	<b>Hotel/Motel Grant Program</b>	<b>Revision #</b>	
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### **1. Overview**

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The City of Marion collects a seven percent room tax on overnight stays at hotels and motels in the community. The funds are then redistributed through the annual budget process and the hotel/motel grant program to organizations that work to increase tourism in Marion.

City of Marion events, commissions and partners will have funding allocated during the annual budget process, and do not need to apply for a grant separately.

For the grant program, a committee reviews the applications, determines recommended funding allocations, and makes a recommendation to the council for use of the funds.

Any awards made under this program are applicable for the fiscal year granted only and expire at the close of the fiscal year. Any awarded funds unclaimed at the end of the award period will be forfeited and revert back to the Hotel/Motel Fund.

### **2. State Code**

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Chapter 423A of the Iowa code governs the use of revenue derived from the Hotel and Motel tax and provides that:

- Each county or city which levies the tax shall spend at least fifty percent of the revenues derived therefrom for the acquisition of site for, or constructing, improving, enlarging, equipping, repairing, operating, or maintaining of recreation, convention, cultural, or entertainment facilities including but not limited to memorial buildings, halls and monuments, civic center convention buildings, auditoriums, coliseums, and parking areas or facilities located at those recreation, convention, cultural, or entertainment facilities or the payment of principal and interest, when due, on bonds or other evidence of indebtedness issued by the county or city for those recreation, convention, cultural, or entertainment facilities; or for the promotion and encouragement of tourist and convention business in the city of county and surrounding areas (*Code of Iowa, 423A.7 4a, 01/08/16*)
- The remaining revenues may be spent by the city or county which levies the tax for any city or county operations authorized by law as a proper purpose for the expenditure within statutory limitations of city or county revenues derived from ad valorem taxes (*Code of Iowa, 423A.7 4b, 01/08/16*)

### **3. City Responsibilities**

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The City shall receipt all hotel/motel tax funds received from the State of Iowa into the Hotel/Motel Fund. The City Council shall approve the annual operating budget, which includes

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allocations for city events, commissions and partners, along with a budgeted amount for disbursement through the hotel/motel grant program.

Annually, qualified organizations can apply through the grant process for funding from this program. A committee consisting of two city staff, one city council representative, and a maximum of four council-appointed citizens review the applications, determine recommended funding allocations, and makes a recommendation to the council for use of the funds.

Once City Council approves funding, all applicants will be notified. Agreements will be e-mailed to all awarded organizations and funding can be requested once a signed agreement has been returned.

#### **4. Qualified Organizations**

Iowa Code does not define a qualified organization, however for the purposes of the hotel/motel grant program, a qualified organization shall be designated as an exempt/non-profit entity under the Internal Revenue Code.


Further, a qualified organization's request will be considered for funding from the hotel/motel grant program if the activities or proposed project for the fiscal year meets the intent of Iowa Code for use of the Hotel and Motel Tax. The basis of the intent is to support items that will bring additional Hotel and Motel taxes through additional lodging in Marion or the surrounding areas. Typically, these organizations are recreational, cultural, and entertainment oriented.

The review committee will also refrain from sponsoring any organization that is controversial or offensive. Criteria used to determine this can be found in the City's Advertising/Sponsorship Policy approved by Resolution 23691 on March 6, 2014. Staff shall determine whether the relationship may undermine public confidence and/or present a conflict of interest.

#### **5. Application Process**

The application process will open in April each year. Qualified organizations may apply online at [www.cityofmarion.org](http://www.cityofmarion.org). A list of application questions can be found in Appendix A. Once the application process closes, requests for funding will not be accepted until the following year.

Applications are scored based on project type, project need, project benefits, leveraging funds, prospects for success and uniqueness of project. A detailed outline with scoring weights can be found in Appendix B.

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## **6. Application Documentation**

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If an applicant has previously received funding from this program, the following documents are required to be submitted with their application:

- Financial Report for previous fiscal year/project, showing a full itemized budget for the program, and indicating where hotel/motel funds were applied and in what amounts. (Report template found in Appendix C).
- Performance Report for previous fiscal year/project including summary and evaluation of the project, the estimate number of participants and how success of project was evaluated.

All applicants are required to submit the following documents with their application:

- Publicity plan including information about how the project will be publicized and what efforts will be included to inform the public about the part hotel/motel funds played in making the project possible. (Any project receiving funds may include the following on promotional materials: "This project was funded in part by a grant from the City of Marion Hotel/Motel Grant Program." If the organization wishes to use the City logo, please contact Brian McKenzie for approval.)
- Itemized budget including estimated expenditures and other funding sources. (Report template found in Appendix C).

## **7. Accessing Awarded Funds**


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Awarded funds are distributed July through June. Organizations selected for funding shall make payout requests using the funding request form found in Appendix D. If the request for funds is made in advance of project, recipients must show proof of expense commitment (agreements, contracts, purchase orders, etc) with an explanation of expenditures. Up to ninety percent of awarded funds may be requested in advance.

Ten percent of awarded funds will be held until a final financial report is received and approved. This report shall include the final budget showing how and where hotel/motel funds were used similar to what is submitted in the application process. This report must be submitted before June.

If payout is not requested by the end of June, funds will be forfeited and revert back to the Hotel/Motel Fund. No extensions will be accepted.

Submit funding request forms and any requested documentation to Brian McKenzie (see contact information below).

