



Department of Planning & Sustainability

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TO: Strategic Tourism Planning Board (STPB)
FROM: Nick Helmholdt, AICP, Principal Planner / Tourism Program Director
DATE: May 10, 2023
RE: **2024 Tourism Program Budget Recommendation**

ACTION REQUESTED

The STPB is asked to review the recommend 2024 Tourism Program budget and share comments with the budget committee by June 9, 2023. A draft budget for recommendation will be presented to STPB at the June 21 meeting. The STPB will be asked to vote on this budget for inclusion in the County's 2024 budget. That budget proposal will be reviewed by County Administration and then the County Legislature. Formal adoption of the 2024 County Budget is anticipated in the fall of 2023.

BACKGROUND

2024 TOURISM PROGRAM EXPENSE OVERVIEW

Product Development Expenses

Arts & Cultural Organization Development Grants	\$362,300
Beautification Program (CCE Tompkins)	\$147,524
Placemaking (TC Chamber)	\$20,000
Downtown Ambassadors (DIA)	\$47,195
Tourism Capital Grants	\$310,000
Community Arts Partnership General Operating Support	\$48,000
Community Celebration Grants	\$35,000
Tourism Advancement Grant: Projects	\$90,000
Tompkins Outdoors Grants	\$65,000
Festivals Program (DIA)	\$40,000
Hospitality Workforce Development (WDB)	\$40,000
Public Art Grants (CAP)	\$10,000
Conference Center (4%)	\$177,680
<i>Subtotal</i>	<i>\$1,393,499</i>

Marketing Expenses

TC Chamber of Commerce / Convention & Visitors Bureau	\$2,173,053
Tourism Advancement Grant: Marketing	\$50,000
Market the Arts (CAP)	\$30,000
<i>Subtotal</i>	<i>\$2,253,053</i>

Creating and implementing plans that position Tompkins County communities to thrive.

2024 TOURISM PROGRAM REVENUES

Hotel Room Occupancy Tax

The source of funding for all elements in the 2024 Tourism Program budget is hotel room occupancy tax (room tax). All Tompkins County lodging establishments (including hotels, motels, inns, bed and breakfasts, and short-term rentals) are required by local law to collect a 5% ad valorem room tax. The law authorizes the county to use 10% of the room tax collected for administration. As the official advisory board on this matter for the County Legislature, the Strategic Tourism Planning Board (STPB) is charged with preparing annual recommendations for room tax revenue and its allocation.

The STPB budget committee prepared a projection of room tax for 2024. The committee forecasts that \$4,442,000 in room tax will be collected in 2024. This represents a substantial increase from past forecasts. The 2024 room tax revenue projection is based on analysis of several sources, including local and national hotel performance forecasts, historic Tompkins County room tax revenues, local hotel industry data from Smith Travel Research, local short-term rental data, data gathered by the Convention and Visitors Bureau, and other local considerations. The room tax forecast assumes the following:

- Hotel occupancy will grow modestly compared to 2022. Quarterly occupancy rates will range from 46% (Q1) to 79% (Q3).
- Hotel average daily rates (ADR) will increase during the first and fourth quarters due to demand generated by the conference center. Average daily rates in the second and third quarters will slip from the benchmarks set in 2022. Quarterly ADRs will range from \$126 (Q1) to \$186 (Q4).
- The supply of hotel rooms in the county will remain stable.
- The rates of tax-exempt business will stay near the long term average.
- The performance of smaller lodging properties (those with 10 or fewer rooms, including short term rentals) will grow through 2024. Quarterly growth for this segment is forecast at 10%.
- Other issues which affect the 2024 forecast room tax include:
 - 2024 is a leap year which means one more day of room tax collection in Q1.
 - A solar eclipse on April 8, 2024, is expected to generate a tremendous but brief travel demand to areas in the [total eclipse zone](#). While Tompkins County is just outside this zone, we expect to see a jump in travel demand due to our proximity.

2024 Quarterly Room Tax Targets

The quarterly targets below are intended to help the STPB understand how actual room tax collections compare to projections throughout the year. The targets were developed using historical data on hotel occupancy and room rates.

2024	Hotel Forecast (>10 rooms)	BnB Forecast (<11 rooms)	Total Room Tax Forecast
Q1	\$372,000	\$169,000	\$541,000
Q2	\$782,000	\$330,000	\$1,112,000
Q3	\$1,239,000	\$366,000	\$1,605,000
Q4	\$982,000	\$202,000	\$1,184,000
Total	\$3,375,000	\$1,067,000	\$4,442,000

Recent Room Tax Budget and Collection History

The table below illustrates the recent history of room tax budget projections and collection.

