



## 2015-16 TOURISM EXPANSION GRANT GUIDELINES

**Overview:** The Tourism Expansion Grants support new or expanding tourism or recreation facilities or designated development areas. Projects that involve an attraction are defined below.

### **Objective:**

An attraction is a physical or cultural feature at a particular place that individual travelers or visitors experience for their specific leisure-related interests. It must have the ability to attract a visitor 50 miles (one-way) and retain a visitor in this area for at least 3 hours. New attractions funded would help give the state another experience to deliver on the Legendary brand promise the division uses in marketing the state.

Attractions include recreation, historical sites, festival and cultural events, lodging and food services which are singularly and uniquely related to historical, cultural, or recreational tourist attractions, agritourism farm/ranch stays and guide services.

Arts and crafts outlets, garden center/nurseries and the like are generally **not** considered to be tourist attractions **unless** the premises are significantly large and they provide some kind of value-added experience such as having an artist in residence, on-site demonstrations or they conduct interpretive tours of their premises.

### **What types of projects are eligible?**

Funds can only be used for buildings and equipment. They cannot be used for marketing or ongoing operation expenses. Types of usage that would be allowed include, but are not limited to, costs associated with purchase or construction of new and/or existing tourism and recreation attractions, historic sites; and equipment purchased for specific tourism project operation or a new major ongoing or annual event that will be held to attract new visitors. Maintenance and/or deferred maintenance of a facility is not an eligible project.

### **Who is eligible to apply?**

Any organization or business involved in tourism. Applicants must submit at least one letter of support from a local non-profit such as the city, county, convention and visitors bureau, economic development organization or chamber of commerce.

### **What types of projects receive priority?**

1. Projects that leverage funding from various public or private sources.
2. Grant funding that completes a project rather than "seed money" to start a project.
3. The urgency of the project is clearly demonstrated (i.e. the proposed project, if not completed within the next 18 months, will not happen).
4. Businesses which offer new recreational services.
5. New agritourism offerings

### **What makes a strong project?**

1. Projects that clearly demonstrate their role as a tourism and recreation attraction in their community or region, and the benefits the project will provide through maintaining or expanding this visitor attraction.
2. The demand for the tourism-related project is clearly demonstrated through research and analysis.
3. All infrastructure needs are important and each application is judged on its own merit. Projects that retain or attract visitors – out of state visitors and North Dakota residents from outside the community – based upon cultural or interpretive significance will score higher.

### **What is the required match?**

The required match is 1:1. For every dollar of grant money being requested, the sponsor must provide one dollar.

A cash match is preferred but in unique situations other assets such as real estate and equipment may qualify as the match. The value of these other assets must be easy to define and verifiable. Generally, in-kind services are not eligible in consideration of the match.

Money that has been put toward the project in the current and previous fiscal year may be considered as part (up to 75%) of the match.

### **What are the grant amounts?**

The grants can range from \$5,000-\$24,000 in any given year.

### **What is the timeline for the selection process?**

In order to allow two construction seasons for recipients, applications are now due in the spring rather than the fall. Current applications will be accepted until **5:00 pm on Friday, April 10, 2015**. Only the first 35 applications will be forwarded for review. The review committee is made up of representatives from the Tourism, Community Development and Economic Development and Finance Divisions of the Department of Commerce.

### **How long does the recipient have to invest the grant funds?**

Grant funds must be spent within 18 months of signing the agreement. Funds not spent during the 18-month time period must be returned and reallocated to other projects.

### **What is the timeline for grants?**

All grants will be issued within 60 days of submission deadline. Grant recipients will be awarded 50% of the approved amount upon receipt of a signed agreement form. A payment totaling an additional 25% of the grant can be made anytime during the construction phase of the project by submitting invoices showing 75% of the granted amount plus an equal amount of matching funds has been spent. The 25% balance will be paid upon completion of the project and receipt of documentation confirming that the individual criterion was met. Any subsequent changes to approved projects must be submitted in writing within 9 months of receiving initial payment and will be reviewed on a case-by-case basis. Special consideration may be given in situations where plans are disrupted by a natural disaster out of the applicant's control.

