

HOW TO GUIDE:
04. FIND FUNDING

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FIND FUNDING INTRODUCTION

Of all the challenges facing Virginia's local travel and tourism organizations, finding and securing funding stands at or near the top of the list. Indeed, it can be a dogged pursuit, and while there's no silver bullet to opening up the coffers, this guide can help you unlock key strategic pathways to more funding success.

While written primarily from a DMO or tourism organization perspective, tourism-related businesses will find plenty to take away as well, including steps to locate potential grant sources and tips for preparing winning proposals.

Assuming more funding is a need you've established in the assessment you performed as part of How to Guide #2, securing that funding centers on:

1. **Embracing a new mindset**
2. **Recruiting a dynamic local team**
3. **Identifying and targeting the most promising funding sources**
4. **Making the right ask**

**All DRIVE 2.0 research was conducted in 2019 and compiled pre COVID-19 Crisis.
Please see vatc.org/coronavirus for COVID-19: Industry Response Toolkit.**

STEP 1: EMBRACING A NEW MINDSET

DIVERSIFYING FUNDING SOURCES

In Virginia, much of the travel and tourism industry's funding stems from local government sources, which means DMOs and local tourism organizations must constantly demonstrate their worth and impact to ensure tax dollars are being put to their best use **(for inspiration on how to effectively do so, see How to Guide #5: How to Make the Case).**

That said, while acknowledging the important role of local government funding, embracing a new mindset means committing to diversifying your funding sources and taking a wide-angle view when it comes to viable funding sources and arrangements. You may find this wide-angle view allows for an expanded assortment of traditional grants (detailed in the Wytheville case study), innovative tourism zones that incentivize growth (detailed in the Cape Charles case study), or even special tax-funded marketing budgets (detailed in the Williamsburg case study).

Above all, part of embracing a new mindset also entails committing to it. To find and tap into more diverse funding sources, make it a major priority for your organization with a clear mandate — establish specific goals and funding benchmarks you want or need to hit and then use the rest of this guide to create a workplan to meet them.



STEP 2: RECRUITING A DYNAMIC LOCAL TEAM

UTILIZING LOCAL PARTNERS

Tapping into more funding starts with tapping into more brainpower, and those partners you identified in How to Guide #3 likely know plenty of rocks to look under you may not have considered before.

For example, local tourism, economic development, and business leader involvement will be critical to the team, as they can contribute data and stories to help demonstrate your local industry's impact. Nonprofit organizations in your locality can also help show impact, plus they may have experience writing and even evaluating proposals.

Having these partners on board allows you to try winning a larger number of small grants, versus one or two big grants. This approach, however, requires casting a wide net and applying for dozens of small grants, which DMOs and tourism organizations alone may be hard-pressed to do.

To that end, this industry-wide, local team approach isn't simply a nice thing to consider, it's a strategic necessity to ensure your efforts produce the greatest results.



STEP 3: IDENTIFYING AND TARGETING THE MOST PROMISING FUNDING SOURCES



FUNDING RESOURCES

Money is out there for tourism development and promotion. You just have to find it. Many of the resources outlined in this section offer multiple funding sources, which means it's imperative you seek out those sources that align with your specific needs and goals. Don't waste time pursuing funding from a source whose needs your proposal can't realistically meet or that doesn't match tightly with your own needs.

Targeting funding also requires you to remain vigilant and fight complacency. It can be tempting, to count on grant funding you've been able to secure in the past. However, it's important to view things like grants as short-term boosts for specific initiatives, not long-term or sustainable funding sources. Always be on the lookout for new sources, as well as any changes to sources.

As an invaluable place to start, the Virginia Tourism Corporation (VTC) has pulled together a list of potential funding sources, complete with links, available here:

vatc.org/grants/additionalfundingsources

Similarly, VTC has access to funds through various grant programs, accessible here: vatc.org/grants/

One such program is the VTC Marketing Leverage Program, which is designed to stimulate new tourism marketing programs through the creation of tourism partnerships and to extend the "Virginia is for Lovers" campaign. The objective of this program is to leverage limited marketing dollars, resulting in increased visitor spending, revenue, and jobs. Partners may use their existing marketing budgets as matching funds. More information can be found at vatc.org/grants/leverageprogram/

In addition, the Commonwealth of Virginia has established the Tourism Development Financing Program (TDFP), a gap financing program for Virginia localities with deficiencies in tourism product and visitor spending: vatc.org/tdfp

And finally, VTC's co-op program helps support promotional efforts — from social, to search, to digital, to research. Additional information can be found in How to Guide #1 as well as online at: vatc.org/marketing/advertising/partneradvertising

Here are some other possible funding sources to explore. While not comprehensive, do include resources with which VTC is familiar. If you have an additional resource you would like to share, please send the information to Angela Wiggins at awiggins@virginia.org.

