *(activities: subscribe to Reunion Friendly News, attend targeted tradeshows, online outreach, advertising, articles in magazines, familiarization trips by meeting planners, etc.)*
- - Work in partnership with the Seattle CVB to determine when their convention and/or hotel spaces are sold out and have them make us their first referral option for either meetings/conventions or rooms. *(activities: maintain membership with Seattle CVB, co-op in attending targeted tradeshows, co-op with online outreach and advertising when possible, jointly push articles in magazines, jointly host familiarization trips by meeting planners and group tour operators, and jointly host travel writers, etc.)*
- - Assist hotels in Fife that have catering in filling their catering space, especially if it can be tied to overnight rooms in the area. *(activities: identify TRCVB leads that include a meal/catering component and submit those leads to the respective hotels)*
- - Implement marketing and advertising efforts that will help recruit visitors and get the average occupancy rate up to 65% or 70% as an initial effort (which are historic averages for the months of June - Sept.)
- - Help partner with the Port of Tacoma to identify opportunities for their customers to use the tourism and hospitality services of Fife.
- - Provide lodging information to the Federal Way Aquatic Center so they know what hotels are available in Fife and surrounding areas of Tacoma and Pierce County.
- - Help facilitate opportunities with the U.S. Army Reserve for them to bring lodging business to Fife.
- - Develop an ongoing reporting system (possibly quarterly) where updates of our activities and outcomes are reported back to stakeholders in Fife, including Fife City Council.

Will there be an admission charge for this activity? No Yes

4. Proposed Funding:

Can you operate this project with reduced funding? No Yes

If yes, list priorities: (We have already reduced staff by 3.5 positions, but want to make the case that to be competitive against other destinations we need to continue to grow funds for marketing and advertising.)

Priority 1 - full funding \$ 35,000

Priority 2 - partial funding \$ 35,000

5. Continuing/New Activity:

Is this a new or continuing activity? New Continuing
If continuing, last years City funding received. \$35,000

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.

Based on feedback and input from some of the stakeholders in Fife, they consider the recommendations they've made to the TRCVB as action items that will help to bring more overnight visitors to the area, and specifically to Fife. They also see the activities of the TRCVB as ways to partner, and at least bring leads to the various hotels so the individual hotels can decide which prospects they will pursue to turn into business for their individual property.

Other efforts that are recommended will help to get information about Fife and the Tacoma/Pierce County area out to media writers so they will generate interest among travelers in specialized publications and even online. Also, if funding is provided for tradeshow, the TRCVB and other stakeholders, including representatives from Fife, would be able to have face-to-face sales time with decision makers, encouraging them to bring their meeting, convention, reunion or other event to Fife and this area.

These specific activities will blend in with our other sales and integrated marketing efforts so that our total destination can be more competitive for tourism business against locations both in the state of Washington, in adjoining states, and throughout this region of the U.S.

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)
\$501,155	Tourism Promotion Area (TPA)	2013
\$690,000	Other Lodging Tax Jurisdictions	2013
\$87,000	Private/Memberships	2013

Total Income: \$1,278,155

What percentage of your project does your request for City funds represent? 2%

EXPENSE:

ACTIVITY	CITY OF FIFE FUNDS	OTHER FUNDS	TOTAL
Personnel (salaries & benefits)	\$25,000	\$730,500	\$755,500
Administration (office expense)	\$2,000	\$107,951	\$109,951
Marketing/promotion	\$8,000	\$404,704	\$412,704
TOTAL COSTS:	\$35,000	\$1,243,155	\$1,278,155

Priority 1 (full) funding \$35,000

Priority 2 (partial funding) \$35,000

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

Dear City of Fife,

We did not distinguish between Funding Priorities 1 and 2, because we truly are in need of full funding. The TRCVB takes its role seriously to be the leader in helping to increase visitor traffic to our area. We want to identify reasonable and realistic activities that will turn our marketing into actual visits and overnight stays for Fife and our other areas.

We have reduced our staff size since the last budget request. We are committed to working within our budgetary means, just as all of our various stakeholders have to do, but we also feel that overall funding for sales and marketing is inadequate to actually make our area competitive against larger destinations in Washington State and throughout this region. With adequate funds, creative input from our stakeholders, sound goals, and realistic activities, we can reverse the downward trend of our hotel occupancy numbers and be well on our way of turning tourism in Pierce County into a \$1 billion industry (up from \$850+ million).

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): Bennish D. Brown

(Print or type name): Bennish D. Brown

Title: President/CEO

Date: August 13, 2012