

AGENDA

CITY OF BOTHELL
LODGING TAX ADVISORY COMMITTEE
February 18, 2020 - 10:00 a.m.
City Hall, 18415 - 101st Ave NE
Conference Room 412

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA IN ORDER AND CONTENT

PUBLIC COMMENTS

SPECIAL PRESENTATION

BUSINESS ITEMS

1. Consideration of January 21, 2020 Meeting Minutes
Attachment A
2. 2020 Visitor Development Spending Plan and Streetsense Scope of Work
Attachment B

REPORTS FROM STAFF

1. Wayfinding Sammamish River Trail
2. Tourism Map
3. Begin at Bothell analytics
4. Event idea

REPORTS OF COMMITTEE MEMBERS

1. General Comments and Reports
2. Setting Future Meeting Agendas

ADOURNMENT

Attachment A

City of Bothell

Lodging Tax Advisory Committee (LTAC) Meeting Notes

January 21, 2019

The meeting began at 10:02 a.m.

Roll Call

PRESENT: Deputy Mayor Zornes, Chair; Shawna Pitts; Brittany Caldwell; Cathy Lalley; Nancy Pipinich

EXCUSED: Laura Lilley

GUESTS: Councilmember McAuliffe

STAFF: DeNae McGee

Approval of Agenda

Pitts moved to amend the January agenda by moving the Begin at Bothell Analytics report first under Staff Reports. Zornes seconded. Passed unanimously.

Public Comment

There were no public comments.

Special Presentation

There were no special presentations.

Business Items

1. Pitts moved to approve the January minutes. Pipinich seconded. Passed unanimously.

Reports from Staff

1. Staff discussed the Begin at Bothell analytics report for October.
2. The two wayfinding signs along the Sammamish River Trail are now in production; however, installation will not occur until late summer after heavy construction is completed on the new bridge.
3. LTAC discussed the holiday lights now that the holidays are over. Pipinich felt that one of the trees along 522 and Bothell Blvd was off more than it was on. Staff will be looking at options for next year to remedy the issue.
4. The Begin at Bothell map is at the printer and will be available before the next meeting. Maps will be distributed to the Chamber Visitor Center, Bothell hotels, and City Hall.
5. The two Interlocal Agreements between the City of Bothell and Snohomish County for tourism promotion was passed by Council on December 17.
6. Pitts and staff met with event management company Tokita Bethune to discuss possible events to bring to Bothell that generate hotel guests for overnight stays. Potential events were discussed and staff will return in the future with any updates.

Reports from Committee Members

1. Caldwell reported that the State of the Chamber is coming up on Thursday and encouraged everyone to get their tickets.
2. Pipinich is looking forward to reviewing the Begin at Bothell analytics for November and December at February's meeting.
3. Pipinich reiterated her desire to revisit the grants program at a future meeting.

Adjournment

Pitts moved to adjourn the meeting; Lilley seconded. Passed unanimously.

The meeting ended at 12:03pm.

Attachment B



City Council
Agenda Bill
AB # 20-XXX

City of Bothell™

TO: Mayor Olsen and Members of the Bothell City Council

FROM: Kellye Mazzoli, Assistant City Manager
DeNae McGee, Executive Department (Presenter)

DATE: March 3, 2020

SUBJECT: Consideration of Adopting the 2020 Visitor Development Spending Plan and Contract with Streetsense Consulting, LLC

POLICY CONSIDERATION: This item asks City Council to consider adopting the 2020 Lodging Tax Advisory Committee's (LTAC) 2020 Visitor Development Spending Plan (Attachment 1) and Streetsense Contract and Scope of Work (Attachment 3). Should the Spending Plan and Streetsense Contract pass, the tourism dollars adopted by Council for the 2020 year in the amount of \$499,636 will be used for:

- Program staff support; a grant program to market event activities designed to attract tourists; financial support to the Bothell Kenmore Chamber of Commerce Visitor Center on Main Street; holiday lights on Main Street; and trail signage totaling \$254,636;
- 2020 contract with Streetsense for \$245,000* to continue marketing/advertising the tourism brand, *Begin at Bothell* with services beginning March 1, 2020 and ending December 31, 2020.

