



City Council Special Meeting



Thursday, July 16, 2009, 6:00 p.m.

City Council Chambers
865 SE Barrington Drive
Oak Harbor, WA 98277



A G E N D A

6:00 p.m. **CALL TO ORDER**

PLEDGE OF ALLEGIANCE

**COUNCIL CONSIDERATION AND ACTION ON THE FOLLOWING
MATTER**

Whidbey Island Marathon

ADJOURN

Special Oak Harbor City Council Meeting
July 16, 2009
6:00 PM

Proposed Goals and Purpose
Of
Securing the Whidbey Island Marathon

1. Retain the Event
 - a) Since approximately 2002, the Whidbey Island Marathon has been a successful and growing event that brings off-Island tourism to Oak Harbor.
 - b) Marathons are becoming more popular and are recognized as good venues for tourism promotion. They also provide a level of economic development activity.
 - c) The City of Oak Harbor has been approached by the owner of the Marathon, who is seeking to retire from the business, and asked if the City would consider acquiring the Whidbey Island Marathon.
 - d) Indications are that, if left to its own devices now, the Marathon would probably diminish in quality and reputation with an unknown future on Whidbey Island and in Oak Harbor.
 - e) Timing is crucial as the 2010 Whidbey Island Marathon registration is active and deadlines must be met for critical advertising publications.

2. Provide a Quality Event
 - a) There appears to be considerable potential for an expanded and enhanced Marathon experience, which lends itself to a greater number of participants and subsequently to more tourism activity.
 - b) Improving the existing Marathon event could enhance our overall exposure by showing new visitors to our community that Oak Harbor is a good place to visit for many reasons.

- c) This could be an excellent opportunity to involve more community participants as volunteers (Navy and Service Clubs) and to promote Oak Harbor as a health-conscious community.

3. Recoup our Costs

- a) Generally it is difficult for cities to recoup all costs associated with large events hosted by the community. Event promoters typically expect some level of community commitment of resources in order to host the event. If the City of Oak Harbor is the owner of the Marathon, we would envision that the General Fund would (eventually) be reimbursed for all costs.
- b) The City controls 2% lodging tax proceeds, and this event appears to qualify for significant support for both promotion activities **and** operations since it is a significant tourism event.

4. Hand Off the Event

- a) Once it is elevated to a top-notch quality Marathon event, the City might wish to hand off management of the event to a non-profit group or some other worthy organization. The simple reason for this would be to provide an opportunity for community building, if the City determined that it no longer wished to be the main host of the Marathon event. The key point here is the City would have that option if it acquires the Marathon.

WHIDBEY ISLAND MARATHON PROPERTY

The following is a list of equipment and its valuation belonging to the event as of June 2009

4 Wind Wings for start /finish	\$1,200
6 rolls of custom snow fencing for start/finish	2,700
past event shirts	700
volunteer shirts	250
custom Expo signs/display materials	180
various directional, kilometer signs for the course	1,000
decorative state flags for the finish area	100
14 rakes for course clean up	180
numerous course signs	1,000
custom website for registration and information for participants	1,500
event logo design in various formats	1,000
lap top computer with software (Office, etc.)	2,500
tool box with misc. equipment	150
custom DOT highway signs	2,000
custom Expo signs/display maps	500
misc. equipment or supplies not listed individually	300
assorted start/finish line banners	1,000
course aid station kits	200
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	\$16,460
Non-compete agreement	\$8,000
Purchase of name and rights to marathon	\$25,540
Total Purchase price	\$50,000

Whidbey Marathon
Schedule of Net Income (loss)
For the 2008 Event

Income - Actual 2008 receipts net of loan

Sponsorships and Entry fees	<u>\$168,237</u>	<u>\$168,237</u>
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Expenses - Source: 2008 2% grant program application budget

Facilities

Permits	500	
Law Enforcement	2,028	
Membership	175	
Facility Rental	1,680	
Equipment rentals	6,345	
Sound system	750	
Portable restrooms	3,500	
Vehicle rentals	3,000	
Sanction fee	850	
Charities	<u>3,500</u>	22,328

Artwork and registration

General race brochure	5,300	
Bibs	1,400	
Pins	100	
Goodie bag Notifications	250	
Office costs	750	
Banners	350	
Signage	1,000	
Cash on hand for race day	400	
Course map production	<u>500</u>	10,050

Marketing and promotion

Print advertising	11,575	
Web advertising	700	
Poster printing	250	
Expos - Seattle Marathon	925	
Brochure printing - 50,000	4,500	
Brochures for RUSA	250	
Invited transportation	175	
Neighborhood notifications	300	
Sponsorship commissions	2,500	
Legal advertising	700	
Miscellaneous	750	
Event photography	<u>300</u>	22,925

Officials and staffing costs

Management firm fee	15,000	
Event paid personnel	3,550	

Volunteer stipends	8,000	
Volunteer shirts	1,750	
Volunteer food	250	
Volunteer housing	1,100	
Staff hotel costs	750	
Officials shirts/other	700	
Officials food	750	
Timing	6,500	
Miscellaneous	350	
Flaggers	1,400	
Pre-event fuel	900	
Pre-event operational costs	<u>3,000</u>	44,000

Hospitality

Entrant premium - t-shirts	28,000	
Late mailings	200	
50-state awards	120	
Hardware awards-athletic	1,200	
Overall awards	300	
IPOD awards	240	
Participant medallions	8,100	
Food and beverage - fruit	500	
Water station supplies	150	
Medical staff - bike EMTs	200	
Course support	700	
DVD	3,000	
Transportation	12,631	
Miscellaneous-finish give aways	<u>600</u>	55,941

