Town of Friday Harbor

2015 Hotel Motel Excise Tax Grant Program
Request for Proposals

Activities to Promote Tourism

GENERAL INFORMATION

&

APPLICATION PACKET

Lodging Tax Advisory Committee
c/o Town Clerk
60 Second Street / PO Box 219, Friday Harbor, WA 98250
(360) 378 – 2810
What is the Hotel Motel Excise Tax Grant Program?
The Hotel Motel Excise Tax Grant Program was established by the Town Council in accordance with RCW 67.28, and Town Ordinance No. 1200 [FHMC Chapter 3.36]. The source of funds is the Town’s excise sales tax collected on lodging within Friday Harbor. Because of this, the amount of funding available in any given year fluctuates in direct proportion to the level of lodging use.

What is the State Law defining the use of Hotel Motel Tax?
This funding may be available to applicants if funding requests are for tourism marketing, marketing and promotion of special events and festivals designed to attract tourists, supporting the operations of tourism-related facilities owned or operated by non-profit organizations, or supporting operations/capital expenditures of a tourism-related facility owned or operated by a municipality. Detailed information about the use of tourism funds is available in Revised Code of Washington (RCW), Chapter 67.28. Be advised that the State Legislature amended allowable uses of this funding pursuant to Engrossed Substitute House Bill 1253 effective June 2013.

**Definitions of terms relating to RCW 67.28**

**Tourism** – economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.

**Tourism promotions** – 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 owned by a public entity; owned by a nonprofit organization described under section 501c3 or 501c6; owned by a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce; AND used to support tourism, performing arts, or to accommodate tourist activities.

**Purpose:**
The purpose of this application packet is to solicit proposals from those agencies and groups actively engaged in the promotion and enhancement of tourism in the Town of Friday Harbor during calendar year of 2015. The Town encourages wide participation and innovative proposals.

**Determination of Funding:**
The Lodging Tax Advisory Committee (LTAC) is an advisory body appointed by the Town Council in accordance with FHMC Chapter 2.66. The Town Council has authorized the LTAC to make recommendations to the Town Council regarding the annual allocation of revenue.
received from the “second 2%” special excise tax on lodging collected within the Town. The Town Council authorizes all Hotel Motel Excise Tax grant funding received by the Town. The LTAC has no authority to approve or disapprove the expenditure of funds received by the Town. The Town Council reserves the right to amend funding recommendations from the LTAC, and review all applications. The Town Council also reserves the right to fund requests made outside of this application process.

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 the current grant cycle. (An example could be if a member were hosting an event for the grant applicant.) If a member discloses a potential conflict of interest to the Town Council prior to the application for funding, the Town Council may authorize or prohibit the member’s participation in the recommendation process. Conflict of interest is defined by the Revised Code of Washington.

The Town Council deems it beneficial for the Town to assign a liaison and/or board participant to the annual Destination Marketing Organization (DMO) for the purpose of oversight of the grant funding and deliverables. The liaison shall volunteer in good faith on behalf of the Town and is prohibited from direct financial benefit as a result of the assignment. Under State Law, this volunteer liaison assignment does not constitute a conflict of interest unless financial benefit is received. (An example could be if a member were being paid for services.)

Project Management:
Town Administration will issue contracts for approved projects, reimburse expenses, monitor contract compliance, and inform the Town Council and LTAC of progress in implementing projects. Town will assign a staff person to act as coordinator of the application process, issue and receive the applications, respond to applicant questions, notify applicants as appropriate, and facilitate LTAC meetings. LTAC will forward a recommendation to the Town Council no later than September.

Eligibility:
Applications may be submitted by any “for profit” or “non-profit” entity, any public agency or any group of individuals. This includes public and private agencies such as museums and galleries, historical societies, art groups, tourism advocate groups and chambers of commerce. The Town does not discriminate on basis of race, color, national origin, sex, religion, age or disability.
Project Description:
Activities which will be considered eligible for assistance include those that: increase tourism by advertising, publicizing and distributing information for the purpose of attracting and welcoming tourists; develop strategies to expand tourism; operate tourism promotion agencies; and fund or market events or festivals designed to attract tourists. See definitions for more detail.

Applications for out-of-Town projects may be considered if they clearly provide an economic benefit to the Town of Friday Harbor.