	Room Tax Budget Projection	Room Tax Collected
2018	\$2,754,484	\$2,924,581
2019	\$2,935,000	\$2,949,079
2020	\$3,050,760 <i>adjusted to \$1,852,150</i>	\$1,239,264
2021	\$1,906,955	\$3,008,998
2022	\$2,400,000	\$4,202,864
2023	\$3,320,000	TBA in Jan. 2024

RESERVES

The current STPB policy on budget reserves and surpluses sets a target reserve balance of 10% of the annual projected room tax collection. At the time of this writing there is \$332,000 in reserve. This represents ten percent of the forecasted room tax collection for 2023.

With a 2024 room tax forecast of \$4,442,000 the target reserve balance is \$444,200. This means that an additional \$112,200 would be needed to reach this target. The draft budget proposes making a deposit of \$273,723 to reserves. This would bring the reserve balance up to 12.8% of the room tax forecast. This proposal was made in response to discussion at the County Legislature regarding a recent budget adjustment.

The budget committee may consider a revision to the STPB Policy on Budget Reserve and Surplus (attached). This policy will be reviewed after the third quarter room tax report is available.

Summary of Funds Available for 2024 Tourism Program

+ Projected Room Tax Revenue	\$4,442,000
- Deposit to Reserves (see above)	\$237,723
- County Tax Administration (10% of room tax)	\$444,200
- Strategic Planning & Staffing (see below)	\$117,405
= Projected Room Tax Available for Tourism Program	\$3,606,672

BUDGET COMMITTEE FINDINGS

The STPB bylaws define the responsibility and composition of the budget committee. In 2023 the budget committee was comprised of Kelli Cartmill (committee co-chair), Marian Ware (committee co-chair), Brett Bossard (STPB chair), Jeremiah Swain, Josh Friedman, and Greg Mezey. The committee has held five meetings to date.

The overall forecast for travel and tourism in 2024 is optimistic. A report analyzing the impact of the pandemic on travel and tourism has found that the economic recovery has been “led by the return of price-insensitive leisure travel demand.”¹ This observation certainly rings true for Tompkins County which

¹ Hazinski, T. A., & Gonzalez, P. J. (2022, October 24). 2022 HVS Lodging Tax Report - USA. Retrieved from HVS: <https://www.hvs.com/article/9469/2022-hvs-lodging-tax-report-usa/>

has experienced substantial growth in travel demand from metropolitan areas within a 4-6 hour driving range (including New York City and Philadelphia).

While it is possible that some of this travel demand will slip as people re-establish leisure airline travel patterns that were disrupted during the pandemic, the committee remains confident that the long-term drivers of tourism demand will continue to support growth in this sector. Locally the main drivers of growth in 2024 are the continuing demand for leisure travel, our academic institutions, and the new conference center. Tompkins County has several core strengths as a destination and the committee expects these will continue to drive travel demand through 2024. The continued operation of in person classes and other on campus activities at Cornell University and Ithaca College is assumed throughout 2024.

Although hotel occupancy and rates have passed pre-pandemic levels many hoteliers are operating with fewer staff. Continuing workforce shortages constrain the growth of this part of our local economy.

The committee continued the practice of budgeting approximately 60% of available funds for marketing and 40% of available funds for product development. In the proposed budget, 61.8% of available funds are allocated toward marketing while 38.2% of funds are allocated to product development. (Items listed under "Other Expenses" do not count toward either marketing or product development.)

2023 BUDGET REQUESTS

The Tompkins County Tourism Program solicited budget requests from program administrators and heard presentations at budget committee meetings on April 27. Program administrators were asked to describe the actual funding needed to implement program goals and provide specific detail on the prioritization of funds.

Program administrators responded to the guidance and provided clear annual goals, measures of achievement, and information on how the requested budget would support implementation of the *Strategic Tourism Plan: 2021-2027*.

Following budget presentations, the STPB budget committee discussed priorities, examined alternatives, and developed the proposed budget.

Product Development Expenses

Arts & Cultural Organization Development Grants

The committee recommends allocating over 95% of the funds requested by CAP for the Arts & Cultural Organization Development (ACOD) grant program. Grant guidelines for the program were modified in 2019 and this resulted in an expanded number of eligible organizations. The current 16 grant recipients are on a two-year funding agreement. A review of grantee eligibility and performance will be conducted following the adoption of the budget in the fall.

