

Request for Proposals

2015 Lodging Tax for Tourism-Related, Municipality-Owned Capital Projects and County Operations

Submission Deadline: Friday, January 31, 2015

Kittitas County Commissioners
205 W 5th Avenue, Suite 108, Ellensburg, WA 98926
509-962-7508

2015 Lodging Tax for Municipality-Owned Capital Projects and County Operations General Information

Kittitas County imposes a lodging tax assessed on the sale or charge made for furnishings of lodging according to RCW 67.28.180 and RCW 67.28.181. In accordance with the tax and Washington State law, a Lodging Tax Advisory Committee has also been established. The committees' purpose is to advise and recommend to the Board of County Commissioners how excise taxes on lodging should be allocated to support tourism which in turn generates revenue.

Uses According to Law:

RCW 67.28.1816 states the following:

Lodging tax revenues under this chapter may be used, directly by any municipality or indirectly through a convention and visitor bureau or destination marketing organization for: ...(c) Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality...

Definitions included in state law which should be considered in any application requesting funding include:

1. Tourism means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
2. 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 marketing or the operation of special events and festivals designated to attract tourists.
3. 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 organizations, main street organization, lodging association, or chamber of commerce; and (b) used to support tourism, performing arts, or to accommodate tourist activities.

Review Process:

Kittitas County's Lodging Tax Advisory Committee (LTAC) will review all complete applications. Qualifying applicants will be provided the opportunity to present their projects to the LTAC and answer questions. Capital project applications will be scored based on the information

provided by the applicant, ranked, and funding recommendations with supporting information will be submitted to the Kittitas County Board of Commissioners. The Board of County Commissioners (BOCC) has final approval authority for the list of recommendations.

Prior to making a final decision, the BOCC will publicly deliberate on the recommendations received from the LTAC. Applicants may also be requested to present their projects to the BOCC and answer questions.

Scoring sheets utilized by the LTAC to rank applications for capital projects are included in this packet for your reference and information. **Applications which do not receive a minimum score of at least 75 points, do not provide at least 30% matching funds, or do not follow the submission instructions will not be considered for funding.**

Application Definitions:

Below is a list of terms and phrases which have a specific meaning within this application. It may be helpful for you to review these as you prepare responses so that a better understanding of the reviewer's expectations may be obtained.

Capital Asset is any type of property that has a useful life longer than one year and is valued at over \$5,000.00.

Construction or "Hard" Costs are the direct contractor costs for labor, material, equipment and services; contractor's overhead and profit, and other direct construction costs. These costs do not include the compensation paid to architects, engineers, or consultants, the cost of land, right-of-ways, or other similar costs.

Matching Funds is the amount of funding your organizations has secured and is contributing to the project. This includes both direct and indirect support. Direct funds can be in the form of cash funding from your organization or funding secured elsewhere but dedicated to the project such as other grants, loans, donations, etc. Indirect funding support includes in-kind support like labor, volunteer support, supplies, and services which directly relate to the project or event, including those supplied by your organization and others.

Municipality is a city, county, or town.

Real Property is fixed property, principally land and buildings.

Soft Costs are cost items in addition to the direct construction cost. These generally include architectural and engineering, permits and fees, financing fees, construction interest and operating expenses, leasing and real estate commissions, advertising and promotion, and supervision.

SUBMITTAL INSTRUCTIONS

Please return **ONE COPY** of the entire original application and answers to narrative questions to:

Kittitas County Commissioners
Attn: Lodging Tax Grant Application
205 West 5th, Suite 108, Ellensburg, WA 98926

Applications must be received no later than 5:00 PM, Friday, January 31, 2015 or postmarked no later than January 31, 2015.