FUNDING RESOURCES (cont'd)

Virginia Tourism Corporation and Virginia Film Office

- Virginia Tourism Corporation Marketing Leverage Program
- Virginia Tourism Development Financing Program
- Virginia Tourism Corporation LOVEwork Reimbursement Program
- Virginia Film Office Incentives

Virginia Department of Housing and Community Development

- Downtown Revitalization
- Entrepreneurial Ecosystems
- GO Virginia
- Neighborhood Improvement
- Opportunity Zones
- Virginia Enterprise Zone
- Virginia Main Street
- Community Business Launch

Additional Virginia State Agency and Partner Funding Resources

- Opportunity Virginia – Opportunity Zone Market
- Keep Virginia Beautiful Grants
- Virginia Community Capital
- Virginia Community Economic Network
- Virginia Department of Agriculture and Consumer Services AFID Facility Grants
- Virginia Department of Economic Development Incentives
- Virginia Department of Education Adult Education Grants
- Virginia Department of Historic Resource Rehabilitation Tax Credits
- Virginia Department of Historic Resources Certified Local Government Program
- Virginia Housing Development Authority Community Outreach Programs
- Virginia Small Business Financing Authority
- Virginia Tobacco Region Revitalization Commission Grant & Loan Programs

Regional and Local Funding Resources

- Alleghany Foundation (Alleghany Highlands of Virginia)
- Center for Community Development, Inc.
- Community Design Assistance Center at Virginia Tech
- Floyd Local and Regional Funding Sources
- Fauquier County, Virginia Business Incentives
- Front Royal/Warren County Micro Loan Programs
- The Harvest Foundation (Martinsville/Henry County)
- Greene County, Virginia Small Business Investment Grants
- Harrisonburg Business Loan Program
- Lake County Development Corporation
- People, Inc.
- Shenandoah County Business and Financial Resources
- Virginia Coalfield Economic Development Authority
- Wythe County Revolving Loan Fund
- Appalachia Regional Commission grants

National and Federal Funding Resources

- Federal Grant Portal – Grants.Gov
- Accion Small Business Services
- Farmers Market Promotion Program
- Federal Highway Transportation Enhancement Programs
- USDA Rural Information Center Guide to Funding Sources
- Kickstarter
- Kiva Loan Program
- LOCUS – Local Investing for Impact
- Natural Capital Investment Fund
- National Park Service’s American Battlefield Protection Program
- National Geographic Society Grants



FUNDING RESOURCES (cont'd)

The list of potential public and private sector funding sources grows exponentially when you consider sources outside of the travel and tourism industry — for example, funding resources for transportation, small business, economic development, public utilities, and many other industries. To help you locate some of these sources, you can turn to grant management and cost allocation software platforms like eCivis, which allows users to browse available grant opportunities, as well as gain advice and tips for navigating the process. While this resource does require a subscription fee, check with your local partner organizations to see if one of them already subscribes and can provide access.

Your partner organizations may also be able to help with another often-overlooked funding source — sponsorships. Bringing sponsors on board can help offset costs to cover event needs, as well as expenses related to producing pieces of marketing collateral, such as visitor guides, viewbooks, maps, and other materials.

Finally, remember that successful funding strategies don't have to hyper-focus on one source of funding. It's possible to work with multiple funders to create a stackable funding strategy, which involves accessing more than one grant or loan to cover a single project (detailed in the Culpeper case study).

STEP 4: MAKING THE RIGHT ASK

Regardless of the sources you pursue, success in securing funding often hinges on how you ask for support. In this vein, the “right ask” has three main components:

- Strategic alignment between you and the funding source
- A great written proposal
- Human interaction throughout the process

To illustrate these components, we will focus on the grantmaking category, where the source of funds is the grantor and the user of funds is the grantee.

