

**CITY OF BAINBRIDGE ISLAND
2016 LODGING/TOURISM FUND PROPOSAL
COVER SHEET**

Project Name:

Bainbridge Island Outfitters & Zipline 2016 Media Campaign

Name of Applicant Organization:

Bainbridge Island Outfitters, LLC.

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

EIN 46-3349592

Date of Incorporation as a Washington State Corporation and UBI Number:

8-5-2013 UBI # 603322618

Primary Contact: Rachel DeSpain

Mailing Address: 4979 NE Avalon Lane

Bainbridge Island, WA 98110

Email(s): racheldespain@gmail.com

Day phone: 206-317-6282 Cell phone: 907-321-3947

Project Type

Please indicate the type of project described in your proposal: ✓



Tourism marketing

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:

Lodging/Tourism Fund: Applicant Information

1. Bainbridge Island Outfitters (DBA: Bainbridge Island Zipline) is a new business on Bainbridge Island. We will be opening a shop in Pleasant Beach Village this Winter, and we are also very excited to open a Zipline Tour in the wooded area behind Pleasant Beach Village in the Spring of 2016. We have already successfully completed our Pre-Application for our Conditional Use Permit, and we are waiting for approval of our Conditional Use Permit now. They have been very encouraging and supportive of our project, and they have said that as long as we comply with their regulations, there shouldn't be a problem receiving our permit this Winter.

Our mission is to: Encourage people to live life adventurously while treading lightly, and always remember to give back to the great outdoors and the local community.

While we are new to Bainbridge Island, we (the owners of Bainbridge Island Zipline) have a strong, established history in the Zipline field. We are two of the original pioneers of the Zipline industry in the United States. We opened the 3rd Zipline Tour built in the US in Juneau, Alaska the Winter of 2005/2006, and we operated that business for nearly 10 years in a booming tourism community while also operating a consulting business where we helped many other Zipline Tours get off the ground across the US. The business is owned by Rachel & Matt DeSpain. Rachel DeSpain also volunteered for 4 years on the International Zipline/Canopy Tour Committee through the Association of Challenge Course Technology for 4 years where she played an integral role in developing the construction, installation, inspection, and operations standards for Zipline/Canopy Tours globally. Rachel and Matt are thrilled to bring their extensive experience zipping through the trees to new heights on Bainbridge Island.

The owners moved to Bainbridge Island 2 years ago with their 4 year old daughter Zoelle Arbor to raise her in a great community with top-rated schools that value outdoor education. We sincerely hope to bring the values we built our tour on in Alaska to our new business on Bainbridge Island. Some of those values are: Encouraging people to get outside and live adventurously, Giving back to the local community, and Maintaining a commitment to reduce our impact.

Since our business is new to Bainbridge Island, we can only relay our experience in tourism promotion through our business accomplishments over the past decade in Alaska. We built and maintained strong positive relationships with the cruise lines who still have a highly successful relationship with our Zipline Tour (alaskazip.com) to this day. Those relationships are highly coveted and only awarded to the top performing tours. In addition to that, we worked hard to achieve the #1 tour in Juneau, Alaska on Trip Advisor for years prior to selling the business. We are still collaborating with Alaska Zipline Adventures today, and the business has maintained the #2 ranked tour on Trip Advisor in a sea of 64 amazing tour experiences that cover the gamut from Float Plane trips to Helicopter Dog-Sledding and Whale Watching. You can read some of our Trip Advisor reviews here: http://www.tripadvisor.com/Attraction_Review-g31020-d656473-Reviews-Alaska_Zipline_Adventures-Juneau_Alaska.html

To this day, our most humbling honor has been a national award we were given in 2009 as the "Coolest Small Business" in America by Sprint and MSNBC. Here is the link to the video they produced about this award: <https://docs.google.com/file/d/oB4sQsBsSOCjbaGIOZU55SI8oRzA/edit>

2. Project Partners: Kathryn Smith, Owner: Suzanne Maurice Wine Bar and Joe Raquer, Owner: Island Cool Frozen Yogurt. Kathryn and Joe have agreed to partner with us on our Tourism Media Blitz campaign. They will offer a free glass of wine or cup of frozen yogurt for each party who comes on the Zipline Tour and mentions the promotional ad. We are happy to collaborate with these wonderful local business owners and help bring them additional business from the people who come on our tour.

