



# CITY OF SEATAC HOTEL/MOTEL TAX ADVISORY COMMITTEE

February 10, 2021, 3:00 – 5:00 p.m.

Chair: Councilmember Stan Tombs

**Virtual Special Meeting (note below):**

## AGENDA

- |  |            |
|--|------------|
| 1. Facilitated Introductions – All                                     | 3 Minutes  |
| 2. Review and Approve Minutes of January 13 meeting                    | 2 Minutes  |
| 3. SeaTac Police Department Report & Discussion                        | 15 Minutes |
| 4. SSRTA Update  | 15 minutes |
| 5. Smith Travel Report/WA Department of Revenue Statistics             | 10 minutes |
| 6. Lodging Tax Application/Funding Requests                            | 15 minutes |
| 7. Destination Enhancement and Programs to Increase Tourism Attraction | 15 minutes |
| a. Destination Development Product/Program                             |            |
| i. Comprehensive Plan Amendment –Tourism and Travel                    |            |
| ii. 2021 Analysis, Outreach & Strategy - Approach Framework            |            |
| 8. City Updates  | 5 minutes  |
| 9. Other Business  | 5 minutes  |

Adjournment

*A quorum of the City Council may be present*

### **PLEASE NOTE:**

**Public call in number 206-973-4555.**

**Committee members receive GoToMeeting call in details.**

Due to the current COVID-19 public health emergency, and social distancing protocols, pursuant to the Governor's and public health officials' orders, this meeting will be conducted virtually. The public may call in to the conference line to listen to the meeting per the details provided above. While you will be able to hear the meeting, you will not be able to participate in the meeting. You may be asked to identify yourself. Please note that if you are unable to mute your phone, everyone else on the call-in line will be able to hear you, so please refrain from speaking. If background noise or side conversations interfere with the meeting, your line may be muted or disconnected. City Hall is closed so no one will be able to physically attend this meeting.

This is a working advisory committee and although open to the public, no public comment process is provided. If you have questions, please email them to [ayeremeyev@seatacwa.gov](mailto:ayeremeyev@seatacwa.gov). Thank you!



# Hotel Motel Tax Advisory Committee Meeting Minutes

## Special Virtual Meeting

1/13/2021  
3:00 - 5:00 PM

**Members Present:** Chair CM Stanley Tombs; Richard Scherzinger; Wendy Morgan; Jeff Bauknecht; Brandi Mitchell

**Members Absent:** Barbara Brunetti; Russell Stevenson

**Staff Present:** Evan Maxim, *CED Director*; Aleksandr Yeremeyev, *Economic Development Manager*; Tanja Carter, *Economic Development Strategist*; Gwen Pilo, *Finance Director*; Barbara Mailo, *Administrative Assistant 3*

**Others Present:** CM Pam Fernald; Deputy Mayor Peter Kwon; Katherine Kertzman, Meagan McGuire, Ashley Comar – SSRTA; Captain Joe Hodgson, CM Clyde Hill, Andrea Reay, Southside Chamber; SeaTac TV

**Commence:** 3:00PM

**Adjourn:** 5:26PM

1. Virtual Meeting Outline/Process	<b>Chair Tombs</b> opened up the virtual meeting.
2. Facilitated Introductions	<b>Chair Tombs</b> opened floor for committee members to introduce themselves.
3. Review and Approve Minutes of November 4 meeting	<input checked="" type="checkbox"/> Approved as Written <input type="checkbox"/> Approved with Modifications <input type="checkbox"/> Recommended for Approval <input checked="" type="checkbox"/> Approved Unanimously
4. SeaTac Police Department Report & Discussion a. Hotel Customer Safety Concerns Discussion	<p><b>Aleksandr Yeremeyev</b> precluded the discussion surrounding safety issues that have been impacting the Hotel/Motel businesses in the City. He indicated that the Police is assisting in this area and are focused on the safety concerns, stating it is important to the hotel’s ability to secure travel businesses and serve tourism related industry.</p> <p><b>Richard Scherzinger</b> indicated that a local airline has taken business out of SeaTac and to another city due to reportedly unsafe conditions in the area. Concerns are mostly concentrated along the International Blvd corridor.</p> <p><b>Joe Hodgson</b> presented the Hotel/Motel Activity and Activity Along International Blvd reports citing that these are the most common activities most relevant to the committee members. Hodgson provided statistics of various trends and types of crime. Crimes jumped up in Oct/Nov 2020 with emphasis on vehicle theft, numerous arrests for possession of stolen vehicles. Information provided is strictly surrounding Hotel/Motel properties and not the entire city.</p>



