

Tourism Product Development Fund

2015 Program Guide

Enhancing the Community through Product Development

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.



Table of Contents

1.0 Introduction

- 1.1 A Letter from the Chair
- 1.2 History of TPDF
- 1.3 Enabling Legislation
- 1.4 Asheville Destination Brand Promise

2.0 People Behind the Process

- 2.1 BCTDA Board
- 2.2 TPDF Committee
- 2.3 TPDF Staff

3.0 Application Process

- 3.1 Application Timeline
- 3.2 Grant Requirements
- 3.3 Scoring Criteria

4.0 Application Materials for the 2015 Grant Cycle

- 4.1 Phase I Application
- 4.2 Phase II Application

5.0 Awardee Information

- 5.1 Funding Timeline
- 5.2 Reporting Requirements

6.0 Support

- 6.1 Contact Information
- 6.2 Information Session Workshop
- 6.3 Glossary

1.0 Introduction

1.1 A Letter from the Chair

Dear TPDF Applicant:

The Buncombe County Tourism Development Authority (BCTDA) is pleased that you are interested in applying for funding from the Tourism Product Development Fund (TPDF). As Chair of the TPDF Committee, the body charged with making funding recommendations to the BCTDA, we are excited to work with you, and to play a role in the development of projects that have potential to significantly impact the tourism industry as well as benefit the entire community.

The TPDF was created by the North Carolina General Assembly in 2001 to provide funding for capital tourism projects that increase the number of overnight stays in Buncombe County lodging properties, generating tax revenue, jobs, and spending at local businesses.

In 2013-14, the BCTDA embarked on a TPDF Application Improvement Study; the goals of which were to simplify the application process, lower the barrier to entry for applicants, and clarify guidelines and criteria. Strategies for improvement were identified and incorporated into the grant cycle.

The specific criteria by which TPDF funding decisions are made are outlined in this TPDF Program Guide. Please carefully review both the grant requirements and criteria for evaluation. The TPDF Committee may utilize a waiver to advance a project if the specifications fall outside the criteria yet represent a significant impact to hotel room nights and Buncombe County economic sustainability.

Please keep in mind; because the source of TPDF funding is public, all applications are subject to the requirements regarding “public records” found in Chapter 132 of the North Carolina General Statutes. Submitted applications will be disclosed upon request.

If you have specific questions about the application process, contact Pat Kappes, Public Affairs Manager, at 828.210.2724 or at pkappes@ExploreAsheville.com.

Thank you for your interest in the TPDF and in helping grow the economy of Buncombe County.

Sincerely,

Robert Foster
Chair, Tourism Product Development Fund Committee

1.2. History of the Tourism Product Development Fund

The Tourism Product Development Fund (TPDF) is a funding mechanism of the Buncombe County Tourism Development Authority (BCTDA). The creation of TPDF is the outgrowth of a business decision by the hospitality industry to drive more room nights to the area.

In 2001, the North Carolina General Assembly increased the occupancy tax from three to four percent. The additional one percent was dedicated to the fund, which offers grant, loan guarantee and debt service opportunities for capital development projects that serve to significantly increase patronage of lodging facilities in Buncombe County. It currently generates close to \$2.5 million per year.

An investment in tourism can mean big dividends for the community – a stronger, diverse economy, an influx of substantial revenue, an increase in sales taxes, and an improved quality of life for the residents who share in the myriad of restaurants and retail operations, cultural and recreation attractions, and entertainment that results.

