



2016-2017 HOTEL/MOTEL USE TAX FUNDING APPLICATION INSTRUCTIONS

The City of Woodstock Hotel/Motel tax was established to improve the quality of life for its residents, corporate citizens and visitors. Woodstock generates a 5% tax on overnight stays as outlined in Ordinance 05-O-95. These funds are invested back into the community through designated projects and events that will enhance visitor appeal and encourage overnight stays at Woodstock-based lodging businesses.

Criteria:

The City welcomes funding requests from state and federally recognized tax-exempt, non-for-profit organizations. Funding may be provided for the following activities:

- Promotion of Tourism;
- Tourist-Related Activities; and
- Tourism-Related Municipal Projects.

Award Structure:

Applications may qualify for an award in one or more of the following categories:

- City-Identified Organizations – Based on an understanding of current municipal needs and past requests from various organizations in the community, the City of Woodstock has identified a number of established organizations whose purpose is furthering the promotion of Woodstock as a place to shop, dine and stay.
 - ❖ Tier I Organizations – The Opera House, McHenry County Convention and Visitors Bureau, Woodstock Chamber of Commerce, and Challenger Learning Center are established entities with a proven record of promoting tourism and/or overnight stays in the community for many years. As a result, these entities will receive a baseline support on an annual basis without being required to submit annual renewal applications, unless requesting an increase in funding from the previous year. They will, however, be required to submit an annual report. In the event an increase in funding is requested, it will be limited to no more than a 20% funding increase request on an annual basis and consideration will be entirely dependent upon available funds.
 - ❖ Tier II Organizations – Additional organizations/events may apply for factored funding through the fund differential that remains after Tier I Organization funding has been met. Annual application and reporting requirements will be required for all Tier II organization/events. Further, Tier II funding will be based upon the following matrix considering organization/event impact and duration. In no case, will any single organization/event receive more than 22% of the available

fund differential, regardless of matrix position. In every instance, the amount of awarded funding will be rounded to the next highest \$50 increment.

Tier II Matrix*

<u>Event/Program Duration</u>	<u>Event/Program Impact</u> City/County Impact	Regional/National Impact
1-3 Days/Events	1X-2X (ex. \$250-\$500)	3X-4X (ex. \$750-\$1000)
4-6 Days/Events	3X-8X (ex. \$750-\$2000)	5X-10X (ex. \$1250-\$2500)
7+ Days/Events	9X-14X (ex. \$2250-\$3500)	11X-16X (ex. \$2750-\$4000)

Note*: The X-factor is entirely dependent upon the amount of differential funding available for Tier II Organizations and the total matrix value of funding requests received on an annual basis. The associated X-factor dollar amount may, therefore, vary annually. In general, however, attempts will be made to equate the X-factor amount at X=\$250.

It should be noted that all requests, regardless of dollar amount or prior award status, must meet funding guidelines.

Priorities:

The City of Woodstock is interested in funding organizations that demonstrate they have planned their projects with respect to the community’s overall needs. When requesting funds, keep in mind priority is given to projects that:

- Generate overnight stays in Woodstock hotels;
- Encourage support of Woodstock businesses, restaurants and attractions;
- Attract positive coverage in local, regional and national media;
- Reach a broad section of the community;
- Represent proven successful programming with a multi-year commitment;
- Seek multiple sources of support rather than relying on the City of Woodstock as a single funding source;
- Yield benefits to the community for the resources invested;
- Promote cooperation among event organizers to reduce costs;
- Enhance or improve the community; and
- Newly requesting Tier II Organizations will be considered on an equal basis with previous funding recipients and all will be held to the same evaluation standards.

Limitations:

Not every worthwhile project can be funded. Resources are directed to those areas where public support will have the greatest impact. In general, the following are not considered for funding:

- Individuals.
- Organizations that support political candidates or political philosophies.
- Organizations whose primary purpose is to influence, promote, or attempt to initiate legislation.

- Organizations in need of funding for travel outside of Woodstock.
- For-profit ventures.
- Budget deficits incurred prior to application.
- Endowments.
- Fundraising. Funds must be used by the applicant for purposes promoting tourism, businesses, restaurants, attractions and overnight stays in Woodstock.
- Projects with no community service component.
- Purchase of permanent equipment.
- Funds will not be used to support other municipal program dedications (i.e., Sister City Program).
- With the exception of Tier I Organizations, no entity will receive more than \$4,000 per year in funding.
- Funds will not be disbursed to any organization or program that already receives a waiver of normal municipal fees.
- Total annual fund extensions, including both Tier I and II extensions, will be limited to 98% of the tax revenue generated from the Hotel/Motel Tax during the previous year.
- Funds must be used by the applicant, and for the general purposes outlined above. Applicant may not provide funding received to a secondary organization.

Application Instructions/Guidelines:

Requests for funding must be typed and respond to the following in the order as presented on the attached application:

I. Organization

- Name, address, phone number, and state or federal I.D. number of the organization and a contact person. State whether the applicant is controlled, supervised, operated by or in connection with another organization, or if it is the outgrowth of another organization.
- History and description of the program and goals.
- Names and addresses of the Board of Directors, board members associated with/employed by the organization and documentation that the Board authorized the application.
- Names, titles, duties and qualifications of volunteers and/or staff responsible for project implementation.
- A copy of the Treasury letter certifying tax-exempt status as an organization that is not a private foundation and a copy of the organization's most recent *Form 990 – Return of Organization Exempt from Income Tax*. NFP Certificate of Good Standing from the IL Secretary of State.