Beautification (CCE Tompkins)

The Community Beautification Program, administered by Cornell Cooperative Extension of Tompkins County, is a foundational initiative of the Tourism Program. The committee recommends the full funding request as proposed by CCE Tompkins. The agency presented a detailed budget and has utilized past reserves to replace one of the program's vehicles with a new electric Ford F-150. The proposed budget includes an expansion to the rural beautification grant program, replacement of the planters on West State Street, expansion of perennials and shrubs in planting areas, and efforts to build relationships with other neighborhoods for possible implementation of the "Blocks in Bloom" initiative.

Placemaking (TC Chamber of Commerce)

The Chamber of Commerce has proposed a collaborative placemaking initiative focused on the Collegetown area for 2024. The City of Ithaca has pledged \$25,000 toward this effort and the Chamber intends to request a similar amount from a private funder. The proposed budget includes funding for gateway signage, pedestrian wayfinding signage, trash cans, banners, and benches. The Budget Committee recommends funding this activity at 80% of the request and encourages the organization to consider any future proposals in a broader countywide placemaking context.

Downtown Ambassadors (DIA)

The committee recommends allocating the full budget request presented for the Downtown Ambassadors. The committee recognizes the importance of a clean and well maintained downtown area to the perception of our destination.

Tourism Capital Grants

The committee recommends continued funding for the Tourism Capital grant program. Capital grants represent important investments in the future attractions to draw visitors to Tompkins County. Due to rising inflation, the committee recommended increasing the overall amount for this grant program beyond the amount proposed by Ithaca Area Economic Development.

Community Arts Partnership (CAP) – General Operating Support

As a foundational partner, CAP provides instrumental support to the Tourism Program and our local arts community. The committee recommends providing over 92% of the funding requested by CAP for its operations in 2024.

Community Celebration Grants

The committee recommended \$35,000 for the Community Celebrations grant. Community Celebrations are events that are free and open to the public that help convey the county's unique culture and history.

Tourism Advancement Grant: Projects

The purpose of this grant is to support the production and development of events and short-term projects capable of attracting overnight visitors. Previously known as the "Tourism Project Grant" this program directs funding to activities that have the potential to draw visitors from places over 50 miles from Tompkins County. The committee recommended \$90,000 in funding for this grant in 2024.

Tompkins Outdoors Grants

The intent of this grant program is to raise the county's profile as a leading destination for outdoor recreation and increase the capacity of local organizations to provide quality programming, maintain our assets, and enhance our appeal to visitors. The grant is entering its third year and has been reviewed closely by the STPB Outdoor Recreation Tourism committee. The STPB Budget Committee recommends \$65,000 in funding for 2024.

Festivals Program (DIA)

Administered by the Downtown Ithaca Alliance, this program supports event organizers throughout the county through workshops, technical assistance and an equipment lending service. DIA has proposed shifting its two day in-person event planner workshop to a hybrid series of educational presentations that can be recorded and distributed digitally. The DIA is also moving its equipment storage

to a new off-site location since construction and space limitations at the current site render it difficult for staff to administer. The committee recommended funding over 83% of the budget proposed by DIA.

Hospitality Workforce Development (Workforce Development Board)

The committee continues to express concerns about the workforce situation facing employers in hospitality and restaurants. It has taken over three years for employment in the county's "Leisure and Hospitality" sector to approach pre-pandemic levels² and many local employers continue to struggle to fill vacancies and retain staff.

The committee recommends allocating over 90% of the funding requested by the Workforce Development Board to work on mitigating the labor shortage facing this sector. The WDB has proposed continuing workshops and training efforts and will work closely with the Convention and Visitors Bureau on replacing the Visitor Arrival to Departure (A2D) program.

Public Art Grants (CAP)

Community Arts Partnership administers the public art grant initiative, which leverages outside funding to commission high impact public art. CAP holds a fund balance to support a future commission of public art installation and has secured state funding.

The committee recommends allocating \$10,000 to this program to support the administrative expenses of identifying an installation site, selecting an artist, and engaging with the community. The committee also encourages CAP to coordinate efforts with the CVB and local tourism partners throughout this effort.

Conference Center

A resolution adopted by the County Legislature on March 17, 2020 established that 4% of hotel room occupancy taxes will be allocated to support the downtown conference center project starting in 2021. 2024 will represent the fourth year of this 30-year agreement.

