

TOURISM DEVELOPMENT GRANT



10/1/2021

FY 2022 Tourism Development Grant Funding Guidelines & Application

The City of Athens is currently soliciting Fiscal Year 2022 applications for the Tourism Development Grant utilizing Hotel Occupancy Tax funding, in an effort to promote tourism and attract overnight visitors to Athens.

All applications must be received by **5:00pm November 15, 2021.**

NOTE: This application is for Hotel Occupancy Tax Funding related projects.

Tourism Development Grant

FY 2022 TOURISM DEVELOPMENT GRANT FUNDING GUIDELINES & APPLICATION

PURPOSE

The City of Athens is calling for proposed tourism-related projects for Fiscal Year 2022 (October 1, 2021 to September 30, 2022). Projects must be specifically designed to attract overnight visitors to Athens. The Tourism Development Grant is open to eligible organizations or events located within the Athens city limits or its extraterritorial jurisdiction (ETJ).

The City accepts applications from eligible organizations seeking funds to be used in the development and promotion of tourism-related activities that are designed to promote tourism and attract overnight visitors to the City of Athens.

GENERAL INFORMATION

The City's use of funds collected through the Hotel Occupancy Tax (HOT) is governed by Chapter 351 of the Tax Code. The primary use of these funds is intended to promote tourism and the convention and hotel industry in Athens. The City of Athens is under no obligation to allocate any portion of collected HOT revenues unless the City enters into a funding contract. Award of funds does not guarantee future funding. The City Council shall have the final decision regarding the allocation of funds. The following determinations and definitions apply to the application of HOT funds as of the date of this document.

The use of HOT funds is dictated by State law and defined in the Texas Tax Code (Subtitle D. Local Hotel/Motel Occupancy Taxes; Chapter 351. Municipal Hotel/Motel Occupancy Taxes).

There is a two-part test that expenditures of local HOT funds must meet in order to be valid:

Part One: Expenditures must DIRECTLY enhance and promote tourism and the convention and hotel industry.

Part Two: Expenditures of HOT funds must clearly fit into one of the following categories for expenditure of HOT revenues, which are defined below:

1. **Advertising:** Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.
2. **Promotion of the Arts:** Expenditures that promote the arts. The encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields of painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms. *(No more than 15% of annual Hotel/Motel Occupancy Tax revenues can be spent on the arts.)*

3. **Sporting Event Promotion:** Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of fewer than 1 million. *(To qualify, the sporting event must be one that would “substantially increase economic activity at hotels and motels within the city or its vicinity.”)*
4. **Tourist Transportation System:** Funding transportation systems for tourists.
5. **Signage:** Signage directing tourists to sights and attractions that are visited frequently by hotel guests in and around the City.

ELIGIBILITY

- As required by State law, all projects must encourage and promote use of hotels and motels within the Athens city limits through the enhancement and promotion of tourism, convention and the hotel industry.
- The applicant must be an organization or corporation governed by a board of directors, or similar governance structure.
- The applicant or event must be located in the Athens city limits or its extraterritorial jurisdiction (ETJ).
- The applicant must demonstrate that the disbursement will directly enhance and promote the tourism, convention, and hotel industry by attracting visitors from outside of Athens into the City.
- The applicant must be a legal entity with legal capacity to enter into contracts.
- The applicant must demonstrate that the programs or events are open and appropriate for the general public.
- The applicant must demonstrate that it is in good financial standing and that the financial safeguards are in place to protect public funds. See Financial Information section for more detail.

USE OF FUNDS

The applicant must state the purpose of the funds and identify the category of acceptable uses under which the proposed use falls.

The applicant must present reasonable evidence that the request will increase overnight stays in Athens.

APPLICATION AND EVALUATION PROCESS

The City will accept applications for funding considerations for FY 2022 until 5 p.m. on November 15, 2021. Applications shall be received by the City of Athens at the Development Services Center located at 501 US-175 BUS, Athens, Texas 75751 or City Hall 508 East Tyler Street, Athens, TX 75751.