Incomplete and/or late applications will not be considered. Applications may not be changed or amended by the applicant after the deadline for submission

Schedule:

- | | |
|---|-------------------|
| ▪ Application deadline | January 31, 2015 |
| ▪ Oral presentations of proposals to LTAC | February 11, 2015 |
| ▪ BOCC Deliberation and Decision | March 3, 2015 |
| ▪ Applicant Award Notification and fund availability
(Tentatively) | April 1, 2015 |

Project Management:

Successful applicants may be required, as a condition of the funding award, to enter into a contract. The agreement may include, but not be limited to, the specific amount of the award and what it may be used for, all reporting requirements associated with this funding, payment terms, and any and all other appropriate terms of the funding. Kittitas County will be the contracting agent for all approved projects.

All funds awarded under this program will be available in the form of reimbursable grants. The funds for capital projects will be available for reimbursement as of the date of the contract and for 24 (twenty-four) months (or two years) thereafter. Capital projects must be completed within the two-year period. All funds awarded for supporting the operations of county-owned tourism-related facilities will be available for reimbursement as of the date of the award and for up to 12 (twelve) months (1 year) thereafter. Any unexpended funds will be returned to the Lodging Tax accounts from where they came and made available for re-appropriation. All requests for reimbursement shall be made to the Kittitas County Auditor's office at the following address:

Kittitas County Auditor
Attn: Lodging Tax Grant Funds Reimbursement
205 W 5th, Suite 105
Ellensburg, WA 98926

For specific information and requirements regarding the reimbursement process, please contact the Auditor's office at 509-962-7504.

Project Reporting Requirements for Tourism-Related Facilities:

State law requires that all recipients of Lodging Tax revenues must submit a report to the municipality describing the actual number of people traveling for business or pleasure on a trip:

- A. Away from their place of residence or business and staying overnight in paid accommodations;
- B. To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
- C. From another country or state outside of their place of residence or their business.

A report form will be provided as part of the contract for receiving funds. We ask that you provide this information within 60 days after your project is complete.

Applicant Categories and Eligibility:

Grants from lodging tax funds are provided for two types of applicants, Capital Projects and County Operations. One capital project is allowed per application. An organization may only submit one application per funding cycle. The categories are defined as follows:

The **Capital Project** category is for applications from municipalities or public facilities districts requesting support for capital expenditures of tourism-related facilities owned or operated by the municipality for public facilities district.

If applying for funding under the capital project category, an applicant need only answer the questions listed under the **Capital Budget Narrative** and provide the **Capital Project Budget** as well as include necessary attachments.

The **County Operations** category is for applications from Kittitas County requesting support for the operations of tourism-related facilities owned or operated by the County.

If applying for funding under the County operations category, an applicant need only answer the questions listed under the **Operational Funding Narrative**.

Other Information:

Insurance: As part of its contract for performance, a municipality may require contractors to maintain liability insurance in the amount of \$1,000,000 or more and name the municipality as an additional insured on its liability insurance policy.

Application Form: This packet will be available on Kittitas County's website as a word document and as a pdf. It can also be obtained directly as a hard copy or in digital format by contacting the Kittitas County Board of Commissioners office at 509-962-7508. Kittitas County's website address is: www.co.kittitas.wa.us.

APPLICATION FOR 2015 LODGING TAX FOR TOURISM-RELATED, MUNICIPALITY-OWNED CAPITAL PROJECTS AND COUNTY OPERATIONS

Applicant Information – Capital Project or County Operations (Circle One or Both)

Name of Municipality: Kittitas County

Mailing Address: 205 W 5th Ave Suite 105
Ellensburg WA 98926

Contact Person and Title: Judy Pless, Budget & Finance Manager

Phone: 509-962-7502

Email: judy.pless@co.kittitas.wa.us

Project Title: County Operations of the funds

Project Location: County Courthouse

Funding Request: _____

Application Requirements

- ☐_yes_ 1. The project qualifies for lodging tax funds as a capital expenditure of a tourism-related facility owned or operated by a municipality or is supporting the operations of tourism-related facilities owned or operated by a Kittitas County.
- ☐_na_ 2. The applicant has submitted only one application for capital project funding in the current year.
- ☐_na_ 3. If the application is not from Kittitas County, the municipality's lodging tax advisory committee (or equivalent) has been informed of the project and endorsed it. A letter from the municipality is included.
- ☐_na_ 4. Lodging tax capital project funds are not being substituted for other funds that are already secured or applied for (if applicable).
- ☐_na_ 5. Applicant has secured matching funds of at least 30% of the total project costs.
- ☐_yes_ 6. A completed project budget is included in the application (if applicable).
- ☐_na_ 7. A detailed 8 ½ X 11 vicinity map that clearly shows the project is included (if applicable).