This program of work has the potential to impact economic development in Bothell through a guaranteed return on marketing investment from visitor spending.

The City Council previously adopted the 2019-2020 tourism biennial budget. If these items are approved, staff is implementing the Tourism Spending Plan per LTAC's recommendation.

*The 2019 Streetsense contract covered ten months of service ending December 31, 2019; however, the contract runs through March 31, 2020. A supplemental contract to bridge services for January/February 2020 is \$39,705 until the new contract is in place. This amount is budgeted using the adopted 2020 tourism budget. The supplemental contract of \$39,705 and 2020 contract of \$245,000 is \$295,000 and built into the overall 2020 spending plan.

HISTORY:

DATE	ACTION
DECEMBER 15, 2015	City Council approves 2016 Visitor Development Spending Plan.
DECEMBER 6, 2016	City Council approves 2017 Visitor Development Spending Plan
APRIL 17, 2017	New Tourism Manager Welcomed to City of Bothell
JANUARY 17, 2018	City Council approves 2018 Visitor Development Spending Plan and the use of \$200,000 from Tourism Reserve Fund to develop a new brand and website
FEBRUARY 5, 2019	City Council approves 2019 Visitor Development Spending Plan and contract with Streetsense Consulting LLC

Since 2001, The City of Bothell has had a Lodging Tax Advisory Committee (LTAC) to advise on distribution of the City’s one percent lodging tax collected on overnight stays in the city’s nine hotels, one bed and breakfast, and one RV park. The average amount of revenue generated per year from the one percent lodging tax is \$400,000.

Each year, City Council has adopted a spending plan to appropriate funds for visitor development. In the 2016 plan, LTAC requested that additional tourism funds be appropriated for dedicated staff, and in April 2017, Council welcomed the Tourism Manager to the City of Bothell. This position is now funded at 70% of tourism dollars and 30% of general fund dollars for staffing support to the City of Bothell Arts Commission. LTAC’s goal in providing focused staff to the tourism program is to grow economic development to Bothell by attracting visitors from 50 miles away or more.

During 2018, while maintaining the exploreBothell brand and website, a new brand, *Begin at Bothell*, and a new website, was under production. Launching in the second quarter of 2019, *Begin at Bothell* significantly updated the City’s tourism brand. These updates create a strong foundation for 2019 marketing efforts with results expected to lead to more clicks to the website, lower bounce rate by engaging visitors on the website, and more bookings at area hotels than achieved in 2018.

On November 27, 2018, Council adopted the City’s 2019-2020 biennial budget by allocating \$499,899 to the 2019 tourism program and \$499,636 to the 2020 tourism program. The Tourism Reserve Fund is projected to have an estimated ending fund balance of \$532,035.94 (Attachment 2).

DISCUSSION: This seven-member Lodging Tax Committee is chaired by a member of Council (currently Councilmember Zornes) with the balance made up of an equal number of representatives of the hotel industry and recipients authorized to be funded by this tax. This committee meets monthly, sets a marketing and spending plan for Council consideration and approval, and advises on ways to generate additional tourism and hotel overnight stays in Bothell.

According to RCW 67.28.1816, tourists are defined as visitors staying overnight in paid accommodations away from their place of business or residence, traveling to a place 50 miles away or farther for the day or overnight, or traveling outside of the county or state of their place of residence or business.

Also according to RCW 67.28.1816, expenditures from lodging tax funds are restricted to activities in the following three areas¹:

1. Tourism marketing;
2. Marketing and operations of special events and festivals designed to attract tourists; and
3. Operations of tourism-related municipal or non-profit facilities such as convention or visitor centers.

