



## Whatcom County Lodging Tax & Tourism Promotion Grant Funds

### GUIDELINES

The Whatcom County Lodging Tax Advisory Committee (LTAC) was established by the County Council in accordance with Washington State Law as outlined in RCW 67.28. The committee's purpose is to advise and recommend to the County Council how excise taxes on lodging should be allocated to support tourism which in turn generates revenue.

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#### *Definitions of terms relating to RCW 67.28*

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**Tourism:** Economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, our 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; development 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.

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#### *Application Guidelines*

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**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 Whatcom County.

**Funding:** Whatcom County determines funding allocation to be expended during each Fiscal Year based on projected Lodging Tax Revenue. Allowed uses of lodging tax funds by RCW 67.28 include paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities.

**Funding Period:** With the exception of tourism promotion agencies, applicants should not anticipate funding for more than three years in a row and should work towards self-sufficiency or have identified other funding sources by the end of year three.

**Project Description:** Activities which will be considered eligible for assistance include but are not limited to, those that:

- **Increase tourism** by advertising
- Publicize and distribute information for the purpose of **attracting and welcoming tourists**
- Develop strategies to **expand tourism**
- **Operate tourism promotion agencies**
- Fund and market events and festivals designed to **attract tourists**
- **Construct tourism-related facilities**

The expected outcome of such activity is to increase economic activity in Whatcom County during the applicant funding year through overnight lodging of tourists, providing meals, the sale of gifts, souvenirs and other items, and construction of tourism-related facilities.

Each application is to develop and outline one project, which meets these requirements and provides an economic benefit to Whatcom County. The specific amount of the applicant's proposal is open, to be defined by the applicant. The applicant should define alternate levels of funding, indicating as their first priority the maximum amount desired and, as a second priority, the minimum acceptable amount. Some definition of the differences in the level of service to be provided under the two priorities should be included. 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.

**Project Management:**

Whatcom County will issue contracts for approved projects, reimburse expenses, monitor contract compliance. The Executive Office Administrative Coordinator will act as coordinator of the application process, issuing and receiving the applications, responding to applicant questions, and notifying applicants as appropriate.

**2020 APPLICATION PERIOD**

**OPENS MONDAY, JUNE 17, 2019**

**AND CLOSSES FRIDAY, AUGUST 30, 2019**

Lodging Tax grant funding for event related activities generally range from \$1,500 to \$30,000. Tourism promotion agencies such as Chamber Visitor Centers generally receive higher allocations based on ongoing operational costs.

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### *Funding Guidelines*

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#### **Competitive Criteria for tourism promotion activities/event applicants:**

1. **Off-Season Development** – Will the project promote tourism development during the off-season (October – April)?
2. **Overnight Stays** – Has the project convincingly established that it will attract overnight stays? If so, does it quantify the anticipated stays and offer a credible method for corroborating the projections?
3. **Leveraging of Funds** – Does the project propose an efficient, economical use of the County's funds? Does it meet the minimum match of 25% or more?
4. **Marketing** – How will the proposed project be marketed outside Whatcom County and how will that marketing be coordinated with other community marketing as well as linking to the Bellingham Whatcom County Tourism Bureau's website?
5. **Cooperative Commitment** – If the project originates from within a community with its own Hotel/Motel ordinance what degree of support has the community committed from its own Hotel/Motel funds? If there is no city funding available, please note on the form.
6. **Funding Duration** – Is there a plan in place to create a sustainable budget that will not depend on Lodging Tax Funds within three years? Describe it.

#### **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 LTAC will review all applications and make a recommendation to the Whatcom County Council.

Regardless of the methods employed by LTAC, their recommendation will not be subject to review or challenge by the applicant.

**Reporting Requirements:**

RCW 67.28.1816 requires that local governments annually report lodging tax expenditures including information about expenditures of lodging tax revenue. The Joint Legislative Audit and Review Committee (JLARC) has established an online reporting system to collect data about lodging tax expenditures as required by state law. Municipalities may also report that they had no lodging tax expenditures during the calendar year.

To capture the data necessary for reporting entities applying to use lodging tax funds must provide a significant amount of information to the County in the application process. This information now includes:

- Estimates of how the funds will increase the amount of people traveling for business or pleasure to stay overnight in paid accommodations; or
- Estimates of how the funds will increase the amount of people traveling more than 50 miles from their residences; or
- Estimates of how the funds will increase the amount of people traveling outside their state or country.

Entities who received funds must report more information to the County which includes:

- The number of people who traveled on a business or personal trip to stay overnight in paid accommodations;
- The number of people who traveled more than 50 miles from their residences;
- The number of people who traveled outside their state or country.

Year-end reports should include narrative information regarding the outcome of the event as well as data provided in the format outlined below:

	<b>Predicted</b>	<b>Actual</b>	<b>Method</b>
Overall Attendance			
Attendance, 50+ Miles			
Attendance, Out of State/Country			
Attendance, Paid for Overnight Lodging			
Attendance, Did not pay for lodging			
Number of Paid Lodging Night (multiple days lodging)			

**Predicted** relates to the number of expectant tourists attending the event as stated in the application.

**Actual** relates to the number identified through the method used to collect data.

**Method** identifies the method used to collect data (**Direct Count, Indirect Count, Informal Survey, N/A, Other, Representative Survey, or Structured Estimate**).

**Year-end reports inclusive of the information identified above are to be submitted to the Whatcom County Executive’s Office by January 31, 2020.**

### 2019 LODGING TAX FUNDS TIMELINE

June 17, 2019	Open Period for application submission begins
<b>August 30, 2019</b>	<b>Application packets due</b>
September 2019	LTAC convenes to review applications and make funding recommendations. Applicants may be present and may be called upon to respond to questions.
November 2019	Council considers funding recommendations and approves <b>2020</b> LTAC allocations
December 2019	Contracts issued for <b>2020</b> projects

#### Other Information:

Insurance: As part of its contract for performance, the County requires contractors to maintain liability insurance in the amount of \$1,000,000 and name the County as an additional insured on its liability policy.

Contract: County support for funded projects is reimbursement-based. No funds will be provided in advance. The County will utilize its standard contract for County funded projects. Normally payment is provided once per month as a reimbursement of expenses.

#### Proposal Submittal:

Please provide one (1) copy of the application packet to:

Whatcom County Executive Office  
Attn: Tawni Helms, Administrative Services Coordinator  
311 Grand Avenue, Suite 108  
Bellingham, WA 98225

#### **Application packets due August 30, 2019**

Special applications will continue to be accepted and reviewed throughout the year.