

Town of Friday Harbor

2022 Lodging Tax Grant Program Request for Proposals:

Activities to encourage tourism in Friday Harbor



INFORMATION

&

APPLICATION PACKET

Return to: Lodging Tax Advisory Committee (LTAC)
c/o Julie Greene
60 Second Street / PO Box 219, Friday Harbor, WA 98250
(360) 378-2810 / julie@fridayharbor.org

2022 LODGING TAX GRANT ALLOCATION DEADLINES:

(Optional) Applications submitted for prescreening review assistance:	Monday, September 20, 2021
Applications submitted for LTAC review:	Monday, September 27, 2021
Applicant presentations to LTAC:	Wednesday, October 6, 2021
LTAC grant recommendations to the Town Council (date subject to change):	Thursday, November 4, 2021

The Lodging Tax Grant Program provides funding to individuals and organizations that promote tourism activity in the Town of Friday Harbor. The Town Council established the program in accordance with the Revised Code of Washington (RCW) 67.28, and Friday Harbor Municipal Code (FHMC) Chapter 3.36. The source of funds is the second two percent (2%) of the four percent (4%) excise tax collected on lodging sales within the Town. The amount of funding available each year is determined by the Town Council and fluctuates in proportion to lodging use. Grant recipients receive their fund allocation as a reimbursement for documented and paid expenses incurred within the designated grant year.

Purpose of this Request for Proposals (RFP)

The purpose of this RFP is to solicit grant funding proposals from agencies and groups actively engaged in the promotion and enhancement of tourism within the Town of Friday Harbor during the 2022 calendar year. The Town encourages wide participation and innovative proposals. Preference will be given to shoulder season (spring/fall) tourism activities. Summer activities are acceptable; however, those scheduled for historically high-traffic weekends are not advised.

Eligibility of Applicant

Applications may be submitted by any for-profit or non-profit entity, public agency, or group of individuals including public and private agencies such as museums and galleries, historical societies, art groups, tourism advocate groups, and the chamber of commerce. The Town does not discriminate on the basis of race, color, national origin, religion, sex, sexual orientation, marital status, age, or disability.

Eligibility of Proposal per State Law

State law allows the use of lodging tax revenues for the following: Tourism marketing, marketing and promotion of special events and festivals designed to attract tourists, support of the operation of tourism-related facilities owned or operated by non-profit organizations, or support of the operation and capital expenditures of tourism-related facilities owned or operated by a municipality. Detailed information about the use of tourism funds is available in RCW Chapter 67.28, as amended by Engrossed Substitute House Bill (ESHB) 1253 in 2013.

The following are definitions of terms relating to RCW Chapter 67.28:

Tourism: Economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.

Tourism promotion: Activities, operations, and expenditures designed to increase tourism including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of, or the operation of, special events and festivals designed to attract tourists.

Tourism-related facility: Real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is: (a) owned by a public entity; owned by a

nonprofit organization described under section 501c3 or 501c6 of the federal internal revenue code of 1986, as amended; owned by a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce; and (b) used to support tourism or performing arts, or to accommodate tourist activities.

Eligibility of Proposal per Town Requirements

In addition to meeting the requirements of the State statute, grant applicants must meet the following criteria. The Proposal must:

- Promote or facilitate tourism within the Town of Friday Harbor. Applications for projects taking place outside of the town limits may be considered if they clearly provide a reasonably significant economic benefit to the town.
- Intend to increase tourism in 2022. Expenditures made prior to signing the grant contract or for activities or promotions taking place before or after 2022 cannot be reimbursed with 2022 grant funds.
- Be of no more than one year's duration and/or one year's budget.
- Be able to obtain appropriate event permitting and business licensing if required by the Town's municipal code. Town staff will advise the LTAC and Town Council if proposals are found to be inconsistent with the FHMC (e.g., a regional poker tournament could not be funded as it is prohibited by the municipal code).

Selection Process

The Lodging Tax Advisory Committee (LTAC) is appointed by the Town Council in accordance with FHMC Chapter 2.66 as an advisory body authorized to make recommendations to the Town Council regarding annual grant allocations funded with revenue from the second two percent (2%) of the Lodging Tax.