# Hotel Motel Tax Advisory Committee Meeting Minutes

	<p>Hodgson further reported that the department did perform a sting operation. Numbers are based on calls have increased since 2019 reporting activities along International Boulevard and in the vicinity of the King County de-intensification center shelter. Essence of problems stem from high volume of people coming into the city e.g. homeless people, people with mental health problems, etc.</p> <p>The Police and City's approach is to secure a grant that will allow for increase in patrolling resources along International Boulevard with goal to help free up Police to focus on carrying out proactive work.</p> <p>Police &amp; Council have worked together on new codes aimed at steering homeless to resources. The City has passed a moratorium on new shelters in SeaTac. Notable issue – Shelter has been moved to the Sleep Inn</p> <ul style="list-style-type: none"><li>- Changed dynamics</li><li>- Things look different</li></ul> <p><b>Richard Scherzinger</b> indicated that stolen vehicles is a mild concern compare to other crimes reported around the property. Examples of other crimes reported are outside people breaking into hotel rooms, property theft, and vagrant activities.</p> <p><b>Katherine Kertzman</b> suggested that a business is losing airline contracts because of the “general perception” of crime in the city. She elaborated indicating that this perception may also deter new business establishment in the City and negatively impact the tourism industry as well.</p> <p><b>Chair Tombs</b> commented that Council is data-driven and therefore more information will help determine budget and decisions for the city.</p>
5. SSRTA Update	<p><b>Katherine Kertzman</b> confirmed retirement and leaving Seattle Southside Regional Tourism Authority (SSRTA). Kertzman identified categories of twenty stakeholders to be interviewed by consultants, including looking at persons they work with on a daily basis, to determine what criteria should be considered for the next leader/CEO that will be put in the job posting.</p> <p>Kertzman explained that Zoom meetings will be conducted to interview stakeholders and undergo interview process that included applications and videos. Kertzman further indicated that the Board will review and narrow the options down to three candidates, who will be interviewed by Board and City Managers/Administrators of Des Moines, Tukwila and SeaTac. The Council Chair of HMac &amp; SeaTac CED Director will be invited to sit in for the interview.</p> <p><b>Ashley Comar</b> presented the King County Recovery Campaign</p> <ul style="list-style-type: none"><li>- How we got here with this funding<ul style="list-style-type: none"><li>o Partnership – Visit Seattle &amp; Seattle SSRTA</li><li>o Approach: Goal, Audience, Strategy, Measurement</li><li>o Campaign message: Do Something</li><li>o Campaign Considerations – Varying audiences, Diversity and Inclusion, Safety is paramount, People first</li><li>o King County Media Channels</li></ul></li></ul>



