



Admissions Tax Marketing Funds Grant Program

PREAMBLE

In 2002, Mt. Crested Butte voters passed a 4% admissions tax to be collected for any event that starts, finishes, or enters the Town of Mt. Crested Butte's town limits to be utilized for transportation, marketing, and event sponsorship. Voters ratified modified language of the tax in 2009 to keep the tax from sun-setting and directed "not less than 25 percent of the revenues of such tax to be utilized for transportation; and the remainder of the revenues from such tax to be utilized for marketing and event sponsorship."

In 2019, to respond to the changing economic landscape of Mt. Crested Butte, concerns of unsustainable tourism, and inconsistent application of Admissions Tax funds, the Mt. Crested Butte Town Council has revised the Admission Tax Grant Application to bring more clarity to the process as well as realign the grant with contemporary values regarding tourism. In 2021 council determined the amount of funds allocated to grant funds shall be reassessed annually, and out of that grant fund balance, funds will be allocated annually to the following categories:

- 80% - Events
- 20% - Traditional Marketing (non-event marketing efforts)

The primary intent of the grant is to attract visitors and community members to Mt. Crested Butte with a measurable return on investment to increase sales tax revenue for the town. It is the town's desire to attract new people, as well as encourage repeat visitation and stimulate creativity to develop new events.

APPLICATION CATEGORIES

The following categories were created to provide clarity to applicants and staff; and may be adjusted based on areas of focus. We encourage applicants to fit their application into one of the categories/subcategories.

- **Events (80%):** Attract new visitors to Mt. CB with a measurable return, encourage repeat visitation, and stimulate creativity to develop new events. All events funded through the Ad Tax grant must occur within the town limits of Mt. CB. Event categories are as follows:
 - **Signature Events (20%):** Signature events are annual events held in the town of Mt. CB that have a strong following and are a staple for the town. While they may bring people from outside the Gunnison Valley, many of the event attendees are also local. These events represent the Mt. CB brand at the highest level and the loss of any of them would have a negative impact on the town. The customer base includes a significant portion of destination guests and economic impact to the town is profound. Signature events bring in more than 150 guests and funds can be awarded yearly with no cap.
 - Examples of these events are Beer & Chili, Colorado Crafted, Mountain High Music Festival, New Year's Eve Torchlight Parade, and the Grand Traverse (Summer & Winter).
 - **Destination Events (40%):** This category represents events and programs that bring people to Mt. CB for the event specifically. Visitors will typically stay in the town of Mt. CB and be in the base area for the event. These events are annual, new, or one-time major events. Destination events bring in more than 100 attendees and funds can be awarded yearly up to five years in a row in hopes to create enough traction to fully fund the event internally. After that, the

applicant will have to wait at least two years to apply for funding again for that specific event. If the event gains immense popularity, it can be moved into the signature event category.

- Examples of events in this category are Fat Bike World Championships, Blister Summit, USA Pro Challenge & Adaptive Mountain Biking World Championships.
- **Community Growth & Fundraising Events (40%):** These events mostly benefit the community, businesses in the community and local non-profits. There is not a minimum attendee amount or limit to the number of times an applicant can apply for funds.
 - An example of this type of event would be Living Journey's Summit Hike, KBUT Soul Train (if they ever wanted to have the event in Mt. CB).
- **Traditional Marketing (20%):** Mt. CB is a resort destination. Crested Butte Mountain Resort (CBMR) brings visitors from around the world to play and stay here. While it's hard to quantify how much is too much marketing for the area, one thing we can track and monitor is who currently advertises the town of Mt. CB, at what capacity and what product. Applicants can be awarded yearly up to five years in a row in hopes to create enough traction to fully fund future marketing efforts. Previous advertising efforts should have been successful enough to generate more business, thus allowing for a yearly marketing budget. After that, the applicant will have to wait at least two years to apply for funding again. Local non-profit organizations are exempt from the five-year rule.

