

Kittitas County Lodging Tax Grant Program for Tourism-Related, Large-Scale Municipality-Owned Capital Projects

Submission Deadline: April 14, 2017

Kittitas County Commissioners
205 W 5th Avenue, Suite 108, Ellensburg, WA 98926

Phone: 509-962-7508

Lodging Tax Grant Program for Tourism-Related, Large-Scale, Municipality-Owned Capital Projects

Background

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 (LTAC) 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; ...and (b) used to support tourism, performing arts, or to accommodate tourist activities.

Grant Program Description

This grant program is one component of an overall strategy to enhance the economic value of tourism in Kittitas County. The intent of the program is to develop and implement a Capital Improvement Plan (CIP) for developing tourism-related, large-scale municipality-owned projects throughout the County which contribute to that strategy.

Kittitas County Tourism Infrastructure Plan:

As the basis for developing this grant program and the CIP, the Board of County Commissioners (BOCC) adopted the Kittitas County Tourism Infrastructure Plan. The plan includes, among other things, an inventory of tourism-related facilities across the County, an evaluation of potential tourism opportunities, goals for guiding tourism development, and a list of prioritized

actions for implementation. The plan was created with the assistance and input of various tourism-related interest groups from across the County through a process of open meetings, tourism surveys, open house events, focus group meetings and data research.

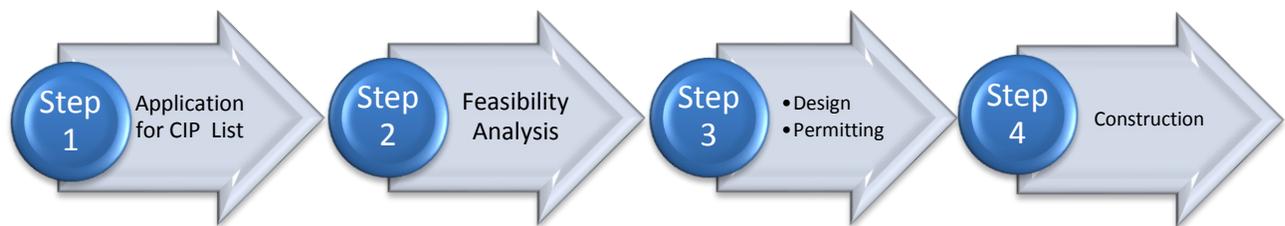
Municipality Ownership:

In order to be eligible for funding under this program, projects must be owned by a municipality in Kittitas County. Projects may be privately developed, but must be transferred to municipality ownership at completion. Proof of ownership and/or transfer agreements may be a requirement of any funding award and reimbursement request.

Application Process:

Projects seeking funding assistance within this grant program must complete each step of a four-step grant process.

Figure A:



The intent of the process is to create the CIP with potential projects which are eligible under state law for receiving lodging tax funds. The list will be prioritized based on criteria derived from the Kittitas County Tourism Infrastructure Plan. Projects must successfully navigate through each step of the process to remain in the CIP. The CIP will be updated through this application process at least once every five (5) years.

The CIP is managed by the County's LTAC, with assistance from County staff and a Technical Review Team (TRT) and as approved by the BOCC, through the four-step process described above in Figure A. The TRT is an advisory body made up of 5 to 7 members to include volunteers with industry experience and technical knowledge in planning, design, and development of projects. Although the TRT may also include County staff, it is not intended to duplicate other county or city permitting, planning, or project compliance processes. Its scope is to assure that the CIP strategic intent is met, that information provided in the project application remains current and is accurate, and to advise the LTAC of the applicant's completion of each project requirement at each step. All members of the TRT are appointed by the BOCC.

Steps 1 and 2 determine a project's eligibility for funding consideration. Projects are eligible for funding consideration in Steps 3 and 4 of the process. However, it should be noted that completion of Steps 1, 2, and/or 3 is not a guarantee of future funding. Projects which become

eligible for funding consideration must compete with all other eligible projects as funds become available. All funding decisions are subject to recommendation of the LTAC and approval by the Board of County Commissioners. Awards may be authorized for projects which have completed Steps 1 and 2 annually as funding allows, and may include consideration of how a project ranks in priority with regard to all other eligible projects, project readiness, and other factors as determined by the LTAC. All eligible projects which have completed Steps 1 and 2 of this process will be notified each year when funding is available, the amount of funding, and the process for funding decisions. It is the intent of this process that project funding will be considered annually.

