

# **Langley Lodging Tax Tourism Ad Hoc COMMITTEE Tourism Program Plan**

## **I. DESCRIPTION**

The city of Langley has established a Tourism Program, funded by a portion of the revenue collected under the State Lodging Tax Excise Statutes.

The purpose of Langley's Tourism Promotion program is a full cycle program which seeks, selects, funds, monitors and celebrates completion of tourism related projects from qualified entities. The funding categories that these entities are contracted and paid to produce fall into one the following:

- Funding tourism marketing
- Marketing and operations of special events and festivals designed to attract tourists
- Operations and capital expenditures of tourism-related facilities owned or operated by Langley

## **II. APPLICANT QUALIFICATIONS FOR CONTRACT TYPES**

The Lodging Tax Program permits Lodging Tax contract funds to be awarded to:

- Convention and visitors bureaus
- Destination marketing organizations
- Nonprofits, including main street organizations, lodging associations and chambers of commerce
- Municipalities (Langley, Port Authority and Island County)

**Note:** The 2013 Amendment requires applicants to estimate how many individuals their project or operation will attract from more than 50 miles away and stay in local Lodging. At the end of the contract period, the legislation requires Contractors to report on their success in attracting Tourists who pay to stay overnight.

## **III. BACKGROUND**

Langley is a desirable Tourist destination, yet it experiences an uneven tourism year, with a strong Peak Summer Season, and substantial unused Lodging and facility capacity in the Shoulder Season from October to May.

Under this Tourism program, The City will award funds directly to the entities selected under this program which have submitted in the following three identified categories (see further details in Appendix 1):

- Supporting the operations and capital expenditures of Tourism-related facilities owned or operated by The City of Langley
- Supporting the operations of Tourism-related facilities owned or operated by qualifying non-profit organizations.
- Supporting marketing and operations of special Events and Festivals designed to attract tourists to paid Lodging.

## **IV. CURRENT AREAS OF EMPHASIS**

Funded projects will be expected to achieve some of the following objectives:

- Projects that lead to multi-day activities attractive to tourists during the shoulder seasons, especially January to March.
- Emphasis on Tourism may include a variety of methods:
  - Development of key community assets that function as point destinations, or venues for multi-purpose Events, that serve on a year-round basis in Langley;
  - Special Events or Festivals that exemplify the natural resources, cultural offerings or history of Langley.
- Developing innovative opportunities (i.e. new Events, interesting partnerships); creativity and synergy are encouraged. Use of capacity in existing community facilities is encouraged.
- Improving the Tourist relationship/enhancing the Tourism experience
  - Visitor education events
  - Community involvement strategies
- Projects that promote coordination and cooperation in Tourism activities.
- Projects that demonstrate City-wide benefit.

## V. SELECTION PROCESS

Regular Tourism related project selection will follow the following process and requirements:

1. All applications received by the City will be sent to the Langley Tourism Ad Hoc Committee (LTAC) to be screened as to whether they are complete and submitted by the deadline, meet the eligibility requirements, RCW requirements and all other Application Packet requirements (see Application). Eligible proposals are reviewed in depth by the LTAC. Applications that are screened out will be returned to the applicant, who will be asked for further information, or not be reviewed if requirements are not met.
2. LTAC is a recommending body. The committee's principal responsibility is to review all screened-in proposals, rate the proposal and pass applications to the Langley City Council be fully funded based solely on project merit. The committee's final action is to forward all funding applications to the Langley City Council for review and funding.
3. The LTAC is composed of one council person, one staff person and 3-5 citizens. Citizens must be available during the budgeting process to evaluate applications, not serving on any board of an organization applying for tourism funds and be a resident or merchant in the City of Langley. The mayor, participating council person and staff person will recommend citizen members to the mayor and council for appointment.
4. A principal responsibility of each LTAC committee member is to follow the Langley Code of Ethics. Committee members agree to follow the primary conflict of interest rule, which states, that a committee member must recuse themselves and not advocate for or against any application and not review/score any application where they have a conflict of interest. A committee member may not advocate for or against an application, or vote on a project application when the committee member has a concurrent personal or organizational interest in the project application as defined by City policy. For example an Ad Hoc committee member cannot speak for or against or review/score any project application related to their personal status as a board member, employee, contractor or a family member of a benefiting organization. In other words it is improper to concurrently advocate or vote on a project before the LTAC committee with knowledge of future personal, family or business gain from the project once funded.
5. The LTAC will only use the criteria contained in this plan to evaluate a proposal. The Committee will score the project as proposed. The intent of the Tourism program is to fully fund projects within a given year. It is not the job of the committee to redesign or re-write applicant's project proposals. Once scoring is complete, the committee will forward all qualified projects and their averaged scores to the council. A project is qualified if it has a positive score. The results of the averaged scoring will be available to the public.
6. The Langley City Council will hold back \$10,000 of the fund each year in order to build up a reserve fund that cover fixed and contracted expenses should the funds expected be insufficient to cover these costs.
7. The Langley City Council is the decision making body. After receiving the Committee's scores, the Council will consider the projects and may choose to increase or decrease the recommended funding levels. Council decisions are final and not subject to appeal.
8. The Council makes their final decision on awards on an informal schedule. After Council approval, City staff will prepare contracts with the sponsors of all approved projects.
9. The sponsor must submit a final report at the end of the project, and periodic reports may be required to be submitted. Expenses are paid only on a reimbursement basis for allowable and approved project costs when submitted with an invoice that references the deliverable in the original contract.
10. This Committee will be responsible for reviewing all contracts and recommending to the council their disposition as they come up for renewal.
11. A yearly review of the areas of emphasis will be made prior to the funding application processes and proposed to council.
12. This committee will be responsible for insuring that online applications and information is clear and easily found.
13. The committee will update the Tourism Plan as needed with the approval of council.