Lodging tax revenues are intended to support activities, operations, and marketing strategies to increase tourism and overnight stays to Bothell. For 2019, Council adopted the following spending plan to support these activities:

Area	Amount	% of Spending Plan	Activities
Tourism Marketing	\$425,000	85%	Tourism marketing program (Streetsense), staff support (70% of Tourism Manager salary and benefits)
Events	\$20,000	4%	Grant program to support marketing activities of events designed to attract tourists

¹ In addition, 2015 legislation ([SB 1223](#)) also allows cities and counties to use lodging tax revenues to repay general obligation bonds ([RCW 67.28.150](#)) or revenue bonds ([RCW 67.28.160](#)) for affordable workforce housing within a half-mile of a transit station. The City has not used funds for this purpose.

Facilities	\$54,899	10.9%	Visitors Center at Bothell Kenmore Chamber of Commerce, holiday lights, trail signage
TOTAL	\$499,899.00	100%	

LTAC is requesting Council adopt the 2020 Spending Plan to support these areas:

Area	Amount	% of Spending Plan	Activities
Tourism Marketing	\$489,636	90%	Tourism marketing program (Streetsense), staff support (70% of Tourism Manager salary and benefits)
Events	\$10,000	2%	Grant program to support marketing activities of events designed to attract tourists
Facilities	\$39,565	8%	Visitors Center at Bothell Kenmore Chamber of Commerce, holiday lights, trail signage
TOTAL	\$499,636.00	100%	

The amount of spending dedicated to Tourism Marketing for 2020 is higher than 2019. With a strategic marketing and advertising plan now in place, LTAC would like to dedicate more funds to this strategy which includes:

- Continuing to grow our social networking through posts and paid advertising on Facebook, Instagram, and Twitter to targeted audiences beyond Bothell and Seattle;
- Second remailing (one remail in 2019) of the monthly e-newsletter to increase open rates; and,
- If funding allows, a free branded travel guide highlighting area attractions for distribution at the visitor center and hotels.

The amount of spending dedicated to Events is less in 2020 than 2019 since only one application was submitted for funding through the grant program. Three applications were received and awarded funding in 2019; however, only one of the applicants finished out the contract by submitting a final report and invoice for reimbursement. This year, LTAC awarded University of Washington Bothell

marketing support for their annual 2020 Block Party and BrewFest. LTAC will be reviewing this program of spending and considering other options to present for Council review in the fall.

The amount of spending dedicated to Facilities is also less in 2020 as 90% of the contract for trail signage was expensed in 2019. The remaining 10% will be expensed when the signs are installed this summer. Two “Welcome to Downtown Bothell” signs will be located along the trail near the new bridge. These signs cannot be installed until a majority of construction of the new bridge is completed. Additional wayfinding signage along the trail is not budgeted for 2020.

Accomplishments in 2019

With a new *Begin at Bothell* brand and website in place and under the leadership of Council and LTAC, staff, and a new marketing consultant, Streetsense, pursued the following objectives and results in 2019:

1. **Drive overnight stays**, promoting Bothell as the perfect place to targeted audiences to begin your adventure in the PNW:

Overnight Stays	2018	2019
Total Sip and Stay Night Stays	34	77
Total St. Nick's Sip and Stay Night Stays	9	10
Grant Events	322*	65
TOTAL	365	152

*Three grants were awarded and expended in 2018 compared to one expended in 2019

2. **Grow traffic to the *Begin at Bothell* website** where visitors can arrange hotel bookings and learn more about area attractions and events:

Traffic to Website	2018	2019
ExploreBothell website	34,578	
Begin at Bothell website		49,100
TOTAL	34,578	49,100

3. **Grow the *Begin at Bothell* monthly eNewsletter database** with links that take readers to the website for additional information:

Opt-in E-Newsletter	2018	2019
ExploreBothell	2,642	
Begin at Bothell		20,000
TOTAL	2,642	20,000

4. Grow the *Begin at Bothell* social following through organic and paid traffic:

Social Following	2018	2019
Facebook	5103	5,178
Instagram	1196	1,811
Twitter	2238	2,416
TOTAL	8,537	9,405