# Hotel Motel Tax Advisory Committee Meeting Minutes

	<ul style="list-style-type: none"> <li>○ South King County Approach</li> <li>○ South King County Media Channels</li> <li>○ All Media Channels</li> <li>○ Campaign Visuals Photography Examples</li> <li>○ Campaign Visuals Poster Examples</li> <li>○ Campaign Visuals Social Carousel Examples</li> <li>○ Campaign Visuals Digital</li> <li>○ Campaign Visuals TV</li> <li>○ Campaign Visuals Personal Touch Video Examples</li> <li>○ Campaign Visuals Out of Home</li> <li>○ Public Relations Influencer Outreach Examples</li> <li>○ How to Get Involved</li> <li>○ Questions</li> </ul> <p><b>Tanja Carter</b> asked about length of campaign. Comar replied that campaign is going on until end of February.</p>
<p>6. Smith Travel Report/WA Department of Revenue Statistics</p>	<p><input checked="" type="checkbox"/> Informational</p> <p><b>Richard Scherzinger</b> presented the Smith Travel Report (STR) November 2020 Summary indicating the devastating drop in Occupancy &amp; ADR - pricing dropped to stay competitive. In addition, the RevPAR dropped. This has a negative impact and a challenge for hotel operations. Supply is relatively stable, Demand dropped by 40% relative to Covid and travel restrictions, and report of Revenue at 58% drop.</p> <p><b>Aleksandr Yermeyev</b> presented the HMA Local Tax Distribution Report with a 2019/2020 comparison. 2020 totals were approximately half of 2019 record year numbers.</p>
<p>7. Group Discussion of Industry Outlook/Recovery from COVID-19</p>	<p><input checked="" type="checkbox"/> Informational Update</p> <p><b>Brandi Mitchell</b> reported on outlook on travel to Seattle, adding that they are starting to see pick up in business a few days out.</p> <p><b>Richard Scherzinger</b> reported that thirty-six Seattle groups have cancelled bookings, Seattle's convention center doesn't have much on the books through June and indicated that these groups cannot decide a week or two before. Indicated that it looks like most of the activities for 2021 are not likely to go forward at the downtown convention center. Scherzinger expressed that the convention project renovation is also burning through contingency funds, which is a huge concern well into 2022. Cruise group canceled cruises, which typically benefit many of the hotels. Many organizers are writing off large events in 2021, observing short term pick up concerning travel, but will not see much happening until 2022. The industry observed a spike in leisure travel over the holiday period, but it dropped off now and more business travelers are observed.</p> <p><b>Brandi Mitchell</b> reported an increase in travel to Hawaii with Pre-Covid testing prior to traveling to Hawaii.</p> <p><b>Wendy Ann Morgan</b> indicated that 2020 had 5 weddings and 150 people visiting the SeaTac Botanical Garden June through December. The garden is currently in</p>



# Hotel Motel Tax Advisory Committee Meeting Minutes

	<p>the process of hiring an Exec Director supported through the lodging tax funding, and working on introducing new plants to the garden.</p> <p><b>Jeff Bauknecht</b> reported that they are remaining closed right now and are at mercy of State Government to say when they can re-open at this point. There are conversations with legislature and government about opening at 25% capacity allowance. The discussion right now is focused on why Hope in mid-Feb to open at limited capacity. Focus right now is on when we can re-open.</p>
8. Lodging Tax Application/Funding Requests	<p><input checked="" type="checkbox"/> Informational</p> <p><b>Aleksandr Yeremeyev</b> reported on the funding cycle of 2020 (with requests for 2021/22). He also reiterated that applicants can apply for the Opportunity Bucket.</p>
9. Destination Enhancement and Programs to Increase Tourism Attraction	<p><input checked="" type="checkbox"/> Informational</p> <p><b>Aleksandr Yeremeyev</b> commented on reviewing the economic vitality component of SeaTac's comprehensive plan for City. The City is working on adding high-level policy and objectives around Tourism and Travel. A Destination Development Strategy will be developed in collaboration with the SeaTac City Council, SSRTA, HMAC, Industry representatives and the community. Components include 1) Physical destination development, 2) Programmatic and 3) SeaTac as Destination Image/Brand. This body of work is intended for completion in 2021 to provide a common framework for overall strategic destination development work and inform decision making related to lodging tax-funding allocations in SeaTac.</p> <p><b>Wendy Ann Morgan</b> asked CED Director Evan Maxim whether any of the lodging tax money was requested as a result of the Housing Action Plan (HAP) or the Economic Development Comp. Plan Update.</p> <p>Director Maxim responded that there was not authorization of any lodging tax funds at the referenced meeting.</p>
10. City Updates	<p><input checked="" type="checkbox"/> Informational Update</p> <p>None</p>
11. Other Business	None
12. Adjournment	Chair Tombs adjourned the meeting at 5:26 PM.

