1. **Overview**

Each year the City of Marion collects a seven percent room tax on overnight stays at hotels and motels in the community. The funds are then redistributed through the hotel/motel grant program to organizations that work to increase tourism in Marion.

A committee reviews the applications, determine recommended funding allocations, and make a recommendation to the council for use of the funds.

Any awards made under this program are applicable for the fiscal year granted only and expire at the close of the fiscal year. Any awarded funds unclaimed at the end of the award period will be forfeited and revert back to the Hotel/Motel Fund.

2. **State Code**

Chapter 423A of the Iowa code governs the use of revenue derived from the Hotel and Motel tax and provides that:

- Each county or city which levies the tax shall spend at least fifty percent of the revenues derived therefrom for the acquisition of site for, or constructing, improving, enlarging, equipping, repairing, operating, or maintaining of recreation, convention, cultural, or entertainment facilities including but not limited to memorial buildings, halls and monuments, civic center convention buildings, auditoriums, coliseums, and parking areas or facilities located at those recreation, convention, cultural, or entertainment facilities or the payment of principal and interest, when due, on bonds or other evidence of indebtedness issued by the county or city for those recreation, convention, cultural, or entertainment facilities; or for the promotion and encouragement of tourist and convention business in the city of county and surrounding areas *(Code of Iowa, 423A.7 4a, 01/08/16)*

- The remaining revenues may be spent by the city or county which levies the tax for any city or county operations authorized by law as a proper purpose for the expenditure within statutory limitations of city or county revenues derived from ad valorem taxes *(Code of Iowa, 423A.7 4b, 01/08/16)*

3. **City Responsibilities**

The City shall receipt all hotel/motel tax funds received from the State of Iowa into the Hotel/Motel Fund. The City Council shall approve the annual operating budget, which includes a budgeted amount for disbursements from the hotel/motel grant program.

Annually, qualified organizations can apply for funding from this program. A committee consisting of city staff, city council representatives, and council-appointed citizens review the applications, determine recommended funding allocations, and make recommendations to the council for use of the funds.

Once City Council approves funding, all applicants will be notified. Agreements will be mailed to all awarded organizations and funding can be requested once a signed agreement has been returned.
4. **Qualified Organizations**

Iowa Code does not define a qualified organization, however for the purposes of the hotel/motel grant program, a qualified organization shall be designated as an exempt/non-profit entity under the Internal Revenue Code or as an agency of a local government.

Further, a qualified organization’s request will be considered for funding from the hotel/motel grant program if the activities or proposed project for the fiscal year meets the intent of Iowa Code for use of the Hotel and Motel Tax. The basis of the intent is to support items that will bring additional Hotel and Motel taxes through additional lodging in Marion or the surrounding areas.

The review committee will also refrain from sponsoring any organization that is controversial or offensive. Criteria used to determine this can be found in the City’s Advertising/Sponsorship Policy approved by Resolution 23691 on March 6, 2014. Staff shall determine whether the relationship may undermine public confidence and/or present a conflict of interest.

5. **Funding Categories**

Qualified organizations can apply for funds from one of two categories.

**Category 1 – City of Marion Events and Commissions**
- Applicants are City of Marion departments, facilities, or commissions that are primarily recreational, cultural, destination marketing, or entertainment oriented. Twenty-five percent up to fifty percent of budgeted hotel/motel funds shall be awarded to applicants in this category.

**Category 2 – Non-Profit Organizations and Events**
- Applicants are recreational, cultural, and entertainment oriented organizations that meet the qualified organization standards. Fifty percent up to seventy-five percent of budgeted hotel/motel funds shall be awarded to applicants of this category.

The total of disbursements from both categories will be one hundred percent of the budgeted funds for the program. All disbursements of funds shall be subject to the City receiving collected funds from the State of Iowa.

6. **Application Process**

The application process will open in April each year. Qualified organizations may apply online at www.cityofmarion.org. A list of application questions can be found in Appendix A. Once the application process closes, requests for funding will not be accepted until the following year.

Applications are scored based on project type, project need, project benefits, leveraging funds, prospects for success and uniqueness of project. A detailed outline with scoring weights can be found in Appendix B.
7. **Application Documentation**

If an applicant has previously received funding from this program, the following documents are required to be submitted with their application:

- Financial Report for previous fiscal year/project showing a full itemized budget for the program, and indicating where hotel/motel funds were applied and in what amounts. (Report template found in Appendix C).
- Performance Report for previous fiscal year/project including summary and evaluation of the project, the estimate number of participants and how success of project was evaluated.

All applicants are required to submit the following documents with their application:

- Publicity plan including information about how the project will be publicized and what efforts will be included to inform the public about the part hotel/motel funds played in making the project possible. (Any project receiving funds may include the following on promotional materials: “This project was funded in part by a grant from the City of Marion Hotel/Motel Grant Program.” If the organization wishes to use the City logo, please contact Brian McKenzie for approval.)
- Itemized budget including estimated expenditures and other funding sources. (Report template found in Appendix C).

8. **Accessing Awarded Funds**

Awarded funds are distributed July through June. Organizations selected for funding shall make payout requests using the funding request form found in Appendix D. If the request for funds is made in advance of project, recipients must show proof of expense commitment (agreements, contracts, purchase orders, etc) with an explanation of expenditures. Up to ninety percent of awarded funds may be requested in advance.

Ten percent of awarded funds will be held until a final financial report is received and approved. This report shall include the final budget showing how and where hotel/motel funds were used similar to what is submitted in the application process. This report must be submitted before June.

If payout is not requested by the end of June, funds will be forfeited and revert back to the Hotel/Motel Fund. No extensions will be accepted.

Submit funding request forms and any requested documentation to Brian McKenzie (see contact information below).