STRATEGIC ALIGNMENT BETWEEN YOU AND THE FUNDING SOURCE

Most grantors clearly state their strategic focus on their website — why and where they provide funding. The key for potential grantees, then, is to align their funding request with a grantor’s strategic focus. Surprisingly, many potential grantees miss this first and all-important clue.

To ensure your request aligns with your target funder before you ever commit a word to the application, you should:

1. Study the grantor’s website and “about us” section in particular. Understand the grantor’s mission and vision — why they give and who they traditionally support.
2. Map out how your mission, vision, and strategic goals align with the grantor and how you can make your proposal meet their needs. If there is perfect alignment, invest in this opportunity. If there is little alignment, move on to other potential funding opportunities.
3. Read the grant application requirements and rules closely.
4. Make contact with the grantor’s representative to personally pitch your request. Confirm that your request is something that aligns with the grantor organization’s focus. (Of course, while not typical in the grantmaking category, if the rules and requirements contain language prohibiting personal contact with the organization during the application process, abide by this rule.)
5. If possible, get a copy of winning proposals the grantor has funded in the past and use these as your guide to help align your request with the grantor’s needs. Some grantors may have a sample application for you to review to see what a strong application entails.



A GREAT WRITTEN PROPOSAL

Even with perfect alignment, a poorly executed proposal can doom your chances. While most sources of funding come with specific criteria or questions to address, following these best practices can give your funding requests an advantage.

1. **Know your governing localities' policies:** Since your town, city, or county government likely contributes to your overall operating budget, they may have certain restrictions or policies in place you'll need to follow when it comes to applying for independent grants. So, before you go too far down the road on a grant application, it's imperative to ensure there will be nothing standing in your way from actually completing the process and securing the funds.
2. **Check in with your partners:** Hopefully, the tips you learned in How to Guide #3 have helped open the lines of communication with other organizations in your area. So, check in with these partners to ensure you both aren't going after the same grant source, as this will show to the grantor a lack of regional awareness on both your parts.
3. **Be concise, but also leave room for personality:** Grantors have to read a large number of applications, so they value writing that cuts to the chase. However, you also want to avoid being caught up in a sea of sameness. Include a cover or submittal letter, even if one isn't required, and make your case in this cover letter, too.
4. **Weave in your community's unique story:** You will increase your success rate with grant applications if you have a compelling narrative about your community. That story that separates your community from all others you developed as part How to Guide #1.
5. **Address needs:** Clearly establish the need that's not currently being met in the community.
6. **Deliver a clear solution:** Demonstrate specifically how your particular organization or initiative will meet this important need and be clear on what you want from the funder to make it happen.
7. **Include a concise budget:** Show the costs associated with your solution in an easy-to-digest format.
8. **Showcase the benefits to the community:** People who run grantor organizations are human beings. They want to help people thrive, especially people in economically disadvantaged localities. Keep this in mind when writing your proposals and showcase the most altruistic benefits of your solution.
9. **Explain how you will measure and report impact:** Apart from the vision you share when showcasing the benefits to the community, show how the grant will deliver a positive return on investment (ROI). To this end, identify the key performance indicators (KPIs) or outcome measures you will use as part of the grant, and include these in the application narrative to show built-in accountability and reporting.
10. **Include points of leverage:** If appropriate, show how your grant will leverage other funds or resources. Grantors love the idea of catalytic philanthropy — gifts that get others to give or gifts that leverage the power of multiple investors and investments.
11. **Show third-party support:** Show how your grant request has broad-based support from important key partners — such as local elected officials and prominent community leaders — to elevate the importance of your request.

A GREAT WRITTEN PROPOSAL (cont'd)

12. Be strategic: Start and end your submission by reinforcing how your funding request aligns with the grantor's strategic focus. If appropriate, show how your effort could become a case study for the grantor.
13. Enlist the best writer you can find: Keep in mind what separates great proposals from good proposals — great writing. Enlist the very best writer you can find. If you have a hard time locating one, check with the nonprofit organizations in your community that seek grants in their respective categories, such as museums, institutions of higher education, or health systems, to see who they recommend. Or, you can take out an ad for a freelance proposal writer or grant writer. (Just be sure to review samples of their writing before engaging them.)

