



September 19, 2011

Dear Applicant:

The Buncombe County Tourism Development Authority (BCTDA) is pleased you are interested in applying for funding from the Tourism Product Development Fund (TPDF). Created by the State Legislature in 2001, the TPDF provides funding for capital tourism projects that increase the number of overnight stays in Buncombe County lodging properties.

Before you begin the process of applying to the TPDF committee for funds, it is important to understand the parameters governing the TPDF.

- As written in the enabling legislation, it is the intent of the BCTDA to fund **capital projects** that will **generate a substantial number of new room nights in Buncombe County**. Applicants must demonstrate how the project will generate new and incremental room nights. Please review the attached *Criteria for Funding* sheet.
- Projects must demonstrate that they will attract new markets and new visitors
- Applicants must explain how the project complements or supports Asheville's destination brand. An *Asheville Destination Brand* information sheet can be found in this packet.
- Funds must be used for capital expenses associated with the building and construction of new tourism projects, not administrative, operating, marketing, feasibility or design expenses.
- Applicants must demonstrate that they have secured funding from sources other than the TPDF. The TPDF is not intended to be the primary funding source for any project.
- Applicants must provide a detailed business plan, feasibility data/study and financial statements

The *Frequently Asked Questions* sheet found in this packet provides additional information about the process.

The TPDF committee asks each applicant to pay attention to the following guidelines in your submission. Applications that deviate from this format will not be considered for funding.

- ◆ Provide complete information in response to each section in the ***Application for Funding***. **Please note the Addendum section added for this funding cycle.**
- ◆ Index your application submission by providing labeled tabs for each main section 1-7. There is no need to for separate pages for each subsection as long as the subsections are clearly labeled within the section.
- ◆ Submit twelve (12) complete copies of your application. Each copy should be the same.
- ◆ Stamp each copy with the words, "Confidential" on the coversheet.
- ◆ All funding applications are due by **5:00 p.m., Monday, January 9th**. Deliver your completed application to Cate Marvill at the Asheville Convention & Visitors Bureau at the Asheville Area Chamber of Commerce (36 Montford Avenue).

The TPDF committee will carefully review each project. A representative from your organization may be asked to attend a follow up interview.

If you have specific questions about the application process, contact Cate Marvill at 828.210.2724 or cmarvill@exploreasheville.com. Thank you for your interest in the TPDF.

Sincerely,

John Ellis
Chair, Tourism Product Development Fund Committee

Buncombe County Tourism Development Authority

Tourism Product Development Fund

Application for Funding 2012

The purpose of the Tourism Product Development Fund (TPDF) is to provide financial assistance for major capital tourism projects which substantially increase patronage of lodging facilities in Buncombe County. The TPDF committee is looking for unique projects that will add new visitors and room nights to the existing market.

Index your application submission in a three-ring binder by using tabs labeled for each numbered section. There is no need for separate pages for each subsection as long as sections and subsections are clearly labeled.

1. Executive Summary

Please provide a summary of the proposed project including organization information, project description, funding request, total project budget, timeline, and how the project meets the stated goals of the Tourism Product Development Fund.

NOTE: This summary may be used for releases to the media and general public. As the source of the funding you are seeking is considered public funds, non-confidential sections of your application, including this summary, are subject to public review. There may be requests to review the written applications by the media or general public, and this Executive Summary section will be made available should a request be made.

2. Applicant Information

- 2-A Name of organization/individual requesting funds, mailing address, phone, fax, E-mail and contact person for application follow-up
- 2-B Brief history of requesting organization
- 2-C Pending legal actions against applicant or organization

3. Project Specifics

- 3-A Project name and description
- 3-B Project timeline including anticipated start/end of construction and opening date(s), and when TPDF funds will be needed
- 3-C Proposed tax status of the project
- 3-D Explain the value of the project to the region (500 words or less)

4. Funding Specifics

- 4-A Requested funding amount, and whether the request is for a grant, pledge of debt service or loan guaranty.
- 4-B Provide the total budget for your project, being sure to break out actual projected construction costs from design fees, studies, etc.
- 4-C Identify all sources of currently received funding. Identify other potential funding sources and note if the fund requests are pending or already committed. Note if any of these sources of funding are contingent on receiving the TPDF or other types of funding

5. Return on Investment

Projects that receive funding are required to report ROI information, including out-of-market visitor numbers and room night estimates, upon request. Projects may need to work with CVB staff to ensure adequate collection and reporting methods.

