CITY OF
BAINBRIDGE ISLAND

Lodging Tax Advisory Committee
Monday, November 6, 2017
4:00 PM – 5:00 PM
City Hall
PLANNING CONFERENCE ROOM
280 Madison Avenue North
Bainbridge Island, WA 98110

AGENDA

MEMBERS: SUSIE BURDICK, DOMINIQUE CANTWELL, NANCY FORTNER, PATRICIA NASH

CHAIR: COUNCILMEMBER ROGER TOWNSEND (CHAIR/VOTING)
VICE-CHAIR: COUNCILMEMBER MICHAEL SCOTT (VICE-CHAIR/NON-VOTING)

1. Call to Order / Acceptance of the Agenda / Conflict of Interest Disclosure

2. receive presentation from Bloedel reserve and consider funding recommendation

3. Adjournment

BLOEDEL
RESERVE

September 15, 2017

Lodging Tax Committee
City of Bainbridge Island
280 Madison Avenue
Bainbridge Island, WA 98110

Dear Committee Members,

Thank you very much for the opportunity to submit an application for 2018 LTAC funding. Your increased support of tourism is very much appreciated and we are grateful to be among the many organizations you assist. Attached is our proposal, "Excitement in the Off-Season – Enhanced Promotion and Analytics for Seasonal Programs." In addition to the proposal, supplemental financial information is attached, as requested. Your main contact for the proposal is Sina Irving, who can be reached at sirving@bloedelreserve.org or 206.842.7631 x 21. Feel free to reach out to her or me with any questions you may have.

With sincere thanks,

Edward Moydell
Executive Director

CITY OF BAINBRIDGE ISLAND 2018
LODGING/TOURISM FUND PROPOSAL

Project Name:

Excitement in the Off Season – Enhanced Promotion and Analytics for Seasonal Programs

Name of Applicant Organization:
Bloedel Reserve

Applicant Organization IRS Chapter 501(c)(3) or 501(c)(6) status and Tax ID Number:
501(c)(3), 91-6182786

Date of Incorporation as a Washington State Corporation and UBI Number:
1974 501(c)(3) 601130563

Primary Contact:
Sina Irving

Mailing Address:
7571 NE Dolphin Drive, Bainbridge Island, WA 98110

Email(s):
sirving@bloedelreserve.org

Cell phone: 206.909.0647

Day phone: (206) 842-7631 x21

Please indicate the type of project described in your proposal:

	Project Type
X	Tourism marketing
X	Marketing and operations of special events and festivals designed to attract tourists
☐	Supporting the operations of a tourism-related facility owned or operated by a nonprofit organization*
☐	Supporting the operations and/or capital expenditures of a tourism- related facility owned or operated by a municipality or a public facilities district*

*If the proposal requests funds for a tourism-related facility, please indicate the legal owner of that facility:

N/A

LODGING/TOURISM FUND APPLICATION
Applicant Information

Please respond to each of these questions in the order listed. If the proposal includes multiple partners, please include the requested information for each organization.

1. Describe the applicant organization's mission, history and areas of expertise. Describe the applicant's experience in tourism promotion on Bainbridge Island and its demonstrated ability to complete the proposed project.

The Bloedel Reserve's mission is to enrich people's lives through a premier public garden of natural and designed Pacific Northwest landscapes. The purpose of the Reserve as described by founder, Prentice Bloedel, is to "provide refreshment and tranquility in the presence of natural beauty."

The Reserve's 150 acres are a unique blend of natural woodlands and beautifully landscaped gardens including the Fujitaro Kubota designed Japanese Garden, now ranked in the top-five in the United States according to *Japanese Garden Journal*. Other notable landmarks on the property include the Moss Garden, Reflection Pool, and Residence, which punctuate a contemplative Richard Haag landscape. Often recognized as one of the finest, most unique gardens in the United States, the Reserve was established in 1974 and opened to the public in 1988. After more than 20 years of operating on a reservations only admission policy, Bloedel began welcoming the public in 2010 and has since become a community based institution. Bloedel now welcomes 55,000+ guests per year.

