

Jackson County TDA

Tourism Capital Project Fund

02.08.2022



NORTH CAROLINA MOUNTAIN TOWNS OF CASHIERS,
CHEROKEE, DILLSBORO AND SYLVA



What are Capital Projects?

Bricks-and-mortar capital projects include:

- Convention and conference centers
- Arenas and stadiums
- Sports facilities
- Performing arts venues
- Museums and other attractions
- Parks, greenways, trails
- Other placemaking initiatives, like streetscapes and public art
- Visitor centers
- Wayfinding





Examples for Illustrative Purposes Only



Why fund Capital Projects

- Community Benefit
- Quality of Life
- Economic Impact
- Placemaking
- Increase demand for Accommodations
- Increase local spending
- Visitor Satisfaction





Jackson County's Legislation

The authorization to expend up to 1/3 of JCTDA funds on tourism capital projects comes from the N.C. General Assembly Session 2011, Session Law 2011-170 House Bill 96 and the relevant statute follows:

SECTION 2.2.(d) Distribution and Use of Tax Revenue. – Jackson County shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the Jackson County Tourism Development Authority.

The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Jackson County and shall use the remainder for tourism-related expenditures.

The JCTDA must invest at least 2/3 of tax revenue to promote travel and tourism, and up to 1/3 can be invested in **tourism-related expenditures**

What is a tourism-related expenditure?

Tourism-related expenditures – Expenditures that, in the judgment of the Jackson County Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

TCPF Application



- We started developing an application for Capital Projects in 2020 with Staff Research as to industry best practices in other destinations.
- The JCTDA's Product and Experience Development Committee and Visitor Experience Committee reviewed the draft application and made recommendations.
- The JCTDA engaged Magellan Strategy Group's Chris Cavanaugh to review its application and the JCTDA implemented all recommendations.
- The application was then reviewed by County legal and finance.
- This year we are recommending one funding cycle and in future years two funding cycles.

Our TCPF application highlights:

-Available for projects that are publicly owned/operated or owned/operated by nonprofits

-Requires a 1:1 match

-Eligible projects:

1. New construction, expansion, renovation, or a replacement project for an existing facility or facilities. The project must have a total cost of at least \$25,000 over the life of the project and a useful life of at least 10 years.
2. A purchase of major equipment (assets) costing \$25,000 or more with a useful life of at least 10 years.
3. A major maintenance or rehabilitation project for existing facilities with a cost of \$25,000 or more and a useful life of at least 10 years.

TCPF Application



Who selects projects?

Application is reviewed by the TCPF Selection Committee to ensure its completeness. This committee will make recommendations to the JCTDA board. The selection committee consists of:

- Accommodations Operator
- Food and/or Beverage Operator
- At-Large Industry Representative
- Chamber of Commerce Representative
- Arts and Cultural Representative
- Community Representative
- JCTDA Board Chairman
- County Commissioner

The JCTDA Full Board will review the application and the Selection Committee's recommendations and make a determination as to whether the application should proceed to County Commissioners.

County Commissioners would then review the JCTDA's recommendation for funding and vote to approve funding on a project.

A funding agreement is executed and the project can begin.

TCPF Application



Criteria the Application is scored by:

1. Up to 20 points – Tourism Promotion Impact
2. Up to 20 points – Room Nights
3. Up to 15 points – Scale/Capacity to Attract Visitors
4. Up to 10 points – Benefit to the Destination
5. Up to 5 points – Enhance Visitor Experience
6. Up to 5 points – Program Components
7. Up to 5 points – Quality of Research
8. Up to 5 points – Comprehensive Marketing Approach
9. Up to 5 points – Suitable Target Market
10. Up to 5 points – Evidence of Partnership
11. Up to 5 points – Organizational Structure/Management Capability

Tentative Schedule for 2022 (One funding cycle this year)

- 6/1/22 - Pre-Submittal Conference
- 8/1/22 - Due to TCPF Selection Committee
- 8/3/22 - TCPF Selection Committee Meeting
- 8/18/22 - JCTDA Full Board Meeting
- 9/13/22 - JC BOC Work Session
- 9/20/22 - JC BOC Full Meeting
- 10/20/22 - Funding Agreement Executed



TCPF Application

- Adheres to Industry Best Practices
- Complies with state and local tax legislation
- Manages risk & legal concerns
- Ensures highest and best use of tax dollars
- Process provides clarity, efficiency, and accountability



Funding

This fiscal year, we allocated \$500,000 for Capital Projects.

Future FY allocations will depend on forecasted occupancy tax receipts.

Application will be live at www.JacksonCountyTDA.com in the coming month.