

# City of Everett

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## Hotel Motel Tax Fund Application for 2017 Funds

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**Everett City Council**

2930 Wetmore Avenue, Suite 9A  
Everett, WA 98201  
(425) 257-8703 FAX (425) 257-8691

**City of Everett**

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Cassie Franklin, Chair  
Lodging Tax Advisory Committee  
2930 Wetmore Avenue, Suite 9A  
Everett, WA 98201  
(425) 257-8703 FAX (425) 257-8691

**M E M O R A N D U M**

**TO:** Applicants, Agencies and Organizations

**FROM:** Cassie Franklin, Chair  
City of Everett Lodging Tax Advisory Committee

**DATE:** January 5, 2017

**SUBJECT:** Notice of Funding Availability – Please Read This First

This Notice of Funding Availability announces that the City of Everett Lodging Tax Advisory Committee is accepting applications from public and non-profit agencies for projects that assist tourism development and promotion in the City of Everett.

The program is funded through the taxes imposed on hotel and motel room rentals in the City of Everett. Funds will be available on or about January 1, 2017 and will be awarded on a competitive basis to eligible applicants with the demonstrated ability to complete their proposed projects by December 31, 2017. Details of eligibility and other program requirements are included in the application package. Applications are currently available by contacting the Everett City Council offices, 2930 Wetmore Avenue, Suite 9A, Everett, WA 98201 or on line at [www.everettwa.gov](http://www.everettwa.gov). **Completed applications are due in the Clerk's Office located at 2930 Wetmore Avenue, First Floor, by 5:00 P.M. on Wednesday, February 1, 2017. No applications received after that time and date will be considered for funding. Faxed applications will not be accepted.**

Please read this memo in its entirety as it addresses critical eligibility requirements, **some of which are new**, that if not observed will disqualify your application.

If you have questions, require additional information, or are in need of technical assistance, please call Deb Williams, Executive Assistant to the City Council, at 425-257-8703. Assistance may save you time, effort and disappointment.

# City of Everett Tourism Promotion Projects Assistance Program

## PROJECT SPONSOR

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

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

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

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

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

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

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

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Sponsor is:  Non-Profit  Public agency

Requested: \$ \_\_\_\_\_ Match: \$ \_\_\_\_\_ Total Project Budget: \$ \_\_\_\_\_

### Estimated visitors drawn:

1. Staying overnight in paid accommodations away from their place of residence or business \_\_\_\_\_
2. Traveling 50 miles or more one way from their place of residence or business for the day or staying overnight \_\_\_\_\_
3. Traveling from another country or state outside of their place of residence or business \_\_\_\_\_
4. All visitors \_\_\_\_\_

**Completed application packages are due by 5:00 p.m., Wednesday, February 1, 2017.**

**Responses must be limited to the spaces provided.**

## PROJECT SUMMARY

In the space below, provide a concise, one paragraph summary of your proposed project and what tourism expansion objectives 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.

## **PROJECT 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 and 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. This section requires that you to establish, in a clear and quantifiable way, that your project will sustain or enhance one or more aspects (to be identified by you) of tourism in the City of Everett. Proposals from projects that can prove they will generate overnight stays are preferred. Please coordinate your project's milestones with the time line on page 7 of this package.

**Please read! THIS IS VERY IMPORTANT INFORMATION!**  
**ECONOMIC IMPACT**

Because the City of Everett operates the Hotel-Motel fund as an economic development tool, one of the key evaluation criteria for selecting a project for funding is its potential economic benefit. In addition, the City is required to report to the State on the numbers of visitors and the numbers of overnight stays generated by each project.

**Please indicate the anticipated economic impact of your project and provide the estimated number of participants in each of the following categories:**

- staying in overnight paid accommodations,
- traveling over 50 miles and staying overnight in unpaid accommodations (with friends or family),
- traveling over 50 miles and staying for the day only, attending but not included in one of the above categories
- total of all participants (sum of the first four categories).

**Quantify your projections and indicate how you propose to verify your results (for example, by head count or surveys). You will be required to provide post-event information for these same categories prior to reimbursement.**

Remember, food and fuel purchases assist the local economy but do not contribute to the Hotel-Motel fund; the fund derives entirely from taxes on overnight lodging in the county. If your project will not result directly in overnight stays, try to demonstrate how its success may contribute to generating future overnight stays. An example might be a one-day festival you sponsor which, when combined with – and jointly marketed with – an event the following day which appealed to the same audience, would encourage visitors to spend the night and attend both events. In this example, it would be important to discuss the timeframe and strategy for future implementation of an appropriate cooperative marketing campaign to link your one-day festival with the second one. Again, quantify your projections and explain the methodology by which you developed them.

