

GUIDELINES FOR FESTIVAL & EVENT HOTEL OCCUPANCY TAX GRANT

Visit McKinney (dba McKinney Convention & Visitors Bureau - "Visit McKinney") is funded by the City of McKinney, Texas ("City"), via a portion of the local hotel occupancy tax (HOT) the City collects from overnight accommodations in the city limits in accordance with [Texas Tax Code § 351.101](#).

Applicants for a Visit McKinney Festival & Event HOT grant must adhere to the state requirements as well as additional requirements implemented by Visit McKinney.

ELIGIBILITY REQUIREMENTS

State Requirements

CRITERIA #1:

Every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.

CRITERIA #2:

Every expenditure of the hotel occupancy tax must clearly fit into **one of nine** statutorily provided categories for expenditure of local hotel occupancy tax revenues. The nine categories for expenditure of the hotel occupancy tax are as follows:

1. Funding the establishment, improvement, or maintenance of a convention center or visitor information center;
2. Paying the administrative costs for facilitating convention registration;
3. Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity;
4. Expenditures that promote the arts;
5. Funding historical restoration or preservation programs;
6. Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under one million;
7. Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities;
8. Funding transportation systems for tourists; and
9. Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

For details on the legal uses of HOT funds, please refer to the [Texas Municipal League's The Hotel Tax Two-Step](#).

Visit McKinney Requirements

1. Event will generate a minimum of 25 room night stays to qualify for HOT grant funds.
2. Applicant has not received funding from Visit McKinney for five (5) consecutive years.

If you meet the eligibility requirements and can provide supporting documentation, please proceed to the Funding Process Guidelines.

FUNDING PROCESS GUIDELINES

The following is an explanation of the funding process, requirements, and general timeline. A member of the Visit McKinney staff is available to review this information with applicants in detail. You may contact Visit McKinney at 972-547-2058 to discuss any questions you may have.

Applications will be accepted throughout the fiscal year (subject to fund availability), provided applications are received at least 90-days prior to the event for evaluation and processing. Event funding requests for events occurring inside of 90 days of the request will be rejected unless there are significant extenuating circumstances (which are at the discretion of staff). Only one application per organization/individual can be funded per fiscal year and applications will not be accepted for events that have already occurred.

The Festival & Events HOT Funds Grant Program has an annual funding cycle corresponding to the City of McKinney's Fiscal Year (October 1-September 30). If an application is submitted for an event that crosses into a new fiscal year, please be aware that if funds are awarded, the funding is contingent on the McKinney City Council approving the City Budget for the upcoming new fiscal year. The City Budget will not be approved until mid-to- late September. Visit McKinney staff will notify you once the funding has been approved by the City Council.

STEP 1: APPLICATION AND SUPPORTING DOCUMENTATION – Applicants must submit the following documents to receive funding consideration. Failure to submit this information will result in the rejection of the application. Documents should be submitted via visitmckinney.com/grants.

- a) **APPLICATION** – Completed online by the event organizer/applicant.
- b) **PRESENTATION** – Attach a brief presentation/visual summary (in PDF form) of your event for review by staff and the Visit McKinney Grant Committee prior to the next Board meeting.
- c) **PROJECTED BUDGET** - Applicant must provide a projected budget that includes all expenses for which Hotel Occupancy Tax (HOT) grant funds will be designated. *(Applicant will provide this information in a text box in the online application.)*
- d) **MARKETING OUTLINE** – Applicants should submit a brief outline documenting how the applicant proposes to market and promote their event to attract visitors and overnight stays in McKinney hotels. *(Applicant will provide this information in a text box in the online application.)*
- e) **W-9 FORM** – Provide applicant's W-9 form to expedite payment. Form must be the revised form dated March 2024 or newer. A blank form can be found [here](#).
- f) **NEED FOR CONTINUED FUNDING (IF APPLICABLE)** – Events that have received funding for five (5) consecutive years must provide documentation detailing the need for continued funding. Specifically describe how the use of funds has helped the event develop and expand; show an increase in generated room nights year over year; identify other sources of funding available; and how the absence of funds would place the continuation of the event in jeopardy.

Visit McKinney staff will review applications upon receipt for completion. Incomplete applications will be returned, and applicants must provide missing information within five (5) business days. Failure to provide the requested information in the time allotted will result in your application being rejected.

STEP 2: EVALUATION & PRESENTATION TO VISIT MCKINNEY BOARD (MANDATORY) – The Visit McKinney Board Grant Committee will evaluate applications using an internal rubric scale. If all criteria are met, the Committee will recommend the applicant make their presentation (the one previously submitted with the application) of the request for HOT Funds at the next Visit McKinney Board meeting. This presentation is **mandatory**. The Board will vote immediately after the presentation.

Visit McKinney Board meetings are held at 8:00 a.m. on the fourth Tuesday of each month at the City of McKinney Council Chambers, 401 E. Virginia Street, McKinney, TX 75069.

STEP 3: FINAL HOTEL ROOM NIGHT PICK UP REPORT– Funds are not distributed until after the completion of the event and final report submission. To receive funds, applicants must submit the following documentation grants@visitmckinney.com no later than thirty (30) days after the event. **Failure to submit this information within 30 days of event completion will result in termination of the funding agreement and denial of funds.**

- **HOTEL ROOM NIGHT PICK UP REPORT**– It is the responsibility of the applicant to monitor the number of out-of-town guests who stay in Visit McKinney hotel properties. **Failure to meet the minimum 25 room night stays will result in denial of funds.**

Applicants can document the generation of overnight hotel stays the following ways:

NOTE: Tourism staff will work with applicants to secure hotel room blocks prior to the applicant opening registration for the event. It is recommended to utilize this option, as it is the most accurate way to track room night stays.

- Work with Hotels to ensure proper credit and tracking via room blocks;
- Provide written confirmation on the size of a room block that has been reserved at area hotels to accommodate anticipated overnight guests attending the funded event and written confirmation from the hotel that those blocks were filled; or
- Request that Visit McKinney create a trackable, live rate booking link via the Playeasy platform. *(The applicant is responsible for sharing this link in marketing of the event.)*

STEP 4: PAYMENT OF FUNDS – Final payment will be based on verified hotel room night stays. If more room nights are generated and additional funding is available, the funding amount may increase from the amount previously approved by the Visit McKinney Board, up to a maximum of \$5,000. Conversely, if the actual room night stays are fewer than projected in the application, the funding and payment will be reduced. The breakdown of room night stays and funding amounts is shown in the above table.

0-24 room night stays	\$0
25-34 room night stays	\$1,000
35-44 room night stays	\$2,000
45-54 room night stays	\$3,000
55-64 room night stays	\$4,000
65-above room night stays	\$5,000

The City shall remit payment to the Applicant upon acceptance of the Final Hotel Room Night Pick Up Report. Visit McKinney staff will notify applicants when reimbursement is being processed.