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**8. Contact**

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Any questions concerning the Hotel/Motel Grant Program or related procedures shall be directed to:

Brian McKenzie  
 City of Marion  
 1225 6<sup>th</sup> Avenue, Suite 170, Marion, IA 52302  
 319-743-6353 | [bmckenzie@cityofmarion.org](mailto:bmckenzie@cityofmarion.org)



## **Appendix B Hotel/Motel Grant Program Application Scoring Criteria**

1. Grant Project Title
2. Requesting Organization Information (name, EIN number and website)
3. Applicant Contact Information
4. Total Amount Requested
5. Have hotel-motel tax grants been received for this project previously?
6. Describe your project. Include a description why the project is needed and its purpose. (Character limit: 2000)
7. Provide the economic impact of your project (i.e., hotel stays, meals, gasoline purchases, how you will encourage "buying local" among participants). (Character limit: 2000)
8. How will your project be accomplished? Include a description of project activities, a timetable indicating when activities will occur, and how they will meet your project's purpose. (Character limit: 2000)
9. Describe your target audience (expected size and composition) and how you will publicize your project to attract them. Please attach a publicity plan that includes information about how the project will be publicized and what efforts will be included to inform the public about the part hotel/motel funds played in making the project possible. (Character limit: 2000)
10. Who will be involved in the planning, training of staff, and actual implementation of the project? (Character limit: 1000)
11. Describe the methods by which you will evaluate the success of the project. (Character limit: 2000)
12. Itemize your budget and provide clarifications where necessary. Include estimated expenditures for all areas, including professional services, supplies, and capital expenses. Other funding sources, as well as in-kind contributions where applicable, should be reflected.
13. If this project were to continue in the future, how will it be sustained? If applicable, describe results of previous hotel/motel awards received in the past three years for projects of similar nature. (Character limit: 2000)
14. Explain how this project is unique to Marion or Eastern Iowa. If similar activities are undertaken by your organization (or other organizations in the region), describe the features that differentiate your project. (Character limit: 2000)



## Appendix B Hotel/Motel Grant Program Application Scoring Criteria

Applications submitted for consideration of funding from the Hotel/Motel Grant Program will be evaluated based on the following criteria and point scales. The reviewers' scores and comments will be compiled and used to make funding recommendations to the City Council.

### 1. Project Type

Project expenditures can be used for capital purchases, professional services, contract costs, operating costs, or other uses as authorized by the hotel/motel tax ordinance and state law, subject to approval of the City Council. A capital expenditure is defined as an item or tangible improvement which has a useful life greater than two years and a value of more than \$1,000.00

- 5 Project is for a capital expense
- 4 Project is for advertising or promotion
- 3 Project is for professional services
- 2 Project is for operating expenses
- 0 Insufficient Expense Information

### 2. Project Need

The proposed activity should relate to a real or perceived need in the community. How well does the proposal respond to that need?

- 10 Applicant identified a real need for project in area of leisure or recreation
- 7 Applicant has identified need and project is part of organized tourism plan
- 3 Applicant perceived a need for program but offers inadequate documentation
- 0 Project if unrelated to any community needs

### 3. Project Benefits

Is there a direct link between the project and overnight hotel stays within Marion? Is an explanation provided?

- 15 Direct increase in overnight stays
- 8 Indirect increase in overnight stays
- 5 Project may increase overnight stays
- 0 Will not increase overnight stays

### 4. Leveraging Funds

Extra consideration will be given to projects that leverage other dollars and use hotel/motel grant funds to fill the gaps. Joint projects that demonstrate partnerships for hotel/motel promotion will also be given extra consideration.

- 10 Project is jointly sponsored with a substantial amount of non-hotel/motel funds
- 6 Project is jointly sponsored with a moderate amount of non-hotel/motel funds
- 3 Project is jointly sponsored with a small amount of non-hotel/motel funds



## Appendix B Hotel/Motel Grant Program Application Scoring Criteria

0 Project does not have other funding sources or plans to generate non-hotel/motel funds

5. Prospects for Success

Can the applicant complete this project? Is the timetable realistic? Are there adequate resources? Does the sponsor have sufficient training or experience with similar tasks to indicate good prospects for success?

10 Excellent prospects for success

6 Modest prospects for success

0 Poor prospects for success

6. Uniqueness of Project

Is the project unique to Marion or Eastern Iowa? Does it duplicate other efforts in the city or metro area? Does it serve a distinct or unique population? Is it innovative and creative?

5 Project is unique and innovative

3 Project is similar to others but with noticeable differences

0 Project duplicates other efforts



## Appendix C Hotel/Motel Grant Program Reporting Templates

### Financial Report Template

Project Title and Fiscal Year			
Expenditure Type	Actual Total Expense	Actual Hotel/Motel Contribution	Actual Contribution from Other Sources
<b>TOTAL:</b>			

### Itemized Budget Template

Project Title			
Expenditure Type	Proposed Budget	Proposed Hotel/Motel Contribution	Proposed Contribution from Other Sources
<b>TOTAL:</b>			





# Appendix D Hotel/Motel Grant Program Funding Request Form

Organization: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

Amount Requested: \_\_\_\_\_

Payment Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Payout Type:

Option 1: Partial payout in advance of project (up to 90% of awarded funds)

Option 2: Remaining or full payout after project completed

Option 1 – In Advance of Project:

Up to 90% of awarded funds may be requested. Please submit proof of expense commitment (contract, agreement, purchase order, etc.) Documentation must include amounts that total the requested amount.

Please also explain the purpose of these expenditures.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Option 2 – After Completion of Project:

Remaining or full payout of awarded funds may be requested. Please submit a financial report showing how and where hotel/motel funds were used.

Submit form and required documentation to [bmckenzie@cityofmarion.org](mailto:bmckenzie@cityofmarion.org)

Finance Use Only:	108.620.6499
Awarded Amount: _____	
Less Amount Requested: _____	Documentation Approved
Less Previous Requests: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Remaining Funds Available: _____	