

**CITY OF ANACORTES  
TOURISM PROMOTION FUND**

***Project Assistance Program***

**TIME LINE**

**Annual Cycle for 2011 Tourism Funds**

June 1, 2010

***Preparation and advertising (Channel 10)*** available with technical assistance offered through city legal department.

**September 1, 2010**

**Completed applications Due**

Staff reviews applications for eligibility and completeness; informing proponents whose applications appear eligible, but are deficient in some respect, assuring application standards.

September 17, 2010

Applications are reviewed by Committee (TIME TO BE DETERMINED). *Entire packets and Fund Status Report for Committee and Mayor Review.*

October 4, 2010

On Council Agenda for recommendation approval.

**\**Attach Resolution and Contracts for signatures.***

**\**Send approved contracts to applicants for signature.***

Spending plan becomes part of the 2011 Budget with Notice to Proceed sent to proponents of approved projects.

# **TOURISM PROMOTION**

## ***Project Assistance Program***

### **APPLICATION REQUIREMENTS:**

#### **INTRODUCTION**

The purpose of the City of Anacortes Tourism Promotion (ATP) project assistance program is to support projects which bring tourist dollars into the City of Anacortes economy. Eligibility of sponsors and projects is defined broadly to encourage wide participation and innovative proposals. The source of the funds is the City's share of sales taxes collected on hotel and motel room rentals within the City of Anacortes. Because of this, the amount available in any given year fluctuates in direct proportion to the level of tourism business.

#### **PROJECT ELIGIBILITY**

The most basic eligibility requirement is that the applicant demonstrates clearly and convincingly that the proposed project is in compliance with State statutes governing the use of ATP funds. Attached in an excerpt of an opinion from the City Attorney's Office which outlines statutory eligibility criteria. Please examine it carefully before preparing your project request. In addition to State statutes, applications must satisfy several other criteria:

- The application must demonstrate that the project proponent will supply at least 25% of the total project cost. The matching requirement may be met by a cash contribution, in-kind services, or a combination of both.
- Projects must be of no more than one year's duration or one year's budget.

#### **PROPONENT ELIGIBILITY**

The program is open to applications from virtually any public or private non-profit entity with the demonstrated capacity to accomplish the proposed project. This includes public and private agencies such as museums and galleries, historical societies, art groups, and chambers of commerce.

The project application addresses 9 specific areas.

#### **ELIGIBILITY**

Each proponent will be required to concisely define the service to be provided through the proposed project, to demonstrate how it will increase tourist activity and its compliance with State statutes and City priorities.

#### **SCOPE OF WORK AND TIME LINE**

The applicant is required to submit a scope of work which breaks down the overall project into a progression of logical steps, with the date when each will be undertaken and/or completed.

“Lodging tax revenues under this chapter may be used, directly by local jurisdictions or indirectly through a convention and visitors bureau or destination marketing organization, for the marketing and operations of special events and festivals and to support the operations and capital expenditures of tourism-related facilities owned by nonprofit organizations described under 501c(3) and 501c(6) of the IRS code of 1986, as amended.”

## **BUDGET**

At the bottom of the budget page please present any additional figures or details you feel will clarify the basic information provided in the budget form. Please note that salaries and related personal expenses, as well as travel and administrative costs, are ineligible for reimbursement but qualify as sponsor match.

## **ESTIMATED NUMBER OF TOURISTS**

It is required that applicant estimate the number of tourists, person traveling over 50 miles, person staying overnight, and lodging stays generated by each event or facility.

## **MATCH AVAILABILITY**

Each project proponent will be required to demonstrate that, if the project is funded, his or her matching share will be available on the specified date of project commencement.

## **PROOF OF NON-PROFIT STATUS**

Non-profit Organizations proposing projects will submit evidence of their status (i.e. a copy of the federal Internal Revenue Service letter confirming 501 (c) (3) status).

## **COOPERATIVE COMMITMENTS**

The lead sponsor of a cooperative project will be required to submit formal letters of commitment from project co-sponsors.