The Bloedel Reserve was cited as the top tourist attraction on Bainbridge Island for seven years in a row (Bainbridge Review 2010 to 2016) and was recognized as "best place to bring out of town guests" (Bainbridge Review 2017). The Reserve was awarded the 2010 Tourism Promoter of the Year Award by the Kitsap Peninsula Visitor and Convention Bureau, recognizing both our current efforts and future potential to attract more visitors and tourists to Kitsap County. With thousands of followers online, a near five star rating on Yelp and Facebook, and a beautifully curated Instagram, Bloedel has an excellent online presence.

We have been fortunate to receive LTAC funding in each of the last six years and have repeatedly demonstrated our ability to deliver on our proposed projects. This year's proposal leverages existing programming through both enhanced marketing and increased analytics. Areas of organizational expertise include not only horticulture, but non-profit management, marketing, guest services, and analytics. Recent staffing enhancements include the expansion of our Marketing Manager position from 0.5 FTE to full time and the creation of a new part time position dedicated to data analytics.

2. If appropriate, please identify the project partner(s) and briefly describe the involvement of each. Please note that the maximum award of $100,000 will apply to any single project, even if proposed by a team of partners.

   N/A

3. If appropriate, please list each project and amount of funding awarded and utilized from Lodging Tax Fund

2012: Japanese Guest House restoration	$57,500
2013: Marketing for Sculpture in the Landscape Exhibit	$2,500
2014: Destination tourism marketing	$11,496
2015: Destination tourism marketing	$12,526
2016: Destination tourism marketing	$14,632
2017: Destination tourism marketing	$7,500

4. If any projects previously funded through the Lodging Tax (Civic Improvement) Fund were not completed and/or if reports were not submitted to the City as requested, please explain:

   N/A

LODGING/TOURISM FUND
APPLICATION
Project Information

1. Describe the proposed project.
   As a year round cultural institution and tourist destination, Bloedel Reserve aims to leverage existing and expanded shoulder season programming and advertising to increase attendance, thereby stimulating the Bainbridge Island economy and lodging industry. Additionally, Bloedel seeks to increase targeted digital advertising and capture of demographic data. LTAC funds are requested to continue and expand marketing efforts to visiting tourists (beyond 50 miles) and Seattle area residents who are strong candidates for overnight stays on Bainbridge Island.

   Bloedel's shoulder seasons are defined as autumn (October & November), winter (December and January), and spring (February through Memorial Day). Each season features a series of attendance drivers, identified below with their respective advertising vehicles:

   Autumn: Autumn Colors, Super Squash Hunt exhibit (October), Indoor Art Exhibits, Concerts
   Advertising Vehicles: Transit ads (Seattle), print, electronic, radio, social media, visitor guide publications, rack cards on ferries

   Winter: Holiday Village, Solstice Walks
   Advertising Vehicles: Print, electronic, radio, social media, rack cards on ferries

   Spring: Secret Season (February & March - early spring blooms), Poetry Month (April), NW Flower & Garden Show, Lecture Series, Cupid's Walk - Valentine's Day, Spring Blooms, National Public Gardens Day, Mother's Day

Advertising Vehicles: Transit ads (Seattle), print, electronic, radio, social media, physical presence at NW Flower & Garden Show, visitor guide publications, rack cards on ferries

Ferry rack cards currently feature a panel dedicated to “lingering longer” on Bainbridge Island, encouraging tourists to patronize area lodging and restaurant establishments. New this year with additional funding, select print ads will dedicate a portion of space to encourage overnight stays and dining out.

An additional part of this project is increased demographic capture of visitors through an electronic guest book and / or guest surveys.

