



POWERED BY

Buncombe County Tourism
Development Authority

Legacy Investment From Tourism (LIFT) Fund

PROGRAM GUIDELINES

October 2023

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INTRODUCTION

BACKGROUND

The Buncombe County Tourism Development Authority (BCTDA) has invested over \$80 million in major tourism capital projects throughout Buncombe County through the Tourism Product Development Fund (TPDF Fund), which is funded through lodging tax collections. Advocacy efforts from local hotel leaders and Buncombe County Commissioners led to a change in legislation, effective July 1, 2022, that increased the allocation of lodging tax collections funding capital projects to two thirds of total occupancy tax collections, creating the LIFT Fund.

The BCTDA's LIFT Fund provides financial investment through grants, loan guarantees, or pledges of debt service to tourism-related capital projects that will increase patronage of lodging facilities and benefit the community at large in Buncombe County.

The BCTDA's capital project investment funds are made possible solely through lodging taxes paid by overnight visitors staying in hotels, vacation rentals, and bed and breakfasts in Buncombe County. Use of these funds is in alignment with North Carolina State legislation and guidelines.

ENABLING LEGISLATION

Legislation enabling the Legacy Investment from Tourism (LIFT Fund) is the following:

- H1057 (Effective July 1, 2022): <https://www.ncleg.gov/Sessions/2021/Bills/House/PDF/H1057v5.pdf>

2023 GRANT CYCLE TIMELINE

Date	Milestone
October 31, 2023	Phase I Application Opens
November 7, 2023	Information Session
December 1, 2023, 5:00PM ET	Phase I Application Closes
Week of December 11, 2023	Committee Meeting – Phase I Review
Week of December 18, 2023	Phase I Applicants Notified / Phase II Application Opens
February 28, 2024, 5:00PM ET	Phase II Application Closes
Week of March 25, 2024	Project Presentations
Week of April 1, 2024	Project Site Visits by LIFT Fund Committee
April 10, 2024	Committee Meeting – Final Vote
April 24, 2024	Committee Funding Recommendations presented to BCTDA

APPLICATION PROCESS & SUBMISSION GUIDELINES

APPLICATION PROCESS

The enabling legislation mandates that a Committee review all applications and make funding recommendations to the Buncombe County Tourism Development Authority (BCTDA). For a project to be considered by the BCTDA for funding, it must successfully complete a 2-stage process with the LIFT Fund Committee and be recommended for funding by the LIFT Fund Committee.

Potential applicants should review both Phase I and Phase II applications at the commencement of the process to ensure that they can provide all of the information requested in both phases. It is also recommended that applicants review the standard funding contract to ensure they can comply with the terms should their project be awarded funding.

Phase I

Phase I consists of a short application form that requests important preliminary information and is designed to assess the eligibility 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.

Phase II

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 invited to participate in Phase II are required to present projects in person to the LIFT Fund Committee as part of the review process, as well as host a project site visit.

SUBMISSION GUIDELINES

All applications must be submitted via the online application system. Handwritten applications will not be accepted.

All attachments must be submitted in the following formats: Adobe Acrobat (.pdf), Microsoft Excel (.xlsx). Images must be in (.jpg) or (.png) format. Any other formats will render the submission incomplete. All attachments should be named as directed in the application.

All electronic applications must be submitted no later than 5:00 p.m./ET on the days they are due. All applications will be recorded upon receipt. Any applications received after the deadline will not be accepted. Unless requested by the LIFT Fund Committee, any additions or deletions to an application will not be accepted after the specified deadline.

APPLICANT AGREEMENT

Applicants will be asked to acknowledge and certify the following statements as part of the application process:

- **DISCLOSURE FOR PUBLIC RECORD**

As a public authority, the Buncombe County Tourism Development Authority is subject to Chapter 132 of the North Carolina General Statutes. Therefore, any and all aspects of this application must be made available by the BCTDA to any party, public or private, upon request without exception. If you are concerned that the distribution of any of your application materials may do irreparable damage to you, your organization, or associated parties, the BCTDA highly recommends that you seek alternative funding in lieu of the LIFT Fund.

- **PROJECT MONITORING**

I hereby acknowledge that if I receive an award through the LIFT Fund, I will be required to submit an annual report 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.

- **BCTDA MARKETING**

I hereby acknowledge that certain information from my application, such as the project description, timeline, and leadership, may be used by the BCTDA at its sole discretion for the promotion and marketing of the LIFT Fund and the region as a tourism destination.

- **TERMS OF AGREEMENT**

I hereby acknowledge that I have reviewed and understand the terms of the contract agreement.