## VI. SELECTION CRITERIA

Applications for funding must use the City's application form with the requested supplementals attached. Applications in any other form will be rejected. Project must have the required 25% matching funds or will not be considered. The gifting of City funds or credit is prohibited by the State Constitution. Correspondingly, any organization doing promotion on behalf of the city may only spend lodging tax funds on items that the city itself could fund. This prohibits, for example, any expenditures on promotional hosting, gifts, prizes, etc. The criteria used by the LTAC to evaluate and rank the applicants are as follows below. Each of the criteria is worth a set number of points for a total of 120 points for an optimum project. See Attachment 2 and 3 for application guidelines and a blank application form. The criteria and maximum points are:

1. Scope of Work (10 points): This is the project description. It will clearly describe the type of application, the category of funding sought, connection to the Areas of Emphasis (see part IV of this plan), the value of the project to tourism in Langley and the direct applicability to year-round Tourism (especially during the Shoulder Season).
2. Community Economic Impact (20 points): Lodging Tax awards should be directed to those facilities, promotions, marketing, and events that generate maximum direct and actual Economic Benefit. This will describe the anticipated measurable economic value of the project. The successful proposal(s) will show specific and comprehensive strategies to draw visitors
3. Objectives (40) points:
  - a. Coordination (10 points): Does the project coordinate with other events, facilities, promotion and marketing events?
  - b. Innovation (10 points): Does the project represent a new or unusual approach to furthering the goals of Tourism? Does it bring new tourists to Langley? How does it grow the tourism base?
  - c. Shoulder Season (October to May) (10 points): Does the project increase Tourism during the shoulder season? What percentage of project dollars are spent during shoulder season? What percentage of measurable project outcomes occur during shoulder season?
  - d. Creates/Promotes Multiday Interest (10 points): Does the project dovetail with an existing project the day before or after? Is it a multi-day event? Does the project encourage people to stay overnight?
4. Community Assets and City-wide Benefit (10 points). Does the project distinguish and promote the unique aspects of Langley. Do aspects include items such as historical, cultural or natural amenities?
5. Cost-effectiveness (10 points). Projects that offer more value for the investment of these public funds will be rated higher. Will the project be an efficient, economical use of the funds? How will this be shown or measured? Year around activities are more cost effective than Event funding. Sustainable projects that have a multi-year life, especially during the shoulder /winter season, are highly regarded.
6. Clarity and Scale of Project (10 points). Are the components of the project broken into a progression of logical steps with dates or milestones when each will be undertaken and/or completed? Complex and/or over \$3,000 proposals should include milestones, benchmarking, and must include performance measures that can be tracked and reported to show effectiveness. Is the project of such scale that the applicant can be reasonably expected to complete it by the end of the project timeline?
7. Project Evaluation (20 points). Benchmarking and performance evaluation are an important part of judging an effective investment in the project. Does the applicant provide for an adequate method of evaluating the effects of the proposed project upon completion? How will the applicant do this and report it to the City?

## VII. ELIGIBILITY

### A. Proponent Eligibility

Applications may be submitted by any non-profit entity, any public agency, or any group of eligible organizations (Please review legal requirements set out by the state in RCW 67.28 as revised - effective July 1, 2013).

Langley does not discriminate on the basis of race color, national origin, sex, religion, age or disability, and its contracts require the same of its contractors.