Traditional marketing Ad Tax Grant funds can be used for the following categories:

- **Lodging (20%):** Marketing lodging in the base area is important and is needed to continue to support travelers, however, excessing marketing dollars are not needed since CBMR, VRBO, Airbnb and many other property management/travel websites advertise for people to stay at the town of Mt. CB.
- **Businesses (30%):** The businesses in the town of Mt. CB are mostly independently owned and don't necessarily have funds for a marketing budget. Advertising efforts create more opportunity for visitors to stop by a shop, restaurant, or other retail & food spaces while staying and playing in Mt. CB. Additionally, it provides visitors with more knowledge of the places they can go in Mt. CB before visiting, ideally, making it less likely for them to travel to town.
- **Community (50%):** In accordance with our strategic plan, Mt. CB will be a collaborative leader that preserves the region's natural beauty, delivers exceptional municipal services, enhances quality of life, champions sustainable tourism, and fosters an atmosphere where residents and businesses can thrive. We can showcase this through featuring our community such as advertising housing programs, local event locations, community non-profits, sustainability, and other community partnerships.

Note: Airline promotion may be funded as part of an event, but not as a separate category.

RECOMMENDED TIME FRAMES FOR EVENTS OR PROGRAMS

Additional consideration will be given to programs and events that occur outside of the following date ranges:

- July 1 – August 1
- December 20 – January 1
- March 1 – March 15

MEASURABLE RETURN

The Town Council are interested in the following metrics:

- Gross revenue generated by the program
- Number of visitors the program attracted to Mt. Crested Butte
- Number of first-time visitors the program attracted to Mt. Crested Butte
- Room nights booked in Mt. Crested Butte

Note: Priority will be given to applications which best meets the goals of the program, while providing measurable data desired by the council.

OTHER CONSIDERATIONS AND CLARIFICATIONS

- Additional consideration will be given to:
 - New events
 - Applications that target new markets, groups, and activities
 - Groups or organizations that demonstrate a financial need for the funds
 - Applications that have an environmental sustainability component
- Completion of the application is not a right to funds. The distribution of grant funds is within the sole discretion of town council.
- Applicants are encouraged to contact the admissions tax grant point of contact prior to submitting their application.
- Advertising, marketing, and travel agencies are not allowed to apply for the Admissions Ad Tax grant on behalf of their clients to receive funding. They may be hired as a marketing agency from an ad tax recipient but are not allowed to apply on the behalf of others.
- The Admissions Tax grant program is intended to not only bring visitors to our community, but for them to spend money by staying overnight at the mountain while enjoying F&B, shops, and spending money within Mt. CB.
- Funds for operations may be used to pay most external costs; including but not limited to equipment and services rental, security, etc. Grant funds cannot be used to pay applicant's internal staff costs or purchase of equipment related to the event.
- Grant funds are designed to be used to augment the applicant's existing efforts—they should not be used for regular ongoing programs, nor should they be the sole source of program funding.
- Funds for marketing can pay for media (print, TV/radio, social media, video, etc.), hiring of talent, production equipment rental, and external services for marketing and advertising. Grant funds cannot be used to pay for regular staff salaries, in-house salaries, operating costs (whether marketing related or not) or purchase assets for the applicant.
 - Example: Hiring a temporary worker (security) for the event is ok. Offsetting the salary of a regular employee is not. Renting a PA for announcements during the event is ok. Purchasing a PA for the applicant's perpetual use is not.
- Sponsorship. The term sponsorship should be interpreted to mean a financial contribution to an event or initiative by the town with the expectation of reporting event success and return on investment by the applicant. Applicants will not be granted funds for only attaching the town's name to their event.
- Traditional marketing efforts should contain a specific call to action and mention the town of Mt. CB.
- Receipt of grant funds does not guarantee the grant of future funds and repeated requests to fund existing programs.
- All council decisions are final. There is no appeal process.