Since the fund's inception in 2001, a total of \$19,758,500 has been awarded to 21 projects during nine grant cycles. Those projects include:

- John B. Lewis Soccer Complex at Azalea Park
- Grove Arcade
- The Bonsai Garden at the North Carolina Arboretum
- Asheville Visitor Center
- Western North Carolina Veterans' Memorial at Pack Square Park
- Buncombe County Civil War Trails
- Asheville Area Wayfinding
- Pack Square Park & Pavilion
- Asheville Art Museum
- The Orange Peel
- U.S. Cellular Center
- Smoky Mountain Adventure Center
- Montford Park Players
- Navitat Canopy Adventures
- Lighting for UNC Asheville Sports Fields
- Pack Square Park Canopy
- Highland Brewing Company Property Development
- The Collider
- River Access at Pearson Bridge
- Enka Center Ballfields
- Riverfront Destination Development

In an effort to ensure the application process works most effectively and provides the best use of the funds, the Asheville Convention & Visitors Bureau, on behalf of the BCTDA, conducted a TPDF

Application Improvement Study in 2013-14. The goals of the study were to simplify the application process, lower the barrier to entry for applicants, and clarify guidelines and criteria. Strategies for improvement were identified and incorporated into the grant cycle.

Utilizing the improved process in the 2014 grant cycle, the TPDF committee reviewed 12 project applications for a total amount request exceeding \$10 million; more than double the amount available in the fund. The BCTDA awarded nearly \$5 million, a record amount, to five community projects:

- The **Enka Center Ballfields** project was awarded \$2 million (the largest single amount ever awarded to one project in the history of the fund) to construct seven new ball fields and facilities in the Enka-Candler area that will enable the region to host traveling youth baseball and college softball tournaments and provide space for local youth sports.
- **Highland Brewing Company** will receive \$850,000 for expansion and improvements that will enhance the guest experience, including roof top access, event space and upgraded tour amenities.
- The **Riverfront Destination Development Project** in the City of Asheville was granted \$1.8 million for capital improvements along the French Broad River, including a network of visitor amenities such as a Riverfront Arts and Culture Dispensary, pedestrian walkway connections, greenways, and boat ramps.
- **RiverLink** will receive \$25,000 for establishment of commercial-grade river access at the Pearson Bridge to facilitate usage of river experiences and activities.
- The **Collider**, a project of the Asheville-Buncombe Sustainable Community Initiatives, was awarded \$150,000 for the creation of a state-of-the-art business and conference facility in downtown which will host primarily mid-week corporate events and leverage growing demand for expertise from the nearby National Climatic Data Center.

1.3 Enabling Legislation

As per legislation, there are two essential requirements to be considered for funding:

- The funding must be for capital expenses (“bricks and mortar”), and
- A project must demonstrate that it will create substantial new and incremental room nights in Buncombe County.
- Other core criteria are detailed in sections 3.2 and 3.3.

Other provisions as stated in the legislation:

- Projects must provide a feasibility study demonstrating the project's economic value to the area and the number of estimated new room nights it will generate. Projects must be expected to significantly increase patronage of lodging facilities in Buncombe County.
- BCTDA is not required to exhaust all of the funds generated each year and may accumulate money in order to create a revolving fund.

- BCTDA may not commit for purposes of debt service in excess of thirty-three percent (33%) of net funds received in any one year for a period of time in excess of 10 years. The Authority may not commit for purposes of debt service in excess of ten percent (10%) of net funds received in any one year for any single project.

Review the legislation here:

<http://www.ncga.state.nc.us/Sessions/2001/Bills/House/HTML/H105v3.html>

1.4 Asheville Destination Brand Promise

Our brand promise is grounded in Asheville’s history – all that has contributed to what the destination is today. The community has a long history of hospitality and acceptance, welcoming visitors to the 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, Biltmore, 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.

If you are awarded TPDF funding, your organization will be required to work with the CVB to ensure your employees and/or volunteers deliver the Asheville Area Destination Brand Promise to visitors, including the following marketing activities:

- Distribute Asheville Travel Guides at your location.
- Display a reciprocal web link to ExploreAsheville.com on your website.
- Ensure your staff knows and understands the Asheville Area Destination Brand Promise.
- Source in-bound groups requiring 10 rooms or more per night for meetings, conventions, and events through the Asheville CVB Group Sales Department.

Asheville Destination Brand Promise

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

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.

2.0 People Behind the Process

The legislation gives ultimate authority over the awarding of the funds to the BCTDA following recommendations from a TPDF Committee (appointed by the BCTDA) established as part of the legislation.