### B. Project Eligibility

State Requirements – The most basic eligibility requirement is that the applicants demonstrate clearly and convincingly that funding of the proposed project would be used in compliance with the State law, which governs the use of Hotel-Motel funds.

RCW chapter 67.28 provides authority for Cities and Counties to adopt a lodging tax of up to four (4%) percent of lodging charges made by Hotels, Bed & Breakfasts, Motels, rooming houses, tourist courts, trailer camps or any similar charges for a license to use real property. Eligibility will also be measured against any relevant Attorney General or State Auditor opinions.

City Requirements - The City uses Tourism related tax revenue each year for awards that will clearly meet the State's requirements and falls within the purposes set out in this Tourism plan.

In addition, the City has established the following eligibility requirements for all projects:

- a. Project and Entity Requirements:
  - The project must benefit Langley
  - The project must be specifically related to Tourism in Langley and prominently mention it in all promotional materials produced
  - The project must be designed for the purpose of attracting off-Island visitors to Langley
  - Informal organizations (entities that are not 501(c)3 or 6, not higher educational institutions, not government units or licensed businesses) who also do not have an accountant on staff and/or a bank account are not eligible to receive Tourism funds. They are encouraged to partner with an eligible entity and propose their project.
- b. Contracting Requirements:
  - All contracts must meet current City insurance requirements. Those include a normal requirement for liability insurance of at least \$1,000,000.00 per incident, with City of Langley named as an additional insured on the policy or a written waiver of this requirement from City's Finance Director;
  - Project costs cannot be paid in advance with contract money; that is, the sponsor must expend its own funds on approved items and seek reimbursement under the terms of the contract that will be signed with the City. (Generally, funds awarded primarily for year-round operating expenses will be dispersed as invoiced, documented and verified). The City will periodically review reimbursements and monitor for compliance;
  - Event/festival project budgets are for one year duration only. A facility, operations or special investment project may be proposed for one or more years. City approval will be, in part, contingent on prior successful performance and meeting of project goals for the current year. Applications that seek the "risk" of multiple years' investment must sell the "reward" that would not be achieved with single year appropriations. Keep in mind that the stability in the funding of an organization is not the same as the stability of the Lodging Tax fund;
  - If the project involves co-sponsors, a written commitment must be submitted from each co-sponsor, signed by a person with authority to obligate that sponsor; and
  - Every project must have one designated individual to act as a contact for the project throughout the duration of the project and that person must have authority to obligate all sponsoring parties.
- c. Compliance Requirements:
  - If the applicant is a non-profit corporation, a copy of the IRS 501(c)3 or (c)6 status.
  - Informal organizations (entities that are not 501(c)3 or 6, not higher educational institutions, not government units are not eligible to receive Tourism funds. They are encouraged to partner with an eligible entity and propose their project.
  - Reports must be submitted from the previous year if applicable.

## **VIII. APPLICATIONS**

Applications describe a project, which meets the requirements of this plan and provides an economic benefit to Langley. See Attachment 1 for detailed application guidelines and Attachment 2 for a blank application form and specific guidelines.

## **IX. MONITORING**

All funded projects will be monitored for progress and consistency with the scope and timeline of the project, as outlined in the application. All requests for reimbursement for approved costs shall be in writing and shall have supporting documentation to verify the expenditure of the funds included in the request. All requests shall be verified as complete and accurate by the project sponsor and will be confirmed by City staff.

Recipients must file required progress/financial reports in a timely manner. The 2013 legislature placed prescriptive requirements on reporting (including a requirement to quantify how many Tourists were attracted from more than fifty (50) miles away and spent the night in paid lodging), and the reporting of expenditures and activities shall meet those requirements.

In the event the sponsor of any approved project fails in a material way to perform under the terms of the signed contract, the Council has the right to suspend or terminate funding for the remainder of the project. However, the Council can make no such decision until the sponsor has been notified of the apparent failure and given an opportunity to address the Council. In extreme cases, the Council may seek repayment of funds in accordance with City ordinance and other rules.

Failure by a project sponsor in a given year to provide timely, accurate or complete project progress and project financial reporting may result in sponsor ineligibility in the subsequent year at the discretion of the Council. This decision is not subject to appeal.

All sponsors are required to also complete in an accurate and timely manner the Washington State required Lodging Tax Expenditure Reports (see Application). These reporting metrics should be taken into account before applying for City Tourism funds. **Inability to complete accurate and complete reporting is not acceptable and is likely grounds for loss of eligibility to receive funds the following year.**

#### **X. REIMBURSEMENT FUNDING**

Funds available under this program are revenues received by the City from the Transient Rental Income section of Washington State Excise Tax levied on the lodging industry. The City Ad Hoc Tourism Committee, appointed by the Council, is the advisory body for these funds.

