

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into this 28th day of February, 2005 by and between the City of Snoqualmie, Washington, hereinafter referred to as "Client," and Destination Development, Inc., a Washington corporation, hereinafter referred to as "Contractor."

WITNESSETH

WHEREAS, Client hereby retains Contractor to provide an Economic Development Action Plan for the City of Snoqualmie.

SCOPE OF SERVICES AND COSTS

The Scope of Work follows these four steps:

1) COMMUNITY ASSESSMENT

We provide a current assessment of the community and background. (Where you are today.)

2) COMMUNITY INPUT

We meet with community stakeholders to determine the priorities and goals set for the community. (Where you want to go.)

3) RESEARCH/FEASIBILITY

We research demographics, psychographics, geographic and transportation data, perform a competitive analysis, and trends to support the vision and goals of the community. We also review current and past planning, marketing, and economic development efforts and studies so that no duplication of efforts takes place and so that the Plan will encompass other community efforts and long term strategies.

4) PLAN DEVELOPMENT

From the research effort, the initial assessment and interviews, we develop the Economic Development Action Plan, which will include product development initiatives, downtown revitalization, capital projects, branding, marketing and recruitment of new industries to the community. (How to get there.)

The following is an overview of each of these steps, followed by some optional programs the City may want to include in the effort.

Part I. Community Assessment

The Assessment is performed in two parts: branding/marketing effectiveness, and an on-site assessment of the community.

First, we assign two staff persons to plan a trip to your area of the state. We do not mention the city but only give them the general area to focus on. They will perform the research just as any visitor planning a trip to the region for business or pleasure and not familiar with the area would. They write a report that tells how they got the information, where they would stay, why and for how long, and how effective the information was in closing the sale.

If Snoqualmie was not on the list of places they would consider, we find out why. Then we ask them to check out the city, taking a second look. This part of the assessment includes finding a phone number, website and making contact. The call or request is logged in, comments made about how the service was, how long it took to get marketing materials, and how effective the materials, website, and contact person were in closing the sale. Would they visit Snoqualmie? Would they consider moving to the community? Opening or relocating a business to the area? If so, why? If not, why not? What are their impressions?

We believe that your marketing materials and sales efforts “must be good enough to close the sale.” This includes printed materials, websites (including visibility), visitor information services, etc. This part of the assessment will determine the effectiveness of your current marketing efforts, and how you stack up to competing communities in both terms of tourism and business development. This process also looks at your branding efforts: what sets Snoqualmie apart from the many other towns in the region.

Cost: \$1,660

The second part of the assessment includes an on-site visit to the community – an intensive two-day look at the community through the eyes of a visitor or prospective business. The on-site assessment looks at signage (public and private, state, county and local) in terms of wayfinding, gateways, and attractions. We also assess beautification efforts, attractions mix (things to see and do), visitor amenities and services (parking, visitor information, seating areas, etc.), critical mass, ease of getting around, local business offerings, friendliness, general appeal, etc.

Signage will be of particular importance - connecting the dots between attractions, amenities and local services. The signage portion of the assessment will look at directional signage (or lack thereof), gateways and community entry points, sign clutter, merchant signage, connections from and to the neighboring communities of Fall City and North Bend, and will address signage wording.

Downtown Snoqualmie will also be assessed in terms of critical mass, business mix, customer service, curb appeal, operating hours, cross-selling of other businesses and local services, etc.

During this process, dozens of photographs are taken, and the Assessment Findings & Suggestions will then be presented in a multimedia workshop. For every shortcoming

identified during the assessment process a “suggestion” is offered on how it could be remedied. At this stage of the game, since we haven’t yet spoken to the community asking for input, we offer only suggestions and not concrete recommendations.

The two-hour workshop showcases our findings and presents initial ideas, case histories, examples, and concepts meant to get the community talking. The workshop creates an excellent opportunity to bring local retailers, businesses, organizations, marketing entities, city planning and executive staff, and elected officials to the table in an informal “kick off” effort for development of the plan.