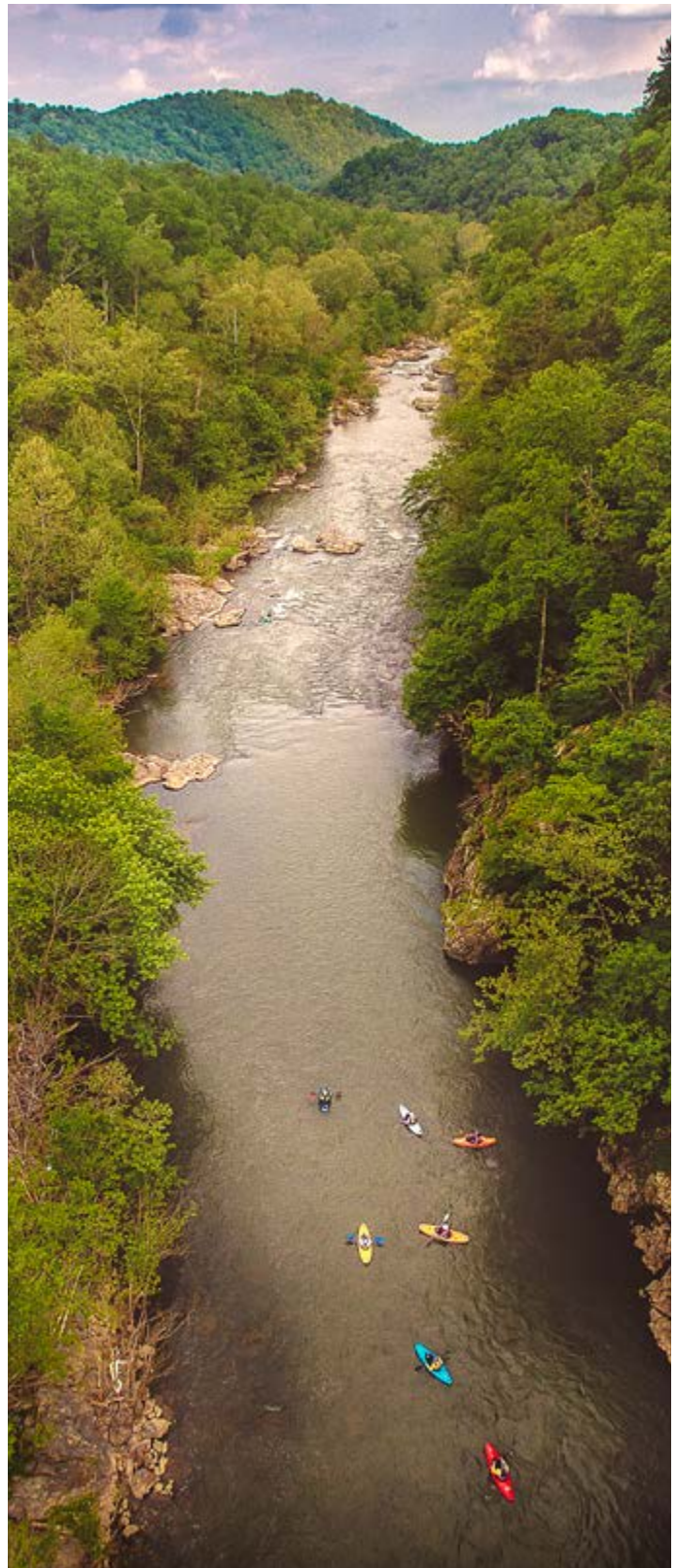
Hiring a writer isn't a necessity, however. If your resources don't allow for bringing in a professional, find that person in your organization — it could be an employee, a board member, or even a long-standing and intimate partner — with the greatest gift for the written word and empower them to learn the process. The Virginia Commission for the Arts, for example, hosts a number of resources on its website to assist grant writers, which can be found here:

arts.virginia.gov/resources_grants.html

Similarly, the state's colleges, universities, and community colleges are also great places to turn for a deeper dive into the world of grant writing. Many of Virginia's Community Colleges, for example, offer courses and workshops on the subject which can be completed online, while others, such as the University of Richmond's Grant Writing and Management Institute through its School of Professional and Continuing Studies, host symposiums on the subject.

Regardless of the path you choose, know that investing in the writing, will be worth it. Once you get into the process of applying for multiple grants (dozens a year), this early work will serve you well and save invaluable time, rather than starting from scratch for every application.

14. Keep it clean: Once you have completed your draft — and before you submit your final application — be sure to re-read and proof your application to make sure you have addressed all questions, met all requirements of the grantor, and eliminated any distracting typographical errors.