Tourism-Related Capital Project Budget (If Applicable)

All applicants for capital project funding must supply a detailed and complete project budget utilizing the following basic format:

Funding Sources

Lodging Tax Funds Request

Other Grant Funds

List By Source (indicate if secured or applied)

Other Local Government Funds

List By Source

Private Funds

List By Source (may include in-kind)

Total Available Funding

Project Expenses

Real Property or "Right-of-Way" Acquisition Cost

Capital Asset Cost

Construction Cost or "Hard" Cost

Include an itemized list of general costs

For example: asset type and cost, site prep, building foundation and structure, mechanical work, finish work, site restoration, electrical work, technology, etc.

Soft Cost

Include an itemized list of soft costs

For example: design fees, construction management fees, survey costs, engineering fees, permitting costs, special inspections, cultural resource surveys, etc.

Total Project Costs

Tourism-Related Facility Operational Funding Narrative

(Kittitas County Applications Only)


1. Operational Spending: Please explain your request for operational funding and how it is directly related to supporting the operations of a tourism-related facility owned or operated by a municipality or public facilities district.

2. Applicant Certification: Please sign below in agreement with statement of certification.

Certification is hereby given that the information provided is accurate and the applicable attachments are complete and included as part of the application package.

I further certify that the application thresholds are met at the time of application.


Signature of Official Representative


Title


Date

Lodging Tax Capital Project Rating Form

Criteria	Points Possible	Application Questions	Points Awarded
Demonstrated Need	Up to 20	Question 5	
Stakeholder Support	Up to 5	Question 6	
Feasibility Analysis Completed	10 Yes = 10 No = 0	Question 7	
Promotes Tourism/ Increases Economic Activity Resulting From Tourists	Up to 25	Question 2	
Project Readiness	Up to 20	Question 8	
Applicant's Matching Funds	Up to 20 Less than 30% = 0 30% - 35% = 5 36% - 39% = 10 40% - 50% = 15 50% or more = 20	Capital Project Budget	

2015 Lodging Tax Fund Request for Proposal

Kittitas County Operational Funding Administration

The State Auditor's Office is interpreting the law to mean that all users of funds, including municipalities, are considered applicants and must follow relevant application procedures. So, cities and counties should submit applications for their own projects to the LTAC.

We are requesting **\$10,350** in administrative costs for 2015; and **\$100,000** for the operations of the County Event Center, with the total request **\$110,350**.

Administrative Costs - \$10,350

Our project is to utilize the hotel motel funds for administration of the funds, to act as secretary to the County's Lodging Tax Advisory Committee (LTAC) and to the combined committee, process all payments to the awardees and collect the information to submit the annual report to the Department of Commerce.

The County in the past has directly billed the Hotel Motel budget for employee's time, advertising, postage and copies, without completing an application. With the new requirements we are submitting an application for the direct charges of this program.

The 2015 proposed budget includes the direct salary and benefit costs for the Board of County Commissioners and Auditor's staff for administration of the program.

All reporting requirements for all recipients, goes into effect in 2015 for 2014. We are not sure the exact amount of time required to collect and review all the data from all the recipients. The following are the reporting requirements.