II. Funding Request

- Project – list the event title.
- Purpose – What will the project accomplish? Is the request for a special project or operating support? Is the project a continuation of an existing program or a new activity?

- Budget – Amount requested and a complete statement of the purpose of the grant. What is the total cost for the project? What is the amount of money requested from the City? Specifically, how will the money be used? When will the money be needed?
- Goals – What are the opportunities that the project will attempt to attract? What immediate and long-range results are expected? Who will benefit from the project? How and to what extent?
- Attendance – What is the expected spectator attendance? What is the expected participant attendance? What are the attendance records from the last two years?
- Overnight Visitors – How many overnight visitors are estimated? What is the basis for estimates? How will you promote Woodstock hotels?
- Promotion – How will the event/project be promoted? In what mediums/markets will you be promoting the event?
- City Services – What City services are required to implement the project/event? What is the cost of these services? City services are not assumed. Services must be requested and approved prior to the date of the event. If needed, proper permits must be approved and issued for the event.

III. Project/Event Benefits to Woodstock

- Approach – How long will the project be carried out? Where and by whom? How long will it take?
- Support – What other sources of support are committed or are being sought for the project? Organizations and amounts should be listed.
- Future Support – Will the project continue beyond the funding period? If so, how will it be supported? If the program is to be sustained, provide plans for permanent support after the City's funding has terminated.
- Maintenance Costs – What are the projections for short and long-term costs to maintain this project?
- Coordination – What other organizations are working on the project/event? How will coordination be accomplished?
- Evaluation – By what criteria will the success or failure of the project/event be measured? What are the methods/dates of evaluation?

IV. Legal Disclaimer

The Applicant understands that receipt by the City of Woodstock (City) of an application is **not** a guarantee or commitment by the City for funding. In addition, the receipt of an application does not commit the City to pay any costs incurred in the preparation of the application. Incomplete applications will not be considered for funding. The City reserves the right to determine if an application is eligible for funding and outline specific terms and conditions, as well as the amount of funding, if any, on an individual basis. Awards made in response to this application will be contingent upon the availability and appropriation of funding from the City's Hotel/Motel Tax Fund, which has been specifically authorized for this program.

The City reserves the right to disapprove costs incurred prior to award of funding and the execution of the Award Agreement. Portions of the contents of an approved application will

become part of the Award Agreement. The application and all documentation submitted with it shall become the property of the City.

A. Freedom of Information Act:

Information contained within this application may be subject to disclosure by the City of Woodstock under the Freedom of Information Act (ILCS 140). However, if the Applicant makes the following certification, all applicable commercial and financial information provided in this application shall be deemed by the City to be exempt from disclosure under Section 7 of the Act. In addition, if the Applicant considers information contained within its application to be confidential business or proprietary information, which could result in competitive harm to the Applicant, it should clearly mark the information as “CONFIDENTIAL.” The City shall exert that such information is subject to exemption from disclosure to the extent allowable by law.

The Applicant hereby certifies that the commercial and financial information contained in this application is proprietary, privileged, and confidential or is of a nature that its disclosure may cause competitive harm to the applicant.

B. Audit Requirements:

The Applicant agrees that, upon request by the City of Woodstock, it will provide access to its financial records and other information deemed necessary for audit purposes to ascertain that all conditions of the Award Agreement were met and that the expenditure of the awarded funds was for the purpose(s) outlined within the Award Agreement. Special audit requirements may be imposed, as deemed necessary by the City to ensure the accountability of public funds. All records required to demonstrate compliance with the Award Agreement should be maintained for a minimum period of three years. The City reserves the right to commence the audit process at any point during the three-year retention period. Failure to expend the allocated funding in accordance with the Award Agreement may result in the Applicant being required to refund a portion, up to the entire award amount including interest, at the discretion of the City.

V. Reporting Requirements

- Follow-Up – Certification that the organization will submit a Follow-Up Report on or before **Friday, March 24th, 2017**. The report outlines how the funds were spent and verifies that funds were spent solely for the purpose for which funds were sought.

VI. Application Deadline:

- Proposals must be submitted to the City Manager’s Office by **5:00 p.m. Friday, May 20th, 2016**. Applications and other materials received after that date will not be considered. Hotel/Motel tax funds will be distributed after the applications have been evaluated and funding has been approved by the City Council.

VII. Review of Grant Requests:

Additional evaluation criteria include the following:

1) Organization

- Is the organization structured and managed to assure successful completion of the project?
- Are the resources of the organization consistent with its programs? What are the other sources of financial support?
- How does the organization's program/event benefit the Woodstock community?
- Can the organization's efforts be monitored conveniently?
- Has the organization applied for funding before? Was a Follow-up Report submitted in a timely and complete manner? Were funds used for the purpose requested?

2) Project

- Why should the City be interested in this project?
- Does the project enhance the City's appeal?
- Is the project's approach designed to meet its objectives? Will funds from the City bring about desired results?
- Does the project have broad community involvement, as evidenced by cooperative planning, diversified funding and commitments of future support?
- Does the project duplicate or counteract other interests?

VIII. Contact:

- Should you have any questions or need additional information, please feel free to contact Garrett Anderson, Economic Development Director, at (815) 338-3176 or e-mail ganderson@woodstockil.gov.