As per the legislation, the TPDF Committee need not be comprised solely of members of the Authority. A majority of the members of the TPDF Committee must be persons who are owners or operators of hotels, motels, or other taxable accommodations.

The TPDF Committee is charged with ensuring TPDF dollars are used to enhance the community through product development leading to significant new and repeat room nights in Buncombe County and providing recommendations to the BCTDA Board.

2.1 BCTDA Board Members

Bob Patel, Chair
Bhuna Corporation/Quality Inn & Suites
City Appointment – Lodging 101+ Rooms

Paula Wilber, Vice Chair
Biltmore Company
Chamber Appointment – Tourism Related

Chip Craig
Greybeard Rentals
County Appointment – Lodging

John Ellis
Diana Wortham Theatre
City Appointment – Tourism Related

Stephen Frabitore
Tupelo Honey Café
County Appointment – Tourism Related

John McKibbon
McKibbon Hotel Management/Aloft Asheville Downtown
County Appointment – Lodging

Jim Muth
Beaufort House Inn
City Appointment – Lodging -100 Rooms or Less

Asheville City Council Ex-Officio Member - Councilman Jan Davis

Buncombe County Commission Ex-Officio Member - Commissioner Joe Belcher

2.2 TPDF Committee

Robert Foster, Chair
Doubletree by Hilton Biltmore/Asheville
Lodging Appointment

John Ellis
Diana Wortham Theatre
Tourism Appointment & BCTDA Liaison

Gary Froeba
The Omni Grove Park Inn
Lodging Appointment

Mark Hemphill
Biltmore Company
Lodging Appointment

Himanshu Karvir
Holiday Inn Biltmore
Lodging Appointment

John Lockett
Grand Bohemian Hotel Asheville
Lodging Appointment

Ruth Summers
Grove Arcade
Tourism Appointment

Thomas Wright
Battery Park Book Exchange & Champagne Bar
Tourism Appointment

2.3 TPDF Staff

The Asheville CVB, a department of the Asheville Area Chamber of Commerce, is a contract agent for the Buncombe County Tourism Development Authority (BCTDA).

Stephanie Pace Brown, Executive Director

Marla Tambellini, Deputy Director/VP of Marketing

Pat Kappes, Public Affairs Manager

3.0 Application Process

The enabling legislation mandates that a TPDF Committee review all applications and make funding recommendations to the BCTDA. Projects must pass a Phase I and Phase II approval by the TPDF Committee prior to consideration by the BCTDA.

Potential applicants should review both Phase I and Phase II applications at the commencement of the process to ensure that they are capable of providing all of the information requested in both phases.

Phase I consists of a short application form which requests important preliminary information, and is designed to assess the viability of the application and its conformity to the goals of the fund without requiring significant effort from the applicant. Successful Phase I applicants will be invited to participate in Phase II. **The deadline for submission of the Phase I application is June 3, 2015 at 5:00 PM EST, and applicants will be notified by June 24, 2015.**

Phase II consists of a more comprehensive application requesting additional information from applicants such as financials, business plans and feasibility studies among other requirements. Applicants will have the opportunity to present projects in person to the TPDF Committee in September 2015 as part of the review process. Phase II may also include site visits, as per the TPDF Committee's request. **The deadline for submission of the Phase II application is August 26, 2015 at 5:00 PM EST, and applicants will be notified of funding decisions on or before October 30, 2015.**

3.1 Application Timeline

TPDF Program Guide & Application available for download	Wednesday, March 4, 2015
Information Session for interested applicants	Wednesday, March 25, 2015, 3 p.m. – 5 p.m.
Phase 1 Applications Due	Wednesday, June 3, 2015, 5 p.m. EST
Phase I Applicants Notified	Wednesday, June 24, 2015
Phase 2 Applications Due	Wednesday, August 26, 2015, 5 p.m. EST
Project Presentations	September 15 & 16, 2015
Site Visits	TBD
Grantees Announced	On or before Friday, October 30, 2015

3.2 TPDF Grant Requirements

Applications are assessed based on the following grant requirements. The TPDF Committee may utilize a waiver to advance a project if the specifications fall outside the requirements yet represent a significant impact to hotel room nights and Buncombe County economic sustainability.