## 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 either cash (C) or in-kind (I/K).

Project Name:					
Item	City	Match	C	I/K	Total
1.	\$	\$			\$
2.	\$	\$			\$
3.	\$	\$			\$
4.	\$	\$			\$
5.	\$	\$			\$
6.	\$	\$			\$
7.	\$	\$			\$
8.	\$	\$			\$
9.	\$	\$			\$
10.	\$	\$			\$
Totals:	\$	\$			\$

## BUDGET NARRATIVE

In the space below please offer any information which you feel may provide useful background on your proposed budget such as source and rate at which matching labor costs are calculated, numbers of promotional pieces to be produced, numbers of media ads to be placed, media outlets to be used, etc.

### OTHER CITY PROJECT GRANTS /CONTRACTS

If you have applied for or received any other City of Everett grants or funds for your project, please list them in the table below. If you have any contracts with the City relating to the project, please also list them in the table below. Failure to list all City funding sources and contracts may result in rejection of application or termination of contract.

Description of Grant/Contract	Amount	City Contact Person
1.	\$	
2.	\$	
3.	\$	

## PROJECT TIME LINE

Please use the chart below to break out your project into its major items, showing when each will be accomplished.

MONTH	TASK ITEM
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

## APPLICATION PACKAGE

Please submit six copies of your application (only one copy each of the attachments requested below need be submitted but we do require six copies of each application). Do not double-side your application and do not use any other paper size than 8 1/2"x11. Faxed applications will not be accepted.

**Please provide the following information as attachments. These are requirements for an application to be considered for funding.**

### ALL APPLICANTS:

- Six copies of the grant application, three hole punched. **NOT stapled**, NOT in a binder or presentation folder.
- Two letters of recommendation; each letter should explain the writer's relationship to the project and/or sponsor, the writer's qualifications for commenting on the project, and the writer's opinion of the benefits of the proposed project. **At least one of the letters of endorsement must be from an establishment offering overnight accommodations in the City of Everett; failure to abide by this requirement may result in disqualification of your application even if it meets all other criteria.**

### NON-PROFITS:

- Copy of state certificate of non-profit incorporation and/or Federal 501 (c) (3) letter
- Copy of articles of incorporation
- Copy of current mission and goals statement
- Copies of financial statements for two most recent years
- Copy of meeting minutes showing official approval of project and authorizing application

### PUBLIC AGENCIES:

- Copy of meeting minutes approving project and authorizing application for funds

### 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
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- Project requests that are cooperative in nature (co-sponsored by two or more agencies) and project requests that demonstrate a matching ratio in excess of 25% will receive higher priority in the selection process.
  - Assistance program funds cannot be used to offset non-project operations and maintenance costs.

- If a sponsor submits applications for more than one project, each project must have its own independent, complete application package and the applicant **must** rank the projects from most important to least important.

## **APPLICANT ELIGIBILITY**

The program is open to applications from public or private, not-for-profit entities with the demonstrated capacity to accomplish the proposed projects. This includes agencies such as port districts, cities and towns, museums and galleries, historical societies, arts groups, and chambers of commerce.

## **APPLICATION ELEMENTS**

As you develop your project and draft your application package, please carefully consider the following points.

- Eligibility. Each proponent 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 and city ordinances governing the use of program funds.
- Scope of work. The applicant will be required to submit a scope of work that breaks the overall project down into a progression of logical steps.
- Timeline. The elements and the scope of work must be keyed to milestones indicating when each will be undertaken and/or completed.
- Endorsements. Two letters of endorsement must accompany each application. Each letter should define the writer's relationship with the project proponent and briefly state his or her reasons for supporting the project.
- 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 personnel expenses, as well as travel and administrative costs, are ineligible for reimbursement but qualify as sponsor match.
- Match availability. Each project proponent **must** confirm 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. Not-for-profit organizations proposing projects **must** submit evidence of their status (i.e. a copy of the federal Internal Revenue Service letter confirming 501 (c) (3), (4) or (6) status and/or a copy of the certificate of non-profit incorporation signed by the Secretary of State for the State of Washington).

- 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 provided 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. The contract will cover such areas as definition of the project goals, definition of eligible costs, specification of payment procedures, limits of city liability, and other usual and accustomed requirements.
- Monitoring and reporting. As a contractual condition, each funded project will be monitored for progress and consistency with original goals. 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 the 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, City will employ every opportunity to inform potentially eligible applicants of the funding process and its eligibility criteria. When the solicitation period closes, the Lodging Tax Advisory Committee Chair or his/her designee will review applications for completeness and eligibility. Applications will then be evaluated by the City's Lodging Tax Advisory Committee, which will make funding recommendations to the City. The Council will make the 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 sponsors and Mayor sign the contracts, staff will notify sponsors to proceed. It is very important that applicants are aware of the following.

- 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 city's signing of a contract for an approved project can be reimbursed.
- The project approval process requires two key steps:
  - a) The Council's approval of a spending plan, **and**
  - b) The execution of the contract by signature of the City.

Only after both steps are completed is a project sponsor authorized to begin incurring reimbursable costs.