Marketing Expenses

Convention & Visitors Bureau (CVB)

The committee recommends fully funding the budget proposed by the Ithaca/Tompkins County CVB. The CVB employs 16 full time staff, 3 part time staff and four seasonal workers. Increasing staff costs are the primary factor driving the growth of the CVB budget. The provision of competitive wages and benefits is important for the CVB to attract and retain its staff. The requested 2024 budget reflects the actual cost for all eligible staff members to participate in currently available benefits.

The CVB budget request includes funding to support full staffing for two visitors centers (Downtown and Taughannock Falls Overlook), participation in travel trade shows, destination marketing initiatives, production of the Ithaca Loves Teachers event, and other activities that serve the organization's mission and address the goals of the Strategic Tourism Plan. The CVB anticipates receiving \$54,072 of NYS matching funds in 2024 to use for advertising and destination marketing efforts. An equal amount as the local match is included in the budget request.

The proposed 2024 budget includes funds for conference incentives and services to attract and support events at the forthcoming Ithaca Downtown Conference Center. The CVB is responsible for conference sales more than 12 months in advance. (ASM Global performs this function for events inside a 12 month window.)

² Bureau of Labor Statistics, Ithaca, NY MSA, Leisure and Hospitality labor force: https://www.bls.gov/regions/new-york-new-jersey/ny_ithaca_msa.htm

The proposed 2024 budget also includes additional funding to scale up a replacement to the Visitor Arrival to Departure (A2D) program. This effort will be conducted in cooperation with the Workforce Development Board.

The budget committee was supportive of the request placed by the CVB as it will allow the organization to perform destination marketing and attract new business to the conference center. This investment is expected to deliver community-wide benefits through an increase in room tax and sales tax associated with the new conference center.

Tourism Advancement Grants: Marketing

The purpose of this grant is to support the promotion and advertising of events and short-term projects capable of attracting overnight visitors. Previously known as the "Tourism Marketing and Advertising Grant" this program directs funding to promote activities that have the potential to draw visitors from places over 50 miles from Tompkins County. The committee recommends \$50,000 in funding for this grant in 2024.

Market the Arts (CAP)

The committee recommends \$30,000 for Market the Arts which promotes a variety of cultural events through the year including the Artist Market, Spring Writes, and the Greater Ithaca Art Trail. CAP has also proposed re-launching two other consolidated marketing campaigns focused on visual and literary artists in the community.

Other Expenses

County Tax Administration (10%) and Strategic Planning, & Staffing

The hotel room occupancy tax law permits the county to retain ten percent (10%) of the tax collected for administration. A proposed draft page for the 2023 budget book is included to demonstrate how these funds are allocated within the county budget.

An additional \$117,405 is included for Strategic Planning & Staffing. The salary and fringe for the Principal Planner / Tourism Program Director position is paid from this line. This amount is subject to change following the release of guidance on the 2024 fringe rate.

BUDGET IMPLICATIONS

All tourism program activities are supported through the Hotel Room Occupancy Tax. The Tourism Program Director and STPB monitor quarterly room tax reports to ensure that funds are available. All Tourism Program contracts are contingent upon fund availability.

CONTACT

Nick Helmholdt, Dept. of Planning & Sustainability, nhelmholdt@tompkins-co.org

ATTACHMENTS

- Recommended 2024 Tourism Program Budget Table & Notes
- Proposed 2024 County Budget Book page
- STPB Policy on Budget Reserve and Surplus Hotel Room Occupancy Tax (revised Feb. 2022)