1. Funding must be for capital investments only (“bricks and mortar” projects--design not included). Operational expenses will not be considered for funding.
2. A project must demonstrate that it will create substantial new and incremental hotel room nights in Buncombe County.
3. The TPDF will only fund projects that have a minimum of a 1-to-1 funding match to the TPDF funding requested (excluding in-kind goods and services). Design fees already expended will be considered as counting towards the 1-to-1 funding match.
4. Projects which either directly increase hotel room nights by themselves or support a larger initiative that will increase room nights will be evaluated equally.
5. Projects may not solely benefit a single hotel owner, hotel property, or be situated on a hotel property.
6. TPDF funds cannot be the first funds committed to a project.

3.3 Criteria by Which Projects Will Be Evaluated

Applications will be scored according to these criteria:

- **Financial Stability of the Requesting Organization**
Each applicant organization will be evaluated for financial sustainability, and their perceived ability to raise additional funds as needed to bring the project to completion.
- **Ratio of Room Nights Generated to Funding Requested**

The amount of TPDF funding requested will be analyzed versus the potential return of new hotel room nights in Buncombe County to be generated by the project.

- **Ability to Serve as a Contributing Asset**

Projects which support an important generator of destination room nights or which could stimulate additional activity but which may not generate significant room nights by themselves will be considered. Applicants should demonstrate the potential for additional tourism product development if their project is built.

- **Strength of Business Planning**

The proposed business plan for the project will be evaluated on its accuracy, completeness, and likelihood to support a successful and sustainable operation once the project has opened.

- **Strength of Sales and Marketing Plan**

Sales and marketing plans for projects will be evaluated upon the level of investment budgeted for these activities and the likelihood they will succeed in drawing visitation to the destination.

- **Generator of New and Incremental Room Nights**

The room night impact of a proposed project will be assessed on whether the project is drawing new visitors to the area, or simply pulling from existing visitors in Buncombe County while not increasing the number of new room nights.

- **Association with an Identified Need Period**

Projects that draw visitors to the destination specifically during identified periods of need for hotel room nights may receive more consideration than those that draw visitors exclusively during peak and established visitation periods.

- **Size of Market to be Served**

Projects that target large audiences capable of filling many area hotel rooms are valued, but projects that draw new and untapped niche markets to Asheville may also be worthy of consideration.

- **Scope of Impact Upon Lodging Market**

The impact of a project upon Buncombe County hoteliers will be considered not only in terms of number of hotel room nights generated, but also in terms of the geographic impact and types of hotels filled by visitors.

- **Timeliness of the Project**

Projects which are “shovel ready” may rate more highly than those which are still two or more years from beginning construction.

- **1-to-1 Funding Match Exceeded**

While it is a requirement for applying organizations to have secured a funding match equal to the amount for which they are applying from the TPDF, projects that exceed the 1-to-1 requirement may receive particular consideration.

- **Uniqueness and Innovation of Project**

Attractions and activities which are new to the region or not available to visitors living in key feeder markets for the destination may be valued more highly than those which duplicate offerings already available to visitors.

- **Strength of Brand Alignment**

Projects will be evaluated on whether they are consistent with the Asheville destination brand and provide additional support for the brand promise.

- **Projects Already Funded**

Projects that have previously received TPDF funding may apply, but the application should be for a new project scope with additional incremental room nights.

4.0 Application Materials for the 2015 Grant Cycle

The applications are available for download on the AshevilleCVB.com website as editable PDF forms. It is recommended to save the PDF form to your computer before beginning your work. Enter your information in the form fields, and be sure to save often.

4.1 Phase I Application

Download here: <http://www.AshevilleCVB.com/TPDF2015>

Phase I applications are due Wednesday, June 3, 2015, 5:00 p.m. EST. When finished with the application, email the PDF file as an attachment to Pat Kappes, Public Affairs Manager, at pkappes@ExploreAsheville.com.

Handwritten applications will not be accepted. Additional files and attachments will not be accepted in Phase I.