3. N/A This is our first time submitting a grant proposal to the Lodging/Tourism Fund.

4. N/A

Lodging/Tourism Fund: Project Information

1. A. The project's main objective is to do a major Tourism Media Blitz for our first year of business on Bainbridge Island. We feel so strongly that if we don't make a significant effort to expand our reach in our first year and let people from near and far know about this new business on Bainbridge Island, then it will be difficult for people to find out about us. We have to encourage people to come to the island and stay a while, and let them know that there are unique activities here like the Zipline for them to do while they enjoy the island.

The focus of this Media Blitz grant proposal is to target high-impact marketing opportunities that we, as a new, small business could never normally afford on our own. The two components of this Year 1 Blitz will be: Placing a 5 month 1/2 page ad in Alaska Airlines magazine and running a 6 month radio ad to let people from the State of Washington, as well as travelers across the US and internationally know about this exciting new experience that will be available on Bainbridge Island!

B. We are proposing to run a 1/2 page ad in Alaska/Horizon Airlines magazine for 5 months (May-September 2016). The cost to run this ad will be \$6,815 per month for a total of \$34,075. We will be pouring most of our savings into the start-up expenses for constructing our tour and building out the storefront location in Pleasant Beach Village, so our budget for marketing will be tight. We have worked hard to carve out \$12,075 in our first year to go towards this ad in Alaska Airlines & Horizon Air magazines for the main Summer months of our operation. We are very respectfully requesting grant funds of \$22,000 to help make this goal a reality. We have enlisted the support of two phenomenal businesses on the island (Island Cool and Suzanne Maurice Wine Bar) who have kindly offered to donate a cup of frozen yogurt or a glass of wine to each party who mentions this ad when they make their reservation. We feel so strongly about the impact and reach of this ad that we are willing to put \$12,075 of our own money, and our neighbors and local business owners are willing to donate their own products to bring these additional tourists to the island.

Here are the reasons we feel it's so important for us to target Alaska/Horizon magazines for our Year 1 Media Blitz:

- 1.) Huge reach: Alaska and Horizon Magazines are a great brand to align with, and they reach a combined audience of 2.7 million people on board each month.
- 2.) They offer a captive environment. Passengers tend to spend 30-45 minutes reading the publications while on board.
- 3.) They dominate the west coast market but also fly to key East Coast cities like NYC, DC, Chicago, Miami, Atlanta, Minneapolis, etc. , to Mexico and Costa Rica, and they are the largest carrier now in and out of Hawaii.
- 4.) Their local audience in the Washington State area is huge because this is their hub: **680,000 total Washington State residents every month!** They are also the third largest carrier in and out of Western Canada.
- 5.) Enplanements on Alaska Airlines are up by 11% this year!
- 6.) They are on board for the duration of each month reaching frequent business travelers on planes 2-8 times for business each month!
- 7.) The magazines are live on-line. Readers can even click on the ad right from the Alaska Airlines website and they will be taken directly to their website.

If we can reach 2.7 million readers each month from May-September, we can greatly increase the number of tourists who will come on our tour and bring their business to Bainbridge Island.

The Radio Ad Campaign is the second component of our proposal. We believe that this campaign is equally important to our success because we know that the majority of our business will come from people traveling from within a 100 mile radius of Seattle. The radio stations we're targeting all reach outside 80-100 miles of Seattle. We produced a few Radio Ads for our business in Alaska, and they were really successful. We are having a custom jingle made that will get people's attention, then we'll say a few words about our promotion and be sure to mention our website. We'll be targeting drive times (6-10am and 4-6pm) Monday-Friday. We are proposing a campaign that will run our ad 10 times a week during drive times from April-September. We contacted I Heart Media, and they quoted us \$19,600 to run our 30 second ad 8 times per week for 6 months on a major radio station in Seattle. We are budgeting \$12,000 of our own money for this ad, and our wonderful partners will also be donating free glasses of wine and cups of frozen yogurt to parties who mention this ad when they check in for the tour. We are respectfully asking for \$7,600 in grant funds for this portion of our campaign.