A. Identify the Project’s main objectives and how each will be achieved.

- Reach regional, national, and international tourist markets: achieved through ferry brochure as well as ad placement in national and international tour guides, leading area publications, and transit ads.
- Use Bloedel Reserve as an attraction to draw people to Bainbridge Island for a full day experience: achieved through multiple means, including ferry brochures, ad placement (promoting Bloedel as well as overnighting on Bainbridge), and targeted electronic advertising.
- Promote Bloedel as a multi-season destination and leverage existing shoulder season programming: Achieved by maintaining programs and adding content (morning or evening) to existing, successful programming in the off season. For example, expanding the popular winter evening Solstice Walks, which encourages overnight stays.
- Increase understanding of demographics and return on marketing investment: Achieved by enhanced, targeted and measured digital advertising, on site electronic guest book, and redemption of physical and digital coupons. This will allow us to compare return on investment of digital ads, conventional tourism brochures, and new content creation. Paid social media channels are an active part of the Bloedel's marketing program, and could be easily turned to target tourists. With thousands of followers online, a near five star rating on Yelp and Facebook, and a beautifully curated Instagram, Bloedel is in an excellent position to ramp up digital marketing.

B. Be as specific as possible about the proposed services, measurable impacts, distribution method and costs.

Vehicles with highly measurable impact

- Rack cards on ferries, at the airport, and at area hotels to promote visitation throughout the year - includes coupon for tracking redemptions ($14,750)
- Digital advertising – nearly 10,000 Facebook followers with ability to target regional markets of beyond 50 miles from Bainbridge - can include coupon for tracking redemptions through Google, Facebook, etc. Digital channels give marketers a much more intimate understanding of their users. They allow us to test concepts, gauge enthusiasm, and shape programs to guest interest. ($11,050)

Vehicles with general impact – more difficult to measure

- Ad placement in Seattle Travel guides for U.S. and international tourists ($6,500)
- Ad placement in leading area publications (Seattle Magazine, Seattle Met, Sunset Magazine, etc.) – can be measured by on site guest book and visitor surveys ($13,000)

- Ad placement in leading family publications for seasonal exhibits (Parentmap, Seattle's Child, etc.) – can be measured by on site guest book and visitor surveys ($5,050)
- Transit ads on buses in Seattle during autumn and early spring - can be measured by on site guest book and visitor surveys ($11,000)

Through this grant, we will be developing new tools to make better, data driven decisions based on ROI. We anticipate that our marketing services cater to vastly different markets - and would therefore not be duplicative. We can compare the results of each tactic to inform additional investments in different channels, and could even publish the research as a case study for other island nonprofits.

C. If appropriate, provide details about the facility operating costs to be funded.

N/A

2. Provide a brief narrative statement to address each of the stated selection criteria. Describe outcomes anticipated from each criterion, as well as the overall project.

A. Expected impact on increased tourism in 2018:
Bloedel continues to welcome guests from around the country and the world, with numbers increasing each year. In 2016, attendance was 56,000, and 2017 attendance is expected to reach 59,000. Our goal is to stabilize annual attendance but grow it during the shoulder seasons. In 2018, we anticipate attendance to hover around 60,000.

<u>Shoulder season attendance stats</u>
10/15 to 5/16: 26,841 guests, 15,559 non-members (58%)
10/16 to 5/17: 28,991 guests, 17,879 non-members (62%)
8% increase in general visitation, 15% increase in non-members
2017 year to date – 4% increase over 2016 attendance

Based on previously gathered demographic sampling, we estimate that 75% of non-member guests are from off Island, including 30% from Seattle and surrounding environs, 12% from Washington State, and 33% from out of state. For the 2016 – 2017 off season, that equates to 13,409 off Island guests, including 5,363 from the Seattle area, 2,150 from Washington State, and 5,900 from out of state. In 2016 773 admission coupons from ferry brochures were tendered at the gate, and we anticipate at least equaling that with electronic admission coupons, resulting in more than 1,550 visits at minimum from these two channels alone. Other marketing vehicles (print, transit, etc.) are more difficult to quantify, but we could gain a better understanding of their impact through the new electronic guest book.