Because we are not from the area, we have no axe to grind and no politics to play – only wanting to help the community improve its tourism and economic development efforts. Once the assessment process has concluded, we prepare an Assessment Findings & Suggestions Report, which is a good primer for development of the plan.

Deliverables: Ten hard copies (in full color) of the Assessment Findings Report, and six CDs with the report in PDF format, and the workshop in PowerPoint format.

Cost: \$3,250

Part II. Stakeholder input

Stakeholder and community input is always vital to a plan of this nature. We have budgeted eight full days of time to interview and speak with local organizations, individuals, city staff, elected officials, downtown retailers, development interests (residential and commercial), and others selected by the City. Typically, this process allows time for 30-40 meetings/interviews, many of them one-on-one meetings where ideas and challenges can be discussed individually and candidly.

At the end of this week and a half-long process, we will have gotten to know the community and many stakeholders. We will have a good idea of the community’s overall vision and goals for the future. We will determine priorities; identify new opportunities, including expansion of community assets; and discuss issues relative to funding, marketing, signage, wayfinding, zoning, and land use etc., and will be able to develop recommendations that will enhance the community’s goals, taking them to the next level.

Interviewees will be determined by the City and should include council members and mayor (individually), city management, planning department, local organizations (area chambers of commerce, historical societies, and other non-profit organizations), attractions, commercial property owners, and individual businesses owners/managers.

Because economic development and tourism are private-sector industries, supported by the city and other governing agencies, a great deal of this effort will be geared to visiting with business and property owners, who will need to work with the city in terms of investment and marketing.

Cost: \$13,520

Part III. Research & Reviews

We will conduct demographic and statistical research of the area to determine target markets for new business recruitment and further investment in the community, including a definition of the trade area. Previous studies and reports that have been prepared by or for the city will also be reviewed incorporating key elements of each into the Economic Development Plan.

We will review the City comprehensive plan, , lodging tax expenditures, marketing plans and materials (public and privately produced), past retail and design studies, etc., so that no duplication takes place.

Branding research will also be conducted to determine how the community is perceived within the major market area so that perceptions can be enhanced or changed to reflect changes in the community.

By reviewing current and past studies and economic development efforts, we make sure that the Economic Development Plan dovetails with all other efforts and that no additional research is conducted that may have already been facilitated by others.

This effort will guide the creation of a list of specific industries/businesses that should be recruited to the area and are a good fit with the community's long-term strategies and vision. Successful economic development efforts are specific in their marketing programs, while the shotgun approach rarely meets with success.

Cost: \$3,820

Part IV.

Development of the plan will include specific recommendations regarding:

Marketing issues:

- Website, brochures and other marketing materials and efforts developed by the city and other local organizations that play a role in marketing/providing services to the community
- Advertising, sales efforts, public outreach (PR) efforts
- Visibility: Recommendations on increasing visibility for the community's economic development business attraction program
- Use and return on investment of lodging tax revenues
- Public/private marketing partnership programs
- Recruitment recommendations attracting new businesses/industry to Snoqualmie
- Branding initiatives
- Three-year detailed marketing plan
- Public relations strategy
- Marketing themes, events (types, seasons, roles, etc.)

Community and downtown revitalization:

- Curb appeal recommendations/streetscape improvements for downtown
- Façade improvements, retail/business mix, zoning issues
- Possible theme development for marketing, events
- Signage, gateway, and wayfinding recommendations
- Visitor amenities: parking, restrooms, visitor information
- Zoning and land use recommendations in the downtown core area
- Retail specifics: window displays, signage, curb appeal, merchandising
- Customer service, employee attitudes

Business mix:

- Lodging, dining, entertainment options aimed at making Snoqualmie a destination for locals and visitors alike
- Private/non-profit attractions and amenities: improvements, capital projects, expansion, repositioning
- Business signage program, destination retail initiatives
- This will include individual business recommendations as well as recommendations for the historic district as a whole

Development:

- List of primary businesses and industries to be recruited (tourism and non-tourism) for both retail and employment (business park)
- Marketing initiatives to develop a business attraction program
- Capital projects, public/private partnership projects
- A review and recommendations regarding future development of the mill site

Visitors Bureau/Economic Development Commission:

- Organizational structure, management, funding and board makeup
- Third-party recommendations and roles in the program (Chambers, etc.)
- Partnership programs with county/state resources
- Roles for the various local organizations and the city
- Possible creation of a Main Street or similar program

Brand Identity & Signage:

- Design of a brand identity (logo) for the city and community branding/promotional efforts
- Design template for decorative wayfinding signage at key intersections, including wording, size, placement, etc.
- Determination of locations for key signs and design of each sign, per location

Financial:

- Funding, financing options for all recommendations
- Detailed budgets (approximate costs) for each program

Timelines:

- The order and timelines related to implementing each item
- To-do lists (assignments) including committees, organizational assignments

When the draft of the study has been completed, two meetings will be held with the City and working committee(s) to review and discuss the draft so that the Council will end up with a final plan that it can adopt in its entirety and direct staff to implement.

The Final Plan will then be presented to the City Council for adoption in a forum of the city's choosing.

The plan may extend 20 years into the future for capital projects and will include a three year detailed marketing plan that includes both tourism and business recruitment. Successful economic development plans and efforts include both ongoing "product development" projects as well as marketing.

Deliverables: Ten hard copies of the final report will be delivered to the City along with electronic files of the report in PDF files burned to ten CD-ROMs.

Cost: \$24,400

Part V.

Historic Downtown technical assistance

This includes multiple meetings with downtown merchants, property owners, city and planning staff regarding revitalization efforts, downtown design and infrastructure improvements, parking, marketing, retail mix, operating hours, entertainment, etc. It also includes two meetings with the newly formed Economic Development Commission for organizational purposes; defining the various roles, determining key areas of focus, organizational structure, funding, agendas, etc.

Cost: \$3,400

Incidental costs: \$1,500

Digital scans, conceptual renderings for downtown efforts, travel and related costs, other plan development costs including printing and associated costs.

Total cost: \$51,550

Deliverables & Meetings:

Roger Brooks, DDI CEO, will lead this project and will host the following workshops or presentations in Snoqualmie:

- Assessment Findings & Suggestions Workshop
- All stakeholder interviews (approximately 30) throughout the Puget Sound region
- Two workshops to present initial/draft findings and recommendations
- Presentation of the final plan to the City Council
- Five workshops for downtown revitalization efforts, economic development commission organizational efforts

The Assessment Findings Report will be combined into the final Economic Development Plan. The Plan will be printed in full-color and seven copies delivered to the City. Additionally, six CDs containing the plan in PDF format will be delivered. Two concept renderings will also be developed for the downtown revitalization effort and provided in both electronic and printed versions.

Reporting:

At the end of each month, Destination Development, Inc. will produce a written Progress Report detailing the effort to date.

Timelines:

The project will be completed on or before July 15, 2005, pending a finalized agreement by March 15, 2005.

REQUIRED FROM CLIENT:

1. Client shall provide Contractor with such documentation and information as is reasonably required to enable Contractor to provide the services called for.
2. Client shall coordinate public forum logistics including meeting times, location, publicity, local representatives' invitations, etc., if necessary.
3. Client will take all comments gathered from review of the draft Plan, and will combine them into a single copy, then will forward that copy to Contractor so the final Plan can be produced.
4. Provide a liaison to Contractor during the project and also provide assistance regarding possible sources of funding, funds available, for the promotion and development of the recommended projects.

COSTS

The cost to develop the Market/Feasibility Study will not exceed \$51,500, which includes all travel and related costs.

PAYMENT

Invoices shall be submitted at the beginning of each month, for work performed during the previous month. Payment is due fifteen (15) days after receipt of each monthly invoice until the total amount of the contract has been paid.

CONTRACTUAL TERMS & CONDITIONS

Term

The term of this Agreement shall be for a period of twelve (12) months or until the contracted budget has been expended, whichever comes first, unless terminated earlier as hereinafter provided.

