

2023 Accommodations Tax Funds Request Application

Organization Name: Hilton Head Island Airport

Project/Event Name: Hilton Head Island Airport

Executive Summary

An ATAX Effectiveness Measurement form has been attached to this application.

2023 Accommodations Tax Funds Request Application

Date Received: 09/02/2022	Time Received: 09:25 AM	By: Online Submittal
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Applications will not be accepted if submitted after 4 pm on September 2, 2022

A. SUMMARY OF GRANT REQUEST:

ORGANIZATION NAME: Hilton Head Island Airport

Project/Event Name: Hilton Head Island Airport

Contact Name: Jon Rembold Title: Airports Director

Address: 120 Beach City Road, Hilton Head Island, SC 29926

Email Address:

jrembold@bcgov.net

Contact Phone: 843-441-5871

Event Date: Year-round,
continuous

Event Location: THE Hilton Head Island
Airport

Total Budget: \$540,000.00

Grant Requested: \$155,000.00

Provide a brief summary on the intended use of the grant and how the money would be used. (100 words or less)

Grant funds will be used to enhance awareness of air-service access directly to Hilton Head Island. Funds will purchase digital marketing efforts targeted at key target travel intenders, highlighting 200+ nonstop and one-stop cities served on American, Delta & United. ATAX funds have previously allowed the Airport to participate in cooperative advertising partnerships with the Hilton Head Island VCB. Proposed 2023 funding will enhance this partnership with continued digital advertising campaigns,

showcasing air access to the Island by highlighting the increased flight access to reduce visitor leakage to competing destinations.

How does the organization/event either drive tourism to Hilton Head Island or enhance the visitor experience on Hilton Head Island? How is this impact being measured? (100 words or less)

Hilton Head Island Airport is the only gateway providing commercial flight access directly to Hilton Head Island. Since 2019, HHH has added 17 NEW routes and two carriers. 2021's pandemic rebound brought added flights, but 2022 saw a decrease in destinations due to industry drivers – highlighting the importance of promotion. Passengers arriving directly on the island generate increased economic impact to the benefit of the island. Not only do visitors arrive only minutes from their resorts, nearly ALL of their spending occurs ON the island. Impact measured by: Increased passenger traffic to airport; increased car rentals at HHH Airport.

A. Total Number of Physical Tourists Served: Arrivals: 112,969

A Tourist is considered a non-resident, traveling more than 50 miles to the Town of Hilton Head Island.

B. Total Number of Physical Visitors Served: N/A

A Visitor is considered a non-resident, who travels 50 miles or less to visit the Town of Hilton Head Island.

C. Total Number of Physical Residents Served: Arrivals: 37,657

A Resident is considered any person who claims their property address within the limits of the Town of Hilton Head Island as their primary residence.

D. Total Number of Physical Patrons Served (A+B+C=D): Arrivals: 150,626

How was the Number of Visitors/Tourists Documented? (250 words or less)

Commercial airline passenger data is officially tracked and reported by the FAA. Approximately 75% of total arriving passengers are tourists. Due to the private nature of general aviation (GA), those GA passenger numbers are not available and therefore not included in this total. We do know that the number of private flights has experienced a slight increase year over year with nearly all of that being in private jet flights. The economic impact studies such as the statewide economic impact of aviation that was presented in 2018 showed GA activity and its economic impact at a destination airport such as Hilton Head Island Airport is significantly higher than at the average airport. The airport's advertising has a spillover effect which elevates the GA traffic and the overall ATAX contribution of the airport.

Passenger numbers listed above are January - July 2022 only.

B. DESCRIPTION OF OPERATIONS:

1. For state reporting purposes, give a brief description of the organization. (250 words or less)

Hilton Head Island Airport is a public-use airport, owned and operated by Beaufort County. The airport operates as an enterprise fund and relies solely on revenues generated at the airport via airline fees, business contracts, parking revenues, and other commercial activities on airport property including car rental companies and aircraft maintenance. Neither Beaufort County nor the Town of Hilton Head Island contributes financially to the airport's operational budget. Eligible capital projects are supported by FAA and SC Aeronautics Commission grants.

Hilton Head Island Airport provides both Commercial Aviation and General (private) Aviation and serves as a vital gateway to the

Island, welcoming visitors from all over the country and the world. American Airlines, United Airlines and Delta Air Lines provide commercial jet service from a total of 11 cities, in peak season, and maintains frequency to many year-round. The weekly commercial flight count decreased due to the pilot shortage, highlighting the need to fill all available seats. General aviation remains robust, with cross-country and cross-Atlantic flights.

Operational safety, security, and maintenance are provided by airport staff as well as by the professional staff in the FAA-contract Air Traffic Control Tower. The airport's Aircraft Rescue and Firefighting crew stands ready for airfield contingencies. Since 2018, the direct market to Hilton Head Island has greatly expanded, resulting in a growing number of tourists arriving by air, and incrementally reducing the traffic crossing the bridges.

2. Describe in detail how the requested grant funding would be used? (250 words or less)

2023 funds will reach visitors considering travel to Hilton Head Island via air as well as traditional “drive” visitors, via direct digital targeting. A cooperative campaign with the VCB will again be the major program and remaining funds will be used to directly target air travel “searchers” or intenders actively searching for flights + hotel in competitive destinations. Goal: convert them to travel to Hilton Head Island via HHH; Enhance the Island’s competitive efforts; Attract air-travelers to fly directly to the Island.

In-Bound Air Service Marketing: \$155,000 (reduction from 2022)

1. VCB Cooperative:

- VCB/Airport Co-Op Digital Advertising: \$75,000
- VCB Cooperative Media Relations / Sales: \$5,000

Work with the VCB on media relations/promotions to directly target potential visitors residing in the airport’s key nonstop/1-stop markets.

Goal: increased awareness for routes to HHH to ensure visitors flying in spend the most nights possible on the Island; maximize local rental cars, restaurants, etc.

- VCB Vacation Planner(s) + Website: \$18,000

New for 2023, presence in the Bluffton Vacation planner;

Continued strong presence in VCB digital and Vacation Planner

2. Leakage Reduction Digital Targeting (Sojern/Expedia): \$50,500

Reach interested visitors before they purchase airline ticket, by targeting “intended travelers” by using 1st party booking data.