B. **Expected impact on or increase in overnight stays on the island. Please include actual or estimated numbers of tourists who will stay overnight in paid accommodations in Bainbridge lodging establishments in 2018 as a result of proposed activities. Please include the basis for any estimates.**

Based on the previous attendance stats, we have 13,409 off Island guests during the offseason, including 5,363 from the Seattle area, 2,150 from Washington State, and 5900 from out of state. We currently lack the ability to report actual overnight stays but will increase that capability through the electronic guest book, visitor surveys, and increased digital advertising. Based solely on anticipated coupon redemptions (1,550), we estimate that 1/2, or 775, stay overnight in Bainbridge Island accommodations. Just as with conventional media, coupons redeemed from ads placed in the Portland or Vancouver regions could give us some assurance visitors stayed the night - but the advantage digital ads provide is an even deeper level of granularity. For example, only for gardens lovers, from outside of a fifty mile radius, with children, etc.

C. **Projected economic impact on Bainbridge Island businesses, facilities, events and amenities.**

Having no basis for how much a visitor spends during a stay on Bainbridge Island, we estimate Bloedel admission cost would account for 5% of the cost of a total weekend visit to Bainbridge.

Using a weighted average to calculate the per-visit-to-Bainbridge price, we assume family of four would account for half the admissions, and groups of two visitors would account for the rest. We assume a third of all admissions are seniors ($12), a third evenly distributed between baby, child, and student tickets (weighted average of $5.33 per ticket) and the remainder as adult tickets (paying $17 each.)

We calculate the weighted average cost per visitor to Bainbridge Island as $228.86 X 773 visitors = $176,913 flowing into the economy as a result of last year's investment - which could be doubled if social media advertising performs as well as conventional tourism pamphlets. This economic impact is in excess of $350,000

Furthermore, the 5% cost used to calculate the price-per-visit is an average - with many families of four likely to spend far more than $915 dollars for a weekend on the island.

D. **The project's potential to draw visitors to the Island and increase overnight stays during the off-season, i.e. October 1 until Memorial Day.**

Bloedel's active seasonal calendar of events and exhibits is already a chief draw during the off season. This draw will be increased by expanding digital advertising and incorporating information on marketing materials that encourages guests to extend their stay. Funds for increased digital marketing can allow already successful events like April's Poetry Month, October's Super Squash Hunt, and December's Holiday Village to become travel-worthy events, either during the week or over the weekend.

E. **The applicants' demonstrated history of organizational and project success.**

The reserve has been fortunate to receive LTAC funding in each of the last six years and has demonstrated success in each project it has undertaken. In 2011, funds helped expand the Reserve's marketing budget. In 2012, a significant LTAC grant helped restore the renowned Japanese Guest House. This investment helped inspire an additional $190,000 of support for our celebrated Japanese Garden and Guest House, rated as the fifth finest Japanese Garden in North America. In 2013, LTAC funds helped bring attention to "Sculpture in the Landscape" exhibit, which drew record attendance and media attention. From 2014 to 2016, LTAC funds supported the tourism promotion brochure discussed throughout this grant, which has contributed significantly to the local economy.

F. **Describe any partnerships with other organizations and businesses in the proposed project – including efforts to minimize duplication of services where appropriate and encourage cooperative marketing.**

Bloedel continues to partner with BI Ride for transportation to and from the ferry dock - which would be highlighted in appropriate marketing materials. We also enjoy good partnerships with area restaurants and hotels and promote them through various channels. Through this proposal, we can partner better than before and cross promote through print and digital advertising.