The total amount we are respectfully requesting in our grant proposal is \$29,600. \$22,000 would go towards our Alaska/Horizon Air Magazine Ads, and \$7,600 would go towards our Radio Ad Campaign. We will be contributing \$24,075 of our own money towards this project, and our partners

will also be contributing their own products from neighboring shops to help contribute to the success of this campaign.

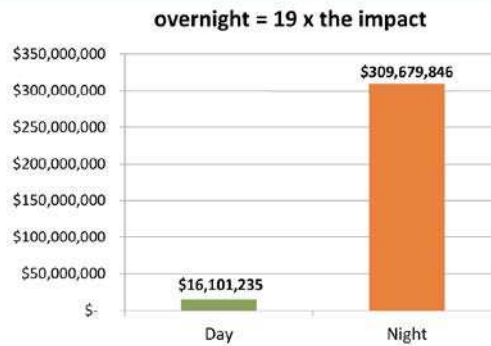
C. N/A

2. A. This Tourism Media Blitz campaign will have a huge impact on increased tourism for our business, and Bainbridge Island as a whole for 2016. Since we have operated a Zipline Tour in Alaska for the past 10 years, and we've helped many Zipline Tours open across the US, we're familiar with the numbers. In the first year, many Zipline Tours start with modest numbers until the word spreads and people are aware of the new business. We would like to do our best to get the word out in year one so that people know about us, and we can really see healthy numbers from the start. Our projections for visitors in year 1 are 2,000 people with only a website and brochures distributed on the ferry and in Seattle hotels. These visitors would be comprised of locals and people who regularly ride the ferry or stay in hotels in Seattle with spare time for a daytrip to Bainbridge Island. However, we think we can more than double those numbers with a big media blitz in our first year. We feel strongly we can bring at least 4,000 visitors to our tour if we market our business on this scale across the US and internationally. We would be much more likely to capture tourists who would be able to plan a future trip to Bainbridge Island as more of a destination trip and incorporate overnight accommodations in their trip. We see this as a major benefit, not only for us, but for other businesses on the island to bring visitors to the island who want to come stay for a while and enjoy other restaurants and activities on the island. We see this as "Destination Marketing" that would significantly increase the impact of revenues for other businesses on the island, as well as increased tax revenues on purchases made here. We intend to design our ad with "Bainbridge Island" being highlighted so we're advertising the destination as much as we are marketing our own business.

B. With our previous Zipline Tour and our knowledge of other Zipline operations in the US, an average of 75% of business comes from tourists and approximately 25% of business comes from local guests. Further, most of the tourists who take part in this type of activity are destination visitors who are staying overnight. Our best estimates are that 50% of our overall business will come from people who have overnight accommodations in the area. We realize that Bainbridge Island doesn't currently have a high volume of overnight visitors. This really means that we have to make a significant push to not only market our own business, but Bainbridge Island as a destination. To the extent that we're successful encouraging people to plan a trip to the island, our likelihood of converting those visitors to customers on our Zipline Tour significantly increases. If we are estimating that this campaign would bring us 4,000 guests with this campaign in 2016, and 50% of those guests will be overnight visitors, that means that this campaign would bring at least 2,000 unique overnight visitors (from a wide range of places often from more than 50 miles away and often from other states or countries) to Bainbridge Island in 2016. In addition, we would estimate that another 2,000 visitors would come on our tour, but that group would be comprised more of locals or visitors coming from within 50 miles who may not be as likely to stay the night on Bainbridge and spend as much money in our local community.

C. We sourced some data from the Oregon Bike Travel Study in 2012 that shows tourists who stay the night vs daytime visitors spend 19 times more money that would go to local island facilities, events, and amenities.

Spending – Day vs. Overnight



Preliminary – NOT FINAL – data from the Oregon Bike Travel Study, ©2012 Eurovan Associates, 2012

According to Visit Seattle's 2014 Annual Report, \$6 billion was spent by nearly 20 million overnight visitors in the greater Seattle metro area (of which we are a part) in 2014. The tourism market in the Seattle area is growing, and Bainbridge Island is listed as one of 9 "Don't Miss" experiences by Visit Seattle. Bainbridge Island is regularly listed as the most popular day-trip from Seattle, but we need to offer tourists more Things to Do aside from walking through the shops in Winslow in order to inspire them to spend the night on the island, and, as a result, spend 19 times more tourism dollars in our local economy. We believe (and have seen over a decade of experience in the Zipline industry) that bringing a Zipline Tour to the island will make a significant, positive impact on the number of tourists coming from more than 50 miles away to stay overnight on Bainbridge Island. Our sincere hope is that this impact will reach other local businesses and the local economy as a whole.