It is not the intent of this process to be the sole funding source for any non-county owned project and some county-owned projects. Strict minimum matching fund commitments will be required from all non-county owned projects as well as from some county-owned projects (see page 7 “Matching Funds Requirements”).

Each step of the process is illustrated in figure 2 and further described as follows:

Step 1 – Application for CIP Project List

Applicants must first apply and be approved to be included in the program’s CIP. In order to generate the program’s CIP, the County will request project proposals at least once every five years. To facilitate this process, the County’s LTAC will create an application form to use in evaluating proposals. Applicants must fill out the form and submit it to the LTAC. The LTAC will review the proposals and make recommendations for creating the list of projects for the program’s CIP to the Board of County Commissioners. All applications will be rated and ranked according to the rating sheet included in this packet. The Board of County Commissioners will make the final decision to approve or reject the list.

Step 2 – Feasibility Analysis

Applicants whose projects are included in the program’s capital improvement plan shall propose a scope of work to determine overall project feasibility. The scope of work will be included in a Step 2 agreement between the applicant and the County. The LTAC shall manage all agreements and will submit the proposed Step 2 agreement to the TRT for recommendation. The LTAC and the TRT may recommend modifications to the scope of work for project feasibility requirements as necessary. Feasibility requirement may include, but are not limited to, long term operations and management plan, site evaluations, funding mechanisms, market analysis, business plan development, etc. The LTAC’s and TRT’s recommendations shall be submitted to the Board of County Commissioners for final approval. No funding will be included in Step 2 agreements.

Step 2 agreements will be reviewed at least annually by the LTAC and the TRT to assess progress and review compliance. The LTAC and the TRT may meet more frequently if needed and/or requested by the applicant. Applicants who do not meet Step 2 agreement requirements within the timeframe outlined in the agreement will not continue in this program or remain on the CIP.

Step 2 agreement amendments, including the addition of requirements, modifications of existing requirements, or time extensions shall be reviewed by the LTAC and the TRT.

Recommendations from the LTAC and the TRT shall be submitted to the Board of County Commissioners for final decision.

Applicants must complete all Step 2 agreement requirements prior moving to Step 3 in this process. To be considered complete, an applicant must request a review for completeness from the LTAC and the TRT. The LTAC and the TRT shall review the Step 2 agreement requirements and submit a written recommendation to the Board of County Commissioners for approval.

If a project is accepted as part of the County's CIP and at the time of acceptance it has completed feasibility analysis and requirements, a Step 2 agreement may not be required. Applicants may be granted a waiver from the Step 2 agreement requirement by making request to the LTAC and the TRT for review of complete feasibility work and requirements. The LTAC and the TRT shall review the waiver request and supporting documentation and submit a recommendation to the BOCC. The BOCC shall have the final authority to accept or reject the recommendation.

Step 3 – Design and Permitting

Applicants whose projects meet all the requirements of their Step 2 agreement shall propose a scope of work for final project planning, design and permitting to the LTAC for approval. The scope of work will be included in a Step 3 agreement between the applicant and the County. The LTAC will submit the Step 3 agreement to the TRT for recommendation. The LTAC and the TRT may recommend modifications to the proposed scope of work for final project planning, design and permitting requirements necessary. The TRT shall limit its review to assuring completion of project design, planning and permitting requirements; its function is considered non-duplicative of other county and city permitting, planning, and project completion requirements and it shall have no authority to make recommendations or decisions with regard to funding.

The LTAC shall consult annually with county financial staff as directed by the County Auditor and shall consider all eligible Step 3 and Step 4 agreements along with available funding resources. The LTAC shall provide a written recommendation for funding eligible Step 3 and Step 4 agreements to the Board of County Commissioners for consideration. The recommendation shall include which agreements to fund, the funding amount for each, and a written explanation for the recommendation. The recommendation shall also include a listing of the currently eligible projects requesting funding which are not included in the recommendation. Applicants will only be held to the timeframe requirements included in Step 3 and Step 4 agreements if adequate funding is awarded. The Board of County Commissioners shall either accept or reject the recommendation from the LTAC.

Step 3 agreements will be reviewed at least annually by the LTAC and the TRT to assess progress and review compliance. The LTAC and the TRT may meet more frequently if needed and/or requested by the applicant. Applicants who do not meet Step 3 agreement requirements within the timeframe outlined in the agreement will not continue in this program or remain on the CIP. However, projects may reapply to be placed on the CIP during the next project application cycle.