For all award contracts, reimbursements will be made to the applicant within approximately 30 days of submittal of invoices. Reimbursement requests must be made using a City of Langley Lodging Tax award reimbursement invoice (attached) with copies of invoices and receipts. The applicant is responsible for all incurred financial obligations (i.e., applicant pays vendors, City pays applicant). Applicants are required to maintain original receipts and financial records relative to funds awarded per Washington State requirements. Applicants are liable for funds not used in accordance with the agreed award requirements.

## APPLICATION PACKET PART 1 -- PROPOSAL GUIDELINES

The purpose of these application packet proposal guidelines is to solicit proposals from those agencies and groups who are going to be actively engaged in the **promotion and enhancement of Tourism** in The City of Langley during the upcoming calendar year.

Definitions of terms relating to State Law (RCW 67.28)

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 to the purpose of attracting and welcoming tourists; developing 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 who stay overnight in paid Lodging.**

### **Allowable uses. RCW 67.28.1816:**

Lodging tax revenues under this chapter may be used, directly by any municipality or indirectly through a Convention and Visitor's Bureau or destination marketing organization for:

- a) **Tourism marketing;**
- b) The marketing and operations of special events and festivals designed to attract Tourists;
- c) Supporting the operations and capital expenditures of Tourism-related facilities owned or operated by a municipality or a public facilities district created under chapters 35.57 and 36.100 RCW; or
- d) Supporting the operations of Tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501 (d) (3) and 26 U.S.C. Sec. 501©(6) of the internal revenue code of 1986, as amended.

Not eligible for funding are:

- Services to be provided beyond the applicable calendar year.
- Proposals from for-profit businesses (however, a government or non-profit agency contracting with the City may itself contract with for-profit businesses as third-party vendors).

The Ad Hoc committee's ten review criteria are worth a total of 120 points for an optimum application (see the list below for the weighted criteria). See part VI of this City Tourism plan for further evaluation criteria details. The weighted criteria are:

1. Scope of Work – 10 points
  2. Community Economic Impact – 20 points
  3. Objectives – 40 points
    - Coordination – 10 points
    - Innovation – 10 points
    - Shoulder season coverage – 10 points
    - Multi-day interest – 10 points
  4. Community Assets and Citywide Benefit – 10 points
  5. Cost-effectiveness – 10 points
  6. Clarity and Scale of Project – 10 points
  7. Project Evaluation - 20 points
- TOTAL: 120 possible points**

### **Payments**

Payments to proposal recipients will occur after the services have been performed and documented with receipts (per the State of Washington's Attorney General's Office Opinion AGO 2006, No. 4).

### **WHERE TO MAIL OR DELIVER APPLICATION:**

Langley City Hall  
PO Box 366  
112 Second Street  
Langley, WA 98260  
clerk@langleywa.org  
360-221- 4208; toll free from South Whidbey

**DEADLINES: Applications must be received at City Hall by 5:00 p.m. on September 30, or postmarked no later than September 30, 2020.** Please contact City Hall by telephone (numbers listed above), or by email at [clerk@langleywa.org](mailto:clerk@langleywa.org) to request a copy.

City of Langley



APPLICATION FOR CITY OF LANGLEY LODGING TAX FUNDS

Organization/Agency Information

Application for funding year: \_\_\_\_\_ Amount of Lodging Tax requested: \$ \_\_\_\_\_

Other funding sources (25% min.) \$ \_\_\_\_\_

PRIMARY APPLICANT ( co-applicant information should be listed on a separate sheet. List all starred (\*) items)

Are there co-applicants? (check one) NO | YES If yes, how many? \_\_\_\_\_

Primary Organization/Agency\*

Federal Tax ID Number\*

Primary Contact Name\*

Title\*

Mailing Address\*

City\* State\* Zip\*

Phone No\*.

Cell Phone\*

Email Address\*

- Tourism Promotion Activities
- Tourism-Related Facility
- Events/Festivals:

\_\_\_\_\_  
Name of Event/Festival Location Date

- Non-profit (Attach copy of current non-profit corporate registration with State)
- Public Agency
- Sister or related events:

\_\_\_\_\_  
Name of Event/Festival Location Date

Project Timeline: \_\_\_\_\_

Project Description: \_\_\_\_\_

Projected Overall Attendance/Impact: \_\_\_\_\_

Projected number of attendees who traveled 50 miles or more to attend/experience: \_\_\_\_\_

Projected number of attendees who traveled from another state or country: \_\_\_\_\_

Projected attendees who will stay overnight in paid accommodations: \_\_\_\_\_ Unpaid accommodations: \_\_\_\_\_

Projected number of paid lodging nights: \_\_\_\_\_ (Actual attendance figures are required under ESHB 1253 after the spending takes place.)

