



**CITY OF POULSBO
2019 LODGING TAX GRANT APPLICATION**

Applicant/Organization Information			
<input type="checkbox"/> Public <input checked="" type="checkbox"/> X Other <input type="checkbox"/> Non Profit <input type="checkbox"/> Private			
Name Historic Downtown Poulsbo Association			
Address PO Box 2544			
City Poulsbo	State WA	Zip 98370	Email hdpaboard@gmail.com and/or downtownpoulsbo@gmail.com
Organization Purpose or Mission: The HDPA is a city established Business Improvement Assessment Area in the historic downtown core, with the specific purpose of beautification and marketing of the downtown businesses and tourism attractions. We are made up of 125+ small businesses with over 60 storefronts that supply a year- round amenity to the City of Poulsbo and the Port of Poulsbo. Made up of solely small businesses, the activity and economics of these businesses largely remain in the Poulsbo area, and large support is, in turn, offered to our community's assistance organizations. Known for decades as Little Norway, the HDPA promotes the cultural base of our area, and provides an experience for visitors and locals alike.			
Contact Person			
Name Anita Albala, Marketing Chair or Sandy Kolbeins, President			
Title Marketing Chair or President			Phone 360 850-5517
Email hdpaboard@gmail.com and downtownpoulsbo@gmail.com			

Geographic area served by this project Greater Poulsbo Area		Number of people served by this project: 550,000+	
Date of project (Start to finish): January 1 st through December 31 st , 2019 and ongoing			
2019 Project	Funding Request from the City of Poulsbo: \$ 36,700.00	Organization Match: \$ 36,700.00	Total Project Cost: \$73,400.00

Title and Brief Description of Project: On going Marketing / Branding of “Little Norway”, and event attraction marketing support

In a continually growing tourism economy, the Historic Downtown Poulsbo Association (HDPa) is experiencing an increase in guests from within the US, and that there is an increase in spending of “consumer discretionary” dollars. Decades of “Little Norway” branding, the marketing efforts of our regional Destination Marketing Organization (DMO) and News outlets, and the continual posts and shares from happy visitors, has helped us stay on top as one of the best destinations for the immediate area. This has also attracted National travel writers, videos, news clips, blogs, enormous social media traffic. It solidifies that downtown Poulsbo is the best area in our region for tourism support and amenities. Yet increased competition for tourist dollars from other destinations, or vital destinations within our region, has made it clear that we must work to manage our successes and remain vibrant and accessible.

To retain our position and continue to grow our assets and attractions, effective use of Lodging and Tax dollars is critical. We will:

- 1) Attract hotel accommodations, and supporting the small business that services the tourist and local alike, the intent of these dollars by design.
- 2) Leverage these funds with dollars collected from these small businesses, which reflects best management practices.
- 3) Employ diversification of communications and marketing resources is crucial, particularly when competing with destinations that far outweigh the budget of our area.

Our goal is to focus on shoulder seasons, the biggest challenge for the travel business, as well as the small business downtown. Without either of them, our tourism industry would be non-existent.

From professional consultation from our regional DMO, hotels and businesses, we understand that the current climate provides the opportunity for a marketing focus on worker’s unused vacation days. This can often relate to small windows of time off, which perfectly relates to a 2-3 day window, and our most realized guests. A quick trip from Portland or Vancouver B.C., a weekend getaway from busy Seattle, a weekend wedding; this is the tourist we have the most success attracting year after year. Our hotels have remained at a 12%+ growth clip year after year, and short stays are a majority of their bookings. With a population in Western Washington alone at 5.2 + million, we are completely in the center, but off the I-5 corridor. This allows us to feature our culture assets, and the unmatched resource as the “Natural Side of Puget Sound.”

The annual events downtown specific that support and entertain these visitors are Winter Rendezvous, Poulsbo Goes Green, Mother’s Day, Father’s Day, Labor Day, and Oktoberfest activities, Black Friday, Small Business Saturday, Halloween and Holiday Activities. We support monthly Art Walks, Paint Out Poulsbo and regular shopping promotions.