Landing pages encourage potential visitors to fly directly to HHH vs. another state/county; increasing the opportunity for hotel/car bookings on HHI.

3. Key Publications and Programs focused on Potential Visitors: \$6500

Fund programs like targeted visitor guides (Lowcountry Visitors Guide, SERG menu, other) and targeting Heritage visitors; golf enthusiasts.

3. What impact would partial funding have on the activities, if full funding were not received? What would the organization change to account for partial funding? (100 words or less)

Since FAA regulations limit the use of airport revenue, partial funding limits the airport’s ability to advertise to inbound travelers/visitors.

This would hamper the airport’s ability to increase national awareness of direct flights to the Island. Each element would be cut proportionately to account for partial funding, but would most impact the collaboration with the VCB. It is another crucial year in air service recovery, given the pilot shortage, and we must continue to advocate for our destination. Full funding will help ensure flights are successful and the Island maintains and grows air service levels.

4. What is expected economic impact and benefit to the Island's tourism?
(100 words or less)

The airport's annual economic impact grew from \$166 Million in 2018 to over \$415 Million in early 2020. Nearly 400,000 people used HHH in 2021, and so far in 2022, about 150,000 visitors have used the airport. This number is lower due to decreased nonstop flights, but the economic impact is expected to continue to increase as long as marketing efforts are fully funded. Tourists arriving by air spend more than traditional drive tourists. This increased local spend and reduced revenue leakage to another state benefits local businesses. Air travel contributes to increased collection of accommodation and hospitality taxes.

5. In order to comply with the State's Tourism Expenditure Review Committee annual reporting requirements, **please classify your current grant request into the following authorized categories:**

1 - Destination Advertising/Promotion <i>Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity.</i>	100 %
2 - Tourism-Related Events <i>Promotion of the arts and cultural events.</i>	0 %
3 - Tourism-Related Facilities <i>Construction, maintenance and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities.</i>	0 %
4 - Tourism-Related Public Services <i>The criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourist. Also includes public facilities such as restrooms, dressing rooms, parks and parking lots.</i>	0 %

5 - Tourist Public Transportation <i>Tourist shuttle transportation.</i>	0 %
6 - Waterfront Erosion/Control/Repair <i>Control and repair of waterfront erosion.</i>	0 %
7 - Operation of Visitor Information Centers <i>Operating visitor information centers.</i>	0 %
Total:	100 %

6. If not covered elsewhere in the application, please describe (a) how the organization will collaborate with other organizations to enhance tourism efforts, and (b) provide a venue or service not otherwise available to visitors to the Town of Hilton Head Island. (250 words or less)

The cooperative marketing efforts undertaken with the VCB represent the largest effort in terms of actual spending. We collaborate with the VCB through the airport's presence in the Visitor Guide, website ads, and digital marketing campaigns. This is an ongoing relationship that continues to build momentum. The airport works with our talented VCB team to engage travel writers and media within key nonstop and connecting markets to highlight the ease of traveling to our region. The airport also collaborates with the RBC Heritage PGA Golf Event providing the facility through which many golfers and spectators travel directly to the island as well as providing parking for the BMWs used at the event. The airport also has a key partner in the Hilton Head Island Motoring Event & Concours d'Elegance through the Flights and Fancy Aeroport Gala and the Airport Expo - the only venue for such events. The airport continues to seek collaborative partnerships with the Mitchelville Preservation Project, and the Public Art Program of the Community Foundation of the Lowcountry. The Airport provides visitors with the only airport option within the Town of Hilton Head Island. This is the only facility by which tourists can reach the island directly by air travel, whether that is commercial service or private aviation. ATAX funding helps the airport by allowing it to use other funds to continue to build the first-class facilities that our customers deserve.

7. Additional comments. (250 words or less)

This year, the Hilton Head Island Airport's available seats decreased for the first time in several years, due primarily to the industry-wide pilot shortage and persistent issues related to the pandemic. This creates a different challenge for all of us as we need to fill all available seats to the Island to show the airlines that this market is one they should consider for expansion. To be successful, we must collectively remain engaged by maintaining a relevant presence in key inbound markets so those seats are filled and the routes produce revenue.

As has been stated in the past, it is economically important to "repatriate" revenues that have historically leaked across state lines to competitor airports. A relevant airport with a meaningful and cooperative marketing effort is a critical component in the economic fabric of a community. Additional room nights, increased car rentals, more meals enjoyed ON the island benefit tourist-related businesses through revenues as well as residents through reduced taxes. These increases also fill ATAX coffers.

When airlines evaluate airports for additional service as well as retention of service, they are keenly aware of the degree to which the community invests in the airport. The ATAX grant program is an outstanding opportunity to demonstrate commitment to the success of the airlines and their service to the island.

C. FUNDING:

1. Please describe how the organization is currently funded. (100 words or less)

Airport operations are funded exclusively by airport revenues through airline leases and fees, concessions fees (tenant businesses such as repair facilities, rental cars, flight schools), user fees, parking

revenue, hangar rentals, aviation fuel sales, and other tenant businesses. There are no local tax dollars funding airport operations. The Airport receives Federal Aviation Administration funding for capital improvements projects that are related to airfield capacity and safety. These funds CANNOT fund marketing efforts. The FAA has also provided COVID-relief funding through the American Rescue Plan Act of 2021.

2. Please also estimate, as a percentage, the source of the organization's total annual funding.

<u>8</u>	Government Sources	_____	Private Contributions, Donations and Grants
	Corporate Support, Sponsors	_____	Membership, Dues, Subscriptions
	Ticket Sales, or Sales and Services	<u>92</u>	Other

3. Has the organization requested other ATAX or any other funding from other public sources or organizations?

Yes X No

If so, please list top 3 sources and amounts.

Federal Aviation Administration (Terminal Construction)	\$11,626,638.00
US Dept of Transportation - Small Community Air Service Development Grant	\$250,000.00
Beaufort County HTAX	\$30,000.00

D. FINANCIAL INFORMATION:

Fiscal Year Disclosure: Start Month: July End Month: June

Financial Statement Requirements:

1. The upcoming year's **operating budget** for the organization.

Budget Years Provided:

2023

2. The previous two years and current year **profit and loss reports** for the organization.

Profit and Loss Years Provided:

2019

2020

2021

3. The previous two years and current year **balance sheets**.

Balance Sheet Years Provided:

2019

2020

2021

4. The previous two years and current year **IRS Form 990 or 990T**.

IRS Form 990 or 990T Years Provided:

2021

2020

2023

E. FINANCIAL GUARANTEES AND PROCEDURES:

1. Provide a copy of the **official minutes** wherein the organization approves the submission of this application.

An official set of minutes have been attached to this application.