## December 2020 STR

Occupancy (%)	Year To Date		
	2018	2019	2020
This Year	77.3	75.7	47.8
Last Year	79.9	77.3	75.7
Percent Change	-3.2	-2.1	-36.9

ADR	Year To Date		
	2018	2019	2020
This Year	128.35	126.75	88.36
Last Year	124.37	128.35	126.75
Percent Change	3.2	-1.2	-30.3

RevPAR	Year To Date		
	2018	2019	2020
This Year	99.24	95.96	42.20
Last Year	99.35	99.24	95.96
Percent Change	-0.1	-3.3	-56.0

Supply	Year To Date		
	2018	2019	2020
This Year	3,147,503	3,259,778	3,054,808
Last Year	3,007,339	3,147,503	3,259,778
Percent Change	4.7	3.6	-6.3

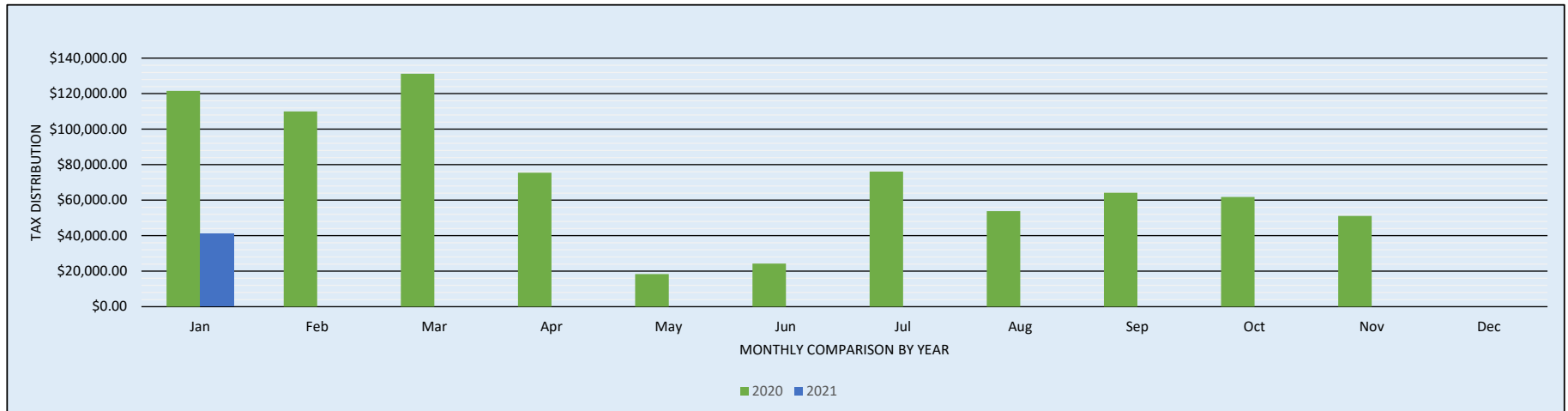
Demand	Year To Date		
	2018	2019	2020
This Year	2,433,751	2,467,862	1,459,002
Last Year	2,402,299	2,433,751	2,467,862
Percent Change	1.3	1.4	-40.9

Revenue	Year To Date		
	2018	2019	2020
This Year	312,367,792	312,802,006	128,911,650
Last Year	298,772,671	312,367,792	312,802,006
Percent Change	4.6	0.1	-58.8