- All recipients of lodging tax revenue, regardless of what the revenue is to be used for, must submit a report to the municipality describing the actual number of travelers generated.
- Municipalities should, as part of their contract with recipients, require that the report be provided immediately after the event or activity.
- The municipality must make the report available to the public, the local legislative body, the local LTAC members, and the Joint Legislative Audit and Review Committee (JLARC).
- Municipal reporting to JLARC will begin with calendar year 2014 and will be due to JLARC in March-April 2015. A specific date will be established before the end of 2014.
- JLARC will develop a web-based submission and reporting tool for use in reporting 2014 expenditures.
- JLARC will *not* be providing advice on how to estimate tourism impacts. Good faith estimates of actuals can be reported provided

applicants and users of funds indicate how those estimates will be developed. All information (including descriptions of how actual impacts were estimated) will be available for public review

Event Center Operations - \$100,000

The Kittitas Valley Event Center (KVEC) supports over 1000 events per year ranging from private equine rides in Bloom Arena to the Kittitas County Fair and Ellensburg Rodeo. Our facilities offer a meeting destination that is beneficial to the residents, businesses, and visitors to Kittitas County and Central Washington. The events held at the KVEC contribute a major financial impact to Ellensburg and Kittitas County in the way of hotels nights, restaurant meals, catering contracts, and other support services that are needed by the clients and guests of events. Support from lodging tax revenue is a crucial component of the overall funding for the KVEC operation. The funds go to support utilities, staffing, and all other aspects. Diminished funding from lodging tax revenue will greatly hinder the KVEC's ability to provide proper facilities and services to the clients and guests that have come to rely on the KVEC.

Please see the attached Kittitas County 2015 Budget for the Stadium Fund (Hotel Motel Fund) in the amount of \$1,337,857 which includes the above request.

15/01/30-10:19

January 30 2015 1

GL787

JMP - BUDGET REV OVER EXE

Report Format 510

As of December 31, 2015

Transaction status 1

ADOPTED
BUDGET

Fnd 140	STADIUM		
Sub 140	STADIUM		
Obj 300	REVENUES		
140 301	BEGINNING FUND BALANCE	617,657.00-	

Obj 300	REVENUES	617,657.00-	

Obj 310	TAXES		
Obj 31331	HOTEL/MOTEL TRANSIENT TAX	720,000.00-	

Obj 310	TAXES	720,000.00-	

Obj 360	MISCELLANEOUS REVENUES	200.00-	

Obj 36111	INVESTMENT INTEREST	200.00-	

Obj 360	MISCELLANEOUS REVENUES	1,337,857.00-	

Total Revenues			
Obj 500	EXPENDITURES		
Obj 50055	OPERATING TRANSFERS OUT	155,669.00	
Obj 50099	INDIRECT COST CENTRAL SERVICES	360.00	

Obj 500	EXPENDITURES	156,029.00	

Obj 508	ENDING FUND BALANCE	777,438.00	
Obj 508	ENDING FUND BALANCE	777,438.00	

Obj 510	SALARIES AND WAGES	3,000.00	
Obj 51001	SALARIES		

Obj 510	SALARIES AND WAGES	3,000.00	

Obj 520	PERSONNEL BENEFITS		
Obj 52001	FICA/MEDICARE	230.00	
Obj 52002	MEDICAL AID/LABOR INDUSTRIES	50.00	
Obj 52003	RETIREMENT	250.00	
Obj 52004	MEDICAL BENEFITS	500.00	
Obj 52006	UNEMPLOYMENT	10.00	

Obj 520	PERSONNEL BENEFITS	1,040.00	

Obj 531	OFFICE AND OPERATING SUPPLIES		
Obj 53101	OFFICE SUPPLIES	50.00	

Obj 531	OFFICE AND OPERATING SUPPLIES	50.00	

15/01/30-10:19

January 30 2015 2

GL787 JMP - BUDGET REV OVER EXE

Report Format 510

As of December 31, 2015

Transaction status 1

ADOPTED
BUDGET

Fnd 140	STADIUM	
Sub 140	STADIUM	
Obj 541	PROFESSIONAL SERVICES	
140 54101	PROFESSIONAL SERVICES	400,000.00
140 54141	ADVERTISING	200.00

Obj 541	PROFESSIONAL SERVICES	400,200.00

Obj 542	COMMUNICATIONS	100.00
140 54202	POSTAGE	

Obj 542	COMMUNICATIONS	100.00

Total Expenses		1,337,857.00

Fnd 140	STADIUM	

Report Final Totals		=====