Total expenses	<u>155,244</u>	
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Net event income (loss)	<u><u>\$12,993</u></u>	
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Notes:

8-hour Expo with vendor booths

All-organic pasta dinner at Oak Harbor High School the night prior to event

2007: 2,350 participants, 85% from off island

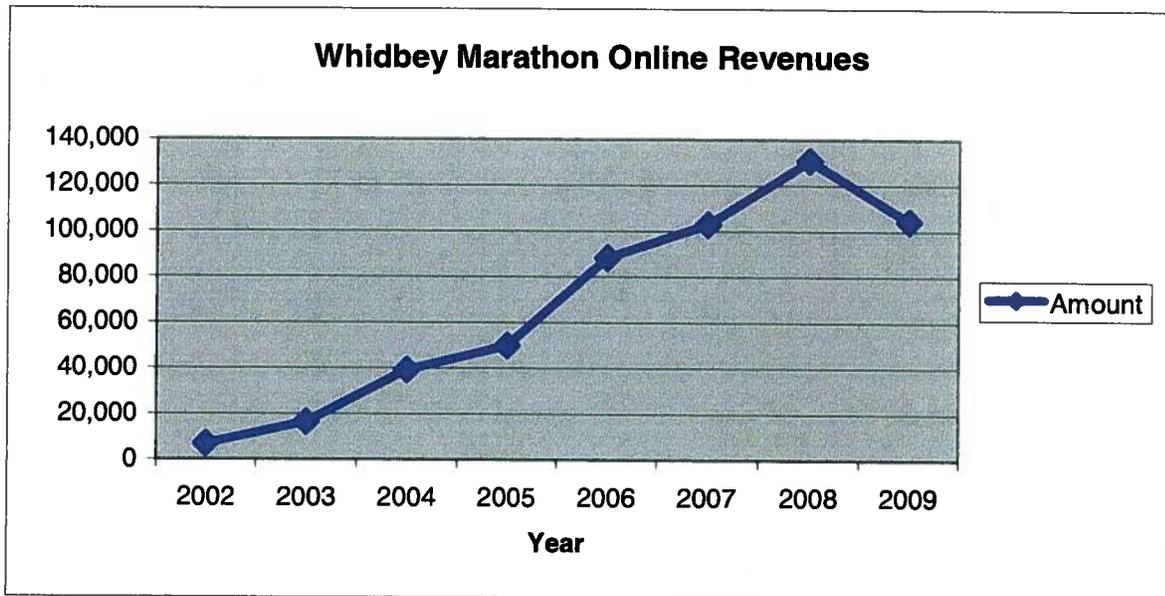
Nature Path was event sponsor. Contributed \$10,000 (loan or revenue? See 2008 revenue listing)

Nature Path did marketing campaign in Runners World Magazine and on boxes of food

25,000 to 30,000 event brochures. (2007 cost: \$5,122.30)

Revenues received via website:

Year	Amount
2002	6,890
2003	\$16,480
2004	\$39,350
2005	\$49,995
2006	\$88,519
2007	\$103,050
2008	\$130,995
2009	\$104,355
2010	730



RESOLUTION NO. _____

RESOLUTION AUTHORIZING MAYOR TO PURCHASE WHIDBEY ISLAND MARATHON AND HALF MARATHON

WHEREAS, the Whidbey Island Marathon and Half Marathon is traditionally held in the Oak Harbor area on the second Sunday in April; and

WHEREAS, the Whidbey Island Marathon and Half Marathon is a race which attracts runners from throughout the U.S.A. and from other countries as well; and

WHEREAS, tourism resulting from the Whidbey Island Marathon and Half Marathon provides a valuable increase in customers for Oak Harbor businesses, hotels and restaurants; and

WHEREAS, the City of Oak Harbor wishes to retain the Whidbey Island Marathon and Half Marathon as a popular event for the benefit of the City of Oak Harbor and its residents; and

WHEREAS, the organizer of the Whidbey Island Marathon and Half Marathon wishes to transfer ownership and all interest in the Whidbey Island Marathon and Half Marathon to the City of Oak Harbor; and

WHEREAS, the City of Oak Harbor wishes to retain the location and enhance the quality of the Whidbey Island Marathon and Half Marathon; and

WHEREAS, the City wishes to assure that the City is reimbursed for City resources necessary for the support of the Whidbey Island Marathon and Half Marathon and City ownership of the Whidbey Island Marathon and Half Marathon will help assure that the City is reimbursed for such expenses.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Oak Harbor as follows:

- 1. That the Mayor is authorized to negotiate with John Kaiser, the organizer of the Whidbey Island Marathon and Half Marathon, for the purchase of his interest in and rights to the Whidbey Island Marathon and Half Marathon; and**
- 2. That the Mayor is authorized to enter into a contract with said organizer for all of his interest in, rights to, and transition services to the City for the acquisition of the Whidbey Island Marathon and Half Marathon in an amount not to exceed Fifty Thousand Dollars (\$50,000); provided, that such contract shall be approved as to form by the City Attorney.**

PASSED and approved by the City Council this _____ day of _____,
_____.

THE CITY OF OAK HARBOR

Mayor

Attest:

City Clerk

Approved as to Form:

City Attorney