This year, the HDPa is requesting an additional ask of \$10,000 in order to broaden our marketing support for Military Outreach events, Viking Tour, Viking Fest, 3rd of July, Poulsbo Marathon, Bramerton Symphony, Poulsbo Orchestra and quarterly cultural events put on by our Sons of Norway Vikings, while leaving preferential room for events that occur in the off –peak seasons of September – November, and January – April. As businesses that actively market to attract visitors and locals all year long, we are not distracted with the operations of any particular event. Rather we understand what the best marketing for the core is, and can give the best snapshot of immediate results. Pairing this with the room nights acquired by the hotels will provide tourism support with definable metrics.

FUNDING SOURCES FOR THIS PROJECT

List all firm commitments to date to fund this project:

Source	Amount
HDPA Assessed Funds	\$36,700.00
Cooperative media buys with county DMO (VisitKitsap) and other tourist organizations (NKTC, Chambers, VIC's, Sound Publishing and other news media outlets) includes production costs. (note: these dollarsleverage marketing but are not received by HDPA)	\$420,000.00+
Sound Publishing (and Seattle Weekly) media support	\$30,000.
Bremerton Symphony and associated music organizations	In-Kind partnerships
KNCX 88.5 FM and other radio opportunities	In-Kind partnerships
Services and civic organizations marketing partnerships	In-Kind partnerships

List any other sources of funding you have applied for:

Source	Amount	Status
Event Partners (Winrer Rendevous, Black Friday/Small Business Saturday) which fund operations. (note: these dollarsleverage marketing but are not received by HDPA)	\$28,000 +	

Specifically how will this grant be used? What kinds of advertising will be used? How will you distribute the information? How do you document your successes and results?

With diversification of communications and promotions at the forefront of our goals, the HDPa and its partners will utilize all resources available and within reach. This includes:

- 1) Digital (Web ads, social media posts, behavioral marketing demographic targeting, SEO tools)
- 2) Physical Collateral (maps, professional flyers, souvenir reminders)
- 3) Radio & Cable TV (Seattle FM, Comcast Spotlight)
- 4) Paper (News and Guidebooks)
- 5) Kenitic word of mouth triggers (our Vikings, Dogfish Toss, Art Walks. Bonfires, parades and concerts)
- 6) Memory aids (photo ops, postcards)

*Part of the branding strategy is what any successful promotional campaign needs: Volume exposure and a consistant message. As opposed to a 2 -3 week campaign, a full year with consistant brand promotion featuring short term attractions provides a message that reaches viewers (potential customers and visitors) all year long. An example of this is launching a multi-level campaign mid-summer, when travelers are known to be “shopping” for their next experience. This highlights us over other destinations, while featuring our shoulder season events (existing and new). Leveraging these media buys will be critical in this marketing plan. Cooperative media buys will effectively access the larger budgets of the county and private entities for media that would otherwise be out of reach. And the additional bebenefit is this also takes a promotion and turns it viral by accessing other audiances, increasing audience volume in marked amounts.

*For digital investments, click through rates will be of high priority, paired with measurable room night metrics. In the great unknown of digital investments, understanding the equitable relationships between digital activity and actual purchases or overnight stays have taught us that volume is key, consistency is critical, and timing is everything.

*Increase distribution and reach of physical collateral and paper promotional pieces through the sources they are contracted. For example, the Poulsbo Arts District is supported by the HDPa. Annual ads in the Art Access guide puts Poulsbo front and center as an arts destination. Digital directories and print guides are distributed to thousands of targeted visitors. By increasing these partnerships, our exposure and distribution metrics increase exponentially.

Our physical real estate is the reason so many events want to happen downtown, and our promotional support will help all involved to thrive in the use of these physical assets.

We have worked for decades to promote and beautify downtown, and make sure their visit is a pleasurable experience for our guests.

Keep the downtown vibrant, create “the buzz” in the areas that are our source of visitors; this will fill our shoulder season and helping the small businesses weather the challenging environment Poulsbo will be faced with in the proceeding months and years.

Identify the specific tourism audience/market located more than 50 miles from Poulsbo that your organization will target with these funds.

