

**CITY OF SHELTON  
LODGING TAX ADVISORY COMMITTEE  
ALLOCATION PROCESS**

**INTRODUCTION**

The objective of the City of Shelton Lodging Tax Advisory Committee Process is to support projects, which encourage eligible tourism and cultural activities and support tourism facilities in Shelton. Eligibility of applications and projects is defined broadly to encourage wide participation and innovative proposals. The source of the funds is the City's share of sales taxes collected on overnight stays within the City of Shelton.

**The general application period shall be open on August 1 and close on August 31.** At the request of the Mayor or City Commission, or at the Lodging Tax Advisory Committee's own discretion, grant applications can be considered at other times of the year. However, because of the City's budget cycle and because of the Committee's preference to review grant applications simultaneously and comparatively, the likelihood of gaining approval outside of the primary application period is diminished.

**PROJECT ELIGIBILITY**

Legislation provides authority for cities and counties to adopt a lodging tax of up to four percent. The City of Shelton currently collects the maximum allowed by the law. The law allows the use of lodging tax revenues in either of two broad categories: tourism promotion or tourism-related facilities.

1. "Tourism promotion" is defined as activities designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourists.

2. "Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

**APPLICATION REQUIREMENTS**

To be considered, applications must be complete, adhere to the specified format, and be submitted with six (6) copies of all components.

**1. ELIGIBILITY**

Each applicant will be required to concisely define the service to be provided through the proposed project and demonstrate how it will do so. Essential to this process will be establishing that the project, if funded, will be in compliance with state statutes governing the use of Lodging Tax revenues.

**2. SCOPE OF WORK**

The applicant will be required to submit a scope of work that breaks down the overall project into a progression of logical steps.

### 3. TIME LINE

The elements and the scope of work must be keyed to milestones indicating when each will be undertaken and/or completed.

### 4. BUDGET

The project budget will include both the revenue and expense categories; all income (including in-kind) will be broken out by amount and source, and expenses will be itemized as well. A cash flow projection for the calendar year showing cash needs by quarter must be provided.

### 5. REIMBURSEMENT

The applicant must understand that the City's support for funded projects is on a reimbursement basis; i.e., no funds can be advanced in support of a project. Grantees must first incur costs and then bill the City for reimbursement under contract guidelines.

### 6. FINAL REPORT/PERCENTAGE WITHHELD

Payment for twenty percent (20%) of the total reimbursable costs for any funds due the grantee will be withheld until a final written report is received by the Confidential Administrative Assistant and the grantee presents an oral report to the City Commission.

### 7. HISTORY

Provide a brief history of your program/organization.

## **SELECTION PROCESS**

When the application solicitation period opens, the Confidential Administrative Assistant will inform interested applicants of the funding process and its eligibility criteria. When the solicitation period closes, qualifying applications will then be forwarded to the Lodging Tax Advisory Committee for review. The Lodging Tax Advisory Committee will recommend to the Commission projects/events to be funded and at what level. **The Commission will make the final decision on project/event approval and funding levels. After the applicants and the City have signed the contracts, the project/event can proceed.** It is very important that applicants are aware that only after the following steps are complete is a project grantee authorized to incur reimbursable costs.

1. All contracts are reimbursement based; i.e., the grantee must expend funds on approved items and then seek reimbursement under terms of the governing contract;
2. No costs incurred prior to the City's signing of a contract for an approved project will be reimbursed;
3. The project approval process involves three steps:
  - a. Advisory committee recommendation,
  - b. The Commission's approval of proposal, and
  - c. The execution of the contract by the City's authorized signatory.

The City of Shelton does not discriminate on the basis of race, religion, color, sex, national origin, marital status, familial status, age, sexual orientation and disability in employment or the provision of services.