## **REIMBURSEMENT**

Project proponents must understand that the City's support for funded projects is on a reimbursement basis, i.e. no funds can be advanced in support of a project. Sponsors must first incur costs and then bill the City for reimbursement under contract guidelines.

## **CONTRACT**

Each project selected for funding will be required to enter into a contractual agreement with the City to meet project goals within the scope of work and timeline approved. Each funded project will be monitored for performance. The sponsor will be required to submit a final report at the end of the project and may be required to submit periodic progress reports during the course of the project.

## **CONTACT PERSON**

Each project proponent will designate a primary individual as contact for the project. During the life of a funded project, this individual will be the principal representative in dealings with the City.

## **SELECTION PROCESS:**

When the application solicitation period opens, legal department staff will provide public notice to inform potential applicants of the funding process and its eligibility criteria. During this period, staff will also be available to potential applicants to provide technical advice as applicants prepare their requests.

Top priority will be given to new projects not previously funded if they create new events that bring in tourist dollars in the shoulder seasons.

When the solicitation period closes, legal department staff will review applications for completeness and eligibility. Qualifying applications will then be forwarded to the City Council via the Mayor's office. The Mayor will develop a package for the Council and may recommend which projects be funded and at what levels. The Council will then schedule a public meeting to discuss the proposed projects. After the public meeting, the Council will make its final decision on project approval and funding levels. Staff will then consult with sponsors of approved projects to develop contracts and scopes of work. When the contracts are signed by the sponsors and the Mayor, staff will notify sponsors to proceed. It is very important that applicants are aware that:

- all contracts are reimbursement-based, i.e. the sponsor must expend funds on approved items and then seek reimbursement under terms of the governing contract;
- no costs incurred prior to the Mayor's signing of a contract for an approved project can be reimbursed;
- the project approval process requires two key steps:
  1. The Council's approval of a spending plan after the public meeting on the Mayor's recommendations, and
  2. The execution of the contract by the Mayor's signature;
- only after both steps are completed is a project sponsor authorized to begin incurring reimbursable costs.

## **TOURISM PROMOTION FUND**

### ***Project Eligibility Guidelines***

RCW 67.28 provides authority for cities and counties to adopt a lodging tax of up to 2% of lodging charges made by hotels, motels, rooming houses, tourist courts, trailer camps and any similar charges for a license to use real property. The use of the tax revenues generated is governed by RCW 67.28. It states that:

All taxes levied and collected under RCW 67.28 shall be credited to a special fund in the treasury of the county or city imposing such tax. Such taxes shall be levied only for the purpose of paying all or any part of the cost of acquisition, construction, or operating of stadium facilities, convention center facilities, performing arts center facilities, and/or visual arts center facilities or to pay or secure the payment of all or any portion of general obligation bonds or revenue bonds issued for such purpose or purposes under this chapter, or to pay for advertising, publicizing, or otherwise distributing information for the purpose of attracting visitors and encouraging tourist expansion when a county or city has imposed such tax for such purpose, or as one of the purposes hereunder, and until withdrawn for use, the moneys accumulated in such funds or funds may be invested in interest bearing securities by the county or city treasurer in any manner authorized by law. In addition such taxes may be used to develop strategies to expand tourism: PROVIDED, that any county, and any city within a county, bordering upon Grays Harbor may use the proceeds of such taxes for construction and maintenance of a movable tall ships tourist attraction in cooperation with a tall ships restoration society, except to the extent that such proceeds are used for payment of principal and interest on debt incurred prior to June 11, 1986: PROVIDED FURTHER, That any city or county may use the proceeds of such taxes for refurbishing and operation of a steam railway for tourism promotion purposes: PROVIDED FURTHER, That any city bordering on the Pacific Ocean or on Baker Bay with a population of not less than 800 and the county in which such a city is located may use the proceeds of such taxes for funding special events or festivals, or promotional infrastructures including but not limited to an ocean beach boardwalk: PROVIDED FURTHER, That any county which imposes a tax under RCW 67.28 or any city with a population of less than 50,000 in such county may use the proceeds of the tax levied and collected under RCW 67.28.180 to provide public restroom facilities available to and intended for use by visitors: PROVIDED FURTHER, That any county made up entirely of islands, and any city or town that has a population of less than 5,000, may use the proceeds of the tax levied and collected under RCW 67.28.180 to provide public restroom facilities available to and intended for use by visitors.