D. Our tour will operate from April-October, and our shop in Pleasant Beach Village will be open year-round! We will start our Radio Marketing Campaign in April, so we can focus on attracting visitors before Memorial Day, and we also plan to run radio ads in the later part of our season so we can draw visitors through the end of October, well past the Labor Day cutoff when a lot of tourism tends to slow down. We'll advertise special Halloween tours and corporate team-building specials during that time to entice non-Summer visitors to come check out our tour.

E. We have a demonstrated history of business and project success. We were awarded the Coolest Small Business in America award by Sprint and MSNBC in 2009 for our Zipline Tour in Alaska. Please see the link above to see the video that was produced about this award. Further, we established and nourished relationships with major cruise line partners who have sold our tour for 10 years in Alaska (Princess, Disney, Royal, Celebrity, etc). We also held an annual fundraiser for a local non-profit organization where we raised between \$5,000-\$10,000 each year to benefit organizations that focused on outdoor education and preservation. These fundraisers involved collaborating with a large number of businesses in the community who donated items for auction, and we donated our tours, and we had to advertise these big events around town with posters, newspaper and radio ads,

etc. We are really proud of our accomplishments, and when we commit to a business, event, or project, we see it through. We have lots of wonderful references to share from our partners in the Cruise Line industry to the producers who selected us for the Coolest Small Business award.

F. We couldn't be happier to collaborate with two wonderful, local business owners on this project. Kathryn Smith, the owner of Suzanne Maurice Wine Bar and Joe Raquer, the owner of Island Cool Frozen Yogurt have very generously offered to donate their goods (wine and frozen yogurt) to guests who come on our tour and mention the ads in this campaign. They will be offering each party who comes on our tour and mentions the ad to choose either a complimentary glass of wine or cup of frozen yogurt. Our shared hope is that when these groups redeem their complimentary product, the other people in their group will purchase additional items from their respective menus. Our intent is to encourage our visitors to go to their shops and spend money with them, so they will reap the benefits of additional visitors coming to Bainbridge Island. We will be sure to mention in the ads that when people mention the ad, they will receive a complimentary glass of wine or cup of frozen yogurt from the nearby shops!

G. We will be sure to closely measure the impact of these ads. We are planning to create vouchers to redeem via the Wine Bar and Island Cool that we'll enter in our database and stamp with the date, so we can see how many people mention the ad upon Check-In. Further, our online reservation system will require that our guests answer a question about where they heard about us. Two options that will be available are: Radio Ad or Alaska/Horizon Airlines Magazine. We will be able to clearly see the number of people we receive from those ads by using these measurement tools.

H. Bainbridge Island Outfitters & Zipline will be contributing \$19,000 from our budget for this important campaign in an effort to make a significant reach in our first year of business to let people know who we are and where we're located and hopefully encourage them to come stay for a while on Bainbridge Island. Additionally, our local partners in Pleasant Beach Village at Island Cool Frozen Yogurt and Suzanne Maurice Wine Bar believe so much in our ability to bring in more tourists with this campaign, that they have generously offered to donate their goods in an effort to encourage visitors to come to Bainbridge and visit our businesses.

Lodging/Tourism Fund Application: Supporting Documentation

1. Project Timeline: The Alaska/Horizon Air Magazine Campaign will run May-September of 2016. Our goal would be to place these ads as soon as we are notified of the results of our grant proposal to ensure we are guaranteed space. Allowing time for that to happen and for us to create the ads, our goal would be to submit the ads by the end of January, 2016. The Radio Ad Campaign will run from April-September, and our goal would also be to place the order for these ads by the end of January because the discount pricing we referenced in this proposal is based upon committing months in advance.