- **COMPLETED APPLICATION**

I hereby acknowledge that I have completed this application in good faith and have done so in full compliance with the law. I have made no attempt to falsify or misconstrue facts or data anywhere in this application. The information contained in this application is complete and accurate to the best of my knowledge.

FUNDING PATHWAYS

The following outlines the three different pathways that a project may seek financial support through the LIFT Fund:

- **Grant, Loan Guarantee, or Debt Service:** LIFT Fund applicants may submit requests during the standard grant cycle for a grant, loan guarantee, or debt service. The LIFT Fund Committee must review and evaluate project applications during the cycle and make recommendations to the BCTDA for funding.
- **Strategic Priority List:** During the standard grant cycle, the LIFT Fund Committee may wish to recommend investment for a project but not yet have the funds available. As per legislation, the BCTDA cannot make a binding commitment to fund projects using future year revenues. In this case, the LIFT Fund Committee may recommend the BCTDA place a project on the Strategic Priority List, to be considered when funding is available. Selected projects would receive priority for funding in future years. While the applicant will be required to provide an update to the BCTDA ensuring there have been no substantive changes to the project as presented, the applicant will not be required to resubmit a full application in a future grant cycle.
- **Major Works Pathway:** This approach enables a funding pathway outside of the annual LIFT Fund grant cycle for significant projects representing a minimum \$5 million capital investment and requiring multi-year funding. Outside the grant cycle, applicants may present a project to the BCTDA for funding consideration of projects meeting this description. All potential major projects must conform to LIFT Fund requirements and are subject to evaluation by the LIFT Fund Committee. Applicants interested in pursuing the Major Works Pathway are encouraged to consult with Explore Asheville staff in early stages of project planning.

ELIGIBILITY CRITERIA & REQUIREMENTS

Applications are assessed based on the following eligibility criteria and requirements. Requirements with an asterisk (*) are mandated by state legislation.

ELIGIBILITY CRITERIA

Applicant Eligibility

- Applicant must be a federally recognized non-profit organization or government entity. *
- If the applicant is a non-profit organization, the organization must have been in operation for at least 2 years at the time of application.

Project Eligibility

- Project must be principally located in Buncombe County.*
- Project must be a tourism-related capital project.*
- Project must (1) demonstrate ability to increase patronage of lodging facilities, meeting facilities, and convention facilities in Buncombe County by attracting tourists, business travelers, or both and (2) benefit the community at large in Buncombe County.*
- Project must demonstrate ability to balance both resident and visitor needs.*
- Project must not solely benefit a single lodging owner, lodging property, or be situated on a lodging property.
- At time of application, applicant must have legal control of the property through recorded deed or long-term lease agreement. If property is owned by a municipal partner, such as the City or County, a non-profit organization may provide a letter of support or other agreement with the municipal partner.
- Applicant must show how a minimum of a 1-to-1 funding match to the requested grant amount (excluding in-kind goods and services) will be achieved.

REQUIRED APPLICATION DOCUMENTS

Applicants must provide the following required documents as attachments to their application:

- **Project Information:**
 - Proof of legal control of the property, through recorded deed or long-term lease agreement. (See FAQs for more information)
 - Project Budget
 - Room Night Calculator
 - Project Marketing Plan
 - Drawings, photos, or renderings related to project, if available
 - Project feasibility study, if available
- **Financial Information:**
 - Statement of Activities (Income Statement) showing current year-to-date actual revenues and expenses compared to year-to-date budget and a year-end projection.

- Prior year Statement of Financial Activity showing previous year's total actual revenues and expenses compared to approved fiscal year budget.
- Statement of Financial Position or Balance Sheet showing current position and beginning year position.
- Financial Schedule or Project Pro Forma for first 3 years of operation
- **Organizational Information:**
 - Proof of non-profit organization status through a filed IRS Form 990
 - List of Board of Directors and their affiliations
 - List of key staff of organization and project, including a description of their role and responsibilities with the project
- **Supplemental Information:**
 - Letters of recommendation (up to 3) regarding your organization's ability to lead this project to success.
 - Additional supporting documentation

USE OF FUNDS

- Funding must be for one of the following uses:
 - New location or relocation
 - Enhancement or expansion of an existing location
 - Project Administration of a tourism-related capital project
 - Restoration or rehabilitation of an existing location
 - Capital maintenance of a tourism-related capital project
 - Design of a tourism-related capital project
 - Enhancement of natural resources
 - Expansion of necessary infrastructure
- Operational expenses will not be considered for funding.