2. Indicate whether your organization follows Town procurement guidelines or has its own procurement guidelines which are utilized and followed in the expenditure of ATAX grant funds.

- Follow Town procurement guidelines
- Utilize and follow organization's own procurement guidelines
- Our organization does not have or follow procurement guidelines

F. MEASURING EFFECTIVENESS:

If you received 2021 or 2022 HHI ATAX funds

1. List any ATAX award amounts received in 2021 and/or 2022.

2019	\$80,000.00	Air Service Destination Marketing
2020	\$90,000.00	Air Service Destination Marketing
2020	\$90,000.00	Air Service Destination Marketing
2021	\$165,000.00	Air Service Destination Marketing
2022	\$160,000.00	Air Service Destination Marketing

2. How were the ATAX funds used? To what extent were the objectives achieved? The ATAX Effectiveness Measurement spreadsheet available in the application portal will show the numerics. Use the space below for verbal comments. (200 words or less)

2022 ATAX funds were used to support the long-term goal to build awareness of direct air service options to Hilton Head Island in key inbound markets. Ads encourage travel seekers to book trips to the island, starting with airfare to HHH. The program includes a cooperative campaign with the VCB, aimed at bringing people back to Hilton Head Island, targeting travel seekers in the Midwest and

Northeast plus all nonstop destinations served. It is digital in nature; combining display, paid social, and search. VCB collaboration allows HHH to reach potential travelers while highlighting air access to HHH.

The program also included digital efforts aimed at using 1st party travel search data to convert travelers to book HHH after showing active interest in a trip to Hilton Head or to a competitive destination or airport. These were run through partnerships with Expedia, Sojern, and Weather.com. Funds were used to ensure airport exposure in key area visitor guides/websites.

Positive results include: increases in flight bookings, highest-ever passenger boardings, and increased rental car activity. Just as important, the ATAX funds through digital campaign data, produced important consumer data we can use for future campaigns to bring additional economic impact to the region.

3. What impact did this have on the success of the organization/event and how did it benefit the community? (200 words or less)

The positive impact of ATAX funds is undeniable. The airport has seen an increase in passengers originating from the newer cities served by nonstop service. The advertising has also led to new visitors from farther away due to the connections that are available directly to the Island. This results in net new tourists who spend their time and money on the Island and may eventually purchase a home here. The most important number related to the success and growth of the airport is the economic impact of the airport. That impact continues to grow and be felt across the Island. Since 75% of airport customers are tourists, a vibrant airport generates significant revenue for tourism-related businesses across the Island. The airport is confident this will increase as awareness of the direct service increases as shown in the 2021 survey answer wherein 81% said they would spend an additional day on the Island if they could arrive

here directly. This shows that the impact of advertising to visitors will continue to ensure revenues to the island.

4. How does the organization measure the effectiveness of both the overall activity and of individual programs? (200 words or less)

Effectiveness is measured by increase in passengers, rental cars originating at HHH, parking and rideshare. The digital makeup of the airport's inbound advertising allows for stats related to passenger interest and demographics.

The airport completed a survey in 2021 to assist with measuring effectiveness. The results will allow the airport to compare future results and better understand future impacts on visitors. We will repeat the survey in 2023. Program results:

- Nearly six of ten (59%) respondents indicated perception of HHH became more positive over the past 10 years. Fewer said perception has not changed (26%) or became more negative (15%).
- 4 of 5 surveyed showed interest in an extra night on HHI if they could fly directly to/from Hilton Head Island (81%). Showing the added impact of advertising to visitors will continue to increase revenues to the island.
- Once informed of HHH options, 84% showed interest in using HHH and paying a higher fare knowing they would not have to pay extra to drive, park, or shuttle. Increasing awareness of offerings among visitors/residents positions HHH as an expanding facility within the local area.

- 94% (residents) showed interest in booking flights from HHH vs. driving to another airport.

Signature: Jon Rembold

Title/Position: Airports Director

Mailing Address: 120 Beach City Road, Hilton Head Island, SC 29926

Email Address: jrembold@bcgov.net

Office Phone Number: 843-441-5871

Home Phone Number:

ATAX EFFECTIVENESS MEASUREMENT

Please refer to the SAMPLE ATAX Effectiveness Measurement Form for examples. When completing this form, please expand, contract, or add to the sections as needed (but contain the form to a total of approximately 2 pages). You may choose to use your own format instead of this form, and if doing so, please use the criteria below as a guideline. Regardless of format, each applicant should choose how they measure degree of success. Applicants need to explain why this is an effective measurement technique that reflects results and how that relates to the objective.