Step 3 agreement amendments shall be reviewed by the LTAC and the TRT. Recommendations from the LTAC and the TRT for amendments shall be submitted to the Board of County Commissioners for final decision.

Applicants must complete all Step 3 agreement requirements prior moving to Step 4 in this process. To be considered complete, an applicant must request a review for completeness from the LTAC and TRT. The LTAC and the TRT shall review the Step 3 agreement requirements and submit a written recommendation to the Board of County Commissioners for approval.

If a project is accepted as part of the County's CIP and at the time of acceptance it has completed design and permitting, a Step 3 agreement may not be required. Applicants may be granted a waiver from the Step 3 agreement requirement by making request to the LTAC and TRT for review of design and permitting work and requirements. The LTAC and TRT shall review the request and supporting documentation received and submit a recommendation to the BOCC. The BOCC shall have the final authority to accept or reject the recommendation.

Step 4 – Project Construction and Closeout Reporting

Applicants whose projects meet all the requirements of the Step 3 agreement shall propose a scope of work for a Step 4 agreement for project construction and closeout to the LTAC and TRT for approval. The LTAC will submit the step 4 agreement to the TRT for recommendation. The LTAC and the TRT may recommend modifications to the proposed agreement as necessary. The TRT shall limit its review to assuring completion of project construction and closeout; its function is considered non-duplicative of other county and city permitting, planning, and project completion requirements and it shall have no authority to make recommendations or decisions with regard to funding.

The LTAC shall consult annually with county financial staff as directed by the County Auditor and shall consider all eligible Step 3 and Step 4 agreements along with available funding resources. The LTAC shall provide a written recommendation for funding eligible Step 3 and Step 4 agreements to the Board of County Commissioners for consideration. The recommendation shall include which agreements to fund, the funding amount for each, and a written explanation for the recommendation. The recommendation shall also include a listing of the currently eligible projects requesting funding which are not included in the recommendation. The Board of County Commissioners shall either accept or reject the recommendation from the LTAC.

Step 4 agreements will be reviewed at least annually by the LTAC and the TRT to assess progress and review compliance. The LTAC and the TRT may meet more frequently if needed and/or requested by the applicant.

Step 4 agreement amendments shall be reviewed by the LTAC and the TRT. Recommendations from the LTAC and the TRT shall be submitted to the Board of County Commissioners for final decision. . Recommendations from the LTAC shall be submitted to the Board of County Commissioners for final decision.

Upon project completion, all step 4 agreements must be submitted to the LTAC and TRT for a review of completeness. The LTAC and TRT shall meet as needed to review project

completeness for Step 4 agreements. The LTAC and TRT shall submit a written recommendation regarding their finding of project completeness to the Board of County Commissioners for acceptance and final project closeout.