Census %	Dec
Census Props	64
Census Rooms	8334
% Rooms Participants	92.6

**Hotel Motel Tax Advisory Committee  
Local Tax Distribution Report  
Special Hotel/Motel Tax**

<b>2020</b>	<b>Distribution</b>	<b>2021</b>	<b>Distribution</b>
Jan	\$121,624.17	Jan	\$41,098.46
Feb	\$109,927.63	Feb	
Mar	\$131,257.73	Mar	
Apr	\$75,431.71	Apr	
May	\$18,397.76	May	
Jun	\$24,302.12	Jun	
Jul	\$76,095.13	Jul	
Aug	\$53,842.42	Aug	
Sep	\$64,194.10	Sep	
Oct	\$61,814.99	Oct	
Nov	\$51,138.72	Nov	
Dec		Dec	
	<b>\$788,026.48</b>	<b>SUBTOTAL</b>	<b>\$41,098.46</b>
<b>TOTAL 2020</b>	<b>\$788,026.48</b>	<b>TOTAL 2021</b>	<b>\$41,098.46</b>



Meeting Date

## Goal

To inform/attract funding applicants that encourages “Heads in Beds” & “Feet on Streets.”

## Strategy

Outreach –

1. Seattle Southside RTA
2. Seattle Southside Chamber of Commerce
3. City/Parks Newsletter
4. Tile on SeaTacwa.gov
  - a. City blog post
5. Rotary, Lions, Kiwanis
6. Ethnic Organizations
7. Arts Committee
8. Hospitality in SeaTac (i.e. restaurants)
9. Past Applicants
10. SeaTac Blog

## Deliverables

- Applicant information letter (done)
- Janna –
  - Update URL for 2021 = [www.SeaTacWa.gov/HMAC](http://www.SeaTacWa.gov/HMAC)
  - 1 digital tile titled “Tourism Program Funding” for our SeaTac homepage & outreach partners above

## Process

- a. EcDev staff emails application letter to previous applicants by **2/26/21** and includes application forms
  - b. EcDev Staff works with Janna to update HMAC page & digital tile – by **2/22/21**
    - i. Digital tile links to the updated HMAC page
  - c. EcDev staff informs Chamber & SSRTA that we are sending applications to past recipients and request they push out the below letter with friendly URL after **2/26/21**
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## Applicant letter to former applicants

### ***Dear Interested Applicants,***

The City of SeaTac provides promotional funding of events and projects that entice, welcome and entertain tourists and visitors. These funds are made possible by local Hotel/Motel Excise Tax collected on accommodations within the City of SeaTac.

Funding is awarded annually by the SeaTac City Council based on the recommendations of the Hotel Motel Advisory Committee (HMAC). The SeaTac HMAC is currently accepting applications for 2021 funding.

Applications will be due **SUNDAY May 16, 2021 11:59PM**. Recipient selection will be announced between August-October 2021 and confirmed upon final budget adoption. Expedited review may be possible for time-sensitive qualified applications.

- Questions regarding the Lodging Tax Funding Application requirements and process may be directed to Tanja Carter, City of SeaTac Economic Development Strategist at [tcarter@seatacwa.gov](mailto:tcarter@seatacwa.gov) or 206-817-8672

### ***About the Program***

The funding is allocated to activities and projects that promote tourism to generate overnight guests to the City of SeaTac. Specifically, lodging tax funding can be used for marketing and operations of special events, projects and festivals designed to attract tourists. The expected outcome of activities is to increase economic activity during the funding year as well as subsequent years as measured by increased number of sold lodging room nights, meals, shopping at local retail businesses, and increasing availability or accessibility of tourism-related facilities.

All recipients of lodging tax revenue, regardless of what the revenue is used for, must submit an after event report to the City of SeaTac describing the actual number of visitors generated (informed estimates).