TOPIC	THE PLAN	TOTAL BUDGET	Airport /Non-ATAX Portion	ATAX Portion	ATAX Reimburse TO-DATE	ATAX Remaining to bill in 2022	Total ATAX Component	RESULTS <i>When possible, provide planned results vs. actual results, and/or current year vs. prior year results .</i>
<p>In-Bound Advertising - VCB Partnership Campaign 2022 - \$75,000 TOTAL budgeted for 2022 co-op. \$45,000 of that program plan is budgeted to fall under 2022 ATAX. Remainder will be paid by other airport resources.</p>	<p>Phase 1 investment: : \$45,000 -March 2022 through June 2022 Phase 2: \$30,000 - July to Sept. 2022 targeting: • DCA, BOS, PHL, PIT, CMH, CLE, CAK, CVG, IND, STL, ATL, Marketing Channels: • Paid Media • Brand and Category Search • Paid social advertising and boosting • GDN Display/Bing and Remarketing • Integrated Campaign Landing Page</p> <p>OBJECTIVES: 1. Increase awareness and interest in travel to Hilton Head Island target visitor markets. 2. Highlight Hilton Head Island's accessibility through direct flights and one-stop connecting flights right to the island. 3. Drive qualified traffic to the campaign landing page to facilitate trip booking and awareness of Hilton Head Island in new fly markets. Program focused on VCB COVID-19 Recovery strategy, Inspire desire to travel to Hilton Head Island and Bluffton. Encourage trip planning in all core drive and flight markets – consumer direct, trade, media, etc. This would include a full activation of recovery focused media efforts to drive maximum awareness in all core feeder markets. Phase two would lean into a new creative campaign, designed to stand out from the competition and previous efforts.</p>	\$75,000	\$0	\$75,000	\$0	\$75,000	\$75,000	<p>2022 program is essentially a follow through from 2021 program, to continue reach into market and awareness of travel options to HHH via the VCB/Island marketing programs. July programming timed with Airport's rebranding efforts - to highlight new brand of airport and include logo update. Reach travelers and ensure they know that HHH is located ON Hilton Head Island and that all efforts encourage visitors to check flight options to HHH. Total sessions to campaign landing page (start to present): 54.8k Total Social Program Performance: Impressions: 2,046,199 Clicks: 12,785 CTR: 0.62%</p> <p>Paid Search Performance: Impressions: Grand total 198,298 Clicks: 9,823 CTR: 4.95%</p> <p>Total Referrals off airport landing page to VCB partner pages (lodging, attractions, etc.): 5,549</p> <p>Campaign Highlights from March to June (first \$45,000 of program) • The Airport Search ads drove the most qualified traffic to the site, and accounted for over half of the paid traffic. We're maintaining a low bounce rate for that channel at 54% and have continued to increase the conversion rate by 50% YoY. • The social ads campaign accounted for 8,115 sessions this year, which accounted for 40% of the total visits. The bounce rate for our social campaign has remained at 75% which is in line with other social campaigns.</p> <p>Note: July-Sept reporting not included -- this is a partial campaign sample.</p>
Total		\$75,000	\$0	\$75,000	\$0	\$75,000	\$75,000	2,046,199 12,785 0.62%
VCB Website Sponsorship Agreement for Digital Ads, Tier 1 ad placement, Our Island Section + Social media and E-Newsletter	<p>Aimed at showcasing the Airport's increased offerings to all visitors of the VCB website, namely inbound travelers and potential island visitors. 2023 Website Advertising - \$8,125 Total (Retail \$11,655) -Our Island - \$5,205 (retail \$8,745) -Offers Section - \$2,920 -Deadline to update copy/image – November 1st</p>	\$8,125	\$0	\$8,125	\$0	\$8,125	\$8,125	<p>2021 stats are shown below - we are waiting on reporting for 2022, but assume they will be similar, as the VCB program is solid annually: Our Island Placement - 1,647 clicks (440% increase YoY) Offers Placement – 827 clicks (new placement for 2021) Total Impressions: 627,709 and Paid Partner Referrals (to other VCB members): 2474</p>
Total		\$8,125	\$0	\$8,125	\$0	\$8,125	\$8,125	

ATAX EFFECTIVENESS MEASUREMENT

TOPIC	THE PLAN	TOTAL BUDGET	Airport /Non-ATAX Portion	ATAX Portion	ATAX Reimbursed TO-DATE	ATAX Remaining to bill in 2022	Total ATAX Component	RESULTS <i>When possible, provide planned results vs. actual results, and/or current year vs. prior year results.</i>
2023 VCB Travel Planner (committed and paid in calendar year 2022) + Participation in Bluffton Vacation Planner for \$2325	Planned presence for 2023 agreement /plan for airport to increase presence in The Official Vacation Planner 2023 (paid 2022, fall commitment) Hilton Head Island, Bluffton and Daufuskie Island, South Carolina. The Airport will continue with a full page ad. Chart Your Course Section of book	\$10,450	\$0	\$10,450	\$0	\$10,450	\$10,450	Planned results include an increased presence in the Travel Planner, will allow the airport to continue to access to the enhanced Digital offerings in the 2023 book. Airport considered a premium placement at a higher rate for higher presence, but no locations were available. We feel that the support of the Visitor Guide is invaluable to both the airport and the island. Cost quoted for 2023 renewal at discounted airport rate is similar to 2022 and airport plans to repeat placement. If premium location opens up, the airport will expand budget for this item to have even better exposure particularly in relation to competing with other airports that have prime locations in the book. This is the first year the airport has done the
Total		\$10,450	\$0	\$10,450	\$0	\$10,450	\$10,450	

Expedia: Targeted Point of Sale Advertising program within the Expedia Brands Portfolio and Expedia.com. Program aimed at showcasing Hilton Head Island's increased airline options to ALL travelers, actively searching for flights/hotels to the region and/or competitive destinations. Interested travelers click through to an Expedia hosted, HHH branded landing page, pre-populated for them to then search for fares to HHH directly. May - August 2022	May - August 2022	\$21,500	\$11,000	\$10,500	\$0	\$10,500	\$10,500	Campaign reporting for summer 2022 is still pending. Should align nicely with campaign reporting from 2021 Top ticket sales New York, USA - Boston, USA - Newark, USA - Columbus, USA - Pittsburgh, USA - Washington, USA - Cleveland, USA - Philadelphia, USA - Cincinnati, USA - Chicago, USA -
Total		\$21,500	\$11,000	\$10,500	\$0	\$10,500	\$10,500	