Billing

Billings shall be due and payable within fifteen (15) days of receipt by Client. A monthly service charge of 1.5% shall be added to outstanding amounts not paid within thirty (30) days of receipt of invoice by Client.

Termination

This Agreement may be terminated by either party upon twenty days (20) written notice to the other party.

Standard of Care

Contractor represents that it is specially trained, licensed, experienced and competent to perform all the services, responsibilities, and duties specified herein and that such services, responsibilities, and duties shall be performed, whether by Contractor or designated subcontractors, in a manner according to generally accepted consulting practices.

Indemnification – Hold Harmless

Contractor shall indemnify and defend Client and its officers, employees, and agents against and hold them harmless from any and all claims, losses, damages, and liability for damages, including attorney's fees and other costs of defense incurred by Client whether for damage to or loss of property, or injury to or death of person, including properties of Client and injury to or death of local officials, employees or agents, arising out of, or connected with Contractor's operations hereunder or the performance of the work described herein, unless such damages, loss, injury or death is caused solely by the negligence of Client.

Likewise, Client shall indemnify and defend Contractor and its officers, employees, and agents against and hold them harmless from any and all claims, losses, damages, and liability for damages, including attorney's fees and other costs of defense incurred by Contractor whether for damage to or loss of property, or injury to or death of person, including properties of Contractor and injury to or death of local officials, employees or agents, arising out of, or connected with Client's operations hereunder or the performance of the work described herein, unless such damages, loss, injury or death is caused solely by the negligence of Contractor.

Assignment

Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same without the prior written consent of Client, except that claims for money due or to become due Contractor from Client under this Agreement may be assigned by Contractor to a bank, trust company, or other financial institution without such approval. Written notice of any such transfer shall be furnished promptly to Client. Any attempt at assignment of rights under this Agreement except for those specifically consented to by both parties or as stated above shall be void.

Independent Contractor

It is specifically understood and agreed that in the making and performance of this Agreement, Contractor is an independent contractor and is not an employee, agent, or servant of Client.

Modification

This Agreement may only be modified by a written amendment hereto, executed by both parties. However, matters concerning scope of services, which do not affect the agreed price may be modified by written mutual consent of Contractor and Client.

Attorney's Fees and Costs

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

Ownership

All non-proprietary reports, drawings, renderings, or other documents or materials prepared by Contractor hereunder shall become the property of Client.

Conflict of Interest

Contractor hereby covenants that it has, at the time of the execution of this Agreement, no interest, and that it shall not acquire any interest in the future, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed pursuant to this Agreement. Contractor further covenants that in the performance of this work, no person having any such interest shall be employed.

Severability

If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

Notices

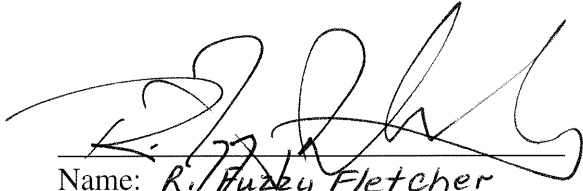
All notices that are required to be given by one party to the other under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited with a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses, unless such addresses are changed, by notice, in writing, to the other party.

Additional provisions

This Agreement shall be governed by the laws of the State of Wyoming. It constitutes the entire agreement between the parties regarding its subject matter. This Agreement supersedes all proposals, oral and written, and all negotiations, conversations or discussions heretofore and between the parties related to the subject matter of this Agreement.

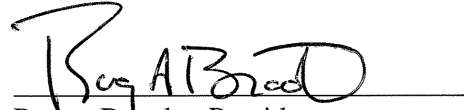
Executed on the day and year first written herein.

City of Snoqualmie, Washington



Name: R. Fuzzy Fletcher
Title: Mayor
Address: PO Box 987
Snoqualmie, WA 98065

Destination Development, Inc.



Roger Brooks, President
120 State Avenue NE #300
Olympia, WA 98501