POLICIES

- The LIFT Fund Committee may utilize a waiver of any non-legislatively mandated eligibility criteria to advance a project if it represents a significant impact upon lodging demand and Buncombe County economic sustainability. All projects must meet all eligibility criteria and requirements stated in legislation.
- Projects which either directly increase overnight lodging stays by themselves or support a larger initiative that will increase room nights will be evaluated equally.
- LIFT Fund investments cannot be the first funds committed to a project.
- BCTDA reserves the right to cancel the grant application cycle at any time and for any reason.
- BCTDA reserves the right to award or deny grant funding to any project for any reason consistent with the intent of the legislation.
- Recognizing that its resources are limited, BCTDA may grant funding that is less than that requested by the applicant.
- BCTDA will not make payment directly to any vendor or individual. Payment will only be made to the applicant organization as reimbursement.

- If the grantee is unable to fund and/or complete the project, BCTDA may revoke all or part of the grant. The grantee may be forced to return some or all funding plus interest if the recipient is found to have used the funding inappropriately, if the project was not completed, or if the project scope or design was changed without approval of BCTDA.
- 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.
- The applicant assumes the burden of all their expenses associated with this application.

EVALUATION

SELECTION CRITERIA

Applications will be evaluated according to the following criteria:

1. Viability of Project and Organization

- **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.
- **Strength of Business Planning**
If applicable, 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/Investment**
If applicable, sales and marketing plans for projects will be evaluated upon the likelihood they will succeed in drawing visitation to the destination.
- **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 LIFT Fund, projects that exceed the 1-to-1 requirement may receive particular consideration.

2. Destination Differentiator

- **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.
- **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.
- **Ability to Promote and Support the Local Creative Sector**
Projects which promote and support the community’s creators and makers, and which enhance the destination will receive greater consideration.

3. Project Impact

- **Ratio of Overnight Lodging Generated to Funding Requested**
The amount of LIFT Fund investment requested will be analyzed versus the potential return of new overnight lodging demand in Buncombe County to be generated by the project.
- **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 lodging room nights.
- **Scope of Market to be Served**
Projects that target audiences capable of filling area lodging are valued, but projects that draw new and untapped niche markets to Buncombe County may also be worthy of consideration.
- **Scope of Impact Upon Lodging**
The impact of a project upon Buncombe County lodging will be considered not only in terms of demand generated, but also in terms of the geographic impact. Projects capable of generating lodging demand in more than one area of the county may rate more favorably.
- **Project's Benefit to Buncombe County Residents**
Projects will be evaluated based upon the expected benefit(s) the project will provide to the community at large of Buncombe County and the project's ability to balance both resident and visitor needs.
- **Ability to Serve as a Contributing Asset**
Projects that could support an important generator of destination room nights or enhance the visitor experience in Buncombe County, but which may not generate significant room nights by themselves will be considered. Applicants should demonstrate the potential for additional community benefit if their project is built.
- **Project as a True Motivator of Visits**
Projects will be evaluated based upon their ability to motivate new room nights, proven through sound analysis and data.

4. Alignment with BCTDA's Strategic Imperatives

- **Delivering Balanced and Sustainable Growth**
Projects will be evaluated based upon whether they lead to balanced and sustainable growth through distribution of visitors geographically across the county or seasonally throughout the year or days of the week.
- **Encouraging Safe and Responsible Travel**
Projects which encourage care and respect for natural, cultural, and human resources, or support the sustainability of outdoor recreation, will be given greater consideration.

- **Supporting Engagement with and Appealing to More Diverse Audiences**
The committee will assess the ability of a project to diversify audiences and support of place making, community connections, and business opportunities throughout the county.
- **Promoting & Supporting Asheville's Creative Spirit**
The Committee will assess the ability of a project to promote or support Asheville's local creative and maker community.

GRANT DISBURSEMENT & REPORTING

Grant agreements will be developed for each awarded project in the weeks following the awardee announcement. A standard agreement will be made available for reference to Phase II applicants and should be reviewed prior to submission of the application.

DISBURSEMENTS

Unless stated otherwise in the contract, grant awards are disbursed in three equal payments as follows:

- the first disbursement will be made when the construction of the project is one-third complete
- the second disbursement will be made when the project is two-thirds complete
- and the third disbursement shall be made upon the date of completion

Each disbursement shall be: (1) a reimbursement based upon expenses actually expended; (2) is limited to the grant amount as stated in the contract; and (3) in no circumstances may the total amount disbursed exceed one half of the actual total project costs.

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

REPORTING REQUIREMENTS

Annual Reports

An annual report must be submitted by the organization to the BCTDA 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 project 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.