ATAX EFFECTIVENESS MEASUREMENT

TOPIC	THE PLAN	TOTAL BUDGET	Airport /Non-ATAX Portion	ATAX Portion	ATAX Reimbursed TO-DATE	ATAX Remaining to bill in 2022	Total ATAX Component	RESULTS <i>When possible, provide planned results vs. actual results, and/or current year vs. prior year results.</i>
Lowcountry Visitors Guide		\$2,850	\$0	\$2,850	\$0	\$2,850	\$2,850	65,000 distributed. TOP 5 STATES REQUESTING A LOWCOUNTRY VISITORS GUIDE South Carolina • North Carolina • Georgia • Florida • Ohio Is mailed out in response to the Lowcountry Tourism Commission's national and international advertising, requests from the website and given to visitors coming
Total		\$2,850	\$0	\$2,850	\$0	\$2,850	\$2,850	
SEMG MENU GUIDE		\$3,650	\$0	\$3,650	\$0	\$3,650	\$3,650	170,000 printed, and distributed to visitors in more than 130 prime high-traffic locations throughout the Lowcountry: HHI airport, premium hotels, timeshares, rental check-in areas, grocery stores & more. This is a static item, so tracking is difficult, but we have heard travelers mention the presence. .
Total		\$3,650	\$0	\$3,650	\$0	\$3,650	\$3,650	
Weather.com Ads in NYC, D.C., Chicago + other key markets (2022). Jan- April and Aug. Dec.	Program in coordination with local WJCL station - serving ads to out markets, via partnership with weather.com -- digital programing promoting HHH on weather.com in key cities - as noted in results section. Monthly rotations of key cities, including NY, Boston, Ohio, etc. markets.	\$11,432	\$0	\$11,432	\$0	\$11,432	\$11,432	Program results are pending. Program targets weather.com viewers in key markets. March report as sample: : Impressions Delivered: 166, 915 -NY, PHL, PA, OH, BOS Regions served.
Total		\$11,432	\$0	\$11,432	\$0	\$11,432	\$11,432	
Sojern, Targeted SEM, Display Digital, Social using 1st party travel data to target passengers actively seeking travel, particularly those looking for travel to competing destination markets (hotel/car rental data) and/or competing airports (flight search data)	Partially funded by ATAX and other Airport funds. Program targeting key visitor regions, by using 1st part booking data to show ads to those that have searched for travel in the past days, but not yet converted to book a flight from another facility. Program also targets travelers interested in destinations similar to HHI. Reporting includes top search trends based on airline data, hotel data and Online travel agency data.	\$45,000	\$7,007	\$37,993	\$0	\$37,993	\$37,993	Partially funded by ATAX and other Airport funds. Program targeting key visitor regions, by using 1st part booking data to show ads to those that have searched for travel in the past days, but not yet converted to book a flight from another facility. Program also targets travelers interested in destinations similar to HHI. Reporting includes top search trends based on airline data, hotel data and Online travel agency data. Overall April-June 2022 sample: Spend over 3 months \$15,078. Impressions: 2,319,790 Ad Clicks: 2430 Click-Through Rate: .1055 Click-Through Cost: \$6.21 Visits: 695 "Touch Points": 3125
Total		\$45,000	\$7,007	\$37,993	\$0	\$37,993	\$37,993	
		TOTAL	AIRPORT (NON-ATAX) PORTION	ATAX PORTION	ATAX Reimbursed TO-DATE	ATAX CONTRACTED	TOTAL ATAX	
Total Budget to Actual		\$178,007	\$18,007	\$160,000	\$0	\$160,000	\$160,000	

ATAX EFFECTIVENESS MEASUREMENT

TOPIC	THE PLAN	TOTAL BUDGET	Airport /Non-ATAX Portion	ATAX Portion	ATAX Reimbursed TO-DATE	ATAX Remaining to bill in 2022	Total ATAX Component	RESULTS <i>When possible, provide planned results vs. actual results, and/or current year vs. prior year results.</i>
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Sojern Stats sample Image:

Overall	Spend	Impressions	Ad Clicks	Click-Through Rate	Click-Through Cost	Visits	Visit Costs	"Touch Points"	"Touch Points" Cost
Inbound Display	\$15,078.64	2,319,790	2,430	0.105%	\$6.21	695	\$21.70	3,125	\$4.83
Grand Total:	\$15,078.64	2,319,790	2,430	0.105%	\$6.21	695	\$21.70	3,125	\$4.83

Month	Spend	Impressions	Ad Clicks	Click-Through Rate	Click-Through Cost	Visits	Visit Costs	"Touch Points"	"Touch Points" Cost
April 2022	\$5,632.81	866,586	738	0.085%	\$7.63	271	\$20.79	1,009	\$5.58
May 2022	\$5,334.88	820,751	880	0.107%	\$6.06	287	\$18.59	1,167	\$4.57
June 2022	\$4,110.94	632,453	812	0.128%	\$5.06	137	\$30.01	949	\$4.33
Grand Total:	\$15,078.64	2,319,790	2,430	0.105%	\$6.21	695	\$21.70	3,125	\$4.83



HILTON HEAD ISLAND

AIRPORT

ATAX APPLICATION

September 1, 2022

Beaufort County Airports Board Approval of ATAX Application

BACKGROUND:

Hilton Head Island Airport is applying for ATAX funding again this year. Marketing continues to be an important mission of the airport, especially given the ever-changing state of the pandemic, traveler sentiments, etc. The Airport will use funding for Destination Air Service Marketing including point of purchase advertising, cooperative efforts with the VCB, marketing directly to second homeowners in key non-stop and connecting air service market areas, and other digital marketing opportunities in these key market areas.

2. HILTON HEAD ISLAND AIRPORT (HXD) TO APPLY FOR TOWN OF HILTON HEAD ISLAND ATAX FUNDS FOR MARKETING

Mr. Scott made a motion to approve the Hilton Head Island Airport (HXD) to apply for Town of Hilton Head Island ATAX funds for marketing. Mr. Butler seconded the motion. All were in favor and the motion passed.

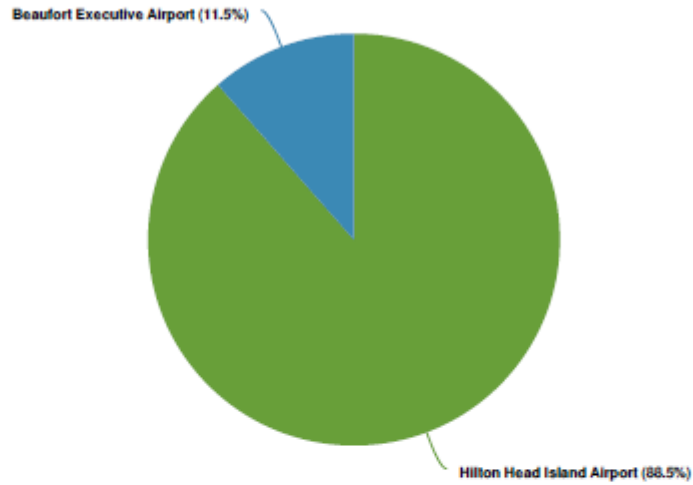
The vote was FOR – James Buckley, Ian Scott, Anne Esposito, Tom Sheahan, Leslie Flory, Mark Bailey, Brian Turrisi, Nick Mesenburg, and Chris Butler.