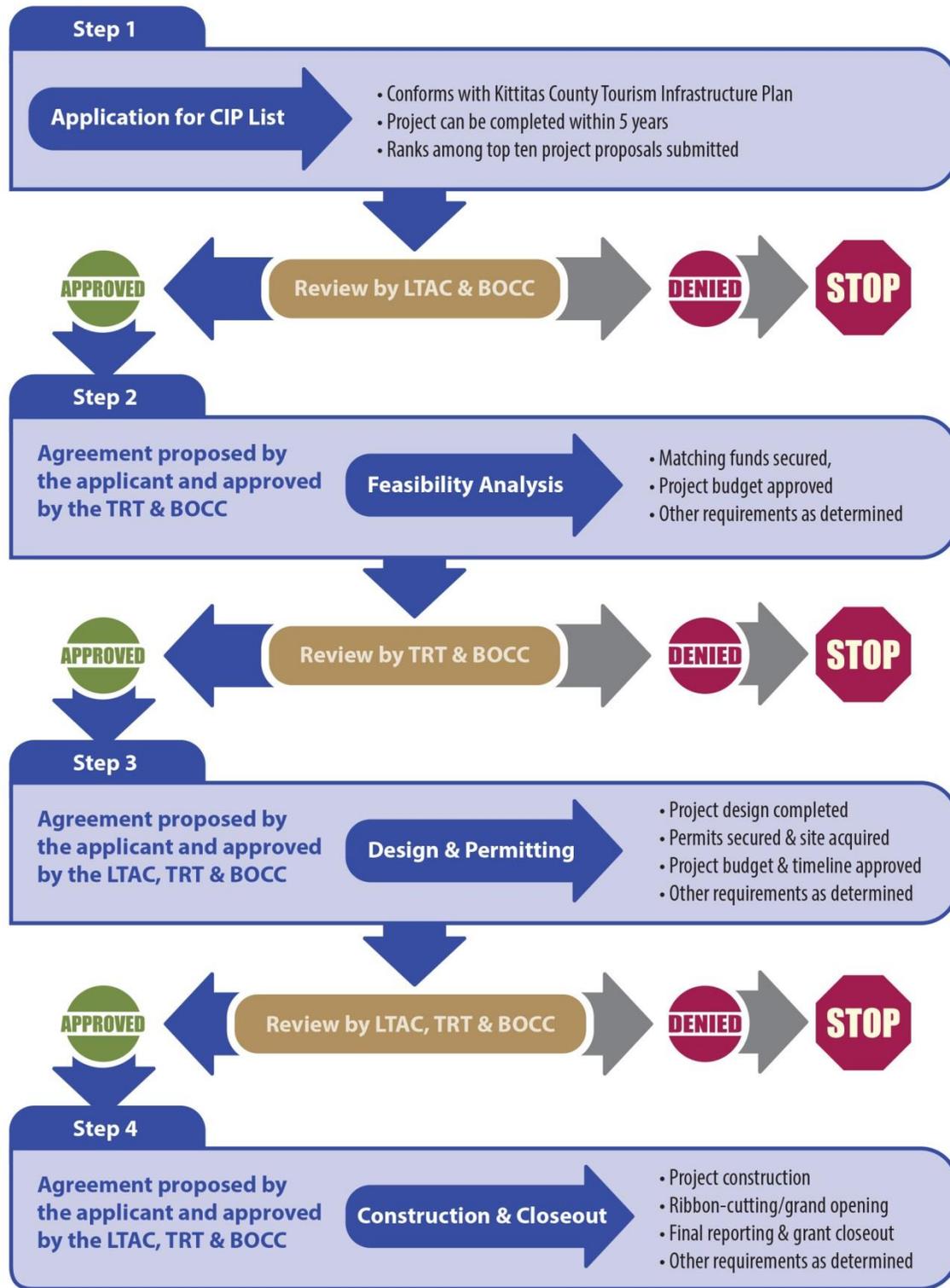
Matching Funds Requirements:

All non-county owned projects require matching funds of at least 50% of total projects costs. Matching funds may be in the form of cash or verifiable in-kind contributions. At the time of funding considerations (Step 3 and 4), applicants will be required to provide proof of matching funds.

County-owned projects which are located within another municipality or are located on publicly-owned property which is owned by an entity other than Kittitas County shall also be subject to the same 50% matching funds requirements as described above. County-owned projects which are located in unincorporated lands and which are not located on land which is publicly-owned by an entity other than Kittitas County are not subject to any matching requirements.

Figure 2

Tourism Capital Large-Scale Projects Grant Process



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.

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, rights-of-way, or other similar costs.

Large-scale, as it relates to projects which may be eligible for being listed on the County's CIP for tourism infrastructure as well as potential funding through this grant process, are projects requesting funding of \$50,000 or more.

Matching Funds is the amount of funding your organization 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, including those supplied by your organization and others. A combination of direct and indirect support may be utilized as matching funds.

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.

A **Tourist** is defined as a person traveling away from their place of residence or business and staying overnight in paid accommodations; to a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or from another country or state outside of their place of residence or their business.

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, TBD or postmarked no later than TBD.

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 | TBD |
| ▪ Oral presentations of proposals to LTAC and LTAC recommendation | TBD |
| ▪ BOCC deliberation and decision | TBD |

Project Management:

As discussed in the grant process section of this application packet, successful applicants shall be required, as a condition of inclusion in the County's CIP for tourism infrastructure and any funding award (as available), to enter into a contract. The contract may include, but not be limited to, the specific conditions or deliverables the applicant must meet in order to continue to progress through each step of this process, the specific amount of any award if a project becomes eligible for funding 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 will remain available for the term defined in the contract. Any unexpended funds will be returned to the Lodging Tax account 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 Eligibility:

This grant process for lodging tax funds is available only for large-scale tourism capital projects which are municipality-owned. All applicants must be a municipality in Kittitas County. One capital project is allowed per application. There is no limit to the number of applications a municipality may submit per cycle. **Projects must be compatible with the Kittitas County Tourism Infrastructure Plan as a low, medium, or high priority to be eligible for inclusion in the CIP.**