### ***Application Process***

- The submission deadline is **SUNDAY May 16, 2021 11:59PM**. ***No late applications will be accepted or reviewed.***
- Applications may be submitted by any organization, group, or business (not-for-profit, municipality, etc.) interested in promoting tourism in SeaTac.
- Selected applicants are requested to provide an oral presentation to the HMAC.
- Committee recommendations are completed and submitted to the City Council at the next available time.
- Monies are distributed as ***reimbursement and contingent upon the recipient completing an After Event Report***, which documents how many overnight visitors the event brought to SeaTac no later than two weeks after the event date.

## 2021 LODGING TAX FUNDING APPLICATION PROCESS

### 2021 Policies & Procedures

#### Types of Requests and Timing of Applications:

- There are generally two opportunities for applicants to submit lodging tax funding applications. Per [RCW 67.28.1816](#), funding can be requested outside of these times as needed, or as made available by the jurisdiction. This provides flexibility for addressing the potential need for emergency and/or tourism related funding due to unforeseen circumstances. All applicants must meet minimum eligibility.
  1. For larger funding requests (>\$25,000?); submission is recommended in Q2 of the biennial budget cycle.
    - a. Applications reviewed at this time, are eligible for funding of the same project/program for two years
  2. For smaller funding requests including for one year initiatives/projects/events (<\$25,000?); submission is anytime during the year. These requests will be awarded from the Opportunity Bucket (see below).
    - Applications submitted in non-biennial budget cycle years are eligible for funding for one year

#### Funding Approval Process:

- The Hotel Motel Advisory Committee (HMAC) will review applications made in a biennial budget year, in May/June and submit recommendations to SeaTac City Council in June/July. Applicants will be notified of decision in September- November, or upon City of SeaTac final budget approval.
- For applications made outside of the biennial year budget cycle (i.e. submitted outside of Q2 in biennial budget years), HMAC will review at the next available meeting after application is submitted and applicants will be notified within 30 days after Council review (subject to Council review timeline).

#### Opportunity Bucket Funding:

- Smaller funding requests will be awarded from an Opportunity Bucket of funds.
  - This fund is meant to allow the City to take advantage of opportunities for tourism promotion that occur at various times of year and does not necessitate a budget amendment.
- These funding requests (<\$25,000), can be submitted at any time and will be awarded to projects for one year.
  - This differs from the biennial budget cycle requests which are eligible for funding for two years for the same project/program/initiative.
- The Opportunity Bucket fund totals \$100,000 annually and is included within the City of SeaTac lodging tax application/biennial budget request to the HMAC.
  - Applications for these funds must be reviewed by HMAC and recommended to Council for approval.

## 2021 LODGING TAX FUNDING APPLICATION PROCESS

### General Procedure:

- The application window during biennial budget cycle years will be 4-6 weeks. Public notification will be made through various channels (outreach, digital/print notification, city website etc.).
- Interested parties can request applications in person at City Hall, print copies from the website or email in a request for application to Tanja Carter in Community & Economic Development (CED). [tcarter@seatacwa.gov](mailto:tcarter@seatacwa.gov) or at [www.seatacwa.gov](http://www.seatacwa.gov).
- Applications outside of the 4-6 week window can also be requested in the same way as above.
- The application form must be filled out in its entirety. The form also includes an after event/project report form; which must be submitted within two weeks after the event/project completion and include an invoice with receipts for reimbursement.
  - Please note: Funds are awarded as reimbursement after the event/project is complete. No funds will be provided in advance.
- Applications received in biennial funding cycle years will be reviewed by CED staff & HMAC in May/June, and submitted to SeaTac City Council for final decision (approval, revision, denial) in June/July/August. Applicants will be notified within 30 days after Council review.
  - If revision is requested, CED staff will notify HMAC and convey the request to applicant, and revisions will be reviewed by HMAC and re-submitted to Council, with a decision provided to applicant within 45 days after re-submission.
- Applications received outside of the biennial funding cycle (i.e Opportunity Bucket Fund <\$25,000) will be reviewed by CED Staff & HMAC at the next available meeting; submitted at next available Council meeting after that; and applicant will be informed within 30 days after Council review.
- Final funding confirmation will occur after City budget adoption.