G. **Describe the degree to which the project goals and/or results can be objectively assessed.**

Rack cards and digital media can be objectively assessed through redemption of coupons, and ROI can be more easily measured. Other marketing vehicles are more difficult to assess (print advertising, transit ads, visitor guides, etc.), but we will strive to better understand their effectiveness through the use of an electronic guest book and visitor surveys. Because of the more difficult means of assessment, we accept the lion's share of the cost of print and transit ads.

H. **Describe the degree to which the project will leverage award funds with additional matching funds or donated in-kind goods or services.**

This project is leverages support provided the Chamber of Commerce and Downtown Association (both active tourism promoters) as well as county funds from Kitsap Transit for BI Ride.

LODGING/TOURISM FUND
APPLICATION
Supporting Documentation

1. **Provide a project timeline that identifies major milestones.**

Ferry brochures complete, distribution begins	January
Winter ads (paper, digital) placed	January – February
Electronic Guest Book created	January
Spring tour guide ads placed	February
Spring ads (paper, digital) placed	March - May
Autumn ads (paper, digital) placed	September – October
Autumn tour guide ads placed	July
Winter Ads placed	November – December
Collection of coupons redeemed	Ongoing
Measure ROI of digital advertising	Ongoing, with assessments each season

2. **Include a detailed budget for the proposed project itemizing expenses and income. Include the amount requested from the Lodging Tax Fund and identify other sources of funding anticipated or obtained, including matching funds, as well as any in-kind contributions necessary to complete the project.**

The two funders of this project are LTAC and the Bloedel Reserve's operating budget, which funds annual mission delivery. Our share of the budget ($50,350) is provided through earned revenue (admissions, shop sales, memberships, events) and contributed support.

Item	Budgeted	LTAC	Bloedel
Flyer distribution	$14,750	$10,000	$4,750
Digital ad distribution	$11,050	$10,000	$1050
Digital guest book	$1000	$500	$500
Print Advertising	$18,050	$10,000	$8,050
Transit Advertising	$11,000	$0	$11,000
Marketing staff time	$25,000	$0	$25,000
Total	$80,850	$30,500	$50,350

3. **If applicable, please describe the project's scalability. How would the project scope and budget be adjusted should the full amount of the LTAC funding request not be awarded? Please provide specifics. *If this information is not provided, the award committee will not consider alternative levels of funding.***

This project is scalable if partial funding is required. The most critical pieces of funding are flyers, digital ads, and the guest book. The amount of print advertising could be scaled to match the available budget. Hours of our marketing staff and transit advertising will occur as part of our operating plan but the areas of focus may need to change with adjusted funding levels.

4. Provide copies of your organization's 2016 income/expense summary and 2017 budget.

Please see attached document

5. Provide an estimate of 2017 Income/Expense Summary and 2018 Budget

Please see attached document

6. Letters of Partnership – Include letters from any partnering organizations committing to joint sponsorship of the application and specifying their intended activities.

N/A

Bloedel Reserve YTD Income/Expense Summary		Actual 7.31.17
Support and Revenue:		
	Unrestricted Support	
	Contributions	180,320
	Tickets/Tables	48,875
	Auction	-
	Raffle-Games-MISC	650
	Raise the Paddle	15,000
	Weddings	22,000
	Total Unrestricted Support	266,845
	Temporarily Restricted Support	
	Contributions - Earmarked	54,487
	Corporate Sponsors	52,500
	Grants	10,282
	Total Temporarily Restricted Support	117,269
	Earned Revenue	
	Program Revenue	38,951
	Memberships	168,793
	Membership Upgrades	235
	Admissions	291,270
	Retail Sales- Taxable	65,836
	Retail Sales- Non-Taxable	2,123
	Consignment Sales	(4,490)
	Sales Returns and Discounts	(4,210)
	Facilities Rental Revenue	-
	Total Earned Revenue	558,508
Total Support and Earned Revenue:		**942,622**
Total Expenditures:		
	Operating Expenditures	
	Payroll & Benefit Expense	1,158,765.75
	Grounds Expense	39,489.78
	Repairs & Maintenance	32,551.11
	Program & Event Expense	10,969.09
	Fundraising Expense	646.09
	Membership Expense	1,486.15
	Retail Expense (incl. COGS)	32,883.05
	Advertising	36,369.01
	Bank Services & Processing Fe	15,856.12
	Copying & Printing Expense	25,432.47
	Equipment < $1,500	15,323.11
	Lease & Service Agreements	16,649.37
	Insurance, Tax & License Exp	38,560.92
	Outside Computer Service	20,353.50
	Postage & Shipping	5,927.43
	Professional Development	22,768.73
	Professional Services	101,170.11
	Supplies	45,192.27
	Travel	20,221.28
	Utilities Expense	32,540.31
	Other Expense	12,555.10
	Total Operating Expenditures	1,685,711
NET Operating INCOME:		**(743,088)**

