

# CITY OF MANITOWOC CITY ROOM TAX ALLOCATIONS POLICY

## Including the: *Discover Manitowoc Grant Policy*

*Revised July 15, 2019*

### INTRODUCTION

Room Tax in the State of Wisconsin is governed by Wisconsin State Statute 66.0615. The City of Manitowoc is committed to utilizing these dollars for the direct purpose of promoting the area's attractions, special events and all tourist related areas which bring persons from all around the country/world to Manitowoc. This policy details how the funds will be distributed on an annual basis for the Discover Manitowoc portion.

#### 1. ALLOCATION OF FUNDS, PART ONE: FIXED FUNDS

- a. Manitowoc Area Visitor and Convention Bureau (MAVCB): Room Tax dollars collected from hotel room taxes shall be distributed annually to the MAVCB per established percentages which are at 52.19% in 2015.
- b. Manitowoc International Relations Association (MIRA): Room Tax dollars collected from hotel room taxes shall be distributed annually to MIRA per established percentages which are at 1.25% in 2015.
- c. General Fund: Per Resolution, 3.12% of Room Tax will be allocated to the General Fund of the City of Manitowoc on an annual basis.
- d. MAVCB Tourism Guide: \$10,000 shall be set aside annually for promotion of the City of Manitowoc within the MAVCB's annual tourism guide.

#### 2. ALLOCATION OF FUNDS, PART TWO: DISCRETIONARY FUNDS

- a. 100% of funds shall be allocated to special events and projects that support and complement the mission of drawing visitors to the City of Manitowoc through attractions, activities, events, and functions that positively reflect the best qualities of Manitowoc. Grants will be considered for new and/or sustained marketing costs of promoting qualifying and selected organizations, programs, events, and activities to populations outside of Manitowoc County. Grants may also be considered for direct support and/or seed money to qualifying and vetted organizations and events that have the potential to bring visitors to Manitowoc. Preference will be given to tax-exempt, non-profit organizations, however for-profit entities may still apply for funding.

- b. The City of Manitowoc retains the right to utilize any fund balance in the Room Tax fund as they see necessary and prudent for tourism use.

### **3. PROCESS FOR DISCRETIONARY FUND DISTRIBUTION**

Discretionary funds (Part 2a) will be awarded as annual or multi-year “grants” based on the expert review and recommendations of an independent Room Tax Commission (the Commission”) as created per Manitowoc Municipal Code Chapter 3, 3.150, and an internal committee of city staff for special event waivers.

- a. The Room Tax Commission shall meet annually in March to review applications and recommend those projects meeting program criteria for awards. In addition, the Commission will review the progress and activities of those entities with funded projects, and address any concerns in the administration of this fund and program. The city fiscal year is January through December.
- b. Timeline for applications and granting for moneys collected in 2019 and available for distribution in 2020 and beyond:
  - i. Grant applications accepted January 1 through February 28/29.
  - ii. Review and award completed by March 31.
  - iii. Grantee reports due September 30 for events held prior to September 1st.
  - iv. Grantee reports due by March 31 of following year for events completed between September 1 and December 31.
- c. A simple majority of the full (6) six-person Commission is necessary to approve any decision within the parameters of this body.
- d. Decisions of the Commission shall be based on proposals submitted by entities seeking support as evaluated by this body. It is understood that some judgment and discretion will be used in making decisions/prioritizing requests.
- e. The Commission has the responsibility to discontinue funding to any organization that is not meeting the reporting requirements or intention of this funding. The Commission also has the authority to require any funded entity return any or all funds issued from this body that were not used for their intended purpose.
  - i. Grantees will be responsible for reporting back to the Commission consistent with the schedule identified in 3(b).
  - ii. This report shall contain an overview and general accounting of how the allocated funds were used, providing direct examples.
  - iii. A simple form will be provided to the grantees with a set of questions and request for documentation to be returned.

- f. A special events committee made up of internal staff selected by the mayor shall meet regularly to review and approve any special events request with a subsequent letter addressed to the Common Council. The details of the Special Events policy is attached.

**4. FUNDS AVAILABLE:**

- a. The funding pool for any year is based on the actual funds collected the prior year; i.e. funding and grant amounts are contingent on fund availability.

**5. DETERMINING DISCRETIONARY FUNDS DISTRIBUTION:**

- a. Within the authority of the Commission the following policy shall be established:
  - i. **POOL #1** – supporting MAJOR INSTITUTIONS: Understanding the importance of certain keystone organizations or events to the ongoing recreational, cultural, and tourism traffic of the City of Manitowoc and to our shared quality of life, it is intended that a select number of community-based organizations be designated as “major institutions” within this room tax district, and be eligible to apply for multi-year funding {up to but not exceeding (3) three years} to assist in the critical task of marketing to attract visitors to Manitowoc, all with the aim of generating economic traffic and spending across a wide spectrum of businesses.
    - 1. Proposed “major institutions” for this purpose include but are not limited to: Wisconsin Maritime Museum, Rahr- West Art Museum, Pine Crest Historical Village, Capitol Civic Centre
    - 2. Designation of “major institution” status; establishing and maintaining designation: once this program is established, any institution may apply for “major institution” status, but assignment of this designation will be measured against the following criteria through an application form containing the following areas of consideration, and rating each category with a score of 1, 2, or 3, with 1 being the lowest and 3 being the highest:
      - a. Is this an institutional organization or a stand-alone event/activity
      - b. Is this a collaborative or partnership undertaking with any other local organizations? If so—provide details and all of the application information requested here for all involved entities
      - c. Organizational mission statement
      - d. Longevity and history of organization
      - e. Evidence of activities and programs that attract out- of-town visitors - this should be a primary criteria that designates an organization as “Major”: total attendance from outside Manitowoc County

- f. Program or organizational budget
  - g. IRS letter of tax-exempt designation
  - h. List of organizational board of directors and functions
  - i. A statement of how funding from this allocation will assist in the marketing of specific programs, activities, or the organization in general that will contribute to attracting visitors to this community.
  - j. If a non-marketing request, whether in portion or in whole; detail the need and justification for support, and how this funding will positively impact the community and tourism
3. Amounts available/max of any multi-year request: Major institutions with ongoing programs may apply for multi- year grants {up to (3) three years}. Within the amount designated for Major Institutions the board will determine what is appropriate for multi-year commitments based upon the number of applications and the nature of how the funds will be used.
  4. Application procedure, deadlines, and notifications shall follow the timeline identified in 3(b).
  5. Documentation and reporting/follow-up: The grantee must complete the requirements of this form consistent with the timeline in 3(b)
  6. A 5% contingency fund shall be established within this pool for poor performing room tax collection years so organizations can plan for their allocated funds to be collected.
  7. Any funds remaining at the end of the fiscal year may be allocated toward reserves within this fund or may be distributed to organizations as deemed appropriate by the Commission.