T:Grants/2015-16/Tourism Expansion Grants

**Please briefly address the following on a separate, typewritten document:**

Selection Criteria: (A maximum of 300 points to be awarded for the application's sections I-III)  
**LATE or INCOMPLETE applications will not be considered.**

**I. Project Description & Operating Plans** (100 total points for this section)

- A) Provide a clear, concise description of your project. Be sure to include project location, facility owner (if different than applicant), what cash matching funds will be used for (\$1 hard match for every \$1 in Grant Funds requested/awarded), and how the project complies with the purpose of the grant program, which is to attract new visitors, encourage visitors to stay longer and strengthen North Dakota as a tourism destination. You may include project description documents such as architectural drawings as an addendum to the application. *(25 points)*
- B) Provide budget and timeline details. *(20 points)*
- 1) A development and implementation timeline for your project and the investment of grant funds in it.
  - 2) A development and implementation budget for the entire project, specifically identifying the amount of grant funds to be used for each phase of your project.
  - 3) A budget of all other funds for the entire project, specifically identifying the amounts to be used for each phase of the project.
  - 4) Budget totals.
- C) Sustainability *(20 points)*
- 1) Present an operating budget for the facility's ongoing costs (staffing, maintenance, utilities, supplies, insurance, marketing, etc) once this project is complete.
  - 2) Explain how these ongoing expenses will be funded.
- D) Marketing Plan *(20 points)*
- 1) Outline the marketing strategies for this attraction or facility now and once the project is completed and how the marketing is financed.
  - 2) Provide details of media used, target markets, any marketing partnerships or cooperative efforts involved.
- E) Describe the tourism and/or hospitality experience of those involved in the development and operation of this project. *(15 points)*

**II. Project Compatibility & Appeal** (100 total points for this section)

- A) Describe how the project will provide broad, long term tourism appeal. *(50 points)*
- 1) If this is an existing business or attraction, include information about your facility's annual visitation numbers, percentage of out-of-state and North Dakota visitors, hours

and season of operation, and if you expect any changes in these areas once the project is complete. Will the expansion attract new visitors?

- 2) If this is a new project, what are your anticipated visitation numbers? What research have you done to arrive at these numbers?
- B) Uniqueness-Describe what sets this project apart from others in your area or the state of North Dakota (25 points)
- C) Length of Stay-Describe the components of this project which will extend the time that visitors will spend in the area. How will it enhance other existing or planned tourism development and marketing efforts in the area? (25 points)

### **III. Need for Project** (100 total points for this section)

- A) Describe how the proposed project will have an economic benefit on the local area, region and state. What is the payroll anticipated to be generated, tax base to be created and amount of visitor spending to result from this project? (20 points)
- B) Describe the cultural heritage, traditions, values and other “quality of life” aspects the proposed project will have on the local area, region, and state. (20 points)
- C) Describe how the proposed project fits into the goals of the North Dakota Tourism Division as stated in the Program Objective on page 1. (30 points)
- D) Letters of support from local and regional community, civic, business and other stakeholders expressing support and commitment for the development of the proposed project. These letters of support must be current and specific to the grant application being submitted. These letters of support must be submitted with your application. (30 points)

#### **Application Deadline:**

Please ensure that you address each of the criteria above in your application on a separate document. All application materials must be received at the Tourism Division office no later than Friday, April 10, 2015. Applications received after the deadline will not be considered by the review committee.

*Mailing Address:*                      *North Dakota Tourism Division  
1600 East Century Ave, Suite 2  
PO Box 2057  
Bismarck, ND 58503-2057*

*For more information:*              *Contact: Dean Ihla  
800-435-5663  
701-328-3505  
[dihla@nd.gov](mailto:dihla@nd.gov)*