- 5-A If your organization currently contributes to tourism in the area, provide the following

benchmark information:

- How does your organization currently impact tourism and overnight visitation?
- How many out-of-market visitors do you receive per year? How is out-of-market visitation measured?
- How does the proposed project increase your current impact on tourism and overnight visitation?

5-B If benchmark information is not available (i.e., for a new attraction), what methods of data collection will you implement to measure out-of-market visitors and economic impact?

5-C What is the current annual visitation at your organization? How is that number determined? Provide the estimated number of total annual visitors to the proposed project for first three years of operation. List anticipated visitors per month (January-December). Explain how that number is determined.

5-D What percentage of annual visitors to the project will overnight in Buncombe County? Explain how that percentage is determined.

5-E How many additional room nights at Buncombe County lodging properties will the project generate per year for the first three years of the project? List the estimated room nights by month (January-December) for three years.

5-F Describe the marketing efforts that will be implemented to achieve the above projected visitors and room nights.

5-G What are the demographics of the typical project visitor?

5-H Based on increased attendance, will your project create permanent new jobs beyond initial construction jobs in Buncombe County? Provide the number of new positions created and the amount your payroll will increase.

5-I Discuss the potential of your project to spur or anchor further development projects.

6. Brand Destination Alignment

6-A What are your organization's core values and brand promise to visitors? How do they complement the Asheville destination brand? A brand information sheet is included in this packet.

6-B If an award is made, your organization may be required to work with the CVB to ensure your employees and/or volunteers deliver the Asheville Area Destination Brand Promise to visitors. Please check the appropriate boxes below and insert the chart in your application.

| | Currently | Future |
|--|-----------|--------|
| Provide Asheville Visitor Guides | | |
| Provide web link to ExploreAsheville.com | | |
| Staff complete Promise Training program | | |
| Staff knows and understands the Asheville Area Destination Brand Promise | | |
| Other | | |

6-C Discuss any environmentally sustainable practices and how your project would minimize environmental impacts on Western North Carolina.

7. Supplemental Material

To assist the TPDF committee in better understanding your project, submit the following supplemental material as applicable.

7-A Business/ Strategic Plan/ Feasibility Study

Attach the current business plan for the project including a three-year marketing plan, competitive analysis, feasibility data/studies that validate your business plan, and financial schedules for first three years of operation (pro-forma, profit and loss, balance sheet).

7-B Pertinent information about requesting organization

- Current board of directors and financial information including the most recent audited year and current financial statement
- Current mission statement and strategic plans of requesting organization
- Current partnerships with other organizations
- Proposed partnerships for the purpose of this project

NOTE: The TPDF committee reserves the right to request additional feasibility analysis performed by a third party. Costs for additional analysis will be discussed with applicants before contracting with a third party.

7-C Attach commitment letter(s) verifying all funding sources.

7-D Attach letters of recommendation (no more than three).

ADDENDUM MATERIALS

3-A(1) If a similar project already exists in the region, is there additional market demand to support a new product? Provide information on how your project will add new visitors to the existing market.

3-B(1) Priority may be given to projects ready to begin construction within 24 months of funding cycle. If your project will not begin construction within that time period, explain why a commitment of funding is crucial to your project at this stage.

RETURNING APPLICANTS ONLY

If you have previously received TPDF funding for the same project, please provide an additional statement that includes the following information.

