



# Capital Project Grant Guidelines

## **A. Introduction**

The objective of the Henderson County Capital Project Grant program is to support the development of tourism-related capital investment in Henderson County to promote visitation to the county and enhance the destination. The Henderson County Tourism Development Authority (HCTDA) is empowered to make grants to its tourism partners under the authority granted by its enabling legislation, Session Law 2013-61, House Bill 545, Section 1, (e) Use of Tax Revenue: “The county shall, on a quarterly basis, remit the net proceeds of the room occupancy and tourism development tax levied under this act to the Henderson County Tourism Development Authority. The Authority shall use at least two thirds of the net proceeds of the room occupancy tax levied under this act to promote travel and tourism in Henderson County and shall use the remainder for tourism related expenditures.”

HCTDA and a grants committee comprised of representatives from the Henderson County tourism sector and appointed by the HCTDA Board will determine the eligibility of applicants and make recommendations to the HCTDA Board for funding. The HCTDA Board makes all final decisions regarding the awarding of any grants. This program is funded entirely by occupancy taxes paid by overnight visitors staying in lodging in Henderson County.

## **B. General Eligibility Requirements**

To qualify for a HCTDA Capital Project Grant, the applicant must:

- a. Represent a project located in Henderson County, NC
- b. Represent a project that will enhance Henderson County as a destination
- c. Have been in operation as an organization for at least one (1) year
- d. Be organized under the laws of North Carolina or, if organized under the laws of another state, registered to do business in North Carolina
- e. Be registered as a federally-recognized non-profit, if applicable
- f. Not be a property primarily used for lodging
- g. Applicant must be able to provide a match equal to at least 50% of the grant amount being requested from the program
- h. Utilize the funding received from the program for capital assets only

## **C. Limitations**

Limitations imposed by HCTDA upon the Capital Project Grant program include but are not limited to the following:

- a. Capital Project Grant funding can only be used for:
  - i. New construction that will enhance Henderson County as a destination for at least 10 years
  - ii. The expansion, renovation, rehabilitation, replacement, or acquisition of an existing structure that will enhance Henderson County as a destination for at least 10 years
  - iii. The acquisition of equipment or other similar capital assets that will enhance Henderson County, with an anticipated life of at least 10 years
- b. Capital Project Grant funding cannot be used for projects located on property that is primarily used only for lodging.
- c. HCTDA cannot commit to funding projects in future years. HCTDA may prioritize future funding for a specific project in future years but cannot commit to funding beyond the current fiscal year of the application cycle. Organizations may reapply for funding in future years for multi-phase projects.
- d. HCTDA will not consider more than one application for Capital Project funding from any organization in a given fiscal year.

- e. The Capital Project Grant application must be for a minimum of \$10,000, with at least 50% of every dollar requested to be matched by the applicant.
- f. HCTDA reserves the right to cancel the Capital Project Grant program at any time and for any reason.
- g. HCTDA is not obligated to fund any request, nor is it obligated to expend the entire amount budgeted for the Capital Project Grant program in a given fiscal year. Recognizing that its resources are limited, HCTDA may, in its sole discretion, grant funding that is less than that requested by the applicant.
- h. HCTDA will not make payment directly to any vendor or individual. Payment will only be made to the applicant organization.
- i. HCTDA may, in its sole discretion, decide to disburse Capital Project Grant funds only after the achievement of certain milestones by the grantee, and funds may be paid out in pre-determined phases after consultation with the applicant. Specific terms of payment will be included in the project funding agreement.
- j. Changes in the project schedule and/or modification of the project's design or scope will require the grantee to seek review and approval of the HCTDA Board before any additional disbursement of funds will occur.
- k. If the grantee is unable to fund and/or complete the project, HCTDA may revoke all or part of the grant. The grantee may be forced to return some or all funding plus interest if the grantee is found to have used the funding inappropriately, if the project was not completed, in accordance with the schedule provided, if the project scope or design was changed without approval of HCTDA, or if the grantee otherwise violates the funding agreement.
- l. Applications received after the published deadline will not be considered.
- m. The applicant assumes the burden of all expenses associated with this application.

