



Tourism Product Development Fund (TPDF)

The TPDF is funded through Buncombe County occupancy tax (or *room tax*). The tax rate in Buncombe County was increased from three cents to four cents in August 2001. The additional cent generates approximately \$1.5 million of room tax revenue per year, of which 100 percent is dedicated to the TPDF. The original three cent tax continues to be dedicated to out-of-market advertising. The purpose of the TPDF is to provide financial assistance for major tourism projects in order to substantially increase patronage of lodging facilities in Buncombe County. To date, \$13,683,500 from the TPDF has been granted to fourteen community projects.

TPDF funds can be awarded as either a grant, pledge of debt service or loan guaranty. The legislation establishing the TPDF states that the funds are to be used for *tourism capital projects*, such as construction costs for a new tourism project. The legislation also states that to be a qualified project, it must demonstrate that it will generate new and incremental room nights in Buncombe County.

A nine-person review committee called the TPDF Committee reviews all funding applications. There is a two-stage approval process that each project must pass prior to receiving TPDF funding. First, the TPDF Committee will thoroughly review all applications. The committee makes funding recommendations to the Buncombe County Tourism Development Authority (BCTDA). Final granting is given by the BCTDA.

Based on the Buncombe County Tourism Development Authority's mission statement as well as TPDF legislative guidelines, the following criteria principles were developed by the TPDF committee to evaluate each application. All projects must first meet the core criteria. If a project meets the core criteria, it will then be judged on the additional criteria.

BCTDA Mission: To be a leader in the economic development of Buncombe County by attracting and serving visitors, generating income, jobs and tax revenues that make the community a better place to live and visit.

Core Funding Criteria

- Asheville destination brand alignment
 - Commitment to work with bureau to ensure organization employees complete brand training program and/or understand how to deliver the brand promise (based on project type).
- Return on investment (ROI) & economic impact
 - New room nights generated in Buncombe County
 - Ratio of dollars loaned to anticipated revenue generation based on room nights
 - If applicable, number of new local jobs created based specifically on new employment
 - Ability to measure out-of-market visitation and economic impact data
 - Projects awarded funding will be required to report in and out-of-market visitor numbers

Additional Criteria:

- Community value
- Environmental sustainability
- Feasibility of the project
- Timeline of project completion
- Current financial picture
 - Financial resources, partnership funding structure, project costs
- Ability of project to leverage additional development for the community

Next Funding Cycle

- TPDF funding is on an 18-month cycle. Applications for the next cycle will be due on January 9, 2012.

For more information contact Cate Marvill, Senior Project Manager, at cmarvill@exploreasheville.com or 828.210.2724.

Tourism Builds Community

Projects Funded by occupancy tax collected
by the Buncombe County lodging industry

<u>Project</u>	<u>Award</u>	<u>Year Awarded</u>
The John B. Lewis Soccer Complex at Azalea Park	\$400,000 \$400,000 \$500,000	2002 2004 2009
Grove Arcade Public Market	\$500,000	2002
The Bonsai Garden at the North Carolina Arboretum	\$750,000	2003
Asheville Visitor Center	\$750,000	2003
Western North Carolina Veterans' Memorial at Pack Square Park	\$67,000	2007
Buncombe County Civil War Trails	\$16,500	2007
Asheville Area Wayfinding Program Phase II	\$1,650,000 \$150,000	2007 2010
Pack Square Park Pack Square Park Pavilion	\$500,000 \$1,500,000 \$500,000	2004 2007 2009
The Health Adventure/ Momentum	\$500,000 \$1,000,000	2004 2007
Asheville Art Museum	\$1,000,000 \$500,000	2007 2009
Bob Moog Museum	\$600,000	2009
The Orange Peel	\$250,000 loan guaranty \$50,000 grant	2009
Asheville Civic Center	\$2,000,000	2010
Smoky Mountain Center/Asheville Adventure Center	\$100,000	2010

Total Amount Awarded: \$13,683,500