4.2 Phase II Application

Download a copy for reference here: <http://www.AshevilleCVB.com/TPDF2015>

Potential applicants should review the Phase II application to ensure that they are capable of providing all of the information requested should they be invited to participate in Phase II.

Phase II applications are due Wednesday, August 26, 2015, 5:00 p.m. EST. When finished with the application, email the PDF file as an attachment to Pat Kappes, Public Affairs Manager, at pkappes@ExploreAsheville.com.

Handwritten applications will not be accepted. There are several additional files required in Phase II as outlined in the application. Please attach the files in .doc, .xls, or .pdf formats in the email with your completed application. **Name the files as instructed in the application.**

5.0 Awardee Information

Phase II applicants will be notified on or before Friday, October 30, 2015. Grant agreement contracts will be developed for each awarded project in the weeks following the awardee announcement. A standard contract is available for reference at <http://www.AshevilleCVB.com/TPDF2015>, and should be reviewed prior to submission of your application.

5.1 Funding Timeline

The Grant will be made in three disbursements once a contract is signed for construction of the Project. Subject to contractual conditions, the first disbursement will be made when the Project is one-third completed; the second disbursement will be made when the Project is two-thirds completed; and the third disbursement shall be made upon the date of completion. Each disbursement shall be in the amount of one-third of the Grant. Disbursement requests require supporting documentation as outlined in the Grant Agreement.

There is also an option to receive one disbursement based on specific project needs; however, single disbursements will only be processed after construction is 100% complete.

5.2 Reporting Requirements

An annual report must be made by the Grantee to the Grantor by January 15 of each year during the term of the Agreement, with the term commencing on the effective date and continuing for four years after the completion date. Reports include marketing plans and methodologies for capturing annual and out-of-market visitation, up-to-date room night projections, and copies of survey instruments used for data among other requirements.

6.0 Support

6.1 Contact Information

For assistance, please contact:
Pat Kappes, Public Affairs Manager
Asheville Convention & Visitors Bureau
(828) 210-2724
pkappes@ExploreAsheville.com

6.2 Information Session Workshop

An Information Session will be held to explain the process and provide assistance for interested applicants.

Date: Wednesday, March 25, 2015
Time: 3:00 p.m. – 5:00 p.m.
Location: Asheville Area Chamber of Commerce
Boardroom
36 Montford Avenue
Asheville, NC 28801

6.3 Glossary

Definition of terms used in the application materials:

Average daily room rate (ADR) – The average hotel or motel room rate paid by guests over a given period of time in a given market. This rate does not include taxes and fees paid by the guest. The Asheville CVB receives ADR data for hotels and motels in Buncombe County via a subscription from Smith Travel Research, an international provider of lodging market data.

Demographics – A description of a particular audience based upon certain segmentation characteristics, including age, household income, educational level attained, gender, and the presence of children at home.

Occupancy tax – A tax paid by guests staying in paid accommodations such as hotels, motels, vacation rentals, and bed and breakfasts. The tax is not applied to religious organizations, educational organizations, and summer camps. Guests in lodging properties in Buncombe County pay a total of 4% occupancy tax (in addition to applicable state sales tax). 1% of the 4% generates the Tourism Product Development Fund.

Out-of-market – A term used to describe guests who reside outside of the Asheville market. This term is used to indicate different geographic areas, including guests living outside of Buncombe County; outside of the Asheville metropolitan area (Buncombe, Haywood, Henderson, and Madison counties); or outside of the local Greenville/Spartanburg/Asheville television market area. (The Asheville CVB uses the term “out-of-market” to refer to visitors living outside of the local television market area.)

Room nights – One room night is defined as a single night spent in one room in a lodging property. Even if there are two or more guests staying in the room for one night, it is considered to be one room night.

New or Incremental Room Nights—“New” room nights are defined as those which are truly new to the market—that is, attracting new visitors to Buncombe County who would not have otherwise visited and who stay overnight in paid accommodations. “Incremental” room nights are room nights generated by visitors extending their stay by at least one night directly as a result of a new project.