### Notes:

- All applicants must be available by phone or in person to present their applications/answer questions to HMAC. Dates will be confirmed after application receipt.
- Performance measures are provided in the funding application. Funds will be awarded based on merit and how each project meets stated criteria.
- HMAC reserves the right to not take action/make funding recommendation decisions on a request at the meeting at which it is initially presented

## 2021 LODGING TAX FUNDING APPLICATION PROCESS

- Funding applications will serve as the contract between the applicant and the City. Each application must be signed and dated by both parties in order for the agreement to be valid, and is subject to SeaTac's Legal Department final review & approval.

### Evaluation framework includes but is not limited to:

- Meeting basic eligibility for Lodging Tax funding for Tourism promotion
- Marketing approach
- Degree of matching funds
- Uniqueness of opportunity
- Potential economic/tourism impact
- Potential synergy with other funded projects
- Events occurring during the "shoulder season" (Late fall, winter, early spring)
- Organizational structure & capability

## State Law Excerpts and Notes

### **(RCW 67.28.1816)**

#### *Applicant Reporting Requirements*

In a municipality with a population of five thousand or more, applicants applying for use of revenues must submit their applications and estimates to the local lodging tax advisory committee of how any moneys received will result in increases in the number of people traveling for business or pleasure on a trip:

- i. Away from their place of residence or business and staying overnight in paid accommodations;
- ii. To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
- iii. From another country or state outside of their place of residence or their business.

(c)(i) All recipients must submit a report to the municipality describing the actual number of people traveling for business or pleasure on a trip.

*Note* that, local governments, as part of their contract with recipients, should require that the final report be provided immediately after the event or activity. Local governments will then, in turn, report this information annually to JLARC using their [on-line reporting system](#).

## 2021 LODGING TAX FUNDING APPLICATION PROCESS

### *RCW 67.28.080 – Definitions*

1. "Acquisition" includes, but is not limited to, siting, acquisition, design, construction, refurbishing, expansion, repair, and improvement, including paying or securing the payment of all or any portion of general obligation bonds, leases, revenue bonds, or other obligations issued or incurred for such purpose or purposes under this chapter.
2. "Municipality" means any county, city or town of the state of Washington.
3. "Operation" includes, but is not limited to, operation, management, and marketing.
4. "Person" means the federal government or any agency thereof, the state or any agency, subdivision, taxing district or Municipal Corporation thereof other than county, city or town, any private corporation, partnership, association, or individual.
5. "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
6. "Tourism promotion" means activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists.
7. "Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

### *Use of Lodging Tax Fund*

Lodging tax revenues under this chapter may be used, directly by any municipality or indirectly through a convention and visitor's bureau or destination marketing organization for:

- a. Tourism marketing;
- b. Marketing and operations of special events and festivals designed to attract tourists;
- c. Supporting operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district; or
- d. No longer permitted\*: Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec. 501(c)(6) of the internal revenue code of 1986, as amended.

*\*Note* that, as of July 1, 2013, capital expenditures for tourism-related facilities owned by nonprofit organizations are no longer permitted expenditures of lodging tax funds.

## 2021 LODGING TAX FUNDING APPLICATION PROCESS

### Lodging Tax Advisory Committee

(ii) The local lodging tax advisory committee must select the candidates from amongst the applicants applying for use of revenues in this chapter and provide a list of such candidates and recommended amounts of funding to the municipality for final determination. The municipality may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee.

*Note* that, the State Auditor's Office is interpreting the law to mean that all users of funds, including municipalities, are considered applicants and must follow relevant application procedures. So, cities and counties should submit applications for their own projects to the LTAC.

*Note* that, a city or county does not have to fund the full list as recommended by the LTAC and can choose to make awards in the recommended amounts to all, some, or none of the candidates on the list.