5. Develop the new brand identity and website:

- New marketing plan and website launched April 1, 2019
- Three national awards for *Begin at Bothell* website
- Ads featured in Welcome Magazine; Woodinville Wine Co. Magazine, and Seahawks Yearbook

6. Streetsense Contract Guarantee:

- \$4.7 M in Incremental Visitor Spending
- \$18:\$1 Return on Marketing Investment
- \$496,000 Sales and Lodging Taxes
- 3,954 Incremental Visitor Parties
- 7,393 Paid Incremental Room Nights
- \$6.8 M Economic Impact

The results of these guarantees as noted above will not be calculated until six months after the 2019 contract is completed on March 31, 2020. Staff will return to Council in the fall to report on these findings. If the guarantee is not met, Streetsense will continue to provide the same level of service at no additional cost until the guarantee is satisfied.

A number of the items contained in the proposed 2020 Visitor Development Spending Plan (Attachment 2) are included in the scope of work found in the proposed 2020 Contract and Scope of Work with Streetsense (Attachment 3). Directed by LTAC staff, the Streetsense team will act as Bothell's agency of record

to enhance and expand our 2019 efforts to grow visitor spending for overnight visitors and day trippers in 2020.

Using the strategies developed in the Scope of Work events, activities, and assets that entice visitors to Bothell will be constantly updated and refined using up-to-date analytics from our digital marketing and advertising campaigns, and website sessions, to guarantee a return on marketing investment of \$5,500,000 in incremental visitor spending. The verification on this guarantee includes independent conversion studies conducted by Texas A&M and occurs six months after the contract ends on December 31, 2020 (Six months gives travelers' time to visit Bothell after receiving a year of content through our paid, earned, shared, and owned channels of engagement). Streetsense specializes in the travel and tourism industry and has over 20 years' experience working with other tourism organizations such as Fairfax County, Virginia; Kent County, Delaware; and Niagara Falls.

FISCAL IMPACTS: There is no fiscal impact on the City's General Fund. Council adopted the 2019-2020 Tourism budget in the fall of 2019 and these funds can only be spent on tourism activities tied to marketing, events, and facilities.

ATTACHMENTS:

- Att-1. 2020 Visitor Development Spending Plan
- Att-2. 2020 Tourism Reserve Fund
- Att-3. 2020 Streetsense Contract and Scope of Work

RECOMMENDED ACTION: Approve the 2020 Visitor Development Spending Plan of \$499,636 and Streetsense Contract of \$245,000 to continue driving economic development to Bothell through tourism channels.

Att 1 - 2020 Visitor Development Spending Plan

2020 Visitor Development Spending Plan

Marketing Tool Enhancements	<i>Expenditures</i>	<i>Streetsense Scope of Work</i>
Brand Stewardship	\$31,200.00	Coordination and facilitation of content calendar; website, enews, social and paid consumer engagement plan
Earned Social Media Services	\$58,980.00	Social media posts/blogging, defined by content calendar
Email Marketing	\$36,000.00	design, coding, deployment, 2 remails, testing
Paid Consumer Engagement	\$140,300.00	Paid digital advertising
Subtotal	\$266,480.00	

Marketing Tool Enhancements	<i>Expenditures</i>
Woodinville Wine Country Partnership (Official Stay Partner)	\$15,000.00
Community Grants to Support Tourism Events	\$10,000.00
Wayfinding/Trail Signage	\$805.00
Branded Travel Guide	\$15,133.70
Crowdriff - Visual Marketing Software Platform for Website	\$15,000.00

Bandwango-Mobile Technology Offers Program	\$15,000.00
Holiday Lights along Main Street	\$8,760.30
Chamber/Visitor Center	\$30,000.00
Subtotal	\$109,699.00

Strategy Management

Expenditures

Streetsense Scope of Work

Creative Services	\$17,900.00	Summer asset photoshoot collection
Website Enhancements & Event Listing Support	\$10,620.00	A continuation to execute weekly event/business listings and hosting services
Tourism Manager-70% of Salary/Benefits	\$91,237.00	
Subtotal	\$119,757.00	