Bloedel Reserve Financial Information

AGENCY REVENUE AND EXPENSES	2016 Actual		2017 Budget		2018 Projection	
Operating REVENUE						
Private Funding Revenue (donated)	$	826,432.00	$	1,221,605.00	$	1,403,593.00
Agency Revenue (earned)	$	821,287.00	$	910,688.00	$	972,373.00
Miscellaneous Revenue (other)	$	10,500.00	$	11,550.00	$	-
Total Operating Revenue	**$**	**1,658,219.00**	**$**	**2,143,843.00**	**$**	**2,375,966.00**
Operating EXPENSES						
Personnel						
Managers	$	707,872.48	$	940,479.72	$	968,694.11
Staff	$	680,112.78	$	911,421.47	$	938,764.11
Total Benefits	$	310,176.11	$	410,454.00	$	422,767.62
Subtotal	**$**	**1,698,161.37**	**$**	**2,262,355.19**	**$**	**2,330,225.85**
Supplies/Equipment						
Equipment	$	13,157.00	$	14,940.00	$	15,388.00
Office Supplies	$	47,974.58	$	100,793.00	$	109,482.00
Other (Describe) Program Supplies	$	139,087.00	$	158,886.00	$	163,653.00
Subtotal	**$**	**200,218.58**	**$**	**274,619.00**	**$**	**288,523.00**
Administration						
Advertising/Marketing	$	77,229.00	$	80,802.00	$	83,226.00
Audit/Accounting	$	132,175.00	$	12,000.00	$	-
Communication	$	11,608.71	$	17,800.00	$	-
Insurance/Bonds	$	51,109.00	$	69,428.00	$	71,511.00
Postage/Printing	$	37,661.59	$	76,058.00	$	93,069.00
Training/Travel/Transportation	$	39,594.52	$	47,912.00	$	49,350.00
% Indirect	$	-	$	-	$	-
Other (Describe)Professional/Computer Services	$	248,526.84	$	297,679.00	$	322,575.00
Subtotal	**$**	**597,904.66**	**$**	**601,679.00**	**$**	**619,731.00**
Ongoing Operations and Maintenance						
Janitorial Service	$	12,200.59	$	5,500.00	$	-
Maintenance Contracts	$	25,711.00	$	27,460.00	$	28,284.00
Maintenance of Existing Landscaping	$	41,010.92	$	76,000.00	$	78,280.00
Repair of Equipment and Property	$	50,342.00	$	55,400.00	$	57,062.00
Utilities	$	44,248.00	$	42,660.00	$	43,940.00
Subtotal	**$**	**173,512.51**	**$**	**207,020.00**	**$**	**207,566.00**
Other Costs						
Debt Service	$	-	$	-	$	-
Other (Describe)Miscellaneous	$	4,841.00	$	21,190.00	$	21,823.15
Subtotal	**$**	**4,841.00**	**$**	**21,190.00**	**$**	**21,823.15**
Total Operating Expenses	**$**	**2,674,638.12**	**$**	**3,366,863.19**	**$**	**3,467,869.00**