REQUIRED DOCUMENTS

1. Completed Admissions Tax Grant Application

a) The application will ask you to provide the following information:

- A summary of the event/program that is proposed
- How the request fits into the goals and objectives of the Admissions Tax Grant Program.
- Both an organization-wide budget and a budget specific to the funding request. The former will give the committee and council an idea of how the funding request fits into the overall budget of the requesting organization and the latter will describe the funding request budget in detail.
- The applicant will disclose if they have received other funding for the application (additional consideration will be given to organizations that have received other funding sources for this event).
- If some or all the application is for marketing funds, the applicant should provide detailed information on the type(s) of marketing proposed and the geographic and demographic areas that will be targeted. The applicant must also explain in detail how their marketing efforts will be tracked and evaluated for effectiveness. These evaluation methods will be used in any follow-up reporting of the program to the Town Council if the grant is awarded.

The applicant is reminded that the budget proposal should include its own resources, as the Admissions Tax Grant is intended to augment expenditures by the applicant.

***Note:** if the applicant fails to apply granted funds as outlined by their application, and it is determined that the expenditure of funds has been inappropriate, Council reserves the right to seek reimbursement of funds and the applicant may be precluded from applying for admissions tax grant funds in the future.*

AWARDING ADMISSIONS TAX GRANT FUNDS

Prior to submission of an application, applicants may contact Admissions Tax POC or Town Councilors to discuss a potential application. However, after applying, further contact regarding the application is prohibited.

Council or ad tax POC, at its discretion, may contact applicants directly to seek clarification on an application. No presentations will be permitted at town council meetings. However, if councilors have specific questions about an application, they may address the applicant directly. The applicant will have five (5) minutes to respond. Once council makes their decision on the granting of funds, the decision is final. There is no appeal process.

The awarding of grant funds will take place at a regular town council meeting. Notes on reasons for approval or denial will be provided. If the applicant is granted funds and later determines the funds will not be spent as intended, any changes in use of funds must be approved by town council or returned.

REPORTING

The goal of reporting is to gauge the success of the event and return on investment for the town. We recognize different grant levels should garner different depths of reporting. A small organization that asks for a few thousand dollars should not be expected to report to the same level of detail as a much larger organization asking for one hundred thousand dollars. In the end, the applicant should feel confident they have provided a clear picture of the town's return on investment.

It is the responsibility of the applicant to contact town staff in a timely manner to schedule a presentation date. Reporting shall include:

1. Completed Admissions Tax Grant Report/Follow-up Form
 - a. The form will ask you to provide the following information:
 - Self-analysis of how the event or initiative succeeded and what the applicant would do in the future to improve the event.
 - Data on attendance of the event, how many room nights were booked, and if it met the measurable return proposed in the application.
 - An actual budget compared to the proposed budget in the application
 - The applicant should be prepared to discuss any deviation between their proposed budget and the actual budget. Upon request, you may be asked to provide Invoices and receipts for grant funds spent. Council reserves the right to audit the applicant's finances regarding the granted funds.
 - Analytical data regarding marketing efforts (impressions, clicks, conversion, data on time spent on each page of the event website, etc.)
 - The applicant will be expected to present a five-minute summary to Town Council to supplement their written report at a regularly scheduled council meeting.

Should council request further information regarding an applicant's reporting, the applicant may be given a second opportunity to provide more information or clarity. If the applicant fails to report prior to the following Admissions Tax grant cycle or fail to reschedule their report with council, the applicant will be barred from applying for one year.

ADMISSIONS TAX REVIEW PROCESS

An admissions tax grant point person will be responsible for creating the annual grant budget during the fall budgeting process, with direction from Town Council. All requests will be reviewed for consideration by the Town Council for a final decision.

Admissions tax grant funds shall accrue with the expectation that the fund maintains a reserve to accommodate reductions in admissions tax income during economically depressed times, earmark funds for slower times of the year when more marketing may be advantageous, or for "home run" proposals that develop outside of the application cycle. Council discourages zeroing out the fund or spending admissions tax grant funds simply because an application has been submitted. Applications should meet the criteria of the program while benefitting the town and applicant financially.