



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 generated approximately \$1.8 million of room tax revenue last year. The original three cent tax continues to be dedicated to out-of-market advertising of the Asheville area. 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, \$13,583,500 has been awarded to fourteen community projects.

TPDF funds can be awarded to for-profit and non-profit entities as 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.

The TPDF Committee, a nine-person review committee, reviews all funding applications. Each project must pass a two-stage approval process prior to receiving TPDF funding. First, the TPDF Committee thoroughly reviews all applications and interviews applicants who make it to the second phase of the process. The committee then makes funding recommendations to the Buncombe County Tourism Development Authority (BCTDA). Final grant awards are approved by the BCTDA.

Based on the Buncombe County Tourism Development Authority's mission statement as well as TPDF legislative guidelines, the following criteria principles are used 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.

Funding Criteria

Core Funding Criteria:

- New room nights generated in Buncombe County
 - Projects must demonstrate ability to measure out-of-market visitation
 - Room tax revenue generated based on room nights
- Asheville destination brand alignment

Additional Criteria:

- If applicable, number of new local jobs created based specifically on new employment
- Environmental sustainability and community value
- 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

Tertiary Criteria:

- Priority may be given to projects that will break ground within 18 months of the funding cycle
- Priority may be given to applications representing new projects or returning projects which have been funded just once in a prior funding cycle.

Next Funding Cycle

TPDF funding is currently on an annual cycle. Applications for the next funding cycle will be due on Monday, January 28. Please visit AshevilleCVB.com for additional details and updates.

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	\$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 ¹ \$150,000	2007 2010
Pack Square Park Pack Square Park Pavilion	\$500,000 \$1,500,000 \$500,000	2004 2007 2009
Asheville Art Museum ²	\$1,000,000 \$500,000	2007 2009
The Orange Peel	\$250,000 loan guaranty ³ \$50,000 grant	2009
Asheville Civic Center	\$2,000,000 ⁴ \$1,375,000 ²	2010 2012
Smoky Mountain Adventure Center ²	\$100,000	2010
Montford Park Players ²	\$125,000	2012
Navitat Canopy Adventures ²	\$500,000	2012

Total Amount Awarded: \$13,583,500

¹ Funding in the amount of \$150,000 was awarded for wayfinding maintenance over five years.

² Dedicated funds for the project remain in escrow.

³ The Orange Peel received a \$250,000 loan guaranty. Funds will remain in escrow until the loan is paid in full.

⁴ The City of Asheville received \$2 million over four years in 2010. Of that \$2 million, \$100,000 will remain in escrow until 7/2013.

Note: The Health Adventure received three awards totaling \$2 million, of which \$1.5 million was dispersed for Momentum.

Funding in the amount of \$500,000 was rescinded when the organization filed bankruptcy. The total amount awarded to all projects above does not include the \$1.5 million previously dispersed.