The specific amount of the applicant’s proposal is open. The applicant should indicate the desired amount of funding and the minimum acceptable amount. Please specify the difference in the level of services to be provided under the two amounts. The establishment of alternate funding will allow the LTAC some latitude in approving projects without the necessity of rejecting one or more projects.

Eligibility Requirements and Selection Criteria:
In addition to meeting the requirements of the State statute, the Town has established additional eligibility requirements for all projects:

1. Each project should be submitted as a separate application to allow for clear understanding of each project.
2. If the project is for the dissemination of information, it must be designed for the purpose of attracting off-island visitors to the Town and specifically promote the Town and prominently mention Friday Harbor in all promotional materials.
3. Projects must be of no more than one year’s duration and/or one year’s budget.
4. Projects must have one designated individual to act as a contact for its duration and that person must have authority to obligate all sponsoring parties.
5. If the project involves co-sponsors, a written commitment must be submitted from each co-sponsor, signed by a person with authority to obligate that sponsor.
6. Applicants must provide financial statements accounting for all grant funds used.
7. Applicants must be able to provide a written report detailing statistics on visitor information, in particular, the estimated amount of tourism generated from use of the funding and actual amount of tourism generated from use of the funding. This is mandatory by Law.
8. If the applicant is a non-profit corporation, a copy of its current Annual Report must be provided and if the non-profit corporation claims to be a tax exempt charitable, religious or educational organization, a copy of the IRS letter recognizing that status must be provided.
9. All projects must be able to obtain appropriate event permitting and business licensing if required by Friday Harbor Municipal Code.
10. All projects must be consistent with Friday Harbor Municipal Code. For example, the Town will not issue funds for a proposal for a “regional Poker tournament” because Friday Harbor Municipal Code would prohibit such an event.

Additional criteria that may be considered by the LTAC to evaluate applications:

1. Promoting tourism – Will the project attract off-island visitors to the Town or provide additional activities and entertainment for visitors already in the Town?
2. Areas of impact – Which elements of the Town’s economy will the project impact?
3. Marketing – How will the proposed project be marketed and how will that marketing be coordinated with other local marketing programs?
4. Cooperative nature – What kind and degree of inter-organizational partnership does the project exhibit?
5. Cost effectiveness – Will the project be an efficient, economical use of the funds compared to other applications?
6. Clarity – Is the project broken into a progression of logical steps with dates when each will be undertaken and/or completed?
7. Promoting large events – Regarding individual festivals, concerts, shows, or other local tourist infrastructure, Hotel-Motel grants should be directed to those events that generate maximum economic benefit.
8. Self-evaluation – Does the application provide for an adequate method of evaluating the effects of the proposed project upon completion? How will the applicant do this?
9. Innovation – Does the project represent a new or unusual approach to furthering the promotion goals of the grant program?
10. Scale of Project – Is the project of such scale that the applicant can be reasonably expected to complete it by the end of the project year?
11. Likelihood of Participation – How clearly does it appear that the proponent’s share of the funds will be available when required?
12. Degree of participation – What percentage of the project’s cost will the proponent pay for?

Additional criteria required by the Finance Department:
1. Contracts will include a requirement for liability insurance of at least $1 million per incident, with the Town being identified as an additional insured on the policy, as deemed necessary by the Town Administrator.
2. Project costs cannot be paid in advance with grant money; that is, the sponsor must expend its own funds on approved items and seek reimbursement under the terms of the contract that will be signed by the Town. The Town will review reimbursements and monitor for compliance.
3. Project costs incurred prior to the grant approval and execution of a written contract with the Town will not be reimbursed.
4. By Law (see ESHB 1253), contracts will include a provision for reporting by the applicant.
5. All grant recipients will be required to submit a valid W-9 Form prior to execution of a contract for funds.
Screening Process:
As a courtesy, applicants have the option to request that their application be reviewed for completeness before they are submitted to the LTAC or Town Council for consideration. The LTAC and Town Council will be advised if proposals are found to be inconsistent with Friday Harbor Municipal Code.

Applications will be prescreened as follows:

1. Applicants are encouraged to contact the Town for technical advice relating to applications prior to the prescreening process;
2. Applications are due to Town Administration on or before the dates scheduled on Page 2;
3. Town Administration will use guidelines provided by the LTAC to prescreen applications for completeness and required criteria;
4. Town Administration will notify applicants verbally of their findings, upon which they will have one of the following options:
   I. Applications that are found to be incomplete will be given until the date due to LTAC for revisions. Incomplete applications should not be submitted for consideration.
   II. Applications that are found to meet all standards for completeness will be submitted to the LTAC for consideration on the date scheduled on Page 2.