## **D. Permitted Uses**

Examples of permitted uses of Capital Project Grant funding include but are not limited to the following types of expenses

- a. Construction, expansion, renovation, rehabilitation, replacement, or acquisition of structures or tourism-related infrastructure with an anticipated life of at least 10 years
- b. Purchase of major equipment or similar tourism-related capital assets with an anticipated life of at least 10 years
- c. Design and engineering studies for tourism-related capital projects

## **E. Ineligible Uses**

Examples of ineligible uses of Capital Project Grant funding include but are not limited to:

- a. Operating expenses
- b. Salaries and benefits
- c. Marketing and sales expenses
- d. Fundraising expenses
- e. Travel expenses
- f. Legal services
- g. Debt reduction
- h. Feasibility studies
- i. Acquisition of land
- j. Expenses incurred prior to the project funding agreement
- k. Projects that are not open to the public
- l. Projects located on property that is primarily used only for lodging
- m. Projects that will only benefit a single lodging property

## **F. Evaluation Criteria**

Criteria to be used by the HCTDA grants committee to evaluate applications include the following:

- a. Compliance with the stated requirements of the program
- b. Detailed information providing for how the funding will be invested
- c. The amount of matching funds provided by the applicant. A minimum of a 50% funding match is required for consideration.
- d. Overall benefit to Henderson County tourism
- e. Ability to promote overnight visitation to Henderson County
- f. Overall benefit to the community
- g. Eligibility of the applicant as a tourism-related business or organization; non-profit organizations may be given higher priority.
- h. Tax status of the applicant organization
- i. The ability of the applicant to manage and execute the project
- j. Alignment with the goals of HCTDA and the destination brand of Henderson County
- k. Readiness of the project to contribute as an asset to Henderson County tourism
- l. Ability to fill strategic gaps in Henderson County tourism, such as drawing new visitor audiences or enhancing the destination during off- or shoulder periods.
- m. The frequency of utilization of the project by visitors
- n. The anticipated return on investment

Incomplete applications will not be considered. Applicants with projects that are not funded may reapply in future application cycles, but the applicant should seek feedback from HCTDA staff before doing so.

## **G. Schedule**

- a. The HCTDA will determine the amount of funding to be budgeted for the Capital Project Grant program during its annual planning prior to the start of the new fiscal year in July.
- b. The HCTDA will notify tourism partners of the opening of the annual grant cycle at least 30 days prior to a pre-application conference.
- c. The pre-application conference to discuss funding requirements and answer questions of potential applicants will be held approximately 30 days in advance of the application deadline. Attendance at this conference is not mandatory for applicants.
- d. All applications must be made and submitted online. The grants committee of the HCTDA will evaluate all applications for funding and make final recommendations to the HCTDA Board. The HCTDA Board will then review and approve recommended applications for funding. All decisions of the Board will be final.
- e. Applicants for Capital Project Grants may be requested to present to both the grants committee and the HCTDA board.
- f. A signed funding agreement between the applicant and the HCTDA will be required of any applicant prior to receiving funds through this program.

## **H. Reporting**

Grantees who are awarded Capital Project Grant funds will be required to report the status of their project to HCTDA at least every six months until the project is complete. This report should include the information required by the project funding agreement, including but not limited to the other sources of funding that were utilized to complete the project.

Once the funded project is complete, the grantee must annually provide a detailed report to HCTDA, in accordance with the project funding agreement, detailing the impact of the project upon Henderson County tourism for three (3) years. If the project is expected to positively impact the destination through room nights generated or other measurable objectives that it ultimately fails to achieve, the grantee must demonstrate what efforts were made to generate economic impact or to show how the project was a contributing asset to the Henderson County tourism sector.

## I. Notice of Public Record

Because HCTDA is a quasi-public entity, it is subject to Chapter 132 of North Carolina General Statutes. Consequently, this application and any materials submitted as part of this application and any documentation regarding any funding received are subject to disclosure to any party, public or private, upon request.

## J. Recognition

In accordance with the project funding agreement, recipients of HCTDA Capital Project Grant funding are required to acknowledge the support of HCTDA at the project itself (in signage, plaques, etc.) and in any announcements, press releases, and other communication (printed or electronic) announcing the project's start and opening. HCTDA will review and approve any related communication in advance of distribution or publication.

## HCTDA Capital Project Grant Funding Scorecard

| HCTDA Capital Project Grant Award Criteria                             | Maximum Points Available |
|--|--------------------------|
| Compliance with the stated requirements of the program                 | 5                        |
| Detail provided for how the funding will be invested                   | 20                       |
| Amount of matching funds provided by the applicant                     | 5                        |
| Overall benefit to Henderson County tourism                            | 20                       |
| Ability to drive overnight visitation                                  | 10                       |
| Overall benefit to the community                                       | 20                       |
| Eligibility of applicant as a tourism-related business or organization | 5                        |
| Tax status of applicant organization                                   | 5                        |
| Ability of applicant to manage and execute the project                 | 10                       |
| Alignment with the goals of HCTDA and destination brand                | 5                        |
| Readiness of the project to contribute as an asset                     | 10                       |
| Ability to fill strategic gaps in Henderson County tourism             | 10                       |
| Frequency of utilization of the project by visitors                    | 5                        |
| Anticipated return on investment                                       | 20                       |
| Maximum Points Available   | 150                      |