AGAINST – None. ABSTAINED – None. ABSENT- Howard Ackerman and Trey Ambrose.

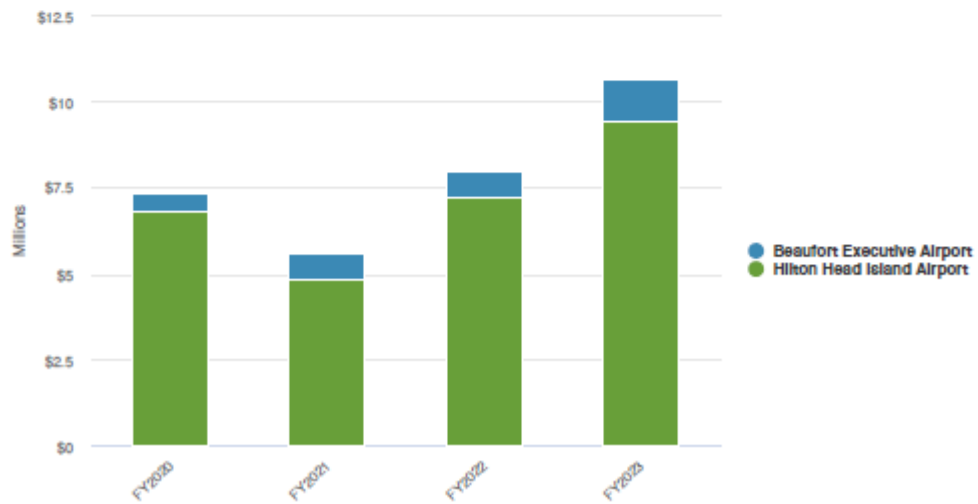
HILTON HEAD ISLAND AIRPORT FY 2023 BUDGET

Expenditures by Fund

2023 Expenditures by Fund



Budgeted and Historical 2023 Expenditures by Fund



HILTON HEAD ISLAND AIRPORT FY 2023 BUDGET

Name	Account ID	FY2020 Actuals	FY2021 Actuals	FY2022 Adopted	FY2023 Budgeted	FY2022 Adopted vs. FY2023 Budgeted (% Change)	FY2022 Adopted vs. FY2023 Budgeted (% Change)
Hilton Head Island Airport							
Salaries & Wages	54000011-60020	\$658,985	\$750,898	\$889,600	\$872,190	11.8%	11.8%
Overtime	54000011-60080	\$89,808	\$54,808	\$60,000	\$40,000	-20%	-20%
Employer FICA	54000011-60100	\$43,247	\$49,241	\$53,916	\$64,634	19.7%	19.7%
Employer Medicare	54000011-60110	\$10,114	\$11,516	\$12,610	\$15,093	19.7%	19.7%
Employer SC Retirement	54000011-60120	\$47,845	\$86,387	\$74,005	\$149,754	102.4%	102.4%
Employer PO Retirement	54000011-60130	\$194,508	\$61,876	\$70,000	\$37,284	-46.8%	-46.8%
Employer Group Insurance	54000011-60140	\$129,212	\$129,751	\$125,000	\$125,000	0%	0%
Employer Worker's Comp Insurance	54000011-60150	\$0	\$27,089	\$3,000	\$3,000	0%	0%
Employer Tort Liab Insurance	54000011-60160	\$1,664	\$2,997	\$3,500	\$3,500	0%	0%
EMPLOYER PENSION EXP GASB 88	54000011-60198		\$314,409	\$120,000	\$120,000	0%	0%
Advertising	54000011-61000	\$90,130	\$249,790	\$175,000	\$290,000	65.7%	65.7%
Printing	54000011-61010	\$221	\$91	\$500	\$500	0%	0%
Postage	54000011-61030	\$380	\$74	\$500	\$500	0%	0%
Licenses & Permits	54000011-61040	\$76	\$2,044	\$2,000	\$2,000	0%	0%
Telephone	54000011-61050	\$11,484	\$14,416	\$15,000	\$15,000	0%	0%
Electricity	54000011-61080	\$118,847	\$114,238	\$135,000	\$135,000	0%	0%
Water & Sewer	54000011-61070	\$6,720	\$12,552	\$16,500	\$16,500	0%	0%
Maintenance Contracts	54000011-61110	\$630,982	\$223,431	\$245,000	\$180,000	-26.5%	-26.5%
Equipment Maintenance	54000011-61120	\$0	\$7,788	\$5,000	\$10,000	100%	100%
Facilities Maintenance	54000011-61130	\$87,945	\$823	\$36,500	\$75,000	105.5%	105.5%
Rental of Equipment	54000011-61140	\$568	\$749	\$2,000	\$2,000	0%	0%
Professional Services	54000011-61160	\$43,971	\$7,589	\$205,000	\$355,000	73.2%	73.2%
Non-Professional Services	54000011-61170	\$124,884	\$136,840	\$332,000	\$400,000	20.5%	20.5%
Airport Security	54000011-61185	\$17,278			\$0	N/A	N/A
Vehicle Maintenance	54000011-61300	\$25,588	\$18,354	\$15,000	\$15,000	0%	0%
Books & Subscriptions	54000011-61310	\$1,927	\$2,021	\$2,050	\$2,050	0%	0%
Education & Training	54000011-61320	\$5,887	\$8,285	\$5,500	\$5,500	0%	0%
AIRPORT DIRECTOR BIZ DEVELOP	54000011-61340		\$24,178	\$32,000	\$5,000	-84.4%	-84.4%
AIR SERVICE DEVELOPMENT	54000011-61370			\$30,000	\$0	-100%	-100%

