

The Town of Hilton Head Island Special Town Council Meeting

**Thursday, June 16, 2011
Benjamin M. Racusin Council Chambers
12:00 (Noon) P.M.**

REVISED AGENDA

- 1. Call to Order**
- 2. FOIA Compliance** – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 3. New Business**
 - a. Consideration of a Resolution**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, committing funds for advertising in order to secure the Heritage Golf Tournament from 2012 to 2016.
- 4. Adjournment**

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

DATE: June 15, 2011

RE: **Advertising Commitment to the Heritage PGA Tournament**

Recommendation

That the Town Council approve a five year commitment to purchase 1/8th of the advertising units otherwise provided to the title sponsor; in order to assure that the Heritage PGA Tournament remains on Hilton Head Island. Cost in the first year will be \$562,500; increasing by 5% each year.

Summary

Approval of the attached resolution will serve as a commitment to pledge \$562,500 per year, increasing by 5% per year, over a five year period to purchase 4 ads on the Golf Channel and 4 ads on CBS during the annual PGA Tournament on Hilton Head Island. Contractual details and funding will be worked out over the coming weeks and months.

Background

The Town has been approached by the Heritage Classic Foundation with a request that the Town make a five year commitment to purchase some of the advertising that is part of the television package for the PGA golf tournaments in order for the Foundation to finalize a five year commitment to keep the Tournament on Hilton Head Island.

Doing what it takes to keep the Tournament on Hilton Head Island is the Town Council's top goal for the year. As the negotiations between the Heritage Classic Foundation, the PGA Tour, the Governor's office and potential sponsors has continued and progressed, the Mayor's advice to the Foundation has been two-fold:

- Don't come to us for money unless there is just no other choice
- Don't come to us unless you are sure our commitment will result in a long-term commitment from the PGA Tour

We are at that point.

The attached resolution is a resolution of commitment. We will need to work out the details. It is not clear whether our agreement will need to be with the Foundation, with the PGA Tour, or perhaps even with CBS and The Golf Channel. Those will be hashed out and contracts, agreements and budget amendments will follow later.

There are a variety of potential funding sources; and the source of funds may change from year-to-year. We can discuss some options but it is not necessary to settle on a particular funding solution at this meeting. In addition to the dollars being committed for the purchase of advertising, we will also need to consider the costs of producing or updating ads. It won't be effective to try to run the ads we produced this year for six straight years.

We will need to see if there are other entities that might contribute to this effort. We need to retain the ability to transfer this responsibility to another sponsoring entity if that opportunity arises.

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, COMMITTING FUNDS FOR ADVERTISING IN ORDER TO SECURE THE HERITAGE GOLF TOURNAMENT FROM 2012 TO 2016

WHEREAS, Hilton Head Island has hosted a Professional Golf Association (PGA) event, generally known as the “Heritage Golf Tournament” each year since 1969; and

WHEREAS, the Heritage Golf Tournament is a major tourist draw to Hilton Head Island, bringing many thousands of tourists from locations across the United States and international locations; and

WHEREAS, the viability of the Heritage Golf Tournament benefits local businesses, adds a world class amenity for Island residents, is enthusiastically supported by over a thousand local volunteers and serves as a source of pride for our community; and

WHEREAS, the Heritage Golf Tournament achieves a nationwide and world wide audience through television broadcasts on network and cable television channels, newspaper, magazine and other print media reporting of the Heritage Golf Tournament; and

WHEREAS, the Town Council of the Town of Hilton Head Island recognizes that the “Heritage Classic Foundation” is currently seeking a title sponsor, and other public/private funding support scenarios in order to meet its obligations to the PGA to secure the 2012-2016 Heritage Golf Tournament; and

WHEREAS, the Heritage Golf Tournament, through the generation of tourism that is related to the tournament and otherwise, provides economic benefits to the local and state economy in an amount in excess of Eighty One Million Dollars; and

WHEREAS, in addition to increasing tourism and providing substantial benefits to the local economy as set forth above, the success of the Heritage Golf Tournament has enabled the Heritage Classic Foundation to make donations to worthy local not-for-profit organizations totaling close to Twenty Million Dollars; and

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, finds that it is in the best interests of the Town and its citizens, residents and guests to commit Funds for advertising expenses so that the Foundation may meet its obligations to the PGA to secure the Heritage Golf Tournament from 2012-2016.

NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA that the Town Council of the Town of Hilton Head Island commits: Year 1: \$562,500; Year 2: \$590,625; Year 3: \$620,156; Year 4: \$651,164; Year 5: \$683,722 for a Total of \$3,108,167 to the Heritage Classic Foundation in order to assist the Foundation in meeting its obligation to the PGA to secure the Heritage Golf Tournament for 2012-2016.

MOVED, APPROVED, AND ADOPTED ON THIS ___ DAY OF JUNE, 2011.

Drew A. Laughlin, Mayor

ATTEST:

By: _____
Victoria L. Pfannenschmidt, Acting Town Clerk

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____