

**CITY OF FERNDALE  
LODGING TAX ADVISORY COMMITTEE  
ALLOCATION PROCESS  
APPLICATION**

**INTRODUCTION**

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

**The general application period shall be open on August 1 and will close on August 31.** At the request of the City Council, or at the Lodging Tax Advisory Committee's own discretion, grant applications may be considered at other times of the year. However, because of the City'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**

Legislation provides authority for cities and counties to adopt a lodging tax of up to four percent. The City of Ferndale currently collects the maximum allowed by the law. The law 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"** means 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 (6) 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.

**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. A cash flow projection for the calendar year showing cash needs by quarter must be provided.

#### **5. REIMBURSEMENT**

The applicant must understand that the City's support for funded projects is on a reimbursement basis; i.e., no funds can be advanced in support of a project. Grantees must first incur costs and then bill the City for reimbursement under contract guidelines.

#### **6. FINAL REPORT/PERCENTAGE WITHHELD**

Payment for twenty percent (20%) of the total reimbursable costs for any funds due the grantee will be withheld until a final written report is received by the City Clerk and the grantee presents an oral report to the City Council. NOTE: Under new Guidelines (2008) established by the State Legislature and CTED, a report documenting the actual number of tourists and overnight stays generated by the event must be included.

#### **7. HISTORY**

Provide a brief history of your program/organization.

#### **SELECTION PROCESS**

When the application solicitation period opens, the City Clerk will inform interested applicants of the funding process and its eligibility criteria. When the solicitation period closes, qualifying applications will then be forwarded to the Lodging Tax Advisory Committee for review. The Lodging Tax Advisory Committee will recommend to the Council projects/events to be funded and at what level.

**The Council will make the final decision on project/event approval and funding levels. After the applicants and the City have signed the contracts, the project/event can proceed.**

It is very important that applicants are aware that only after the following steps are complete is a project grantee authorized to incur reimbursable costs.

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;
2. No costs incurred prior to the City's signing of a contract for an approved project will be reimbursed;
3. The project approval process involves three steps:
  - a. Advisory committee recommendation;
  - b. The Council's approval of proposal, and
  - c. The execution of the contract by the City's authorized signatory.

The City of Ferndale 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 by which applications for funding from the Lodging Tax Fund are judged. In some cases, by their nature, some applicant events, activities, programs, organizations and facilities will not be able to meet all criteria. However, the more criteria met, the stronger the application.

**1. 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 in the City of Ferndale. Overnight stays generate more revenue 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 probable 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 event, activity or program;
  - d. The event's generation of economic activities during off-peak tourism seasons or periods;
  - e. The use of local firms and resources in the proposed event, activity, program or facility;
- and
- f. New or first time events or activities.

**2. RESOURCES AVAILABLE FOR EVENT OR FACILITY**

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

**3. BUILDS ON IDENTIFIED COMMUNITY ASSETS**

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

The Committee will consider the proposal's effect in such areas as promotion, outdoor recreation, and heightening awareness of the area's history and/or natural amenities.

**4. MEETS COMMUNITY OBJECTIVES**

Events, projects, activities, and facilities that also serve the broader community will be given preference.

The Committee will assess whether the proposal furthers the success of and coordinates with scheduled community events, facilities, and community (promotion and marketing efforts.)

**5. MEETS THE REQUIREMENTS OF THE HOTEL/MOTEL TAX LAW**

If you have questions about whether your proposal meets the requirements of the hotel/motel tax law, please contact the City of Ferndale City Clerk at (360) 384-4302.

**CITY OF FERNDALE  
APPLICATION FOR  
LODGING AND TAX FUND MONIES  
2095 Main Street – P.O. Box 936  
Ferndale, WA 98248**

**1. PROJECT APPLICATION** **DEADLINE AUGUST 1 - AUGUST 31**

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

Type of Project:       Promotion activities    Facility

Applicant: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail \_\_\_\_\_

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

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

Applicants are:  Non-profit    Public Agency       For Profit

Contact Person (if different than applicant): \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail \_\_\_\_\_

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

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

Amount requested: \_\_\_\_\_ Applicant's match: \_\_\_\_\_

Total project budget: \_\_\_\_\_

**To be considered, an application must be complete, adhere to the specified format, and be submitted with six (6) copies of all components.**

## **2. PROJECT SUMMARY**

In the space below, provide a one paragraph, concise summary of your request and what it will accomplish. If your request is part of a larger project, you may briefly describe the over-all project. However, please focus the bulk of your answer on the specific element for which you are requesting funding.

