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# Town of Friday Harbor

## 2011 Hotel Motel Excise Tax Grant Program Request for Proposals

*Activities to Promote Tourism*



GENERAL INFORMATION

And

APPLICATION PACKET

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Lodging Tax Advisory Committee  
c/o Town Clerk  
60 Second Street / PO Box 219, Friday Harbor, WA 98250  
(360) 378 - 2810

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LODGING TAX ALLOCATION SCHEDULE	
Advertise and/or send out news release:	<b>July 7, 2010</b>
Applications due to Town Administration for prescreening by:	<b>August 13, 2010</b>
Applications submitted to LTAC by Town Clerk:	<b>August 20, 2010</b>
LTAC meets to determine recommendation of allocations:	<b>September 9 &amp; 10, 2010</b>
LTAC makes recommendations to the Town Council:	<b>September 16, 2010</b>

*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. 1287 [FHMC Chapter 3.36]. The source of the funds is the Town's share of excise sales taxes collected on lodging collected within San Juan County. Because of this, the amount of funding available in any given year fluctuates in direct proportion to the level of tourism business.

*What is the State Law defining the use of Hotel Motel Tax?*

This funding may be available to applicants if funding requests for tourism marketing and promotion activities or operation of tourism-related facilities. Detailed information about the use of tourism funds is from the Revised Code of Washington (RCW), Chapter 67.28.

***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 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 2011. 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 RCW 67.28 and Town Ordinance No. 1287 [FHMC Chapter 2.66]. The Town Council has authorized the LTAC to advise and make recommendations to the Town Council regarding the annual allocation of revenue received from the "second 2%" special excise taxes on lodging collected within the

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Town. The Town Council is the funding authority for all Hotel Motel Excise Tax grant funding received by the Town. **The LTAC shall have no authority to approve or disapprove the expenditure of funds received by the Town as a result of the additional two percent excise tax.** The Town Council reserves the right to reduce or partially fund requests based on recommendations from the LTAC, review of applications, and funds available. The Town Council also reserves the right to fund requests made outside of the timelines established on this application.

**Conflict of Interest:**

No member of the LTAC shall make or vote on individual or overall 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. If a member discloses a potential conflict of interest to the Town Council prior to the application for funding, thereafter the Town Council may authorize or prohibit said member's participation in the recommendation process.

The LTAC deems it beneficial to 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 will act in good faith on behalf of the Town and is prohibited to derive direct financial benefit as a result of the assignment.

**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. The Town Clerk will act as coordinator of the application process; issue and receive the applications; respond to applicant questions; notify applicants as appropriate; and facilitate LTAC meetings. The LTAC will assign a LTAC member on a yearly basis to act as liaison and/or board member to the DMO following the recommendations to the Town Council. The Town and/or LTAC may request a summation of return on investments for allocated funds from successful applicants.

**Proponent 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 and market events and festivals designed to attract tourists.

The expected outcome of such activity is to increase economic activity in the Town during the "shoulder season" of year 2011 through overnight lodging of tourists ("heads in beds"); providing meals; and the sale of merchandise and services.

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Each application is to develop and outline one project, which meets these requirements and provides an economic benefit to the Town of Friday Harbor.

The specific amount of the applicant's proposal is open, to be defined by the applicant. The applicant should indicate the desired amount of funding and the minimum acceptable amount. Specify the difference in the level of services to be provided under the two amounts. The establishment of alternate funding levels will allow the LTAC some latitude in approving projects without the necessity of rejecting one or more projects due to a potential lack of funds.

Specific questions are included in the attached response form to assist the applicant in delineating those matters which are of concern to the LTAC and which will be part of the selection criteria.

Each project should be submitted as a separate document, thereby allowing for clear understanding of each project.

Refer to Project Eligibility and Criteria for further information.

