

CONTRACT

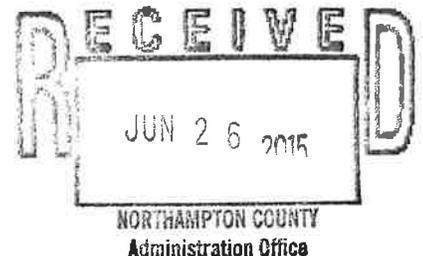
THIS CONTRACT, made this 22 day of June 2015, by and between the Northampton County Tourism Grant Committee, a sub-committee of the County of Northampton, hereinafter called "Grantor", and Eastern Shore Eventacular, Inc., of P. O. Box 102, Cape Charles, Virginia 23310, hereinafter called "Grantee".

On or before June 1, 2015, the Grantee submitted a proposal entitled, "*Tall Ships at Cape Charles*"; said proposal as well as the Grantor's program entitled "2016 Northampton County Tourism Grant Program", are made parts of this Contract by reference.

It is mutually understood and agreed by the parties hereto that the notice inviting Grantees to provide proposals as published; the Contract Documents and Specifications; the Proposal; all proceedings by the Grantor relating to the subject matter of this Contract; all of which documents are hereinafter referred to as Contract Documents and are a part of this Contract by reference the same as if each had been fully set out and attached hereto.

In consideration of the following mutual agreements and covenants to be kept by each party:

a. The Grantee agrees to furnish and pay for all labor, mechanics, tools, materials, equipment, machinery, supplies, works, facilities, testing, means, methods, techniques, transportation, superintendence, insurance, taxes, utilities and services necessary to perform all items set forth in strict compliance with the Contract Documents for a sum not to exceed Twelve Thousand One Hundred Fifty and 00/100 Dollars (\$12,150.00), subject to adjustment as provided in said documents.



b. The Grantor agrees to pay the Grantee in accordance with the provisions of the accepted proposal and other Contract Documents. Payment of the grant funds to the Grantee under this Contract will be made by one of the two methods as set out below:

✓ (i) FULL PAYMENT UPON COMPLETION OF PROJECT. The Grantor will issue the full grant award upon completion of the Project as outlined in the Grant Proposal. The Grantee is responsible for submitting receipts and an invoice totaling the grant award no later than sixty (60) days following the completion of the Project to the Grantor. If receipts are less than the grant award, Grantee must repay the difference to the Grantor.

(i) INSTALLMENT PAYMENTS. An initial advance representing thirty percent (30%) of the grant award can be requested. After supplying any receipts or other documentation relative to the purchases made with the 30% advanced funding, subsequent advances of 30% and the final 40% will be made by the County, each installment payment to be made following receipt of the corresponding documentation being forwarded to the County by Grantee.

c. It is mutually agreed by each party hereto that all provisions of the Contract Documents shall be strictly complied with and conformed to the same as if rewritten herein, and that no substitution or change in said documents shall be made except upon written consent of the Grantor in the form of a Change Order, and such allowance shall in no manner be construed to release either party from any specified or implied obligations of said Contract Documents.

d. This Contract is let subject to the following special provisions:

(i) Payment: Any requests by the Grantee for payments or issuances of award funds will be made to the Grantor who must approve any such requests for payments or issuances of award funds and certify that they are in compliance with this Contract. The Grantor will issue a check to the Grantee not later than thirty (30) days from date of receipt of invoices and related documentation.

e. The Grantee is required to provide to the Grantor a quarterly report, detailing the progress of project status, until completion of project status. Upon completion of the project, the Grantee is required to supply the performance metrics reporting to the Grantor as required in the Grant Program and detailed in the Grantee's proposal.

f. Time Performance. Unless noted below as a Special Condition(s), the Grantee is to complete all work by December 31, 2015. If the Grantee is unable to meet this deadline, it must petition the Grantor for an extension. Failure to complete the work by the required deadline will result in the termination of the Contract.

