

## 2023 DESTINATION DEVELOPMENT GRANT

### PROGRAM OBJECTIVE

To provide financial support to develop new or expanded tourism experiences and attractions resulting in economic growth and diversification. Also, to increase unique experiences for workforce recruitment and retention, and enhance North Dakota residents' quality of life. This grant is intended to fund the actual building of infrastructure or expansion of an attraction and service that create anchor tourism attractions that will assist in spurring and supporting secondary attractions within the state.

### ELIGIBLE PROJECTS

Implementation of the planning process needs to begin within 90 days of receipt of the funds. Funds are intended to move a project toward completion rather than for preliminary planning and development. Types of usage that would be allowed include, but are not limited to, costs associated with the purchase or construction of new and/or existing tourism and recreation attractions, historic sites, and equipment purchased for specific tourism project operations.

1. **Accommodations** - Lodging options that are distinct from traditional hotels/motels or short-term homestays. This can include historic restorations, boutique hotels, bed and breakfasts, outdoor (glamping) or cultural-themed lodging, hunting lodges or resorts and other types of accommodations that provide services and amenities and offer a unique and memorable experience for visitors. Unique accommodations that can help to enhance the tourism experience by providing visitors with a more personalized and immersive experience and can also help diversify the range of lodging options available in a destination.
  - a. Rehabilitation of a historic structure unique to the area (ex: downtown boutique hotel)
  - b. Unique offering representative of the area's offerings and culture (ex: ski lodge, glamping site, hunting/fishing lodge)
  - c. Built with a tourism attraction where the tourism attraction costs more than the lodging facility
  - d. Construction, restoration, or renovation of a full-service lodging facility that is or will be a part of a major attraction, convention or sports facility offering unique experiences that tie directly to the attraction or venue
2. **Culinary experiences** - Restaurants, cafes, breweries, and wineries
  - a. Breweries or wineries that offer tours and/or event space
  - b. Themed restaurant destination built in conjunction with a larger tourism project
  - c. Cultural or regional cuisine attractions that highlight that area's culture (Native American cuisine, Scandinavian, German-Russian heritage)
3. **Themed education and entertainment attractions**

4. **Recreation**
  - a. Value-added equipment rentals
  - b. Guide and outfitter services
  - c. Complete experience packages
5. **AgriTourism attractions**
  - a. Farm stays to include tours, activities, or events
  - b. Full-service guest ranches
6. **Focused niche activities that provide value-added services**
  - a. Historical or cultural
  - b. National Park/monument visitors
  - c. Scenic beauty or natural distinctions
  - d. Unique community amenities

#### INELIGIBLE PROJECTS

Projects that would not qualify include planning or hosting a new event. A tourism attraction shall not be primarily devoted to the retail sale of goods, shopping centers, restaurants, or movie theaters. State and government-owned facilities are not eligible. Projects that intend to use grant dollars for staffing positions, strategic planning, marketing, and ongoing expenses are not eligible.

#### ELIGIBLE ENTITIES

A for-profit or non-profit organization or business involved in tourism. Private and non-profit tourism entities or concessionaires using government buildings or public property are eligible if the grant dollars are used only to improve items belonging to the business or non-profit.

#### INELIGIBLE ENTITIES

State and federal government entities are not eligible.

#### HOW MUCH FUNDING IS AVAILABLE?

There is appropriated sum of \$50 million from the legacy earnings fund.

#### MATCHING REQUIREMENTS

These funds shall require a matching requirement from non-state sources of \$1 to \$1. Matching requirements may be altered based on the size of the project and geography (urban/rural), but no project will receive funding without non-state sources utilized.

#### TIMELINE & PROJECTS AWARDED ANNOUNCEMENT

The North Dakota Department of Commerce shall provide recommendations to the Destination Development Council on the distribution of destination development grants. Commerce, in collaboration with the technical advisors, will provide a recommendation for matching requirements to the destination development council.

### WHAT MAKES FOR A STRONG APPLICATION?

- Projects that clearly demonstrate how the attraction will motivate a trip to North Dakota.
- Projects that clearly demonstrate their role as a tourism and recreation attraction in their community and region, and the benefits the project will provide through the development of the new visitor attraction.
- The demand for the tourism-related project is clearly demonstrated through research and analysis.
- The project is unique and offers an experience that is relevant to North Dakota's history, culture, or natural resources.
- Projects that align with gaps identified in tourism development plans, offer unique or in-demand experiences and could attract and retain out-of-state visitors for at least four to six hours or overnight.
- Projects that leverage funding from various public or private sources.
- Projects that demonstrate responsible management of tourism activities to preserve and enhance the natural, cultural, or social resources that make a destination attractive to visitors. (Ex: minimizing environmental impacts through sustainable practices, promoting cultural understanding and respect by providing information or training about local culture and customs, supporting local cultural initiatives, supporting the local economy by using local suppliers, protecting public safety by conducting activities in a safe and responsible manner.)

### GRANTEE REQUIREMENTS

The grantee must provide a breakdown of projected visitation and revenue by origin: local (within 50 miles), regional (50-150 miles), out-of-state (50 + miles)

The grantee must meet all zoning, licensing, and permitting requirements for the specific project and agrees to return all grant payments if these regulations are not met. As a condition of receiving this grant, the grantee is required to disclose any defaults on loans or grants in their history. This includes any instances where the grantee failed to make required payments or fulfill other obligations under a loan or grant agreement. This grant is not a reimbursement program. Grantees will receive funds as they raise matching funds, rather than being required to raise the entire match before receiving any grant funds. Grantees are required to provide documentation showing they have raised the matching funds before they can receive the corresponding grant funds.

### DESTINATION DEVELOPMENT COUNCIL

1. The Destination Development Council consists of seven voting members and five non-voting technical advisors.
2. The seven voting members consist of:
  - a. The commissioner of Commerce or the commissioner's designee to serve as chairman.
  - b. One representative from the Greater North Dakota Chamber appointed by the governor.
  - c. Three representatives from the business community appointed by the governor.

- d. Two at-large representatives with a passion for advancing community development, tourism, and/or recreation appointed by the governor.
- 3. The three non-voting technical advisors consist of:
  - a. The director of the North Dakota Parks and Recreation Department or designee.
  - b. The director of the State Historical Society of North Dakota or designee.
  - c. The director of tourism or designee, if not appointed as the Commerce commissioner's designee.
  - d. One representative from the Economic Development Association of North Dakota.
  - e. One representative from the Destination Marketing Association of North Dakota.

The term of office for the voting members is four years and each voting member is limited to two consecutive terms. The terms of office for the voting member commence July 1. The initial terms for the voting members of the council must be staffed following a method determined by the council and if the initial terms are less than three years, they will not count towards the two-term limit.