Each organization must submit the following documents to be included with the application:

- A list of current board of directors and officers, as applicable
- A brief statement of the organization's purpose
- A brief statement of the activity or event to be funded
- A document or statement showing financial stability of the organization, as described herein
- An estimated budget for the tourism-related activity or event for which funding is sought
- An estimated number of hotel rooms to be booked as a direct result of funded event

Review of Eligibility: Once an application is received, City Staff will review the application to ensure all required information has been submitted and that the application is complete. Any deficiencies to the application will be submitted in writing to the organization. No application will be presented to the City Council for consideration if requested information is missing.

Evaluation Criteria: City Staff will use the following criteria to evaluate requests:

- 1) Visitor Appeal
- 2) Program Quality
- 3) Attracts overnight visitors to Athens
- 4) Promotes tourism and a positive local economic benefit
- 5) Meets the standards of the law regarding HOT funds, with advisement of the city attorney

City staff will provide analysis and recommendations to the City Council and the City Council will determine which projects will be awarded and at which funding levels. The organization may be requested to present their prospective projects during a meeting of City Council to provide more information or clarification.

Any City Council member shall recuse himself or herself from voting on a funding request for an organization with which they are affiliated.

FINANCIAL INFORMATION

The Tourism Development Grant is a reimbursement matching grant program. The City shall provide reimbursement for up to 75% (percent) of the actual, eligible costs while the entity or organization must provide the remaining 25% (percent) of the costs.

To be eligible for funds, an organization must demonstrate that it is in good financial standing and that it will act as responsible stewards of public funds by providing one of the following documents:

- Most recent internal or external audit
- Most recent internal or external financial statement, including balance sheet
- Statement of financial solvency from board of directors, signed and dated by all board members

As part of the application, the organization must agree to adhere to the following:

- 1) The organization must agree to maintain internal financial controls that will allow for proper tracking, accounting, and reporting of Tourism Development Grant related expenditures.
- 2) For events funded through Hotel Occupancy Tax revenues, organizations must provide proof of insurance. Please note that any event that requires street closures, assemblies on city property, the assistance of city personnel, etc. will require an event permit with the City of Athens. Contact Assistant Chief of Police, Athens Police Department, 202 W. Scott St., Athens, Texas 75751 for event permit applications. For outdoor events, festivals, etc., review ORDINANCE NO. 2020-O-051. If the organizations fit within the criteria, an Event permit will need to be obtained from Development Services Center, 501 US-Hwy 175 W, Athens, Texas 75751.

FINANCIAL REVIEW

The City of Athens may, at any time, request a report, document, or audit to be submitted by the organization to the City that may relate to the use of Hotel Occupancy Tax revenues.

By signing this agreement, the organization is granting permission for City auditors to review accounting records of the organization.

LIMITATIONS

Each applicant may only apply for three (3) events in any one fiscal year, and each project must be submitted separately.

Projects must be completed, and funds expended within the City's fiscal year ending September 30th unless prior written authorization is obtained from the City Manager.

Special event funding may have a three (3) year cap, unless hotel stays increase, or otherwise recommended by the City Staff. The event should be producing growth in hotel stays within three (3) years. If the event does not increase hotel stays in three (3) years, it may be considered a community event and become ineligible for funding.

All funds distributed must have a direct correlation to the project and must be clearly established

within the agreement between the organization and the City.

AWARD OF FUNDING AND ACKNOWLEDGEMENTS

If funding is awarded, the City Council will authorize a funding contract with the organization. The organization must return a signed original funding contract document to the City of Athens within thirty (30) days of receiving City Council approval for funding. Failure to return the executed agreement within thirty (30) days, shall be deemed a rejection of the offer for funding by the City Council and the offer shall be deemed withdrawn.

Any funded applicant must notify hotels/motels in Athens and any promotional material must reference Athens hotels/motels. A list of hotels/motels can be found at <https://www.visitathenstexas.com/stay>.

If an organization's project is selected, the City of Athens may require to be listed as a sponsor/partner of the event or activity and/or approved City logo.