HUMAN INTERACTION THROUGHOUT THE PROCESS

When it comes to funding requests and grant applications, we often forget about the importance of personal human interaction. People give to people, after all, so keep this in mind when submitting and cultivating funding requests.

Even in this age of email and digital communications, we cannot stress enough how much it still pays to pick up the phone and speak to the potential funding source to start building a relationship with the organization and its representative(s).

As you build a relationship with each grantor, keep in mind that you may not win funding with your first grant request. It takes time. Competing grantees may be ahead of you in cultivating a relationship with the grantor or developing their pitch. Personal human interaction that cultivates a growing relationship with the grantor can shorten this timeline.

One last, but important thing to keep in mind when building relationships with grantors is that generational communication dynamics come into play. As you develop your grant application system, be sure to talk about the desired communication protocol that everyone should follow in cultivating relationships with potential grantors.

A GRANTOR'S INSIGHTS ON WINNING GRANTS

Jeff Kutash, the Executive Director of the Peter Kiewit Foundation in Nebraska, offers some additional tips on great writing from the vantage point of a foundation grantor.

- Make sure it is worth your time to fill out the application based on strong mission and goal alignment.
- Don't be trapped by the application. Follow it, but also find a way to weave your story into your responses.
- Don't share data or stories. Share data AND stories. Engage the head and the heart!
- Foundations should cover the true operating costs of the organization. Be unabashed and unapologetic in sharing that information.
- The relationship matters. Before putting in the application, do your best to meet with foundation staff so they can hear about and hopefully see your work in action.
- Getting the grant is not the end of the process. It is the beginning of a partnership.





WILLIAMSBURG: PASSING A SHOT IN THE ARM

While the Historic Triangle Region remains a longstanding, unique, and important draw, it's not immune to recent trends that suggest history and heritage attractions are losing appeal. New competitive product offerings like health spas, golf destinations, and shopping outlets continue to crop up. Travel-related marketing has never been fiercer. And on top of this, the Colonial Williamsburg Foundation, historically a major marketing force for the entire region, has redeployed some of its investment in marketing.

Recognizing these pressing challenges — and realizing that promotion and marketing budgets would continue to tighten without an influx of visitation — leaders felt they needed to find a funding shot in the arm. After some political wrangling, the General Assembly passed Senate Bill 942, which Governor Ralph Northam signed into law in April 2018.

Taking effect in July 2018, the law instituted a 1% sales and use tax increase to Williamsburg, James City County, and York County, with the understanding that half of the funds generated would be placed in the Historic Triangle Marketing Fund and earmarked for comprehensive destination marketing efforts, while the other half would be distributed to the localities where the revenue was collected. At the time of its passing, the tax was projected to produce approximately \$10 million annually; however, the tax increase now gives the Historic Triangle Region the distinction of having the highest sales tax rate in the state, which brings with it pressure to deliver results.

To ensure that happens, state and area leaders charged the Williamsburg Tourism Council with developing and implementing marketing and promotional efforts, with oversight provided by members from each county's board of supervisors, Williamsburg's city council, and representatives from Colonial Williamsburg, the Jamestown-Yorktown Foundation, Busch Gardens, Historic Jamestowne, the Williamsburg Hotel Motel Association and the Williamsburg Area Restaurant Association.

Because this tax applies to purchases made outside of traditional tourism and tourism-related venues, such as hotels and meals, it represents a bit of a departure from how destination marketing organizations typically derive funding. As such, it also represents a strong statement of faith in the area's tourism leaders and a commitment from the community to keep tourism as an anchor of the region's economy.



WYTHEVILLE: GAINING MOMENTUM THROUGH GRANTS

Even with two museums, plentiful natural assets, a visitor center, and a meeting center, for a long time leaders in Wytheville were hesitant to commit much in the way of funding to expand or market Wytheville's tourism-specific assets, opting instead to rely on travelers stopping over on their way to other destinations along Interstates 77 and 81.

Then, in 2015, tourism director Rosa Lee Jude and then-Wytheville Mayor Trent Crewe applied for a matching tourism grant from VTC's Marketing Leverage Program to help launch a new branding position — "Wytheville...There's Only One," meant to highlight not only the uniqueness of the town's name, but its offering as well.

