



**CITY OF WILLIAMSBURG**  
**MEMORANDUM**

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**TO: Mayor and City Council**

**DATE: June 2, 2017**

**SUBJECT: *Adoption of Special Revenue Fund and Program Policy for the Tourism Development Fund – Proposed Resolution #17-12***

The proposed resolution provides a guidance for the development of the Tourism Development Fund as discussed by City Council at the January 2017 Budget Retreat, the April 2017 City Council Work Session, and June 2017 City Council Work Session. Following discussions during the development of the *2017 to 2018 Biennial Goals, Initiatives, and Outcomes* process, City Council and the community identified a series of policy goals and project initiatives related to the Character of the City and Economic Vitality. Staff was asked to investigate methods to achieve the policy goals and improve the economy. Staff conducted a comparative investigation of financial tools used by comparative tourism markets and identified that most committed pledged revenues to improve tourism product and infrastructure. Such funds are known as Tourism Funds, Tourism Improvement Programs, or Tourism Product Development Funds. The City Manager presented the comparative findings and tax policy analysis at the January 2017 City Council Budget Retreat.

The proposed policy provides for four sections that provide for the following:

- (1) The establishment of the tourism development fund as a special revenue fund in the City Budget. The fund is required the fund to follow the existing fiscal policies of the City including financial planning, revenues, expenditures, debt, investment, and fund balance. Unspent or unallocated funds shall remain in the fund and be a carryover to the following fiscal year for appropriation.
- (2) Establishes the purpose of the Tourism Development Fund and identifies eligible expenditures of the fund. Revenues of the Tourism Development Fund must remain in the fund and be used for eligible expenses.
- (3) Creates the minimum requirements for a two phase application process and identifies that annual process cycle that is incorporated into the City Budget approval process. The first application phase is a low-cost application process intended to establish project eligibility. The second application phase is a detailed application process with requirements and reporting to establish the impact of the project.
- (4) Develops the Tourism Development Fund Review Committee to consist of seven (7) representatives of varying parts of the tourism and financial community to review the project applications and provide recommendation to City Council for the funding decision.

The purpose of the Tourism Development Fund is to increase patronage to restaurants, attractions, hotels, and events in the City of Williamsburg through financial assistance and reinvestment in tourism products, place-making projects, special events, public-private partnerships, and destination marketing.

**Staff Contact** Andrew Trivette, Assistant City Manager and Marvin Collins, City Manager

**Recommendation:** That City Council approve Proposed Resolution #17-12 – A Resolution establishing the Special Revenue Fund and Program Policy for the Tourism Development Fund.

Marvin E. Collins, III  
City Manager