Did your organization receive Lodging Tax Funds from the City of Langley this year or last year? \_\_\_\_\_

Peak Season (June-Sept) \$ \_\_\_\_\_ Off Season (Oct-May) \$ \_\_\_\_\_ For allowable uses see RCW 67.28.1816

**Certification**

I hereby state of behalf of \_\_\_\_\_ that:  
Organization/Agency Name

I am an authorized agent of the organization/agency applying for funding. I understand that:

If my organization is awarded funding, my organization intends to enter into a Municipal Services contract with the City and provide liability insurance of at least \$1,000,000 per incident, with the City of Langley named as an additional insured on the policy.

I understand the City of Langley will only reimburse those costs actually incurred by my organization and only after the service is rendered, paid for, if provided by a third party and a signed request for reimbursement has been submitted to the City with copies of invoices and payment documentation.

My organization will be required to submit a (Appendix 3) State of Washington Lodging Tax Expenditure Report.

I understand that a submitted proposal is a public record potentially eligible for public release.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

**Supplemental Questions**

Please provide the following:

Describe your organization including history of its existence and success promoting Tourism, size of staff and board, size of volunteer base, consistency and geographic area served and type of service provided:



Provide a one-page narrative description of the project and explain how it will assist in building Tourism and/or promoting events or activities including website activities, etc. that will bring Tourists to Langley. Include marketing/promotional plans. It is essential to address all seven evaluation criteria (see Tourism plan part VI and Tourism Application Packet part 1. Guidelines for detailed explanation of the seven evaluation criteria). Describe the impact of your project on the economy of Langley, specifically lodging, food service sectors, and the retail community:

[Empty text box for project description]

**PROJECT BUDGET**

List all sources of funding. Include in-kind, City funding, organization’s own funding, and historic data, if applicable. Provide an itemized list identifying each type of expenditure to be reimbursed.

- 1. Have you received City funds in the past?    Yes    No
- 2. Is this application for new funds?            Yes    No
- 3. Increased funds?                                    Yes    No

If you answered yes to increased fund, describe the reason for increase: \_\_\_\_\_

If requesting Visitor Information Center (VIC) related funds: Include breakdown of Tourism related activities.

- 1. Number of visitors served at the VIC:        Walk-ins: \_\_\_\_\_ Phone inquiries: \_\_\_\_\_ Web inquiries: \_\_\_\_\_
- 2. Provide a breakdown of staff time dedicated to Tourism versus other activities: \_\_\_\_\_

If needed, please separate facility and event budgets, so that each sub-budget cost totals are clearly readable.

Please detail the budget for your project. Please specify your various match items, both cash and in-kind.

<b>PROJECT NAME:</b>					
Cost Category	City \$	Match \$	(Min. 25% of total)		Total
			Cash %	In-Kind %	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
Totals					

**BUDGET NARRATIVE**

In the space below please offer any information which you feel may provide useful background on your proposed budget such as source and rate at which matching labor costs are calculated, number of promotional pieces to be produced, numbers of media ads to be placed, etc. The stronger the budget narrative, the stronger the project proposal.

**SAMPLE STATE OF WASHINGTON REQUIRED –  
LODGING TAX EXPENDITURE REPORTING**

	<i>Predicted</i>	<i>Actual (<u>Due to City by March 15, 2022</u>)</i>	<i>Methodology: Indirect count Direct count Representative Survey Informal Survey Structured Estimate</i>
<b>Overall Attendance</b>			
<b>Attendance, 50+ miles</b>			
<b>Attendance, Out of State, Out of Country</b>			
<b>Attendance, Paid for Overnight Lodging</b>			
<b>Attendance, Did not Pay for Overnight Lodging</b>			
<b>Number of Paid Lodging nights</b> Total projected and estimated actual number of paid lodging nights. One lodging night = one or more persons occupying one room for one night.			

**City of Langley**



**Lodging Tax Reimbursement Invoice**

Date: \_\_\_\_\_

Agency/Organization: \_\_\_\_\_

Project/Event: \_\_\_\_\_

Total Contract Award Amount: \$ \_\_\_\_\_

Amount of this claim for reimbursement: \$ \_\_\_\_\_

Expense Line Item	Award Budget	Amount spent	Reimbursement Requested
	\$	\$	\$
<b>Totals</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Please attach documentation of each expense (invoices with proof of payment, receipts, etc.)

The undersigned certifies the information provided above is true and accurate; and use of the Tourism funds has been in accordance with the award conditions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email Address