- Funds raised (not including TPDF dollars) since your last application
- Has the scope of your project changed?
- Overall progress report on the project
- Updated construction timeline and reason for any delays

TPDF Criteria for Funding

Based on the Buncombe County Tourism Development Authority's (BCTDA) mission statement as well as TPDF legislative guidelines, the following criteria 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 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 criteria:

- Return on investment (ROI) & economic impact
 - New room nights generated in Buncombe County
 - Repayment revenue generated if project receives a loan versus a grant
 - Ratio of dollars loaned to anticipated revenue generation based on room nights
 - Number of new local jobs created based specifically on new employment for the proposed project
 - Ability to measure out-of-market visitation and collect economic impact data
 - Projects awarded funding will be required to report out-of-market visitor numbers to the BCTDA.
 - Ability to provide ROI information upon request from the BCTDA
- 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).

Secondary criteria:

- Community value
- Environmental sustainability
- Feasibility of 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

Tertiary criteria:

Priority may be given to applications representing new projects or returning projects which have been funded just once in a prior funding cycle. Returning projects, which have been funded two or more times, may have a lower priority.

Priority may also be given to projects that will break ground within 24 months of the funding cycle. Projects not ready to begin construction within 24 months should consider applying at future cycle (see Addendum section of application).

Frequently Asked Questions

Buncombe County Tourism Product Development Fund

1. What is the purpose of the Tourism Product Development Fund (TPDF)?

The purpose of the TPDF is to provide financial assistance for major tourism capital projects that will substantially increase patronage of lodging facilities in Buncombe County.

2. How is the TPDF funded?

The occupancy tax (or *room tax*) in Buncombe County was increased from three cents to four cents in August 1, 2001. In 2010, the additional cent generated approximately \$1.5 million of room tax revenue, of which 100 percent is dedicated to the TPDF.

3. Who decides what project(s) receives TPDF dollars?

A nine-person review committee called the TPDF committee reviews all funding applications. Each project must pass a two-stage approval process prior to receiving funding. The TPDF committee first thoroughly reviews all applications and conducts interviews as needed. The committee then makes funding recommendations to the Buncombe County Tourism Development Authority (BCTDA). Before a project is recommended to the BCTDA board, eight of the nine member TPDF committee must affirm the decision to fund, or a majority of voting committee members minus one in case of absentees or abstentions. Once the project receives committee approval, the BCTDA will review the project for final approval. The project may be referred back to the TPDF committee for additional analysis before a final BCTDA vote. A majority of BCTDA voting board members (four) must affirm the funding recommendations made by the committee. Please note that funding is not officially approved until the BCTDA approves the recommendation. A funding timetable is included in this packet.

4. What are the primary funding criteria?

There are eight criteria principles that will be used in judging submitted projects. All projects must meet the core criteria of destination brand alignment, economic impact, and return on investment based on estimated new room nights generated. Additional criteria will be assessed if a project meets the core criteria.

5. How important is it that a project demonstrates that it will generate a substantial number of new room nights in Buncombe County?

It is essential that each project demonstrate the potential to drive new and additional room nights. The room tax collected in Buncombe County is a self-imposed tax by the lodging community. The lodging community expects projects that receive funding to generate a substantial number of new room nights in Buncombe County, which, in turn, create a greater economic impact benefiting all residents in the community. It is recommended that each project consider utilizing a consultant or an independent third party to validate not only the feasibility of the project, but also the number of new room nights that will be generated. Be prepared to answer detailed questions by the TPDF committee and BCTDA about the estimated new room night numbers in your application.

6. Are there restrictions on how the TPDF can be used to fund a project?

Yes. 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. Projects requesting TPDF dollars for marketing, design or operations expenses will not be considered. This is important to keep in mind before applicants decide to apply for funds.

7. How important is it that applicants secure other funding sources prior to submitting an application?

The TDPF is not intended to be a project's primary source of funding. Applicants who can demonstrate other sources of secured funding will be reviewed more favorably than those who rely solely on the TPDF for funding.

8. Is the TPDF a loan or a grant?

Funds can be awarded as either a grant, pledge of debt service or a loan guaranty. It is acceptable to request either a loan guaranty or grant as long as the applicant's financial schedules reflect both scenarios.