### **3. SCOPE OF WORK**

Fully describe the project. Expand your summary paragraph from the Project Summary to address such issues as:

- a. What it is you wish to do?
- b. How and why the community will benefit?
- c. What are the beginning and ending dates of your project?
- d. What measures you will apply to evaluate its success?
- e. Brief history of the event and/or organization

(Ensure that you respond to each portion of the directions.) If you are requesting funds for a specific portion of a larger project, please state that but focus your response on the element for which you are requesting grant assistance. You may use additional pages as necessary. **Attachments to this section should be labeled "3. Scope of Work".**

#### **4. COMMUNITY ECONOMIC IMPACT**

Describe, in detail, who you expect to be most attracted by this project. (e.g., visitors outside Ferndale, outside of county, out of state, international). Are visitors expected to be primarily day visitors, overnight visitors, or extended stay (more than one night) visitors. If overnight visitors, identify the most likely site of their stay; camping or commercial lodging. **Attachments to this section should be labeled "4. Community Economic Impact".**

**5. RESOURCES AVAILABLE FOR EVENT OR FACILITY**

What alternatives to Lodging Tax Funding have you, or your organization, explored? Do you envision this grant as seed money or as a part of ongoing funding? If you see it as seed money, how do you plan to continue after the expiration of this grant? **Attachments to this section should be labeled "5. Resources Available for Event or Facility".**

**6. MEETS TOURISM OBJECTIVES/BUILDS ON COMMUNITY ASSETS**

Based on the evaluation criteria, how does the proposal build on community assets? **Attachments to this section should be labeled: "6. Meets Tourism Objectives/Builds on Community Assets".**

**7. PROJECT BUDGET**

Please detail the budget for your project. Specify whether your various match items will be cash (C) or in-kind (I/K). **In addition** to completing the chart below, you may **also** submit your budget in a different format, if necessary. **Attachments to this section should be labeled "7. Project Budget".**

**BUDGET SHEET**

PROJECT: \_\_\_\_\_

| ITEM          | CITY | MATCH* | C | I/K | TOTAL |
|---------------|------|--------|---|-----|-------|
| 1.            | \$   | \$     |   |     | \$    |
| 2.            | \$   | \$     |   |     | \$    |
| 3.            | \$   | \$     |   |     | \$    |
| 4.            | \$   | \$     |   |     | \$    |
| 5.            | \$   | \$     |   |     | \$    |
| 6.            | \$   | \$     |   |     | \$    |
| 7.            | \$   | \$     |   |     | \$    |
| 8.            | \$   | \$     |   |     | \$    |
| 9.            | \$   | \$     |   |     | \$    |
| 10.           | \$   | \$     |   |     | \$    |
| <b>TOTALS</b> | \$   | \$     |   |     | \$    |

\*While matching funds are not required, the amount of additional funds, supplies, materials and staff time an organization brings to an event is a good measure of that organization's commitment to success.

## **8. PAST PERFORMANCE**

If your group received Lodging Tax monies in the past, describe or respond briefly to the following:

- (1) project goals
- (2) project budget
- (3) were the project goals met, and
- (4) unanticipated results.

**Attachments to this section should be labeled "8. Past Performance".**

**9. PROJECT TIMELINE**

**Attachments to this section should be labeled "9. Project Timeline".**

**MONTH TASK ITEM**

JANUARY:

FEBRUARY:

MARCH:

APRIL:

MAY:

JUNE:

JULY:

AUGUST:

SEPTEMBER:

OCTOBER

NOVEMBER:

DECEMBER:

## **10. ATTACHMENTS**

**Please provide the following information as attachments.**

### **A. NON-PROFITS**

1. Copy of state certificate of non-profit incorporation and/or federal copy of 501(c)(3);
2. IRS Tax I.D. number;
3. Copy of articles of incorporation;
4. Copy of most recent approved and proposed budgets of the overall organization;
5. Copy of meeting minutes showing official approval of project and authorization of application or a signed resolution of the board of directors authorizing the application;
6. List of members of the organization's board of directors and principal staff.

### **B. PUBLIC AGENCIES**

1. Copy of meeting minutes approving project and authorization of application or a letter or resolution indicating official approval of project and application.

### **C. COOPERATIVE PROJECTS**

1. Describe reasons for and benefits of cooperative approach;
2. List co-sponsors by title and type;
3. Describe individual project responsibilities of co-sponsors.

### **D. FOR-PROFITS**

1. Copy current/valid Ferndale Business License;
2. IRS Employer Tax I.D. number;
3. Mission statement and brief biography of the firm's principals;
4. Most recent fiscal year balance sheet.