Disbursement Report

To request a disbursement, grantees must submit a Disbursement Report providing required supporting documentation as outlined in the standard funding contract. The following documents are required to be submitted with disbursement reports:

- Certification Letter
- Construction Contract
- Proof of Payments
- Contractor's Budget
- Contractor's Project Timeline
- Professional Design Plans & Specifications
- Performance & Payment Bonds (if applicable)
- Evidence of Other Funds
- Loan Documents
- Financial Statements
- Permits
- Certificate of Occupancy

STRATEGIC IMPERATIVES

The Buncombe County Tourism Development Authority is charting a new course for tourism aligned with broader community priorities. This includes the adoption of strategic imperatives that are informing and guiding the direction of Explore Asheville's program of work and community investments going forward.

1. Delivering Balanced & Sustainable Growth

Balance resident and visitor needs, recognizing the necessary role that sustainable, long-term growth of travel has in achieving a healthy, collective economy. Focus on the quality of each visit to our community – balancing growth across the seasons, business and leisure travel, and throughout Asheville and Buncombe County.

2. Encouraging Safe & Responsible Travel

Engage residents and visitors with shared values to care for and respect natural, cultural and human resources vital in delivering quality guest experiences. Collaborate with community organizations, local businesses, and environmentally focused partners to support the sustainability and growth of our outdoor economy.

3. Engaging & Inviting More Diverse Audiences

Extend a genuine invitation to Black travelers and other diverse audiences including LGBTQ visitors – connecting them with local neighborhoods, businesses, and entrepreneurs – creating more opportunities for all to win. Support product development, place making and community connections, enabling new experiences and business opportunities throughout our community.

4. Promoting & Supporting Asheville's Creative Spirit

Share stories of creators and makers who help differentiate our destination through food and drink, visual and performing arts, experiences and more. Support product development, place making and community connections, enabling new experiences and business opportunities throughout our community.

ABOUT US

BCTDA BOARD MEMBERS

The Buncombe County Tourism Development Authority is a board of eleven volunteers appointed to oversee the use of occupancy tax revenues as directed by North Carolina law. Four members are appointed by Asheville City Council, four by the Buncombe County Commission, and one by the Asheville Area Chamber of Commerce. Six members represent accommodations who collect the tax and three are from non-lodging, tourism-related businesses. A Buncombe County Commissioner and an Asheville City Council Member serve as non-voting, ex-officio board members. The current members of the BCTDA are:

Brenda Durden, *Chair*

Asheville Hotel Group
County Appointed

Matthew Lehman, *Vice Chair*

The Grand Bohemian Asheville
City Appointed

HP Patel, *Treasurer of the Nonprofit*

BCA Hotels
County Appointed

Kathleen Mosher

Biltmore
Chamber Appointed

Lucious Wilson

Wedge Brewery
City Appointed

Elizabeth Putnam

Mosaic Community Lifestyle Realty
County Appointed

Michael Lusick

FIRC Group, Inc.
City Appointed

Larry Crosby

The Foundry Hotel
City Appointed

Scott Patel

Pure Hospitality
County Appointed

Vice Mayor Sandra Kilgore

Asheville City Council
Ex-Officio Member

Commissioner Terri Wells

Buncombe County Commission
Ex-Officio Member

LIFT FUND COMMITTEE

As per the legislation, the LIFT Fund Committee is appointed by the BCTDA, and need not be comprised solely of members of the Authority. A majority of positions must be held by lodging representatives. Committee members can serve one partial and two full terms.

Himanshu Karvir

President & CEO, Virtelle Hospitality, LLC
Lodging Appointment

Shelton Steele

Co-owner, Wrong Way River Lodge and Cabins
Lodging Appointment

Amy Kelly

Managing Principal, Hatteras Sky
Lodging Appointment

Kathleen Mosher

VP of Communications, Biltmore
Lodging Appointment

Kyle Highberg

Senior Director of Operations – Hospitality,
Biltmore Farms, LLC
Lodging Appointment

Joseph Fox

Founder and Owner, Fox Management
Consulting Enterprises, LLC
Non-Lodging Appointment

Laura Webb

Founder and President, Webb Investment
Services, Inc.
Non-Lodging Appointment

Barbara Benisch

Non-Profit & Community Development
Consultant
Non-Lodging Appointment

Mike McCarty

Restaurant Owner, The Lobster Trap
Non-Lodging Appointment

HP Patel

BCA Hotels; Treasurer of the Nonprofit
Ex-Officio

LIFT FUND STAFF

The Explore Asheville provides support for the LIFT Fund process on behalf of the BCTDA. If you have any questions, please contact Tiffany Thacker, Director of Grants.

Tiffany Thacker

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