2. Project Budget:

Expenses & Income Sources for 2016 Media Campaign	Alaska/Horizon Magazine Ad-Total Expense: \$34,075	Washington State Radio Ad-Total Expense: \$19,600	Total Campaign Expenses: \$53,675
Bainbridge Island Outfitters & Zipline Funds	\$12,075	\$12,000	Bainbridge Island Outfitters & Zipline Contributions: \$24,075
LTAC Funds	\$22,000	\$7,600	LTAC Funds Requested: \$29,600
In-Kind Contributions from Suzanne Maurice Wine Bar & Island Cool	Complimentary wine & frozen yogurt for guests who mention the ad in Alaska/Horizon Air Magazine	Complimentary wine & frozen yogurt for guests who mention our Radio Ads	Complimentary wine & frozen yogurt to guests who mention our ads
Total Projected Campaign Contributions	\$34,075 + estimated in-kind contributions of \$5,000	\$19,600 + estimated in-kind contributions of \$5,000	\$53,675 + estimated in-kind contributions of \$10,000

3. Project Scalability: While we really believe the full impact of this campaign requires a strong presence with a big reach for our new tourism business on Bainbridge Island to bring tourists here from other states and countries, we would be willing to scale back the marketing campaign if we don't receive all of the grant funds requested in our proposal. We're beyond grateful for this wonderful opportunity, and we would appreciate any funds that would be awarded to us. There are smaller ads that we can run in Alaska/Horizon Air magazines, or we could run them for a shorter timeframe. Also, we could do the same thing with the Radio Ad Campaign. We could run less ads, and we could run them for a shorter timeframe. We could scale our Media Campaign back to reflect the total budget we have available. However, our experience from the past 10 years in a major tourism market in Alaska has shown us that if we really want to reach people from more of a distance, it requires committing to a large scale marketing campaign. In our first year, we have some really big start-up expenses, so we won't be able to afford this marketing campaign without the help of this wonderful grant fund. A feature in Alaska Airlines magazine had a really big impact for our business in Alaska. They have 10 times the monthly readers of Seattle Magazine, and a much broader reach to other states and countries. Our radio campaign is equally important because we know our "bread & butter" will be people within a 100 mile radius of Seattle who can easily and frequently visit Bainbridge Island. Our goal is to encourage them to come stay for a while. If we can convince people that there is more to do on Bainbridge Island, we're hopeful that will translate to more overnight stays and more business for everyone on this beautiful island.

4-6. Please see attachments

Bainbridge Island Outfitters & Zipline
Profit and Loss
2015 Projections

	Projected 2015
Income	21,500.00
Total Income	21,500.00
Expenses	
Legal/Permitting	24,500.00
Construction	40,000.00
Wages	46,000.00
Payroll Taxes	3,680.00
Marketing/Signage	1,900.00
Total Expenses	116,080.00
Projected Net Income	-94,580.00

Bainbridge Island Outfitters & Zipline
2016 Budget Draft
January -December 2016

	Budget witout LTAC Fund	Budget With LTAC Fund
Income		
Zipline Tour Sales	250,000.00	500,000.00
Merchandise Sales	25,000.00	40,000.00
COBI 2015 LTAC Fund Award	0.00	29,600.00
Total Income	275,000.00	569,600.00
Expenses		
Fixed Costs		
Construction, Gear & Other Startup Costs	430,000.00	440,000.00
Variable Costs		
Wages	110,000.00	216,000.00
Payroll Taxes	8,800.00	17,280.00
Marketing	32,000.00	32,000.00
Other Variable Costs	20,000.00	25,000.00
Total Expenses	600,800.00	730,280.00
Net Operating Income	-325,800.00	-160,680.00

Partnership Letters

September 24, 2015

To: BI Outfitters / Rachel Despain

I, Joseph Raquer, am the owner of Island Cool Frozen Yogurt.

I agree to take part in the BI Outfitters' Lodging/Tourism fund proposal.

J. Raquer

*Example : Group/party w/ voucher receive
a free frozen yogurt.*

I, Kathryn Smith, of Suzanne Maurice Wine Bar agree to partner with Bainbridge Island Outfitters for this grant proposal. I have offered to provide one complimentary glass of wine to each group who mentions the ad from the marketing campaign proposed for this project.

Kathryn Smith, Owner

Kathryn Smith

Owner