	2022 - Adopted	2022 - Adjustment	2022 - Modified	2023 - Requested	2023 - Adopted	2023 - Adjustment	2023 - Modified	2024 - Requested	2024 - Draft v3	NOTE	v3 / Requested
Product Development											
ACOD Grants	266,700		266,700	316,150	315,000	685,000	1,000,000	379,050	362,300		95.6%
Beautification (CCE Tompkins)	95,000		95,000	101,055	100,300	-	100,300	147,524	147,524		100.0%
Placemaking (TC Chamber)	-		-	-	-	-	-	25,000	20,000		80.0%
Downtown Ambassadors (DIA)	36,790		36,790	45,988	37,900	8,088	45,988	47,195	47,195		100.0%
Capital Grants	260,000		260,000	262,000	250,000	59,000	309,000	244,000	310,000		127.0%
CAP - General Operating Support	43,056		43,056	46,328	44,000	-	44,000	52,800	48,800		92.4%
Community Celebration Grant	30,000		30,000	32,000	30,000	15,000	45,000	40,000	35,000		87.5%
Tourism Advancement Grant: Projects	70,000		70,000	85,000	70,000	30,000	100,000	100,000	90,000		90.0%
Tompkins Outdoors Grant	50,000		50,000	75,000	60,000	-	60,000	70,000	65,000		92.9%
Festivals	28,709		28,709	29,570	26,000	-	26,000	47,864	40,000		83.6%
Hospitality Workforce Development	40,000		40,000	35,000	35,000	-	35,000	44,000	40,000		90.9%
Public Art Grants	10,000		10,000	15,000	10,000	-	10,000	10,000	10,000		100.0%
Wayfinding	-	250,000	250,000	-	-	-	-	-	-		
Conference Center (4%)	96,000		96,000	132,800	132,800	-	132,800	177,680	177,680		100.0%
subtotal	1,026,255	250,000	1,276,255	1,175,891	1,111,000	797,088	1,908,088	1,385,113	1,393,499		100.6%
Marketing											
Convention and Visitors Bureau	1,513,727		1,513,727	1,776,367	1,726,500	58,000	1,784,500	2,173,053	2,173,053		100.0%
Tourism Advancement Grant: Marketing	16,100		16,100	25,000	18,500	40,000	58,500	50,000	50,000		100.0%
Market the Arts	10,500		10,500	25,000	25,000	-	25,000	30,000	30,000		100.0%
subtotal	1,540,327	-	1,540,327	1,826,367	1,770,000	98,000	1,868,000	2,253,053	2,253,053		100.0%
Product Development + Marketing Summary											
Total Combined Product Dev. + Marketing	2,566,582	250,000	2,816,582	3,002,258	2,881,000	895,088	3,776,088	3,638,166	3,646,552		100.2%
Product Development %	40.0%	100.0%	45.3%	39.2%	38.6%	89.1%	50.5%	38.1%	38.2%		100.4%
Marketing %	60.0%	0.0%	54.7%	60.8%	61.4%	10.9%	49.5%	61.9%	61.8%		99.8%
Other Expenses											
County Tax Administration (10%)	240,000		240,000	332,000	332,000	-	332,000	444,200	444,200		99.1%
Strategic Planning & Staffing	110,190		110,190	-	115,103	-	115,103	117,405	117,405	A	100.0%
Market Evaluation	6,000	41,254	47,254	45,000	15,000	30,000	45,000	-	-		
Board Development & Training	5,000		5,000	-	-	-	-	-	-		
Strategic Tourism Implementation Grants	-		-	-	-	500,000	500,000	150,000	-		0.0%
subtotal	361,190	41,254	402,444	377,000	462,103	530,000	992,103	711,605	561,605		79.4%
Grand Total Expenses	2,927,772	291,254	3,219,026	3,379,258	3,343,103	1,425,088	4,768,191	4,349,771	4,208,157		
Revenues + Reserves											
Projected Room Tax Revenue	2,400,000	411,254	2,811,254	3,320,000	3,320,000	1,545,155	4,865,155	4,442,000	4,442,000		
Projected Use of Reserves	(120,000)	(120,000)	(240,000)	(92,000)	(92,000)	(120,000)	(212,000)	(112,200)	(237,723)	B	
Projected ARP Revenue	655,274		655,274	-	-	-	-	-	-		
Grand Total Revenues + Reserves	2,935,274	291,254	3,226,528	3,228,000	3,228,000	1,425,155	4,653,155	4,329,800	4,204,277		

NOTES

A This figure is subject to change once the 2024 fringe rate is announced.

B This will bring reserves up to 12% of the projected room tax. The Budget Committee will consider a revised policy for reserves later in 2023.

Budgeting 2024 Room Tax Revenues for the Department of Planning & Sustainability

Calculating the room tax to be direct budgeted from 41113 to TCDPS and Unallocated Revenues

\$	4,442,000	Projected 2024 Room Tax Revenue
	10%	of Projected Room Tax Revenue
\$	444,200	for County Tax Administration (per local law)
\$	117,405	for Tourism Program Director / Principal Planner position
		Remainder belongs in:
\$	3,880,395	6475 - Tourism Promotion & Community Arts Partnership
	4%	of Projected Room Tax Revenue
\$	177,680	for Ithaca Downtown Conference Center (6475-54802)

Places in the budget to find 41113 - Room Tax as revenues:

Amount	Unit #	Department
\$	3,880,395	6475 Tourism Promotion & Community Arts Partnership

Components of the Planning Department Administration not Part

Amount	Unit #	of the Administrative 10%
\$	117,405	8020 Community Planning (Tourism Program Director)

Amount	Unit #	Components of the Administrative 10%
\$	68,703	8020 Community Planning
\$	16,314	1989 Risk Management (County Administration)
\$	19,577	1310 Treasury (Budget & Finance)
\$	26,103	1315 Accounting (Comptroller)
\$	3,264	1420 County Attorney
\$	310,239	9999 Unallocated Revenues
\$	444,200	10% of Projected Room Tax

Amount	Unit #	Components of 8020 - Community Planning
\$	68,703	8020 Part Time Staff Support (3 Positions)
\$	117,405	8020 Tourism Program Director / Principal Planner

Figures in red are subject to change pending guidance from County Administration and updated 2024 Fringe Rate

Strategic Tourism Planning Board / Tompkins County Tourism Program

Budget Reserve and Surplus Hotel Room Occupancy Tax Policy

BACKGROUND: On February 3, 2022 the Strategic Tourism Planning Board's (STPB) Budget Committee met to discuss approaches to budget reserves and surplus room tax collections. The following document is the current established policy.

The STPB serves as an advisory board to the Tompkins County Legislature on matters relating to tourism. In this capacity it makes recommendations on the most appropriate and effective use of Tompkins County Room Occupancy Tax revenues. These recommendations are presented to the County Legislature which has final authority to accept, modify, or reject any proposal. The policy described in this document outlines the process STPB will use to formulate its budget recommendations to the county.

I. Reserve Funds

- a. Purpose of Reserve Funds: External factors can have adverse effects on local room tax revenues. A wide variety of circumstances can lead to reduced visitation to Tompkins County. Some organizations integral to the local tourism sector rely on room tax funding as a primary source of funding. When room tax revenue declines, the reserve fund is intended to assist organizations of vital importance to sustain the county's tourism sector.
- b. Target Reserves: Ten percent of the projected annual Tompkins County hotel room occupancy tax collections should be held in reserve. (For example, if \$3,000,000 in hotel room occupancy tax is projected for a given year then \$300,000 should be held in reserve.)
- c. Use of Reserves: If room taxes decline year over year, the STPB may authorize reserves to be used to sustain essential operations necessary to our local tourism sector. The reserve balance was depleted completely due to the Covid-19 pandemic in 2020 and associated shortfall in room tax.

II. Surplus Funds

- a. Source: Each year the STPB prepares a projection of Tompkins County's hotel room occupancy tax collections. This forecast is based on detailed market data and professional knowledge about the region and industry. From time to time, room tax collections exceed this projection, leading to surplus funds.
- b. Fully Fund Reserves: To maintain an adequate reserve balance, surplus funds should first be applied to achieve the reserve target.
- c. Allocate Remaining Surplus to Existing Programs: To ensure a transparent, equitable process for accessing county room tax funds, any surplus more than the amount needed for reserve should be applied within the existing framework of the Tompkins County Tourism Program.

- i. Preferred Application / Strategic Tourism Implementation: The STPB is charged with the implementation of the Tompkins County Strategic Tourism Plan. To date there are several actions in the plan which are not yet complete. To accomplish these actions, the STPB prefers to allocate all remaining surplus funds to the Strategic Tourism Implementation (STI) grant program. This program funds projects which advance tourism projects in Tompkins County that enhance quality of life and promote economic development. This program uses a rolling grant application which would allow funds to be applied in the same year as the surplus.
- ii. Alternative Application / Marketing & Product Development: The 2020 Strategic Tourism Plan established a policy of splitting funds 60/40 for marketing and product development. When all actions defined in the current Strategic Tourism Plan are complete or deemed unnecessary or at the discretion of the Strategic Tourism Planning Board, surplus funds may be made available for one-time projects in accord with the 60/40 policy. (For example, if \$100,000 of surplus funds are available, \$60,000 should be allocated to marketing and \$40,000 to product development.) Due to the timing of room tax collections and grant decisions, funds will be available in the following year.
- iii. Exceptional Circumstances: If surplus funds exceed \$300,000 the STPB budget committee will prepare a custom recommendation for allocating the funds for consideration by the STPB. This recommendation will take the current program needs and goals into account.

ADOPTED by the Strategic Tourism Planning Board on February 16, 2022