## COMPETITIVE CRITERIA

Applications that meet the threshold criteria will be presented to the review panel for evaluation and scoring based on the following criteria. Projects will be funded in their rank order, starting with the highest and working down the list as far as available funding will permit. The Lodging Tax Advisory Committee may recommend full, partial or no funding for each project. The review panel will independently determine the level of funding for each project based on each project's individual merit and components. Thus, the lowest ranked project could receive full funding while the highest ranked project could receive only a portion of its request. A maximum of 100 points can be awarded in this area.

1. Clarity. Does the proposal clearly and concisely present a definite, well-described product for which the City's assistance is being sought? If appropriate to do so, does the proposal describe how the City-supported product will be integrated into a larger effort (e.g., a brochure which promotes a cultural event: does the proposal describe the brochure as well as summarizing the purpose and scope of the event and the role the brochure will play in its success)? **20 points**
2. Cost-effectiveness. Does the project propose an efficient, economical use of the City's funds? **15 points**
3. Area of impact. How large of a region will the project impact? **15 points**
4. Scale of project. Is the project of such a scale that the applicant can be reasonably expected to complete it by the end of the project year? **10 points**
5. Degree of match. What is the proponent's percentage of matching resource? A match of at least 25% of the total project value (City funds plus sponsor's share) is required; a higher rate will improve a project's stature accordingly. **10 points**
6. Marketing. How will the proposed project be marketed and how will that marketing be coordinated with other community marketing? **10 points**
7. Innovation. Does the project represent an unusual approach or does it move the City's Hotel/Motel program in a useful new direction? **10 points**
8. Cooperative nature. What kind and degree of inter-organizational or inter-jurisdictional partnership does the project exhibit? **5 points**

9. Self-evaluation. Does the applicant, in the scope of work, provide for an adequate method of evaluating the effects of the proposed project upon completion? **5 points**

#### BONUS POINTS

The City has an interest in spreading the impacts of tourism more evenly over the entire year, expanding overnight stays, and in acting as a partner with other jurisdictions that collect their own Hotel/Motel funds. Bonus points will be accorded to proposals that can convince the Lodging Tax Advisory Committee that, if funded, the projects will advance these goals. A maximum of 25 additional points can be awarded in this area.

1. Off-season development. Will the project promote tourism development during the off-season (September 1 through June 30)? **5 points**
2. Overnight visitorship. Has the project convincingly established that it will attract overnight visitorship? If so, does it quantify the anticipated stays and offer a credible method for corroborating the projections? **10 points**

**PROJECT ELIGIBILITY BACKGROUND**

The following information summarizes the state statute under which The City of Everett's Hotel Motel Grant application process operates. It is designed to offer general background on project eligibility. Specific questions should be addressed to the Jeff Moore, Lodging Tax Advisory Chair, (425) 257-8703.

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 portion of RCW 67.28 governing use of the funds generated by the hotel/motel tax states in pertinent part that,

“Except as provided in RCW 67.28.180, all revenue from taxes imposed under this chapter shall be credited to a special fund in the treasury of the municipality imposing such tax and used solely for the purpose of paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities. Municipalities may, under chapter 39.34 RCW, agree to the utilization of revenue from taxes imposed under this chapter for the purposes of funding a multijurisdictional tourism-related facility.”

The permitted uses of the tax revenues generated are more fully explained in the definitions portion of RCW 67.28.080. It states that:

(1) "Acquisition" includes, but is not limited to, siting, acquisition, design, construction, refurbishing, expansion, repair, and improvement, including paying or securing the payment of all or any portion of general obligation bonds, leases, revenue bonds, or other obligations issued or incurred for such purpose or purposes under this chapter.

(2) "Municipality" means any county, city or town of the state of Washington.

(3) "Operation" includes, but is not limited to, operation, management, and marketing.

(4) "Person" means the federal government or any agency thereof, the state or any agency, subdivision, taxing district or

municipal corporation thereof other than county, city or town, any private corporation, partnership, association, or individual.

(5) "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.

(6) "Tourism promotion" means 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.

(7) "Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned by a nonprofit organization described under section 501(c)(3) of the federal internal revenue code of 1986, as amended; or (iii) owned by a nonprofit organization described under section 501(c)(6) of the federal internal revenue code of 1986, as amended, a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce and (b) used to support tourism, performing arts, or to accommodate tourist activities.

(8) "Tourist" means a person who travels from a place of residence to a different town, city, county, state, or country, for purposes of business, pleasure, recreation, education, arts, heritage, or culture.

This is a generalized and simplified analysis of the authority for the use of lodging tax revenues. It is intended to assist project sponsors in determining whether proposals may properly be funded with these special revenues. This review is not a substitute for a detailed analysis of any particular proposal. We encourage sponsors to seek the assistance of our office in analyzing individual proposals, particularly in those instances in which the sponsors are uncertain as to the satisfaction of the applicable criteria outlined above.