Ultimately, our Poulsbo visitor ranges of all ages, and from all areas. Children from 1 hour away for a Marine Science experience, a cultural tourist from China, a business traveler centered in the American Heartland, or a senior from just over the Canadian border all are frequent visitors, and are successful targets for our region and travel businesses. A caveat is that the majority of our short stay tourist target is along the I-5 corridor, which may or may not fall within the 50 mile radius (as the crow flies). But the unique travel method of the ferry system, or a drive from Seattle via the Tacoma Narrows Bridge creates the experience of getaway more than 50 miles. Reaching this visitor, and the visitor experience is what the Lodging Tax rule was intending to target with the creation of RCW 67.28.1816

How will this project be financed in the future?

The promotion of Little Norway as a destination, local amenity and retail core has been ongoing since 1986. In the last 10 years, the businesses have supported this project with self - assessments nearing \$500,000. Lodging Tax match has totaled approximately \$215,000, with the majority going to marketing and promotions.

The downtown assessment is created as an Limited Improvement District and has the revenue stability that a volunteer membership organization does not. As an LID, we remain a strong, sustainable structure, with in depth oversight from the City. We cannot change the nature of our auditable expenditures (beautification & marketing) and do not have any intention of changing our management structure. Hence, these branding and promotion efforts are expected to continue into the unforeseeable future. The support of Lodging Tax dollars helps make the effective marketing techniques more affordable and accessaable.

State law RCW 67.28.1816(2) requires organizations to provide estimates of potential economic impact. In addition, *the City requires you to provide a brief description of how you calculated the estimates.* The estimates are specifically for the event, activity or facility for which you are requesting funding.

All recipients must submit a report to the municipality describing the actual number of people traveling for business or pleasure on a trip:

	<i>Projected</i>	<i>Actual</i>	<i>Methodology (Indirect count? Direct count? Did the hotels supply counts?)</i>	
Overall Attendance	523,800 + 38,900 rn		Mixture structured est/rep surveys and indirect counts	Rn is based on current occupancy rates

Attendees who traveled 50 miles or more to attend:

Total:				
Of total, attendees who traveled from another state or country:	Unknown Poulsbo currently has no way of measuring these metrics			

Attendees who stayed overnight:

Paid accommodations:				
Unpaid accommodations:	Data not available -proprietary			
Paid lodging nights:	Data not available -proprietary			

1. Is there any other information you wish to add:

We are working with our tourism partners and businesses to find better mechanisms for getting the required tourism and room night counts the State of Washington and City of Poulsbo require. Numbers are based on parking counts, business occupancies, percentage of traffic during activities, surveyed counts from events, structured estimates based on venue occupancy, direct counts and indirect counts. **Footnotes: 1** – VisitKitsap Peninsula regularly funds media consultations, education and market research. They, in turn, consult HDPA (at no charge) on trends, tourism targets, effective media buys & marketing strategies, and provide production services for free.

Application Certification

I attest and affirm I am an authorized agent of the organization/agency applying for funding and the information I have provided in this application is true, complete and accurate. I understand and agree to the following:

- The Lodging Tax Funds, for which the organization/agency is applying, can only be used in accordance with the purposes outlined in RCW 67.28.
- If awarded, the applicant organization/agency will enter into a Tourism Promotion Services Agreement with the City.
- If awarded, the City of Poulsbo will only reimburse those costs actually incurred by the organization/agency and only after the service is rendered, or paid for if provided by a third party, and a signed City of Poulsbo payment form (or other form acceptable to the City) has been submitted to the City, including copies of invoices and payment documentation.
- The agency will be required to submit a mid-year and end-of-the-year report documenting economic impact results in a format determined by the City.