SPECIAL CONDITION(S): _____

IN WITNESS WHEREOF, the parties hereto affix our signatures and seals at Eastville, Virginia, the day and year first above mentioned.

GRANTOR:

NORTHAMPTON COUNTY TOURISM GRANT
COMMITTEE, A SUB-COMMITTEE OF THE COUNTY
OF NORTHAMPTON

By: Katherine H. New
Title: County Administrator

ATTEST:

By: Jance Williams

Title: Asst. to the County Administrator

GRANTEE:

EASTERN SHORE EVENTACULAR, INC.

By: J. Woodhouse

Title: PRESIDENT

ATTEST:

By: Jean Katala

Title: Treasurer



P O Box 102
Cape Charles, Virginia 23310

INVOICE

June 22, 2015

Board of Supervisors
Northampton County, Virginia
16404 Courthouse Road, PO Box 66
Eastville, Virginia 23347

ESE - 7-15

Tall Ships At Cape Charles

--Tourism Grant Award

--Final as per contract \$12,150.00

TOTAL	\$12,150.00
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Please make checks payable to ESE/Tall Ships At Cape Charles

*OK to pay
per KHN
7/2/15
725-8108-56870*



**Contract for Tall Ships At Cape Charles Initiative
Report
ESE / Tall Ships at Cape Charles**

June 22, 2015

- **Marketing:**
 - CBBT handouts (50,000) designed, printed and distributed at the north bound toll booths of the CBBT. Handouts commenced distribution Easter Weekend and continued each weekend until June 1st, after which they were handed out daily.
 - Rack cards designed, printed. Distributed at the CBBT Welcome Center, New Church Welcome Center, New Kent Welcome Center and hotels/B&B's, businesses, and restaurants throughout the Eastern Shore and Maryland.
 - Website revised and functional. Facebook presence since last year and weekly postings continued through the event and afterward.
 - News releases bi-weekly.
 - News print ads and front page "sticky notes" to newspapers and their websites throughout ES, Hampton Roads, Richmond.
 - Broadcast - Radio promotional spots via radio stations on the Eastern Shore and the Hampton Roads area on Max Media's The Eagle and The Wave stations.
- **Operations: Vessels -**
 - Seven tall ships/Chesapeake Bay working vessels obtained:
 - Barque Picton Castle (Hailing from Nova Scotia)
 - Schooner Serenity
 - Schooner Lynx
 - Schooner Tree Of Life
 - Schooner Hindu
 - F. D. Crockett Buy Boat from the Deltaville Maritime Museum
 - Peggy – a Pound netter that used to work out of Cape Charles and now part of the maritime museum.
 - Operations/marketing meetings with Working Committee. Attendees include, but aren't limited to:
 - Harbormasters
 - Law Enforcement
 - Vendors – Food and Non-Food
 - Property, event locations
 - Youth activities
 - Education
 - Marketing
 - Operations



- Supported Tall Ships Challenge 2015 with the port-to-port race starting off Cape Charles. Ultimately completing in Portland, Maine.
- Tall Ships:
 - Day sails booked over 4 days by each vessel.
 - Open Deck Tours 7 hours per day (Sat & Sun.) on all seven vessels.
 - 2,000+ people toured the decks over the event.
- **Operations: Supporting venues--**
 - 53 vendors attended the event
 - 10 Food vendors
 - 8 Non-Profit
 - 35 Craft/Vendors
 - 8 Bands played Saturday – Sunday with strolling players.
 - Pirate re-enactors 2 days, 1812 re-enactors for Sunday
 - Youth activities
 - Handicap Golf Cart transportation provided
- **Operations: Harbor--**
 - Cape Charles Town Harbor booked for the entire weekend.
- **Tall Ships At Cape Charles--**
 - Final estimates place attendance over the 2 day event at 4,000 + despite the extreme heat

NORTHAMPTON COUNTY TOURISM GRANT COMMITTEE

FUNDING APPLICATION

INSTRUCTIONS: All Applicants – complete Section A & C, and complete either Section B-1 (the Infrastructure Improvement Project Information) or Section B-2 (the Event Project Information) and submit a total of four copies of the completed application to the Northampton County Tourism Grant Committee.