The LTAC reviews each application for eligible activities and projected effectiveness of Proposals in meeting the expected outcomes, needs, and funding requirements. Applicants are encouraged, but not required, to make a verbal presentation to the LTAC (see page two (2) of this document for presentation meeting date). LTAC recommendations are not subject to challenge.

The LTAC makes recommendations to the Town Council which then authorizes the amount and use of these funds. Prior to Council authorization, applicants are informed of the LTAC recommendations and may choose to address the Council directly during the Public Access portion of a Town Council meeting. The Council may adopt, amend, or disregard the LTAC's recommendations at the Council's discretion. The Council reserves the right to review all applications and to fund requests made outside of this application process.

Selection Criteria

Grant funds allocated for Proposals are expected to result in a return on the economic investment to the community. The LTAC will take into consideration the following questions when reviewing applications:

- Will the Proposal attract off-island visitors? Is it likely to extend individual lodging stays? What other elements of the Town's economy could it impact?
- Will the Proposal encourage tourism during the off-season or spring/fall shoulder season?

- How and where will it be marketed? Is there specific, prominent promotion of the Town? Is there inter-organizational coordination and cooperation with other events and marketing programs?
- Is this a new, unusual, innovative, and/or proven approach to tourism promotion?
- Is the Proposal well-structured: Can it be completed within the year? Have the steps and deadlines been outlined? Are the goals measurable and attainable? How will they report tourist attendance as required by the State?
- Is the Proposal an efficient, economical use of LTAC funds? Is the event big enough to provide a reasonable return on investment? What will be the likelihood and degree of financial participation from the applicant?

Contract and Reimbursement

Applicants should be aware that Grantees will be signing a contract with the Town of Friday Harbor. By law, the contract must include a provision for the Grantee to report the amount of tourism generated from the grant investment (see “Reporting” below). If deemed necessary by the Town Administrator, this contract may include a requirement for liability insurance of at least \$1 million with the Town identified as an additional insured on the policy. Under the terms of the contract, grant funds will be disbursed as reimbursements after the Grantee provides documentation of the paid expense. Documentation is to include: a numbered invoice to the Town detailing each expense, copies of the itemized receipts and invoices for these expenses, proof of payment of invoices (e.g., cancelled checks), and copies of advertisements and marketing materials purchased. The Town Finance Department will monitor expenses for compliance. A valid Form W-9 is required prior to reimbursement. All requests for reimbursement of 2022 expenses must be submitted no later than January 10, 2023. Expenses incurred prior to execution of the written contract with the Town will not be reimbursed. **NOTE:** The award of a grant does not constitute blanket approval of a grantee’s proposal and budget as submitted. Allowable uses of grant funds will be detailed in Exhibit A of the contract. The Town reserves the right to determine whether an expense meets its reimbursement requirements.

Reporting Requirement

Grantees must report their event’s visitor attendance information to the Town of Friday Harbor per RCW 67.28, as amended by ESHB 1253 in 2013. This reporting requirement applies to every Proposal that receives LTAC funding. The attendance data is considered public record and will be reported to the State.

Grantees will be provided with a Visitor Report Form to complete and submit upon completion of each proposed activity or event. Grantees are responsible for submitting all 2022 Visitor Reports to the Town no later than January 31, 2023. If exact attendance figures cannot be determined, grantees must complete reports using good faith attendance estimates and explanations of how these figures were determined. Reports must include the following information:

- The total amount spent on the proposed activity or event and the amount of LTAC funds received.
- The total number of attendees, the number who traveled over 50 miles, and the number from out of state.
- The number of attendees who stayed overnight with family/friends, the number who stayed in paid accommodations, and the total number of paid lodging nights generated by the event.
- The method(s) used to collect attendance data and specific details of how it was collected.

Conflict of Interest

No member of the LTAC shall make or vote on recommendations nor use their position to influence the LTAC or Town Council if they are directly financially benefited by the funding of any application during this grant cycle (e.g., an applicant's Proposal specifically provides customers to an LTAC member's business). If a member discloses a potential conflict of interest to the Town Council prior to the application for funding, the Council may authorize or prohibit the member's participation in the recommendation process. Conflict of interest is defined by the Revised Code of Washington.

Lodging Tax Grant Management

Lodging Tax grant management is the responsibility of the Town Administration. Staff will coordinate the application process, grant selection, and attendance reporting. The Town Finance Department will monitor contract compliance and reimburse LTAC-funded expenses to Grantees.