Signatures	
Stefan Kolbeins	Date 7/28/2018

Projected budget allocation for base request	LT \$ Estimate
Walking Maps & Maritime Museum/Marine Science Center rack cards, and Certified Folder contract for distribution *demand for maps increased in 2018 by 25%	\$11,000.00
Annual Travel Guides: Discover Kitsap, Museum Guide, Art Access-distributed on ferries, VIC's museums, art galleries, print and digital	\$3000.00
Winter/Spring event promotion: Winter Rendezvous, Mother's Day and Father's day weekends, Midsommerfest, outdoor getaways* (through co-op with regional DMO and hotels),	\$3000.00
Spring "unused vacation days" campaign: through independent and co-op advertising media buys targeting Seattle, Tacoma, Portland and Vancouver B.C, featuring Midsommerfest, lokalfest, outdoor getaways, biking events*	\$3000.00
Fall event promotion: Waterfront Dance, Auto Show/Fashion show, Oktoberfest, brewery events, Taste of Poulsbo*	\$9000.00
Winter/Holidays shopping and getaway promotion and event promotion: Winter holiday getaways (supported by Father Christmas, free Hayrides and streetside caroling), Black Friday and Small Business Saturday weekend deals	\$7700.00
	<hr/> \$36,700.00

*-These are events already in existence, or are being revived. We would still leave flexibility to pick up and support new downtown events as the organizing committees commit.

Additional non-HDPA event support: additional \$10,000.00
VikingFest, 3rd of July, Poulsbo Marathon, Poulsbo Marina Days, Water Trails Festival: adding media buys to direct message to visitors vs participants & increase communications regarding access to downtown
Community arts promotions: Bremerton Symphony, Poulsbo Symphony, Poulsbo Arts District, art tours, Jewlebox Theatre, KCMT
Military and police community outreach: Military Appreciation Day, National Night Out

**HISTORIC DOWNTOWN POULSBO ASSOCIATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Special Assessments	\$ 47,000	\$ 46,165	\$ (835)
Gifts and Pledges	10,245	10,246	1
Facility Rental	-	-	-
Interest and Other Earnings	378	592	214
Miscellaneous	-	-	-
Total Revenues	57,623	57,003	(620)
Expenditures			
Bad Debt Expense	500	1,948	(1,448)
Office & Operating Supplies	400	129	271
Small Tools & Minor Equipment	200	-	200
Professional Services	8,150	4,650	3,500
Advertising	18,345	10,401	7,944
Communication	400	996	(596)
Postage	100	105	(5)
Insurance	1,700	1,546	154
Repairs and Maintenance	20,950	21,403	(453)
Miscellaneous	7,532	6,315	1,217
Total Expenditures	58,277	47,494	10,783
Excess of Revenues Over (Under) Expenditures	(654)	9,509	10,163
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(654)	9,509	10,163
Fund Balance Beginning of Year	48,360	48,360	-
Fund Balance End of Year	\$ 47,706	\$ 57,869	\$ 10,163

SUPERION
DATE: 07/24/2018
TIME: 16:59:21

CITY OF POULSBO
PRINT BALANCE SHEETS BY FUND

PAGE NUMBER: 1
STATMN11

SELECTION CRITERIA: genledgr.fund='131'
ACCOUNTING PERIOD: 13/17

FUND - 131 - HIS DNTWN PLSBO ASSN FUND

ACCOUNT - - - - -	TITLE - - - - -	DEBITS	CREDITS
11110000	CASH	5,230.31	
11800000	INVESTMENTS	46,372.59	
12310000	ASSESSMENTS RECV-CURRENT	18,960.87	
	TOTAL TOTAL ASSETS	70,563.77	.00
	TOTAL ASSETS	70,563.77	.00
21310000	ACCOUNTS PAYABLE		1,317.57
25700000	DEFERRED REVENUE		11,377.27
	TOTAL TOTAL LIABILITIES	.00	12,694.84
	TOTAL LIABILITIES	.00	12,694.84
28200000	RESTRICTED FUND BALANCE		48,359.60
	TOTAL FUND BALANCE & NET ASSETS	.00	48,359.60
	TOTAL CONTROL ACCOUNTS	153,476.86	162,986.19
	TOTAL EQUITIES	153,476.86	211,345.79
	TOTAL HIS DNTWN PLSBO ASSN FUND	224,040.63	224,040.63
	TOTAL REPORT	224,040.63	224,040.63