KITSAP COUNTY
LODGING TAX ADVISORY COMMITTEE
ALLOCATION PROCESS

APPLICATION

Introduction

The objective of the Kitsap County lodging Tax Advisory Committee process is to support projects, which encourage eligible tourism and cultural activities and support tourism facilities in Kitsap County. Eligibility of applications and projects is defined broadly to encourage wide participation and innovative proposals. The source of funds is the County's share of sales tax collected on overnight stays within the County.

This year's application period shall be open on **July 18, 2016** and close on **August 12, 2016 at 12:00 PM**. At the discretion of the Board of County Commissioners, grant applications can be considered at other times of the year. However, because of the County's budget cycle and because of the Committee's preference to review grant applications simultaneously and comparatively, the likelihood of gaining approval outside of the primary application period is diminished.

PROJECT ELIGIBILITY

RCW 67.28 provides authority for cities and counties to adopt a lodging tax of up to 4 percent of lodging charges made by hotels, motels, rooming houses, trailer camps and any similar charges for a license to use real property. Kitsap County currently collects the maximum allowed by the law. This statute allows the use of lodging tax revenues in either of two broad categories: tourism promotion or tourism-related facilities.

1. "Tourism promotion" is defined as activities 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 marketing of special events and festivals designed to attract tourists.
2. "Tourism-related facility" is defined as 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.

APPLICATION REQUIREMENTS

To be considered, applications must be complete, adhere to the specified format, and be submitted with six copies of all components.

1. ELIGIBILITY

Each applicant will be required to concisely define the service to be provided through the proposed project and demonstrate how it will do so. Essential to this process will be establishing that the project, if funded, will be in compliance with state statutes governing the use of Lodging Tax revenues. Additionally, project scope must include a monitoring element to demonstrate that the goal was actually achieved.

2. SCOPE OF WORK

The applicant will be required to submit a scope of work that breaks down the overall project into a progression of logical steps.

3. TIME LINE

The elements and the scope of work must be keyed to milestones indicating when each will be undertaken and/or completed.

4. BUDGET

The project budget will include both the revenue and expense categories; all income (including in-kind) will be broken out by amount and source, and expenses will be itemized as well. Salaries and related personal expenses, as well as travel and administrative costs, are ineligible for reimbursement but qualify as grantee match. A cash flow projection for the calendar year showing cash needs by month must be provided.

5. REIMBURSEMENT

The first quarter of the grant may be advanced if the applicant outlines how the funds will be used and during what period. Once the grantee has supporting documentation that all of the funds were spent, the second quarter of funds may be requested, after documentation that all funds were spent, the third quarter may be requested. The fourth quarter will be provided on a reimbursement basis only.

6. HISTORY

Provide a brief history of your program/organization.

SELECTION PROCESS

When the application solicitation period opens, Administrative Services staff will inform potential applicants of the funding process and eligibility criteria. During this initial review Administrative Services staff will also be available to potential applicants to provide answers to process-related questions. When the solicitation period closes, qualifying applications will be forwarded to the Lodging Tax Advisory Committee for review. The Lodging Tax Advisory Committee will interview applicants and recommend projects to be funded and at what levels to the County Commissioners. **The Board of**

Commissioners will make the final decision on project approval and funding levels. Staff will then consult with applicants of approved projects to develop contracts and scopes of work. After the applicants and the County have signed the contracts, staff will notify applicants to proceed. It is very important that applicants are aware that:

1. All contracts are reimbursement based, i.e. the grantee must expend funds on approved items and then seek reimbursement under terms of the governing contract, except for as provided on page 2, Section 5 of this document;
2. The project approval process involves three steps:
    a. Advisory committee recommendation
    b. The Board of Commissioners approval of proposal, and
    c. The execution of the contract by the Board of Commissions signatures
3. No costs incurred prior to the contract period for an approved project can be reimbursed;

Kitsap County does not discriminate on the basis of race, religion, color, sex, national origin, marital status, familial status, age, sexual orientation and disability in employment or the provision of services.

LODGING TAX ADVISORY COMMITTEE

ALLOCATION EVALUATION CRITERIA

The criteria listed below constitute the standards and measures by which applications for money from the Lodging Tax Fund are judged. Please keep in mind that all lodging tax applications will also be considered based on whether applicants have met deadlines with complete applications. In some cases by their nature some applicant events, activities, programs, organizations and facilities will not be able to meet all criteria. However, it can be said that in general the more criteria met the stronger the application.

1. MEETS THE REQUIREMENTS OF THE HOTEL/MOTEL TAX LAW (RCW 67.28)

2. COMMUNITY ECONOMIC IMPACT

Potential positive economic impact of tourism on the community is a significant benefit that can be measured. In its most fundamental effect, tourism impacts the community's economy through the dollars brought to and spent here. Overnight stays bring in more dollars than day visits.

The total impact can be measured in terms of direct dollar expenditures made by the visitors themselves and indirect dollar expenditures made as the money moves through the community. In evaluating applications in this area, more weight will be given to the former since it is more readily measurable.

In assessing the probably economic impact of the proposal, the Committee will consider:

a. The estimated number of visits to be generated;
b. The estimated number of overnight stays to be generated;
c. The duration of the activity or program;
d. Its generation of economic activities during off-peak tourism seasons or periods;
e. The use of local firms and resources in the proposed activity, program or facility; and
f. New or first time activities.

3. RESOURCES AVAILABLE

The applicant should identify other community capital and labor sources to ensure project success. Multiple-year funding of projects can occur, but it is more difficult to obtain. *Seed money that will help establish an activity, program, organization, or facility, which will later function successfully on its own, is preferred.*

The committee will evaluate the following considerations in this regard:

a. Is the funding applied for essential to the success of the activity?
b. Are there alternatives to Lodging Tax Funding?
c. Has the applicant leveraged labor and capital?
d. Will the granted funds be used as seed money or on-going funding?

4. BUILDS ON IDENTIFIED COMMUNITY ASSETS

Community assets include natural amenities, public facilities, and activities that distinguish Kitsap County in the region, state and nation. Those things both help constitute and promote this County's positive image.

The Committee will consider the proposal's effect in such areas as promotion, the community's position in regional sporting activities and outdoor recreation, advancing Kitsap County's regional or national role in the visual or performing arts, and heightening awareness of the area's history or natural amenities.

5. MEETS COMMUNITY OBJECTIVES

Projects, activities, organizations and facilities that also serve the broader community will be given preference.

The Committee will assess whether the proposal:
a. Assists in meeting adopted policies, purposes and goals;
b. Furthers the success of and coordinates with community, facilities, and community promotion and marketing efforts; and/or
c. Is open to the general public.

If you have any questions about your proposal meeting the requirements of the law, please contact Administrative Services, (360) 337-7150, 614 Division St., MS-7, Port Orchard WA 98366.