REPORTING AND REIMBURSEMENT

A funded organization will be required to submit the following information prior to receiving reimbursement:

- A. A detailed report of revenues and expenditures for the event or project, summary of the event/project outcome, number of people who participated in the activity (if applicable) and estimated hotel stays generated.
- B. Copies of invoices for expenses. Invoices must be complete with vendor information, description of work/materials provided, and amount due.
- C. Copies of cleared checks or bank statements including check images for invoices paid.
- D. Credit card statement (if applicable) reflected paid in full balance.

Only expenses that meet Chapter 351 of the Tax Code and the defined guidelines of this application shall be reimbursed. The City shall not make reimbursements for expenses where no invoice or proof of payment is provided.

The report seeking reimbursement for a specific event must be submitted within forty-five (45) days following the event. An organization receiving funding for ongoing promotion and multiple events must submit a quarterly report. Failure to submit the post-event report will make an organization ineligible to receive funding the following year and/or a reduction of amounts approved. Partial or incomplete reports will not be accepted. Reports shall be in a form that is acceptable to the City Administrator.

In some circumstances, the City may consider direct payment of expenses to vendors instead of reimbursement to the local organization.

FORFEITURE

Failure to comply with these requirements may result in forfeiture on final payments, required reimbursements and/or disqualification from consideration of future applications.

If an approved event is cancelled and rescheduled past the City's fiscal year end of September 30,

2022, the executed funding agreement will be null and void and the organization must reapply for future funding. Forfeited funding can be made eligible for other eligible Tourism Development Grant applicants, such reallocation will be authorized by Council.

**FY 2022 Hotel Occupancy Tax
Tourism Development Grant Application**

Organization Information:

Name of Organization:		
Address:		
City/State/Zip:		
Contact Person:		
Contact Phone Number:	Cell:	Work/Home:
E-mail Address:		
Website:		
Nonprofit? Or for Profit?		
Federal Tax I.D. # (if applicable)		
<u>Please write a short description about your organization:</u>		

Proposal Information:

<u>Name of the project/event and a short description:</u>

Duration of project/event:	Start Date:	End Date:
Amount of HOT Funding Requested?		
<u>Write or attach a timeline of the project/event from planning to completion:</u>		
<u>List other sources of funding:</u>		
<p>Has this project or event been conducted before?: (yes/no) _____</p> <p style="padding-left: 40px;">If yes, how many years/times?: _____</p> <p>Previous year attendance:</p> <p>Local Visitors: _____ Out of Town Visitors: _____</p> <p>Projected attendance for this year:</p> <p>Local Visitors: _____ Out of Town Visitors: _____</p> <p>Hotel rooms booked:</p> <p style="padding-left: 40px;">Number of rooms booked by participants in previous year: _____</p> <p style="padding-left: 40px;">Number of rooms projected to be booked by this year's participants: _____</p> <p style="padding-left: 40px;">If a major increase/decrease in number of rooms booked is anticipated, please explain why:</p> <p style="padding-left: 40px;">_____</p> <p style="padding-left: 40px;">_____</p>		

Tourism Development Grant

Please also include the following attachments:

- Y A list of current board of directors and officers (as applicable)
- Y An estimated budget for the tourism-related activity or event for which funding is sought
- Y One of the following financial documents:
 - o Most recent internal or external audit
 - o Most recent internal or external financial statement, including balance sheet
 - o Statement of financial solvency from board of directors, signed and dated by all board members

Please review and sign the agreement below:

I have read and agree to comply with the terms outlined in the Hotel Occupancy Tax (HOT) Funding Guidelines & Application. I certify that, to the best of my knowledge, the information contained in this application is correct. I certify that I am authorized to submit this application on behalf of the organization herein described for the purpose of receiving City of Athens Hotel Occupancy Tax Funding.

ACCEPTED AND AGREED:

(Legal Signature, Including Full First Name)

(Date)

(Printed Name)

(Printed Title)

(Organization)

Please submit this application to:

City of Athens
Attn: Department of Tourism and Cultural Resources
508 East Tyler St.
Athens, Texas 75751
903.675.8039