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 TOURISM-RELATED, LARGE-SCALE MUNICIPALITY-OWNED CIP LISTING

Applicant Information

Name of Municipality: _____

Mailing Address: _____

Contact Person and Title: _____

Phone: _____

Email: _____

Project Title: _____

Project Location: _____

Application Requirements

- _____ 1. The project qualifies for lodging tax funds as a capital expenditure of a tourism-related facility owned or operated by a municipality.
- _____ 2. If this 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.
- _____ 3. Lodging tax capital project funds are not being substituted for other funds that are already secured or applied for (if applicable).
- _____ 4. A completed project budget is included in the application.
- _____ 5. A detailed 8 ½ X 11 vicinity map that clearly shows the location of the project is included.

Tourism-Related, Large-Scale Municipality-Owned Capital Project Narrative

1. **Project Description:** Please describe the project in detail. Indicate the major work to be completed, any milestones that need to be overcome in order for the project to move forward, and include a comparison of existing and proposed conditions.
2. **Kittitas County Tourism Infrastructure Plan:** Please explain how the project meets the Goals and Actions in the Kittitas County Tourism Infrastructure Plan as adopted. Also, describe the specific county tourism infrastructure needs the project addresses and how the project directly increases tourism. Explain how the improvements will promote tourism in Kittitas County and indicate specifically how the improvements will directly increase economic activity resulting from tourists.
3. **Real Property:** If real property acquisition is a component of the project, please explain. Include any information of property already secured or evidence of the ability to secure the real property.
4. **Coordination:** Please explain how this project has been coordinated with other jurisdictions as well as affected stakeholders. Please include letters of support from stakeholders.
5. **Studies:** Please attach any feasibility or other studies that demonstrate linkages between the proposed project and the anticipated tourism impacts. Also please include your operations/maintenance strategy and other plans for long-term project sustainability (how the facility or facilities will be operated and maintained over at least five years following completion).
6. **Project Readiness:** Please provide a detailed project schedule, including milestones necessary for completion as mentioned in question 1 above. On the schedule, indicate items completed and exactly where in the schedule the project is at this time. Be sure to include expected completion date.
7. **Applicant Certification:** Please sign below in agreement with the 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

Tourism-Related, Large-Scale Municipality-Owned Capital Project Budget

All applicants 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 (may include in-kind)

*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: feasibility analysis, design fees, construction management fees, survey costs, engineering fees, permitting costs, special inspections, cultural resource surveys, etc.

Total Project Costs

This project budget, being submitted as part of this application, will be considered an estimate. As the project progresses through the four-step process, applicants will be required to update the project budget as more information becomes available and at the time of funding award.

*At the time funding awards are being considered (Steps 3 and 4), verifying documentation shall be required and attached to the final project budget. Verifying documentation may include award letters, letters of commitment, or loan approval documentation. If the funding source includes applicant funds, proof of available funding in the form of a letter of commitment from an authorized body or representative of the applicant is adequate.

Ratings Criteria and Score Card

Tourism-Related, Large-Scale, Municipality-Owned Capital Projects

1. Criteria: Kittitas County Tourism Infrastructure Plan

Points Possible: 60

Score Awarded: _____

How closely does the application meet the goals to further geotourism opportunities as presented in Section 6 of the Plan?	Up to 20 points Awarded: _____	Comments:
How closely related is the application to the high, moderate, or low priority Action Tasks contained in Section 7 of the Plan?	High = 20 Moderate = 15 Low = 10 Awarded: _____	Comments:
How effective will the project be in directly promoting tourism and increasing economic activity resulting from tourists?	Up to 20 Points Awarded: _____	Comments:

2. Criteria: Stakeholder Support

Points Possible: 10

Score Awarded: _____

Has the applicant clearly described how the project is being coordinated with other interested parties? Are the stakeholders supportive?	Up to 10 points Awarded: _____	Comments:
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3. Criteria: Project Readiness and Feasibility

Points Possible: 30

Score Awarded: _____

Can the project be completed within 5 years?	Yes = 10 No = 0 Awarded: _____	Comments:
Has the applicant clearly articulated a feasible long term maintenance and operations strategy for the project?	Up to 20 points Awarded: _____	Comments:

Total Score Awarded: _____