Miscellaneous

Expenditures

Business Meals	\$500.00
Miscellaneous-Printing, Smith Travel Report, Office Supplies	\$3,200.00
Subtotal	\$3,700.00

2020 TOTAL BUDGET

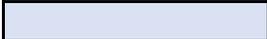
\$499,636.00

Key: Colors indicated area of tourism development supported by activity (RCW 67.28.1816)

 Tourism Marketing



Events designed to attract tourists



Facilities-operations of tourism-related facilities

Att 2 - City of Bothell Tourism Reserves 2019-2020

2019 Reserve Fund	
2019 Beginning Reserve Fund Balance	\$766,313.42
2019 Year to Date Revenue	\$396,564.94
2019 Upcoming Estimated Revenue - Dec*	\$20,000.00
2019 Expenditures - Includes previous contract-new brand/website	(\$531,206.42)
2019 Estimated Ending Fund Balance	\$631,671.94

*sales tax come in on a two-month lag from the state

2020 Reserve Fund	
2020 Estimated Beginning Fund Balance	\$631,671.94
2020 Revenue Fund Forecast	\$400,000.00
2020 Total LTAC Spending Plan	\$499,636.00
2020 Estimated Ending Fund Balance	\$532,035.94

ATTACHMENT 3 - STREETSENSE SCOPE OF WORK

CITY OF BOTHELL PROFESSIONAL SERVICES AGREEMENT

Contract No. _____

EXHIBIT A

Scope of Services / Scope of Work/Payment Schedule

Operating as Bothell's Agency of Record, we will develop, complete and implement the following areas of performance enabling us to deliver on our guaranteed incremental return on marketing investment (ROMI) within the guidelines provided in the existing content playbook and editorial calendars that will be developed under this contract.

The new 2020 Scope of Work will cover services through December 31, 2020.

Brand Stewardship (\$24,544)

Throughout the year, the administrative team will direct the resources of our team to ensure we are delivering what we have promised on time and within budget. Stewardship responsibilities will include the following:

1. Provide strategic guidance and council from Travel & Tourism Practice Leader
2. Coordinate and facilitate interaction between client and agency personnel as needed
3. Continue to evolve the website as resources are available.
4. Work with Bandwango / on behalf of the client as needed to launch, promote, and manage passport packages.
5. Continue to expand Bothell's asset library as resources are available.
6. Facilitate the development and implementation of owned, earned, shared and paid consumer engagement plan.
7. Facilitate the development of the editorial calendars concurrent with the execution of social + blog content production and community management.
8. Track and report on performance against goals reflected in a monthly dashboard report with detailed KPIs (key performance indicators) and customized to meet client reporting needs
9. Facilitate meetings as required throughout the year
10. Bring Strategic and Creative resources to bear as needed throughout the year

Social Earned Media Services (\$46,375)

We will provide management of your shared presence in social communities and your blog efforts as outlined in the established editorial calendars. Each quarter, the content team will brainstorm with the client to identify the most appropriate topics to discuss throughout our selected social communities and on our blog. We will then create a content calendar for each quarter which will include an established theme for each month. The calendar will outline content topics by theme and by channel. Finally, we will include three social posts per week, a blog post every other week, one email deployment per month with a double remail, and our social community management. Our posts will be boosted to ensure maximum reach / effectiveness.

Email Marketing (\$28,440)

Email communication services will be developed and delivered throughout the year. This includes: design and copy written to support the content plan for up to ten newsletters and/or promotional emails.

In addition to design and copy, email services include: coding, deployment management of newsletters, double emails to increase lift engagement with subscribers for higher ROMI, testing, optimization, and list hygiene on database to assure favorable ratings with key ISPs.

