

# CITY OF MANITOWOC CITY ROOM TAX ALLOCATIONS POLICY

## Including the: *Discover Manitowoc Grant Policy*

*Adopted: February 16<sup>th</sup>, 2015*

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### 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. 75% of remaining funds shall be allocated to tax exempt non-profit organizations, 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.
- b. 25% of remaining funds shall be set aside as a contingency by the City of Manitowoc for implementing additional marketing in conjunction with the MAVCB, and/or for the purpose of special tourist related circumstances

(ex: replacing electronic signage, downtown banners). These funds shall be budgeted annually by the Mayor and Community Development Department with subsequent approval by the Common Council in conjunction with the annual budget process.

- c. 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 Allocation Board,” and an internal committee of city staff for special event waivers, the details of which are outlined as follows:

- a. An independent (5) five-person Room Tax Allocation Board shall be appointed by the Mayor with the subsequent majority approval of the Common Council for the use of Room Tax Funds for tax exempt non-profit organizations 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. Board members shall serve for a two-year (2) term. Terms shall be staggered so that each year (2) two members are newly appointed or re-appointed by the Mayor, with subsequent majority approval by the Common Council. All board members (other than permanent appointments) must reside in the City of Manitowoc.
  - i. The following professional disciplines shall be represented on the Room Tax Allocation Board:
    - 1. Community Development Director for the City of Manitowoc
    - 2. Hotel or other service industry owner/manager
    - 3. Common Council member
    - 4. (2) Two citizen at large (someone with an appropriate perspective on this community as a tourism destination)
  - ii. The Mayor shall chair this board and serve as an ex-officio member of this board and shall not have voting privileges. The President of the Manitowoc Area Visitor and Convention Bureau shall also serve as an ex-officio member of this board and shall not have voting privileges. The Mayor’s Administrative Assistant shall serve as the secretary and record all funds appropriately.
  - iii. A board year shall commence in April and end in March of the given year.

- iv. To provide additional context and perspective to this board, one voting member of this board may be a paid staff or member of the board of directors of an organization that could be eligible to seek funding from this board, but would not be eligible to submit grants or receive funding during their tenure on this board. Should a conflict arise, the board member in question shall step down and be replaced by a new mayoral appointment, with subsequent Common Council approval.
- v. Voting members shall meet biannually to review applications and recommend those projects meeting program criteria for awards. In addition, the board 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.
- vi. Timeline for applications and granting for moneys collected in 2014 and available for distribution in 2015 and beyond:
  1. 1<sup>st</sup> round of grant applications accepted starting November 1 through November 30.
  2. 1<sup>st</sup> grant review completed by January 31.
  3. 1<sup>st</sup> grant distribution by February 28.
  4. 1<sup>st</sup> grant distribution grantee report due August 31.
  5. 2<sup>nd</sup> round of grant applications accepted starting May 1 through May 31.
  6. 2<sup>nd</sup> grant review completed by June 30.
  7. 2<sup>nd</sup> grant distribution by July 31.
  8. 2<sup>nd</sup> grant distribution grantee report due January 31.
- vii. A simple majority of the full (5) five-person board is necessary to approve any decision within the parameters of this body.
- viii. Decisions of this board 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.
- ix. Voting members have the responsibility to discontinue funding to any organization that is not meeting the reporting requirements or intention of this funding. This board 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.

1. Grantees will be responsible for reporting back to the board within six months.
  2. This report shall contain an overview and general accounting of how the allocated funds were used, providing direct examples.
  3. A simple form will be provided to the grantees with a set of questions and request for documentation to be returned.
- x. The board shall report to the Mayor and the Common Council on the activities of the board, its funding decisions, and accomplishments of the funded organizations no less than twice a year in writing.
- b. 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.
- b. The Room Tax Allocation Board may adjust allocations for either of the funding cycles from the total amount of funds available.

#### 5. DETERMINING DISCRETIONARY FUNDS DISTRIBUTION:

- a. Within the authority of the Room Tax Allocation Board 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 on page 3

5. Documentation and reporting/follow-up: The grantee must complete the requirements of this form within six months of receiving funding per the timeline on page 3
  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 Room Tax Allocation Board
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