9. Can a project receive funding for multiple years?

Yes. A project can be guaranteed ten percent of the total funds available in any one year for a maximum of ten years. Assuming the TPDF has \$1.6 million per year to distribute, a project could receive up to \$1.6 million the first year, and receive up to \$100,000 per year for the next ten years (maximum). Applicants can reapply annually, but they must complete a full application each year to be considered. The BCTDA has the authority to give priority to projects that have previously not been awarded funds. The BCTDA can also request that previously funded projects not apply for funding during the next cycle.

11. Are both profit and nonprofit projects eligible for funding?

Yes. The committee encourages for-profit businesses to apply.

12. Can applicants partner with other organizations/businesses?

Absolutely. In fact, the TDPF committee encourages applicants to form partnerships and submit applications that demonstrate community collaboration.

13. Who can answer a question that applicants may have about the TPDF?

Contact Cate Marvill, Tourism Product Development/ Community Relations Manager, at the Asheville Convention & Visitors Bureau at 828.210.2724 or by email at cmarvill@exploreasheville.com.

Asheville Destination Brand

After recognizing that more and more travel destinations were beginning to compete for visitors on an emotional level rather than the traditional attribute basis, the Buncombe County Tourism Development Authority (BCTDA) undertook an extensive process to clearly identify the Asheville area destination brand, leading to the development of the Asheville brand platform and strategy.

What is a brand?

A genuine brand is the internalized sum of all impressions received by customers to consumers resulting in a distinctive position in their mind's eye based on perceived emotional and functional benefits. In essence, it is the emotional connection between the consumer and a product - between the visitor and Asheville. A brand is the many sensorial experiences with a product – smells, tastes, touches, sights and sounds. It clearly reflects the nature and personality of the diverse Asheville area and distinctively sets the area apart from the regional and national competition.

A common misconception is that a logo is a brand. A logo is simply a graphic representation of a brand and a tagline is another way to represent a brand. The tagline, “any way you like it,” conveys the Asheville area brand platform; the idea that no matter what your interests are, the Asheville area will provide an enriching, memorable experience *any way you like it*.

Asheville Destination Brand Platform

Our brand idea and promise are grounded in Asheville's history – all that has contributed to what the destination is today. This area has a long history of hospitality and acceptance, welcoming visitors to this area dating back to the late 18th and early 19th centuries when it became known as a health and wellness destination. As it became more well-known, it attracted and inspired people from all walks of life, including wealthy socialites and even the famous.

As a unique element of sophistication formed in this part of the Blue Ridge Mountains, greater opportunities became available to enrich the experience. And as George Vanderbilt's home transformed itself into one of the early tourist attractions in the country, the Grove Park Inn began attracting celebrities, and the area's rich heritage was discovered, the arms reached even wider to welcome an increasing number of visitors.

The net result of this genuine, organic evolution is an area unsurpassed by the variety and quality of arts and crafts, restaurants, music, attractions and outdoor opportunities available to experience. It remains today, an area that welcomes and inspires visitors, artists, adventure seekers and entrepreneurs – all who seek to enrich their lives in a real and personal way.

Asheville Destination Brand Promise

Our promise to our visitors

We guarantee you a life enriching experience each and every time you visit Asheville. It's personal, personal to you. And it is also personal to us. We live that same genuine experience and want to share it with you. We empower you to discover a collection of experiences that is as unique and varied as each individual who visits us, and allows you to do so in a warm, embracing and creative environment.

Asheville Destination Brand Core Values

Principles that define our destination

- Welcoming:** Warm and engaging; friendly and accessible; we are excited that you came to visit; we want to share our Asheville with you.
- Natural:** Genuine, original and real, not staged; we respect your individualism and originality; our natural lifestyle is only enhanced by the natural beauty that surrounds us; come and be amazed and rejuvenated.
- Vibrant:** Colorful, bright, engaging and delightful; be delighted by the opportunities around you; we are creative, diverse and alive; come and be energized by our colorful and exciting lifestyle.