**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. The project must be designed to disseminate information for the purpose of attracting off-island visitors to the Town with a particular emphasis toward marketing for the shoulder season months;
2. The project must specifically promote the Town of Friday Harbor and prominently mention Friday Harbor in all materials;
3. Projects must have one designated individual to act as a contact for the project throughout the duration of the project and that person must have authority to obligate all sponsoring parties;
4. Projects must be of no more than one year's duration or one year's budget;
5. Applicants must provide regular financial statements accounting for the use of grant funds;
6. 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; and
7. 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.

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The criteria used by the LTAC to evaluate and rank the applicants are as follows:

1. Promoting tourism – Will the project attract off-island visitors to the Town with a particular emphasis toward the shoulder season?
2. Marketing – How will the proposed project be marketed and how will that marketing be coordinated with other local marketing programs?
3. Area of impact – Which elements of the Town's economy will the project impact? The total impact can be measured in terms of both direct dollars expenditures made by the visitors and indirect dollar expenditures made as money moves through the community. In evaluating this criterion, more weight will be given to the direct dollar expenditures, since they are more readily measurable.
4. Cost effectiveness – Will the project be an efficient, economical use of the funds?
5. Clarity – Is the project broken into a progression of logical steps with dates when each will be undertaken and/or completed?
6. Promoting large events – Regarding individual festivals, concerts, show, or other local tourist infrastructure, Hotel-Motel grants should be directed to those events that generate maximum economic benefit. Large events requiring overnight hotel stays will therefore be favored over smaller and/or single day events.
7. Cooperative nature – What kind and degree of inter-organizational partnership does the project exhibit?
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 costs 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 Town Administration;
2. Project costs can not 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 LTAC will periodically 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;

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**Screening Process:**

The LTAC have deemed that those applications which are incomplete and/or lacking essential criteria may not be eligible for full or any funding. Therefore, per the request of the LTAC and as a courtesy to applicants, each application will be prescreened for completeness and appropriate and/or required content by Town Administration to bring applications up to standards before they are submitted to the LTAC for consideration.

Applications will be prescreened as follows:

1. Applicants are encouraged to contact Town for technical advise relating to applications prior to the prescreening process;
2. Applications are due to Town Administration during the aforementioned dates;
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 one reasonable grace period for revisions. Incomplete applications will 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 aforementioned date.

**Selection Process:**

Each application will be reviewed by the LTAC for eligible activities, the effectiveness of the proposed project in meeting the expected outcomes, need, and funding requirements. Upon completion of its review of the written application the LTAC may request some, all or none of the applicants to make an oral presentation to them in order to more fully understand the proposed project. The attached rating form (last page of this packet) will be used as a guide in assisting LTAC members in their evaluation of the individual proposals. However, 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.

**Evaluation and Ranking:**

Money allocated to projects are expected to result in a return of economic investment to the Town. The LTAC will review the applications, hear applicant presentations if needed, and make recommendations to the Town Council for funding allocations. In the review of applications, the LTAC will recommend preference to those proposals which: (1) coordinate marketing efforts as established through a collaborative effort between the Town and the partnership of a Chamber of Commerce and Visitor Information Center; (2) demonstrate the opportunity to increase overnight lodging during the "shoulder-season" and "off-season", as opposed to the peak tourist season; and (3) leverage additional funds beyond Hotel Motel Excise Tax funds.

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**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 Administration  
POB 219 / 60 Second Street  
Friday Harbor, WA 98250

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**2011 APPLICATION**

<b>Applicant Information:</b>			
Status ( <i>documentation necessary</i> ):	Non-Profit <input type="checkbox"/>	For-Profit <input type="checkbox"/>	Other: <input type="checkbox"/>
Funding Requested:	Destination Marketing Org. <input type="checkbox"/>	Event <input type="checkbox"/>	Other: <input type="checkbox"/>
Name:			
Address:			
City:		State:	Zip:
Contact person (if different from applicant):			Phone number:
Signing authority for contract (if different from applicant):			Phone number:
<b>Project Information:</b>			
Provide the title and a brief description of project. Attach additional pages if necessary.			
What is the anticipated time frame for accomplishing this project?			
From the list below, what season will your project enhance tourism in Town? Please indicate the appropriate season.			
<u>Season:</u>	<u>Months:</u>		
__ Year-round	January - December		
__ Off-season	December - February		
__ Shoulder season	October - November or March - May		
__ Peak Season	June - September		
<b>Tourism Promotion:</b>			
Have you worked with the Chamber of Commerce, a Visitors Information Center 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.			
Describe how this activity attracts, serves and facilitates overnight tourism in Town. For example: Does it lodge or feed tourists; promote tourism; promote sales; provide programs/entertainment for tourism? 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.			