Selection Process:
Money allocated for projects is expected to result in a return of economic investment to the community. Each application will be reviewed by the LTAC for eligible activities and the effectiveness of the proposed project in meeting the expected outcomes, need, and funding requirements. Upon completion of its review of the written applications the LTAC may request that some, all or none of the applicants make a presentation in order to fully understand the proposed project. Regardless of the methods employed by LTAC, their recommendations will not be subject to review or challenge by the applicant. The recommendations given to the Town Council may be adopted, amended or disregarded at the Council’s discretion.

Submittal Instructions:
Proposals should be letter-sized, typed, and stapled once in the upper left hand corner. Submit one proposal signed in ink plus seven copies to:

Lodging Tax Advisory Committee
c/o Town Clerk
POB 219 / 60 Second Street
Friday Harbor, WA 98250
2015 APPLICATION

Applicant Information:

Status (documentation necessary): 
- Non-Profit
- For-Profit
- Other:

Funding Requested: 
- Destination Marketing Org.
- Event
- Other:

Name:

Address:

City: State: Zip:

Contact person (if different from applicant): Phone number:

Signing authority for contract (if different from applicant): Phone number:

Project Information:

Provide the title and a brief description of project. Attach additional pages if necessary.

What is the anticipated time frame for accomplishing this project?

Tourism Promotion:

Have you worked with the Chamber of Commerce, the Visitors Bureau, or other local businesses to promote your project? If so, explain how this project, program or event and its schedule have been coordinated with the Chamber of Commerce or other programs, projects or events within the Town. Attach additional pages if necessary.

Does this activity attract, serve and/or facilitate tourism in Town? For example: Does it lodge or feed tourists; promote visitation; promote sales; provide programs/entertainment to attract visitors? If so, how? Does it provide some other short or long range economic benefit? Will a tourist facility be constructed? Thoroughly define and quantify the expected results of the activity described above. Attach additional pages if necessary.

Describe how any money received will result in increases in the number of people traveling for business or pleasure on a trip to Friday Harbor, and how you plan to track this. See Pages 2 and 4 of this application for the specific definition of “people”. Attach additional pages if necessary.
### Project Budget Summary: Additional pages may be attached to this application

Attach detailed budget to this application and complete summary below:

#### Expense:

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<tr>
<th>Activity:</th>
<th>Town Funds:</th>
<th>Other Funds:</th>
<th>Total:</th>
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<td>Personnel: (salaries &amp; benefits)</td>
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<td>Administration: (office expenses including copies, rent, janitor, utilities, phone, taxes, office supplies, etc)</td>
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<td>Other Activities:</td>
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<td><strong>TOTAL COSTS:</strong></td>
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Can you operate this project with reduced funding? Yes _____ No _____ If yes, explain below:

________________________________________________________________________
________________________________________________________________________

#### Other Income from sponsorships, grants, donation 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. Are you seeking hotel/motel taxes from other sources? Will there be an admission charge for this activity? If so, how much?*

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<tr>
<th>Amount:</th>
<th>Source:</th>
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Total Income: $ ________________

What percentage of your project budget does your request for Town funds represent? _____________ %
### Other Financial Information:

Does the project have the ability to increase its revenues, such as by raising fees, charging for admissions, etc.?

If applicable, explain how the proposed program, project or event will endeavor to become self supporting in the future.

### Project Critique: Additional pages may be attached to this application

If the proposal seeks to continue or expand an existing program, project or event which has received Town Lodging Tax funds in the past, provide detailed information regarding how these funds have been utilized before, and if they have generated overnight lodging sales or expanded tourism. This question must be completed in total prior to any consideration to fund this request. Please provide a copy of your project critique with this request.

A. How many participants and spectators attended last year’s activity?
B. Total expenses for last year’s program.
   - Total revenues generated from fees.
   - Total cash donations and sponsorships, excluding Town funds, obtained from last year’s activity.
C. Did you create a year-end reserve for this project?
D. How many days did your event occur.
D. Did you follow your work plan as described in last year’s application? If not, please explain.

### Signature:
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, ethnicity, sex, religion, creed, place of birth, 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.

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