Application Requirements

- A separate application is required for each Proposal.
- The application must identify one designated individual to act as the contact for the duration of the proposed activity/event; that person must have authority to obligate all sponsoring parties.
- If the Proposal involves co-sponsors, a written commitment must be submitted from each co-sponsor and signed by a person with authority to obligate that sponsor.
- The specific amount of funding requested in the applicant's Proposal is open. The applicant should indicate the desired amount of funding and the minimum acceptable amount, and specify the difference in the level of services to be provided under the two amounts.
- Non-profits claiming to be a tax exempt charitable, religious, or educational organization must include a copy of the IRS letter recognizing this status.

Optional Application Pre-Screening

Applicants are encouraged to contact the Town for technical advice relating to their applications prior to the submission deadline. As a courtesy, Town staff is available to review applications for completeness and required criteria provided that the applications are submitted on or before the prescreening deadline listed on page two (2) of this document.

Applicants will be notified of the findings by email. If the application is found to be complete, it will be submitted to the LTAC. If the application is incomplete, the applicant must complete the application no later than the LTAC deadline listed on page two (2) of this document.

Submittal Instructions

- Proposals should be letter-sized, typed, and printed on one side.
- Proposals should **not** be stapled or bound.
- Supporting materials should be **limited** to those documents that are essential to the clarification of the application (e.g., example advertisements). **Only one copy** of the IRS non-profit status letter is required. **Do not include** tax returns or any gifts or promotional items.
- Proposals and all supporting materials must be submitted on or before the deadline listed on page two (2) of this document. **No supplemental materials or information will be accepted after the deadline.** No flyers or handouts may be distributed during the oral presentations.
- Submit one (1) complete proposal signed in ink plus seven (7) copies to: Town of Friday Harbor LTAC, 60 Second Street/PO Box 219, Friday Harbor, WA 98250.

TOWN OF FRIDAY HARBOR 2022 LTAC APPLICATION

Applicant Information				
Business Status:	Non-Profit*	For-Profit	Other (explain):	<i>*Documentation required</i>
Funding Requested for:	Marketing	Event	Facility	Designated Marketing Organization
Applicant/Organization Name:				
Mailing Address:				
City:		State:		Zip:
Signing Authority for Contract (if different from applicant):				Phone Number:
Contact Person (if different from applicant):				Phone Number:
Contact Person(s) Email:				
Proposal Information				
Title of Proposal:				
Brief Description of Proposal:				
Date(s) of Activity/Event:			Amount Requesting from 2022 LTAC: \$	
Tourism Promotion (Attach additional pages as needed)				
How will your Proposal attract, serve, and/or facilitate tourism in the Town of Friday Harbor? (e.g., promote travel to Friday Harbor, promote retail sales, provide tourist entertainment, encourage longer stays/return visits, provide other specific short or long-term economic benefits)				
How and where will you market your Proposal to increase the number of off-island visitors to the Town of Friday Harbor?				
How will you measure the amount of visitor traffic generated by your marketing and/or event? (See examples on Visitor Report Form)				
Have you worked with the Chamber of Commerce, Visitors Bureau, or other local businesses to promote your Proposal? YES NO How will you go about coordinating your Proposal and its event date(s) with these other organizations and their proposals and promotions?				

Proposal Budget Summary

EXPENSES [Complete form AND attach detailed budget]

	TOWN LTAC FUNDS	Other Funds	Total
Personnel (salaries & benefits)	\$	\$	\$
Administration (office expenses including copies, rent, janitor, utilities, phone, taxes, supplies, etc.)	\$	\$	\$
Marketing/Promotion	\$	\$	\$
Travel	\$	\$	\$
Consultants	\$	\$	\$
Other Activities (explain)	\$	\$	\$
TOTAL COSTS:	\$	\$	\$

What percentage of your overall Proposal budget would the Town (LTAC) funds represent? %

Can you complete this Proposal with reduced funding? **YES** **NO** Please explain:

OTHER INCOME (from sponsorships, grants, donations, and admission fees)

If you anticipate receiving partial funding for this activity from another source, please list the source(s), approximate amount, and status of funding. Indicate the entry or admission fee if one will be charged.