10. **Contact**

Any questions concerning the Hotel/Motel Grant Program or related procedures shall be directed to:

Brian McKenzie  
City of Marion  
1225 6th Avenue, Suite 170, Marion, IA 52302  
319-743-6353 | bmckenzie@cityofmarion.org
Appendix A
Hotel/Motel Grant Program
Application Questions

1. Grant Project Title
2. Requesting Organization Information (name, non-profit status and website)
3. Applicant Contact Information
4. Total Amount Requested
5. Have you requested or received funding from the City of Marion’s Hotel/Motel Grant Program in prior years?
6. Include information from prior requests/rewards of hotel/motel funds (if applicable)
7. For those who have previously been awarded funding through the hotel/motel grant program, please attach a financial and performance report for the most recent year from which you were awarded funds.
8. Describe your project. Include a description why the project is needed, its purpose, and how it promotes tourism.
9. Provide the economic impact of your project (i.e., hotel stays, meals, gasoline purchases, how you will encourage “buying local” among participants).
10. How will your project be accomplished? Include a description of project activities, a timetable indicating when activities will occur, and how they will meet your project’s purpose.
11. Describe your target audience (expected size and composition) and how you will publicize your project to attract them. Please attach a publicity plan that includes information about how the project will be publicized and what efforts will be included to inform the public about the part hotel/motel funds played in making the project possible.
12. What are the qualifications of all the personnel who will be involved in the planning, training of staff, and actual implementation of the project?
13. Describe the methods by which you will evaluate the success of the project.
14. Itemize your budget and provide clarifications where necessary. Include estimated expenditures for all areas, including professional services, supplies, and capital expenses. Other funding sources, as well as in-kind contributions where applicable, should be reflected.
15. If this project were to continue in the future, how will it be sustained? If applicable, describe results of previous hotel/motel awards received in the past three years for projects of similar nature.
16. Why do you feel your project will be successful?
17. Explain how this project is unique to Marion or Eastern Iowa. If similar activities are undertaken by your organization (or other organizations in the region), describe the features that differentiate your project.
Appendix B
Hotel/Motel Grant Program
Application Scoring Criteria

Applications submitted for consideration of funding from the Hotel/Motel Grant Program will be evaluated based on the following criteria and point scales. The reviewers’ scores and comments will be compiled and used to make funding recommendations to the City Council.

1. **Project Type**
   Project expenditures can be used for capital purchases, professional services, contract costs, operating costs, or other uses as authorized by the hotel/motel tax ordinance and state law, subject to approval of the City Council. A capital expenditure is defined as an item or tangible improvement which has a useful life greater than two years and a value of more than $1,000.00

   5  Project is for a capital expense
   4  Project is for advertising or promotion
   3  Project is for professional services
   2  Project is for operating expenses
   0  Insufficient Expense Information

2. **Project Need**
   The proposed activity should relate to a real or perceived need in the community. How well does the proposal respond to that need?

   10  Applicant identified a real need for project in area of leisure or recreation
   7  Applicant has identified need and project is part of organized tourism plan
   3  Applicant perceived a need for program but offers inadequate documentation
   0  Project if unrelated to any community needs

3. **Project Benefits**
   Is there a direct link between the project and overnight hotel stays within Marion? Is an explanation provided?

   15  Direct increase in overnight stays
   8  Indirect increase in overnight stays
   5  Project may increase overnight stays
   0  Will not increase overnight stays

4. **Leveraging Funds**
   Extra consideration will be given to projects that leverage other dollars and use hotel/motel grant funds to fill the gaps. Joint projects that demonstrate partnerships for hotel/motel promotion will also be given extra consideration.

   10  Project is jointly sponsored with a substantial amount of non-hotel/motel funds
   6  Project is jointly sponsored with a moderate amount of non-hotel/motel funds
   3  Project is jointly sponsored with a small amount of non-hotel/motel funds
   0  Project does not have other funding sources or plans to generate non-hotel/motel funds
5. **Prospects for Success**
   Can the applicant complete this project? Is the timetable realistic? Are there adequate resources? Does the sponsor have sufficient training or experience with similar tasks to indicate good prospects for success?

   - 10  Excellent prospects for success
   - 6  Modest prospects for success
   - 0  Poor prospects for success

6. **Uniqueness of Project**
   Is the project unique to Marion or Eastern Iowa? Does it duplicate other efforts in the city or metro area? Does it serve a distinct or unique population? Is it innovative and creative?

   - 5  Project is unique and innovative
   - 3  Project is similar to others but with noticeable differences
   - 0  Project duplicates other efforts
Appendix C
Hotel/Motel Grant Program
Reporting Templates

Financial Report Template

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Itemized Budget Template

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</thead>
<tbody>
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Appendix D
Hotel/Motel Grant Program
Funding Request Form

Organization: ________________________________________________________________

Contact Person: _____________________________________________________________

Phone Number: ___________________________ Email: ____________________________

Amount Requested: __________________________________________________________

Payment Mailing Address: _____________________________________________________

Payout Type:

____ Option 1: Partial payout in advance of project (up to 90% of awarded funds)

____ Option 2: Remaining or full payout after project completed

Option 1 – In Advance of Project:
Up to 90% of awarded funds may be requested. Please submit proof of expense commitment (contract, agreement, purchase order, etc.) Documentation must include amounts that total the requested amount.

Please also explain the purpose of these expenditures.

__________________________________________________________________________

__________________________________________________________________________

Option 2 – After Completion of Project:
Remaining or full payout of awarded funds may be requested. Please submit a financial report showing how and where hotel/motel funds were used.

Submit form and required documentation to bmckenzie@cityofmarion.org

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<td>Documentation Approved</td>
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