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**Project Budget Summary: Additional pages may be attached to this application**

Attach detailed budget to this application and complete summary below:

**Expense:**

Activity:	Town Funds:	Other Funds:	Total:
Personnel: (salaries & benefits)	\$	\$	\$
Administration: (office expenses including copies, rent, janitor, utilities, phone, taxes, office supplies, etc)	\$	\$	\$
Marketing/Promotion:	\$	\$	\$
Travel:	\$	\$	\$
Consultants:	\$	\$	\$
Other Activities:	\$	\$	\$
<b>TOTAL COSTS:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Can you operate this project with reduced funding? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, explain below:

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**Other Income from sponsorships, grants, donation and admission fees:**

*If you are anticipating 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?*

Amount:	Source:	Projected or Confirmed (If projected, date funds are anticipated)
\$		
\$		
\$		
\$		
\$		

Total Income: \$ \_\_\_\_\_

What percentage of your project budget does your request for Town funds represent? \_\_\_\_\_ %

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<b>Other Financial Information:</b>	
Does the applicant have the ability to increase its revenues, either 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.	
<b>Project Critique:</b>	
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 how they have generated overnight lodging sales. 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.	
<p>A. How many participants and spectators attended last year's activity?</p> <p>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. Did you create a year-end reserve for this project?</p> <p>C. How many days did your event occur.</p> <p>D. Did you follow your work plan as described in last year's application? If no, please explain.</p>	
<b>Signature:</b>	
The applicant here certifies and affirms: 1. That 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. That it will abide by all relevant local, state and federal laws and regulations; and 3. That it has read the information contained in this application and understand and will comply with all provisions thereof.	
Signature	Date

LTAC Allocation Request Rating Form  
 LODGING TAX FUND – 2011

<b>Organization</b>	<b>Project Name</b>	<b>Amount Requested</b>
<b>LTAC Member</b>	<b>Total Points Given</b>	<b>Recommended Funding</b>

**RATING CRITERIA**

1. Does this proposal disseminate information for the purpose of attracting off-island visitors to the Town?  
 High **(6 – 8)** Medium **(3-5)** Low **(0-2)** \_\_\_\_\_
2. Does the proposal specifically promote the Town and prominently mention Friday Harbor in all materials or aspects of the project?  
 High **(6 – 8)** Medium **(3-5)** Low **(0-2)** \_\_\_\_\_
3. Does this proposal coordinate with other marketing programs?  
 High **(6 – 8)** Medium **(3-5)** Low **(0-2)** \_\_\_\_\_
4. Is this proposal an efficient, economical use of the funds?  
 High **(4-5)** Medium **(2-3)** Low **(0-1)** \_\_\_\_\_
5. Seasonal Promotion:  
     Nov, Dec, Jan, Feb **(2-4)**;  
     Sep, Oct, Mar, Apr, May, Jun **(5-8)**;  
     or, Jul, Aug **(0-1)** \_\_\_\_\_
6. Does the proposal have the potential to extend lodging stay  
 High **(6 – 8)** Medium **(3-5)** Low **(0-2)** \_\_\_\_\_
7. Is the proposal well structured with measurable and attainable goals?  
 High **(4-5)** Medium **(2-3)** Low **(0-1)** \_\_\_\_\_

**SHOULD THIS PROJECT HAVE CONSIDERATION FOR FUNDING?    YES / NO**