HILTON HEAD ISLAND AIRPORT FY 2023 BUDGET

Name	Account ID	FY2020 Actuals	FY2021 Actuals	FY2022 Adopted	FY2023 Budgeted	FY2022 Adopted vs. FY2023 Budgeted (% Change)	FY2022 Adopted vs. FY2023 Budgeted (% Change)
Insurance, Vehicles	54000011-61600	\$7,123	\$7,168	\$7,600	\$7,600	0%	0%
Insurance, Buildings & Contents	54000011-61610	\$39,869	\$40,862	\$45,000	\$45,000	0%	0%
INSURANCE - OTHER	54000011-61640		\$32,178	\$31,600	\$27,600	-12.7%	-12.7%
INSURANCE - PREPAID	54000011-61645		\$0	\$60,000	\$60,000	0%	0%
Unclassified Operating - tax bill pmt	54000011-61990	\$60,918	\$82,911	\$76,000	\$33,000	-56%	-56%
Supplies & Materials	54000011-62010	\$23,839	\$4,743	\$38,260	\$66,000	51.7%	51.7%
Uniforms	54000011-62060	\$88	\$888	\$1,500	\$3,600	133.3%	133.3%
Fuels & Lubricants	54000011-62600	\$6,631	\$4,638	\$8,000	\$8,000	0%	0%
TECHNOLOGY EQUIP (NON-CAP)	54000011-62610		\$1,500	\$1,500	\$2,000	33.3%	33.3%
Equipment, Non-Capital	54000011-62612	\$16,863			\$0	N/A	N/A
Debt Service, Interest	54000011-63110	\$76,348	\$70,967	\$76,000	\$76,000	0%	0%
Equipment, Capital	54000011-64200	\$7,986	\$548	\$126,000	\$176,000	40%	40%
RENOVATIONS EXIST BLDGS	54000011-64420		\$49,084	\$100,000	\$260,000	160%	160%
Infrastructure	54000011-64600	\$8,878			\$0	N/A	N/A
Capital Asset Clearing Account	54000011-64xxx	-\$6,348,832			\$0	N/A	N/A
FAA HXD GRANT 46	54020011-64345		\$1,488,414	\$300,000	\$1,870,000	466.7%	466.7%
FAA HXD GRANT 48	54020011-64348		\$477,162	\$2,600,000	\$2,600,000	0%	0%
Buildings & Improvements	54020011-64420			\$700,000	\$0	-100%	-100%
Infrastructure	54020011-64600	\$8,196,998			\$0	N/A	N/A
CAPITAL PROJECTS-POTENTIALGRNT	54020011-64980		\$0		\$972,222	N/A	N/A
Depreciation	54000011-68600	\$498,312	\$310,834	\$646,000	\$646,000	0%	0%
Total Hilton Head Island Airport:		\$6,802,638	\$4,843,710	\$7,236,430	\$9,466,107	30.7%	30.7%
Total:		\$7,367,387	\$6,674,748	\$8,024,227	\$10,681,196	33.1%	33.1%

BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	<u>Business-Type Activities - Enterprise Funds</u>		
		<u>Hilton Head Airport</u>	
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents		\$ -	-
Receivables, operating		1,116,467	-
Receivables, federal and state grants	-	892,240	-
Inventories		-	-
Prepayments	-	3,242	-
Total current assets		<u>2,011,949</u>	
Capital assets		47,455,099	
Accumulated depreciation		(11,807,860)	
		35,647,239	
Total assets		37,659,188	
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension		355,924	-
Total deferred outflows of resources		<u>355,924</u>	-
Total assets and deferred outflows of resources		<u>\$ 38,015,112</u>	
<u>LIABILITIES</u>			
Current liabilities:			
Account payable		\$ 719,988	
Accrued payroll		61,924	
Accrued compensated absences		5,711	-
Current portion - due to debt service fund	-	178,791	-
Total current liabilities		<u>966,414</u>	
Non-current liabilities:			
Accrued compensated absences		35,085	
Net pension liability		1,900,264	
Advances from other funds		7,177,017	
Due to debt service fund		2,420,506	
Total non-current liabilities		11,532,872	
Total liabilities		12,499,286	
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension		36,963	-
Total deferred inflows of resources		<u>36,963</u>	-
<u>NET POSITION</u>			
Investment in capital assets		35,647,239	
Unrestricted (deficit)		(10,168,376)	
Total net position		<u>25,478,863</u>	
Total liabilities, deferred inflows of resources, and net position		<u>\$ 38,015,112</u>	

The accompanying notes are an integral part of these financial statements

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2020

	Business-Type Activities - Enterprise Funds	
	Hilton Head Airport	
	<u>ASSETS</u>	
Current assets:		
Cash and cash equivalents	\$	-
Receivables, operating		431,857
Receivables, federal and state grants		3,069,549
Inventories		-
Prepayments		47,517
Total current assets		3,548,923
Capital assets		43,582,141
Accumulated depreciation		(11,495,700)
		32,086,441
 Total assets		 35,635,364
	<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension		222,172
Total deferred outflows of resources		222,172
 Total assets and deferred outflows of resources		 \$ 35,857,536
	<u>LIABILITIES</u>	
Current liabilities:		
Account payable	\$	1,307,232
Accrued payroll		48,499
Accrued compensated absences		7,116
Advances from other funds		8,108,649
Current portion - due to debt service fund		174,286
Total current liabilities		9,645,782
Non-current liabilities:		
Accrued compensated absences		43,709
Net pension liability		1,443,661
Due to debt service fund		2,599,297
Total non-current liabilities		4,086,667
 Total liabilities		 13,732,449
	<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension		45,405
Total deferred inflows of resources		45,405
	<u>NET POSITION</u>	
Net investment in capital assets		32,086,441
Unrestricted (deficit)		(10,006,759)
Total net position		22,079,682
 Total liabilities, deferred inflows of resources, and net position		 \$ 35,857,536