The grant, designed to help local and regional tourism entities attract more visitors by leveraging local marketing dollars, matches local spending up to \$50,000, which is more than a drop in the bucket for places with limited marketing budgets like Wytheville.

Recognizing the value and immediate impact of such a matching grant, the Wytheville CVB and Beagle Ridge Herb Farm applied for a grant to link them with the 13 other lavender farmers in Virginia through a website, Facebook page, brochures and other advertisements, with the hope that better awareness of these lavender farms would help draw tourists to visit the sites and other nearby places of interest. And, the town has pursued millions of

dollars in grant funding (using other grant sources besides the Marketing Leverage Program) to develop outdoor tourism in the region.

Through these grant sources, the town has been able to more effectively market itself as a destination, rather than relying on travelers to pull off the highway and stay awhile. As a result, Wytheville is seeing more folks venture out farther from the two interstates. New attractions, historical sites, recreational areas and special events are now creating an interest beyond lodging, and tourism's economic impact has grown each year since applying for these grants.

This growing success of the tourism economy in Wythe County also means a better way of life for residents, former Mayor Crewe explains.

"The rich tourism economy that is here also contributes to the quality of life we enjoy as citizens," he says. "We're also able to showcase the various amenities when we work to attract new business to our community. Success breeds success and we know this is a great place to do business. When our communities are vibrant enough to attract visitors, they also are more appealing to new and expanding businesses."



CULPEPER: FINDING UNDER-THE-RADAR OPPORTUNITIES

For Paige Read, Executive Director of Tourism and Economic Development for the Town of Culpeper, finding funding is inextricably linked with partnerships. And, she says, when you put in the time to establish connections with your region's players, you tend to find not only hidden opportunities to enhance experiences, but innovative ways to help pay for them.

For example, Culpeper's Lake Pelham Adventures, which received a Bronze 2018 Governor's Environmental Excellence Award for its success in providing public access to waterways, didn't start out as a tourism project at all, but rather a state-mandated dam restoration utility project.

"We knew this watershed was an under-utilized tourism resource, and here's this utility project that needs to happen anyway, so why not take the opportunity to leverage it and add value to the community?" Read says.

Read and her partners knew the multi-year construction process would disrupt existing lake access points, and because of that, a portion of the roughly \$17 million in funds the town had received from the Natural Resources Conservation Service (NRCS) could be used to cover eligible water access costs. From there, Read and her partners were able to identify a new access point along the 255-acre lake that also granted the town enough land to build a park. However, there was still the town's matching portion of the NRCS funds to account for, which Read was able to help the town bridge through a \$2.5 million Virginia Department of Conservation and Recreation (DCR) grant.

That said, even with those funding sources, the project wouldn't have come to fruition without the Ole Country Store and Bakery coming on board, which, in addition to providing a park easement for lake access, has also served to reduce operating costs, as the store operates Lake Pelham Adventures for the town six days per

week when the store is open, with town staffing covering evening and Sunday hours.

At the time of its opening in 2016, Lake Pelham Adventures consisted of a boat storage facility, temporary dock, and 34 unmotorized watercraft available to rent. The following year, a permanent boat ramp, an ADA compatible kayak/canoe launch, stand-up paddle board rentals, a beach, and a 90-person capacity gazebo also became part of the offering. Since then, the town has added new watercraft each year to meet demand, bringing the current fleet up to 80, and the Ole Country Store and Bakery has invested \$20,000 to build a care station adjacent to the rental and park facility.

Similarly, around the same time Lake Pelham Adventures was getting ready to open, Read and the town had also uncovered another utility project to transform into an outdoor tourism asset. In the course of identifying potential sites to bring additional groundwater supply into the town's water system, the town set its sights on an old piece of farmland that is now the site for Rockwater Park.

The town purchased the land in 2016; however, due to the nature and location of the property, traditional grants proved harder to locate, which meant Read had to turn to corporate and community donations to bring the park to life. The top three financial contributions came from three local nonprofit organizations totaling \$260,000. However, in the end, the project secured more than 50 donations of all sizes, including financial, material, and in-kind contributions. With a grand opening in August 2019, Rockwater Park is now home to a FitCore Extreme Obstacle Course, climbing boulder, splash pad, disc golf course, and 1.7 miles of nature trails, and Read says plans are currently underway to connect Rockwater Park with Yowell Meadow Park and other surrounding trailheads to establish a comprehensive community trail system.



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