SECTION A: APPLICANT INFORMATION

Date: May 12, 2015

Name of Project: Tall Ships At Cape Charles

Name of Organization: Eastern Shore Eventacular, Inc.

Address: P.O. Box 102 Cape Charles, Virginia 23310

Contact Person & Title: Joan Prescott, President

Telephone Number: 757-331-4620

Email Address: joanprescott43@gmail.com

SECTION B-1: INFRASTRUCTRE IMPROVEMENT PROJECT INFORMATION

A. Description of Project (attach additional pages as needed):

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B. Estimated lifespan of the infrastructure improvement: _____

C. Total estimated cost of project: _____

D. Amount of funds requested this year: _____

E. Is this a one-time expenditure? Yes No. If no, explain:

F. Is this project coordinated with any other completed, current, or proposed tourism-related project? If so please explain. _____

F. List all other funding sources and the amount being funded by each.

1. _____

2. _____

3. _____

G. Are there other agencies or organizations working with the applicant on this project? Please list and briefly explain their involvement:

H. How will the project be maintained?

I. What are your annual maintenance costs and where will these funds come from?

SECTION B-2: EVENT PROJECT INFORMATION

- A. Description of EVENT, including location, time and day(s) of event (attach additional pages as needed). Detail if an entrance/admission fee will be required for EVENT:**

Please see attached event description (News Release dated May, 2015) including days, times and (free) admission information, pirate and sunset sail fees and advance registration information.

- B.: Provide the marketing plan for the EVENT, including the intended target audience for the EVENT. Include any samples of ads, displays, flyers or other media materials. Also provide estimated attendance level(s) and if a prior year's EVENT, please provide past attendance level(s).**

Marketing plan, target audience, sample ads, flyers, rack cards are attached.

We estimate attendance levels for this year's festival between 5,000 and 7,000.

Prior attendance levels were:

2012 – Opsail 2012 attendance exceeded 10,000

2013 – attendance by head count was 7,000

2014 – attendance by head count was 5,000

2015 – anticipated attendance 5,000-6,000

- C. Total estimated cost of project: \$63,000**

- D. Amount of funds requested in the grant application: \$20,000**

- E. Is this a one-time EVENT or is it a recurring EVENT or is it scheduled to be a recurring EVENT?**

This is a recurring event now in its fourth year. It is held annually on the second weekend of June.

- F. Is this EVENT coordinated with any other events or tourism-related activities? If so please explain.**

- Cape Charles Harbor for the Arts takes advantage of the backdrop of historic tall ships to host a plein air painting contest annually.
- Students at Northampton County schools as well as local private and home schooled children participate in an art contest themed to tall ships annually.
- Citizens for Central Park raises funds for its organization via beverage sales to visitors during the festival.
- The Cape Charles Yacht Club raises funds for its organization via beverage sales to visitors during the festival.
- The Cape Charles Business Association holds sidewalk sales and tall ship “specials” during the festival.
- A children's pirate “camp” managed by a professional pirate “crewe” is incorporated into our festival annually, as are special childrens' activities provided by the Town of Cape Charles recreation program.

G. List all other funding sources and the amount being funded by each.

1. Grant – Town of Cape Charles TBD – Requested \$5,000 plus in-kind
2. Sponsor – Bay Creek Resort \$5,000
3. Sponsor – Ocean Cove Seafood \$5,000
4. Sponsor – Cape Charles Yacht Center \$5,000
5. Sponsor – Cherrystone Campground \$1,000
6. Sponsor - Great Machipongo Clam Shack \$ 250
7. Sponsor – Sailtime \$ 250

H. Are there other agencies or organizations working with the applicant on this project? Please list and briefly explain their involvement:

Eastern Shore Tourism supports the event via its website and through the organization's Welcome Center, where rack cards and other displays are distributed to assist in marketing the festival.