Paid Consumer Engagements (\$127,416)

All paid initiatives will require the ability to a) hyper-target geographically, b) to audience profiles outlined in research, c) at costs that provide acceptable ROMI, d) flexibility for optimization based on performance or guaranteed delivery of identified metrics.

We reserve the flexibility to shift our initial allocation to achieve higher ROMI and delivery of consumer engagements within budget provided. Our initial plan includes the following channels of distribution and investment guidance:

Paid Search / Paid Social / SEO (\$52,266) Minimum of 33,665 website visitors

Programmatic/Native Display (\$29,150) Minimum of 26,500 website visitors

Lead Generation (\$46,000) Minimum of 20,000 qualified opt-in subscribers to our email database

Aggregate Guaranteed KPIs = Minimum of 60,165 website visitors and 20,000 qualified opt-in subscribers to your email database

Total Marketing Outreach = \$226,775

Guarantee: The key consumer engagements identified in the deliverables above along with those detailed in the Marketing Outreach Plan in the 2019 contract extension for January + February 2020 in the amount of \$39,705 will enable us to guarantee a minimum of \$5,500,000 in incremental visitor spending from visitor parties verified through independent conversion studies for a return on marketing investment (ROMI) of \$21 to \$1 against a total Marketing Outreach investment of \$266,480.

The verification will include independent conversion studies conducted by Texas A&M Department of Recreation, Parks and Tourism Sciences under the direction of Dr. James Petrick, the top researcher of travel and tourism in the country. The studies will be executed six months after the end of the contract in order to give consumers a chance to convert to a visit the destination.

Dr. Petrick's conversion studies will validate statistically reliable incremental visitor spending from respondents from the Bothell email database and website visitors tracked from one of our consumer engagement initiatives listed above. In the event incremental visitor spending falls short of our guarantee, we will recruit opt-in subscribers to the Bothell database in amounts sufficient to deliver the incremental visitor spending at no additional cost to Bothell. If incremental visitor spending exceeds our guaranteed minimum, the excess is considered added value to Bothell at no additional cost. In the past 15 years we have never failed to deliver on our guarantees.

20 Key Learnings Added Value

As added value beyond verification of incremental visitor spending, the conversion studies will provide valuable information for the City about visitors including:

- full demographics
- visitor party profile
- visitor spending
- reason for visiting
- core feeder markets
- expectations of a positive trip
- what Bothell delivered well on
- competitor market considerations by the visitors
- breakdown of day-trips vs. overnight trips
- percentage staying in paid lodging
- reasons for not visiting
- Destinations non-visitors chose
- intent to visit in the future

The studies will also provide the following estimated metrics

- Total tracked visitor parties and spending exclusive of transportation cost outside
- Incremental visitor parties and spending exclusive of transportation cost
- Transient Occupancy, BID and Sales taxes of \$591,000
- 4,600 overnight visitor parties of which 3,900 staying in paid lodging
- 8,600 paid room nights
- \$8.1 million in economic impact including indirect and induces factors

Maintenance Services

Creative Services (\$9,260)

We will provide the following services to create and deliver content required by the editorial calendar:

- Summer Asset Collection to include up to two team members or freelancers for quick snackable items needed to fill in gaps from larger 2019 shoot

Website enhancements & event listing support (\$8,965)

We will continue to execute a weekly update of event listings on the website for top-level, tourism related events as well as provide hosting services through December 2020.

The following enhancements will be included with the above fee:

- Solution for displaying long-term / recurring events - The change would allow us to separate out against the "Featured Events" and the "Live and Local". It will also allow us to properly deal with re-occurring events so they are not always showing as the very first event during the overall duration of that particular event.
- Add ADA accessibility plugin AccessiBe to enhance WACG 2.0
- Add Plan Your Trip to header with a dropdown for trip planner, Dine, Sip, Stay, and Play and

enlarge utility nav, move offers to main nav.

Invoicing:

The total \$245,000 will be billed as follows:

Ten installments in the amount of \$24,500 each will be invoiced the last business day of each month March – December 2020.

All payments will be due within 30 days of invoice.