Applying the statute to Anacortes, lodging tax revenues can be used to fund:

**1. Dissemination of information for the purpose of attracting tourists to the City.**

For use of lodging tax revenues in the dissemination of information category, these criteria must be met:

- The revenue will only be used to pay the costs of advertising, publicizing or otherwise distributing information for the purpose of attracting visitors to the City and to encourage tourist expansion.
  - The information will be disseminated primarily to persons who are not City residents. This is because City residents are not visitors to the City.
- 2. Capital, operating and financing costs of certain facilities, such as visual arts/historic exhibits or operation of a steam railway for tourist promotion purposes.**

For use of these revenues in the facilities category, the following criteria must be satisfied:

- The facility is a performing arts center, visual arts center or a facility which is a combination of any of such listed facilities, such as a convention center, the W.T. Preston, museum exhibit, etc.
  - It is important to note that the financing of events, that is, concerts, art shows, fairs or other performances, is not an authorized use of lodging tax revenues except when such events are conducted in connection with authorized facilities as discussed above.
- 3. Lodging tax revenues under this chapter may be used, directly by local jurisdictions or indirectly through a convention and visitors bureau or destination marketing organization.**
- For the marketing and operations of special events and festivals.
  - To support the operations and capital expenditures of tourism-related facilities owned by nonprofit organizations described under 501c(3) and 501c(6) of the IRS code of 1986 as amended.

**CITY OF ANACORTES**  
**TOURISM PROMOTION FUND**

*Project Assistance Program*

**PROJECT APPLICATION:**

Project Title: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Project Sponsor: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Sponsor is: Non-Profit \_\_\_\_\_ Public Agency \_\_\_\_\_

Amount requested: \_\_\_\_\_ Applicant's match: \_\_\_\_\_

Estimated # of Visitors to Anacortes \_\_\_\_\_

Estimated # of Lodging Rooms per Night \_\_\_\_\_

Total project budget: \_\_\_\_\_

**PROJECT SUMMARY:**

In the space below, provide a one paragraph, concise summary of your request and what it will accomplish. If your request is part of a larger project you may briefly describe the over-all project. However, please focus the majority of your answer on the specific element for which you are requesting funding.

**SCOPE OF WORK:**

Fully describe the project. Expand your summary paragraph from page one to address such issues as: what it is you wish to do; who will benefit, why and how; beginning and ending dates of your project and what measures you will apply to evaluate its success. If you are requesting funds for a specific portion of a larger project, please so state but focus your response on the element for which you are requesting funding assistance. Keep scope outline to this one page or less. Use attachments to describe details.

**ELIGIBILITY:**

Specifically, how does your project meet the City and State eligibility requirements as set out in the accompanying application guidelines? Be brief and clear. One or two paragraphs or specific outline will describe.

**PROJECT BUDGET:**

Please detail the budget for your project. Remember that though the City can pay no personnel costs (wages, benefits, etc.), such costs are eligible as a portion of your matching portion. The City can pay a share of such costs as postage, design and layout of printed materials, printing, and communications. Please specify whether your various match items will be cash (C) or in-kind (I/K).

## **ATTACHMENTS:**

We have asked you to be concise in your description of scope, eligibility, budget, etc. Here is your chance to attach descriptive details.

Please provide the following information as attachments.

### **ALL APPLICANTS:**

- any details you find essential to description of significance of your project

### **NON-PROFITS:**

- copy of state certificate of non-profit incorporation and/or federal 501 (c) (3) letter
- copy of most recent program budget
- copy of meeting minutes showing project and authorization

### **PUBLIC AGENCIES:**

- copy of meeting minutes approving project and authorizing application

### **COOPERATIVE PROJECTS:**

- description of reasons for and benefits of cooperative approach
- list of all co-sponsors by title and type
- description of individual project responsibilities of co-sponsors
- letters from co-sponsors endorsing projects, citing responsibilities and agreeing to participate.