Virginia Tourism Corporation co-markets the festival via its website; online calendar; Facebook postings and email blasts

Bay Coast Railroad provides free use of their property for event activities as well as direct harbor access and event parking.

The Chesapeake Bay Bridge Tunnel Authority assists our marketing by handing out 50,000 flyers promoting Tall Ships At Cape Charles to motorists passing through their toll booths from Easter through the second weekend in June.

The Town of Cape Charles provides financial assistance and in-kind and festival assistance including security, free dockage for participating vessels, harbor master and crew support and vessel assistance; marketing via town websites and directly to Chesapeake Bay yacht clubs and mariners

Cape Charles Rotary provides member volunteers to assist with parking, event set-up and dock visitor control/management

Northampton County Chamber of Commerce provides support via extending our marketing outreach through email blasts to members and also supplies the tables and chairs for our food court and childrens' activities areas.

Cape Charles Yacht Center provides venue and underwrites the Sunday evening volunteer wrap-up party

Cape Charles Yacht Club provides member volunteer support and manpower for the set-up and take-down of the food court area plus manning the beverage trailer

Artisan Trail Network – Tall Ships At Cape Charles is a member of the Virginia Artisan Trail Network, which offers a unique opportunity to form strategic alliances with artisans, venues, galleries and retailers across the state, while connecting points of interest, restaurants, and accommodation locations in the related communities in order to enhance regional tourism activity. The ACV Artisan Trail Network is an innovative program to leverage ACV's broad-based grassroots membership into a coordinated marketing and outreach campaign to strengthen local communities while strengthening Virginia's craft industry.

SECTION C: TOURISM IMPACT

A. How will this project enhance the ability of Northampton County to attract tourists from the target market, as identified in the Tourism Commission's Tourism Strategy?

Our objectives and marketing messages both support and extend the ability of Northampton County and the Tourism Commission to heighten awareness of Cape Charles as a year-round destination and attract tourists from the target market as follows:

- Our marketing goal is in synch with that of the Eastern Shore Tourism Commission to reach out to attract the huge population living within a day's drive, in southeastern Virginia, northeast North Carolina, the Delmarva Peninsula, Hampton Roads, Richmond, and the greater Baltimore-Washington DC region as well as the several million autos that will pass Cape Charles on Route 13 on their way to or from a vacation along the eastern seaboard.
- Primary strategy: Extend the visitor tourism season by establishing *Tall Ships At Cape Charles* as a signature annual event for the region that launches the summer tourism season two weeks ahead of its traditional (end of school year) start, by providing residents and visitors with a compelling event/reason to visit/stay overnight.
- In addition to promoting the Tall Ships festival, the marketing strategy will also heighten awareness of Cape Charles as one of Northampton County's charming small towns, and a maritime gateway to Northampton County/the Eastern Shore and year-round destination for visitors, including boaters, and help brand the Town as a thriving arts, boating and coastal nature community.
- Primary marketing message points support and extend the Tourism Commission's marketing tactics:
 - Promote visitation to *Tall Ships At Cape Charles Festival 2015*, a premier summer festival for families with activities for all ages; presenting a unique opportunity for visitors to get "close up and personal" in our accessible small town atmosphere to experience tall ships, meet and mingle with their crews, historic re-enactors, local merchants, arts and crafts vendors.
 - Build on Cape Charles' marketing theme of "Harbor for the Arts" and "Harbor to Hospitality".
 - Promote the *Tall Ships at Cape Charles Festival 2015* experience as a small town "America, the way it used to be", and encourage visitors to stay overnight or longer in Cape Charles and surrounding communities.
- Secondary marketing messages also support and extend those of the Tourism Commission:
 - Position Cape Charles as a waterborne gateway as well as an accessible, primary driving gateway as the southernmost town on the Delmarva Peninsula accessed via the Chesapeake Bay Bridge Tunnel and Route 13 from the north and south.
 - Promote region's history and outdoor amenities.
 - Promote the *Virginia Is for Lovers* brand and Eastern Shore Virginia Tourism's "You'll Love Our Nature" tagline and brand.