Source	Amount	Confirmed or Projected? If projected, what is the anticipated receipt date?
	\$	
	\$	
	\$	
	\$	
	\$	
TOTAL OTHER INCOME:	\$	

Other Financial Information	
Does the proposed activity, event, or facility have the ability to increase its revenues?	YES NO
If so, explain how (e.g., charging admission, increasing fees, etc.):	
If applicable, explain how the proposed activity, event, or facility will endeavor to become self-supporting in the future:	
Signature Required	
<p>The applicant certifies that: 1) It does not now, nor will it during the performance of any contract arising from this application, unlawfully discriminate against any employee, applicant for employment, client, customer, or other person who might benefit from said contract by reason of age, race, color, national origin, sex, religion, or degree of handicap; 2) It will abide by all relevant local, state, and federal laws and regulations; and 3) It has read the information contained in this application and understands and will comply with all provisions contained in this application packet.</p>	
Signature	Date

APPLICATION CHECKLIST

Include one (1) signed original and seven (7) copies of the following:

- Completed, signed application (letter-sized, typed, printed on one side, not stapled/bound)
- 2022 Visitor Attendance Report Projections (form attached)
- Detailed Proposal Budget (this is in addition to budget summary provided on application form)
- Supporting materials, if applicable (e.g., example advertisements)

Include one (1) copy of the following, if applicable:

- Non-profit IRS letter regarding tax exempt status
- Commitment letter from each co-sponsor

APPLICATION SUBMISSION

Submit application packets **by 4:30 pm Monday, September 27, 2021**, to:
 Town of Friday Harbor LTAC, 60 Second Street, P.O. Box 219, Friday Harbor, WA 98250

Applicants may provide a brief presentation of their proposals to the LTAC on Wednesday, October 6, 2021. Meeting site to be determined (Council Chambers or GoToMeeting).

Note: No supplementary information or documentation will be accepted after the application deadline. In addition, applicants will not be permitted to forward anything to the LTAC during proposal presentations (e.g., emails, documents, flyers, promotional gift items of any kind).

COMPLETE AND SUBMIT THIS PROJECTION REPORT WITH YOUR LTAC APPLICATION.

(Note: Grant recipients will be required to complete a similar report showing actual attendance figures after the completion of your 2022 event.)

**TOWN OF FRIDAY HARBOR
2022 LTAC VISITOR ATTENDANCE REPORT (PROJECTIONS ONLY)**

YOUR ORGANIZATION: _____

NAME of Event, Facility, or Marketing Proposal: _____

DATE(S) your activity will occur: From _____ through _____

AMOUNT you are requesting from LTAC: \$ _____

	<u>Projected</u> <i>Number, not percentage</i>	<u>Methodology* and Explanation</u> <i>Choose your method from list at bottom of page AND explain how you intend to collect the data.</i>
1. Total anticipated attendance: # of people at your event, using your facility, or brought to the island due to your mktg efforts	_____ People	Method _____ Explain _____
2. How many visitors will come from over 50 miles away?	_____ People	Method _____ Explain _____
3. How many visitors will come from another state or country?	_____ People	Method _____ Explain _____
4. How many overnight visitors will stay with family/friends?	_____ People	Method _____ Explain _____
5. (a) How many overnight visitors will stay at PAID accommodations?	_____ People	Method _____ Explain _____
(b) This will result in how many total paid lodging nights? <i>(Consider multiple nights, double occupancy, etc.)</i>	_____ Nights	Method _____ Explain _____

- * **Direct Count** – e.g., paid admissions, head count, chair or vehicle count, figures collected from a hotel/restaurant/tour guide.
- * **Indirect Count** – e.g., raffle tickets sold, redeemed coupons, brochures handed out, police requirements for crowd control, visual estimate.
- * **Representative Survey** – Highly structured data collection based on random sample survey that includes a margin of error and confidence level which allows the results to be reliably projected over all attendees.
- * **Informal Survey** – Unstructured survey with results that cannot be reliably projected over all attendees. For example, information is taken only from volunteer participants, or it’s only offered at one time/place rather than throughout the event.
- * **Structured Estimate** – Figure is based on computing known information about an event or location such as the maximum legal occupancy (one person per three square feet).
- * **Other** – Please describe.