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Hilton Head Airport</u>	
	<u>ASSETS</u>	
Current assets:		
Cash and cash equivalents		\$ 200
Receivables, operating		382,116
Receivables, federal and state grants	-	819,431
Inventories		
Prepayments		28,304
Total current assets		<u>1,230,051</u>
Capital assets		34,378,577
Accumulated depreciation		<u>(10,997,388)</u>
		<u>23,381,189</u>
 Total assets		 <u>24,611,240</u>
	<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension		263,239
Total deferred outflows of resources		<u>263,239</u>
 Total assets and deferred outflows of resources		 <u>\$ 24,874,479</u>
	<u>LIABILITIES</u>	
Current liabilities:		
Account payable		\$ 186,204
Accrued payroll		34,183
Accrued compensated absences		5,328
Due to general fund		2,281,134
Current portion - due to debt service fund		169,896
Total current liabilities		<u>2,676,745</u>
Non-current liabilities:		
Accrued compensated absences		32,729
Net pension liability		1,387,379
Due to debt service fund	-	2,773,583
Total non-current liabilities		<u>4,193,691</u>
 Total liabilities		 <u>6,870,436</u>
	<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension		18,285
Total deferred inflows of resources		<u>18,285</u>
	<u>NET POSITION</u>	
Net investment in capital assets		23,381,189
Unrestricted (deficit)		<u>(5,395,431)</u>
Total net position		<u>17,985,758</u>
 Total liabilities, deferred inflows of resources, and net position		 <u>\$ 24,874,479</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
			Hilton Head Airport	
Operating Revenues				
Garage billings	-	-	\$ -	-
Fuel and oil sales	-		-	
Stormwater Utility fees		-	-	-
Stormwater Utility project billings		-	-	-
Fixed base operator revenue	-	-	573,057	-
Passenger facility charges	-	-	605,408	-
Operating agreements/commission revenue	-		771,053	-
Concession sales	-		-	-
Firefighting/security fees	-	-	812,198	-
Landing fees	-		298,638	-
Parking/taxi fees	-	-	51,988	-
Rentals	-	-	945,070	-
Hangar rentals	-		224,239	-
Other charges			161,350	-
Total operating revenues			<u>4,443,001</u>	
Operating Expenses				
Costs of sales and services	-		-	-
Personnel			1,468,930	
Purchased services			2,478,127	
Supplies			56,549	
Depreciation			312,160	
Total operating expenses			<u>4,315,766</u>	
Operating income (loss)			<u>127,235</u>	
Non-Operating Revenues (Expenses)				
Operating grant	-	-	222,326	-
Non-operating grant expenses	-		-	-
Interest income			92	-
Interest expense		-	(70,957)	-
Total non-operating revenues (expenses)			<u>151,461</u>	-
Income (loss) before capital contributions and transfers			<u>278,696</u>	
Capital Contributions				
Capital grants - federal			3,107,464	-
Capital grants - state	-	-	13,021	-
Total capital contributions			<u>3,120,485</u>	-
Transfers				
Transfer in	-	-	-	-
Total transfers	-	-	-	-
Change in net position			3,399,181	
Net position, beginning			<u>22,079,682</u>	-
Net position, ending			<u>\$ 25,478,863</u>	

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds
	Hilton Head Airport
Operating Revenues	
Garage billings	\$ -
Fuel and oil sales	-
Stormwater Utility fees	-
Stormwater Utility project billings	-
Fixed base operator revenue	419,927
Passenger facility charges	526,608
Operating agreements/commission revenue	615,436
Concession sales	-
Firefighting/security fees	607,676
Landing fees	217,236
Parking/taxi fees	235,737
Rentals	693,711
Hangar rentals	190,244
Other charges	418,919
Total operating revenues	3,925,494
Operating Expenses	
Costs of sales and services	-
Personnel	1,155,379
Purchased services	1,135,710
Supplies	77,431
Capital	3,198
Depreciation	498,312
Total operating expenses	2,870,030
Operating income (loss)	1,055,464
Non-Operating Revenues (Expenses)	
Operating grant	44,300
Non-operating grant expenses	(429)
Gain on sale of capital assets	-
Interest income	-
Interest expense	(75,346)
Total non-operating revenues (expenses)	(31,475)
Income (loss) before capital contributions and transfers	1,023,989
Capital Contributions	
Capital grants - federal	3,069,935
Total capital contributions	3,069,935
Transfers	
Transfer in	-
Total other financing sources	-
Change in net position	4,093,924
Net position, beginning	17,985,758
Net position, ending	\$ 22,079,682

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds
	Hilton Head Airport
Operating Revenues	
Garage billings	- \$
Fuel and oil sales	
Stormwater Utility fees	
Stormwater Utility project billings	
Fixed base operator revenue	435,567
Passenger facility charges	286,464
Operating agreements/commission revenue	531,140
Concession sales	
Firefighting/security fees	387,494
Landing fees	138,029
Parking/taxi fees	41,232
Rentals	201,121
Hangar rentals	174,593
Other charges	74,155
Total operating revenues	2,269,795
Operating Expenses	
Costs of sales and services	
Personnel	1,092,780
Purchased services	995,992
Supplies	46,362
Capital	-
Depreciation	569,055
Total operating expenses	2,704,189
Operating income (loss)	(434,394)
Non-Operating Revenues (Expenses)	
Operating grant - Transportation Security	47,260
Non-operating grant expenses	(4,804,746)
Gain on sale of capital assets	- 1,023
Interest income	-
Interest expense	- (79,622)
Total non-operating revenues (expenses)	(4,836,085)
Income (loss) before capital contributions and transfers	(5,270,479)
Capital Contributions	
Capital grants - federal	6,032,531
Capital grants - state	774,981
Total capital contributions	6,807,512
Transfers	
Transfer in	200,000
Total other financing sources	200,000
Change in net position	1,737,033
Net position, beginning	16,248,725
Net position, ending	\$ 17,985,758

The accompanying notes are an integral part of these financial statements.



HILTON HEAD ISLAND
A I R P O R T

August 31, 2022

Chairman
Accommodations Tax Advisory Committee
Town of Hilton Head Island
One Town Center Court
Hilton Head Island, SC 29928

Dear ATAX Committee Chairman,

Beaufort County is a political subdivision within the State of South Carolina and is considered to be a tax-exempt governmental entity. The Hilton Head Island Airport, as a department within Beaufort County, is also a tax-exempt governmental entity. Beaufort County's Federal Tax Identification Number is #57-6000311.

Please accept this letter in lieu of an IRS 503 (c)(3) or IRS 990/990T.

Respectfully,

Jon Rembold
Airport Director



County Council of Beaufort County
Hilton Head Island Airport
120 Beach City Road
Hilton Head Island, South Carolina 29926
Phone: (843) 255-2950 Fax: (843) 255-9424
www.hiltonheadairport.com



September 19, 2017

Chairman Brown
Accommodations Tax Advisory Committee
Town of Hilton Head Island
One Town Center Court
Hilton Head Island, SC 29928

Dear Chairman Brown,

Beaufort County is a political subdivision within the State of South Carolina and is considered to be a tax-exempt governmental entity. The Hilton Head Island Airport, as a department within Beaufort County, is also a tax-exempt governmental entity. Beaufort County's Federal Tax Identification Number is #57-6000311.

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Jon Rembold
Airport Director