B. What metrics will you use to gauge the success/failure of the project? If awarded, what is the Return on Investment?

The following metrics have been and will continue to be used to gauge the economic impact and return on investment (ROI) of Tall Ships At Cape Charles:

- Festival attendance is a primary measure of success, as documented by actual head counts of attendees at dockside, plus an algorithm developed by our Executive Director, who is a market research professional, which projects attendance based on percentages of revenues from deck tours

and day sails. By these counts, we know that Tall ships festivals brought in at least 22,000 visitors over the past 3 years.

- We evaluate economic impact/ROI based on several factors: Tall Ships At Cape Charles festival generates strong Transient and Meal Tax revenues as reported by both the Town and County, as well as anecdotal occupancy reported to us by local B&Bs, hotels, and restaurants,

- Transient Tax Revenue

Cape Charles has experienced both an increase in the number of B&B and hotel rooms available over the past two years (supply), but also an increase in total rooms filled (demand). In addition, Cape Charles has a large number of seasonal rental homes in the Historic District and large Bay Creek Golf Resort properties as well as vacation homes and B&Bs in the surrounding area. Northampton County benefits from Cape Charles' lodging, as well as a much larger number of hotels, motels and seasonal rentals, and the large Cherrystone campgrounds outside the Town, but it has experienced a loss of guest rooms through closure of several motels on Route 13 in recent years.

All bed & breakfasts, hotels and seasonal rental properties in Northampton County are required to charge their guests a 5% Transient Occupancy Tax (TOT). Within Cape Charles, 3% of the tax goes to the Town and the other 2% goes to the County. The full 5% TOT on lodging and vacation rentals outside Cape Charles' borders is collected by the County.

- Meals Tax Revenues

All restaurants and other establishments serving food in Northampton County are required to charge a 5% Meals/Food & Beverage Tax. Within Cape Charles and Exmore, all of this tax revenue goes to the Town and the County collects the tax on establishments outside these two towns. Unlike the County's TOT results, revenues from food and beverage sales increased in FY 2013 versus FY 2012. Cape Charles' larger increase was the result of a new popular restaurant opening at the Harbor in May 2012, demonstrating that increased visitation drives economic development.

- Anecdotally we know that festival attendance increases the economic viability of local businesses and attract new ones to open, and has even lead to visitors attending Tall Ships At Cape Charles purchasing a vacation or permanent residence in the area, as reported by local realtors.
- Marina dockage revenue is not included in the TOT, however revenue, economic impact and ROI can be directly attributed to the Tall Ships weekend and is reported to us by the Cape Charles Town Harbor and Kings Creek Marina.

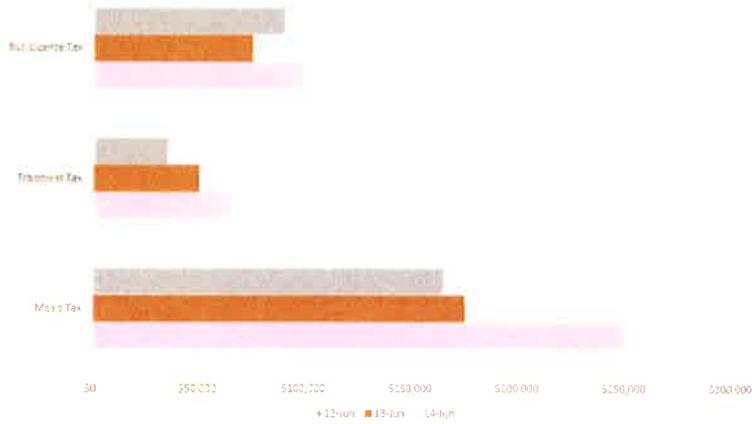
Here is Cape Charles' Treasurer's report of economic impact/ROI for the 2014 Tall Ships festival:



Tall Ships At Cape Charles
June 2014
Impact



Selected Taxes



Tall Ships At Cape Charles
June 2014
Impact

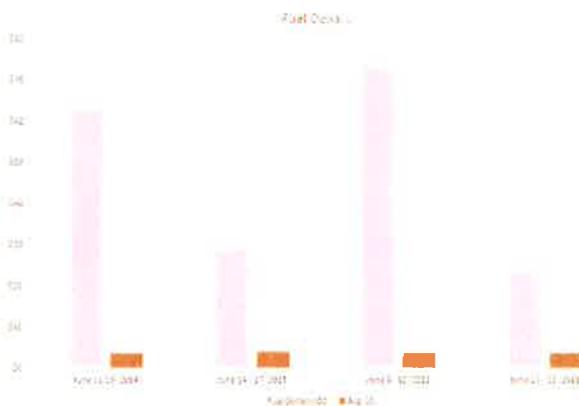


Decking Options





Tall Ships At Cape Charles
June 2014
Impact



- Statistics from both the Eastern Shore Welcome Center and the Chesapeake Bay Bridge-Tunnel Authority indicate that the number of travelers on Route 13 is increasing overall, and that traffic for the month of June, and in particular the weekend of the Tall Ships Festival, has increased. A total of 3.59 million cars travelled across the Chesapeake Bay Bridge-Tunnel (CBBT) in 2012.
- Our target market areas are supported by data collected by a volunteer market research professional recruited by 2013 Tall Ships at Cape Charles to conduct a *Visitor Intercept Survey* over the three day festival. She interviewed over 50 “parties” that totaled more than 150 individuals, and although not a strong statistical random sample of festival attendees, it provides valuable data on visitor origins, spending, experience and propensity to return which we have integrated into our marketing program.

C. How does the project further the Tourism Strategy adopted by the Eastern Shore of Virginia Tourism Commission?

The success of Tall Ships At Cape Charles has been to support and extend the tourism strategy and success of the Eastern Shore Tourism Commission by increasing awareness for our County by the target audience and encouraging other organizations in Cape Charles and Northampton County to build on that awareness by pursuing new and larger tourism activities into the summer and fall months.

For example, Tall Ships now recognize Cape Charles as a hospitable port where they may make money for their educational foundations via deck tours and day sails; consequently they are increasingly putting in to Cape Charles Town Harbor individually throughout the spring, summer and fall months. This mutually beneficial relationship provides our community with an ongoing attraction giving local residents as well as visitors the opportunity to tour their decks and learn about our maritime heritage while providing the ships with some remuneration.

D. Will the citizens of Northampton County receive benefits from this project that are not directly related to tourism? Please explain.

Yes. Indirect revenues through ancillary visitor spending benefits the County coffers in various ways:

- Direct Purchases support the local economy: The policy of Tall Ships At Cape Charles and Eastern Shore Eventacular is to do business wherever possible within Northampton County in order to support the local economy.

- Our bank accounts are with a local credit union.
- We make direct purchases to County businesses for goods and services used in the festival.
- Visitors purchase gasoline and souvenirs from County businesses.
- Crews of visiting tall ships patronize local restaurants and shops.

- Repeat visitation: Families and individuals who have a positive introduction via Tall Ships At Cape Charles return again and again throughout the year, including owners and users of pleasure and recreational boats.

- Our educational outreach includes local public, private and home schooled young people who are encouraged to visit the tall ships to learn about our maritime history, navigation, exploration, math, science, etc.