



The Town of Hilton Head Island Special Town Council Meeting

December 10, 2013
Council Chambers
4:00 PM

- 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 recommendations of the Accommodations Tax Advisory (ATAX) Committee**

Consideration of recommendations of the Accommodations Tax Advisory (ATAX) Committee for the purpose of allocating the proceeds of the Accommodations Tax Funds.
- 6. Adjournment**



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, ICMA-CM, Town Manager

VIA: Susan Simmons, CPA, Director of Finance

DATE: December 2, 2013

RE: CY 2014 State Accommodations Tax Grant Recommendations

Calendar year 2014 grants will be awarded from actual revenues from the first three quarters of calendar year 2013 and estimated revenue from the fourth quarter of calendar year 2013. The Town received \$4,371,480 from the first three quarters and added estimated revenue of \$472,500 for the fourth quarter, which totals \$4,843,980 available for calendar year 2014 State Accommodations Tax Grants. This was an increase of \$947,074 or 24.30% from 2012 actual revenues of \$3,896,906.

An investment income of \$376 is added to the total, along with \$25,156 in lapsed grants, bringing the total available funds to \$4,869,512. After deducting the formula funding that both the Town and Chamber receive, then adding back in the difference in the estimated and actual revenue from the fourth quarter of calendar year 2012, plus \$23 available but not awarded for 2013 grants, funds available for 2014 grant allocation total \$3,280,736. This is \$886,507 or 37% more than the amount awarded for 2013 grants.

“Recurring” and “Non-Recurring” Funds

This year, the Accommodations Tax Advisory Committee (ATAC) had the ability to work with additional funding not available in previous years. There are several varying reasons why the amount has increased as explained in the attached Recommendation Letter. Some of the factors are expected to be recurring; however other factors are non-recurring and will truly be a one-time occurrence. Due to the unique nature of Accommodations Tax revenue this year, the total funds available to recommend for 2014 grants have been divided into “Recurring Funds” and “Non-recurring Funds”. The ATAC decided to focus mainly on recommending the “Recurring” Funds for 2014 Grants, and to refrain from recommending use of the majority of the “Non-Recurring” Funds at this time.

New Grants for Calendar Year 2014

New grants requested for calendar year 2014 totaled \$3,570,021. Total funds available for new grants have been separated into “Recurring Funds” of \$2,714,126, and “Non-Recurring Funds” of \$566,610, which totals \$3,280,736, or 92% of the requested grants. ATAC’s recommendations for new grants per the attached worksheet and the Committee’s Recommendation Letter total

\$2,812,276, which are mostly from the “Recurring Funds” portion of the total available with a small amount from the “Non-Recurring Funds”. This leaves an available balance of \$468,460. ATAC has scheduled a special meeting on February 18, 2014 with the intent of further discussing the best potential uses for this remaining balance, with an additional recommendation being subsequently sent to the Town for review at that time.

ATAC recommends that Council approve the 2014 new grants at its December 10, 2013 meeting.

STATE ACCOMMODATIONS TAX REVENUE ANALYSIS
 Calendar 2013 Revenues Available for Calendar Year 2014 Grants
 with comparative information for the prior year

	Calendar Year 2013 Revenues Available for CY2014 Grants	Calendar Year 2012 Revenues Available for CY2013 Grants	\$ Difference	% Difference
SOURCES:				
Jan - Mar ATAX Revenue	561,109	217,109	344,000	158.45%
Apr - June ATAX Revenue	1,523,646	1,267,859	255,787	20.17%
July - Sept ATAX Revenue	2,286,725	1,748,948	537,777	30.75%
Oct - Dec ATAX Revenue --- Actual 2012, Estimated Oct - Dec 2013	472,500	662,990	(190,490)	-28.73%
Estimated ATAX Revenues for CY12	4,843,980	3,896,906	947,074	24.30%
	Non-recurring Portion	Recurring Portion		
	643,980	4,200,000		
Other Amounts to be granted:				
Interest (Estimated last 2-3 months)	-	376	357	
Lapsed Grants	25,156	-	0	
Total CY Sources	669,136	4,200,376	3,897,263	
USES:				
First \$25,000 to the Town's General Fund	N/A	(25,000)	(25,000.00)	
30% to Chamber (Town's Designated Advertising & Promotion Agency) (Est. for last qtr.)	(193,194)	(1,252,500)	(1,161,572.00)	
5% to the Town's General Fund (Est. for last qtr.)	(32,199)	(208,750)	(193,595.00)	
Available for Grants	443,743	2,714,126	2,517,095.65	
Forward-Funded Grants Awarded last year	N/A	N/A	(1,300,050.00)	
Estimated Adjustment due to changes in CY revenues	N/A	N/A	(76,179.00)	2
Total Forward-Funded Grants	N/A	N/A	(1,376,229.00)	
Amount Available in Prior Year but not Awarded	23		(23.00)	
Amount Available in Next Year due to 4th Qtr being higher than Estimate	122,844	-	(122,844.00)	4
Amount Available to Award New grants	566,610	2,714,126	1,018,000	2 1,696,126 3
Requested "New" Grants		3,570,021	1,960,987	
Percentage of "New" Grant Requests that can be funded		76%	52%	

1 - See attached memo for explanation of the significant revenue fluctuations between the two calendar years.

2 - When Town Council awarded its CY2012 grants, it again approved that forward-funded grants would increase or decrease according to the same increase or decrease in 2012 revenues. It was estimated the increase after the effect of the required distributions was 5.86%. Therefore, the forward-funded grants were adjusted \$76,179. This left \$1,018,023 available for new grants. Council awarded \$1,018,000.

3 - While revenues have increased in recurring and non-recurring ways (see #1 above), a large portion of the \$1,696,126 increase in "Amount Available for Grant Awards" between the calendar years is related to the change in forward-funding grants. For CY13, the Town still had three organizations with forward-approved grants (CY13 grants awarded in CY12) totaling \$1,376,229; for CY14, all applicants including the three previously forward-funded applicants must be awarded grants from the "Amount Available for Grant Awards".

4 - The Town determined that it would allocate the difference in prior year 4th quarter estimates and actuals in the following year. These revenues will be subject to allocation as non-recurring funds in Calendar Year 2014.

THE TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE

To: Mayor, Town of Hilton Head Island
Town Council Members, Town of Hilton Head Island
Town Manager, Town of Hilton Head Island

From: Robert Stenhammer, Chairman, Accommodations Tax Advisory Committee
Mike Alsko, Vice Chairman, Accommodations Tax Advisory Committee

Date: November 25, 2013

Subject: ATAC Recommendations for 2014 ATAX Grant Awards

On November 14, 2013, the Accommodations Tax Advisory Committee (ATAC) met to make grant funding recommendations for 30 ATAX grant applications from a total of 29 local organizations for the 2014 funding year. As part of an ongoing effort, the ATAC works to establish a consistent philosophy in how applications are reviewed and prioritized. Over the past two years, the review and recommendation philosophy of the ATAC has evolved into the following:

- **Economic Growth Through Tourism** - Does the applicant organization drive overnight visitors to Hilton Head Island?
- **Sustainability of Visitor Traffic** - Does the applicant organization enhance, or improve, the visitor experience on Hilton Head Island?
- **Cross Pollination and General Efficiency** - How well does the applicant organization collaborate with other local organizations, especially fellow grant applicants?
- **Organization Viability and Return on Investment** - Does the organization possess both a clear vision and an achievable direction? Does the organization have other sources of public and private support available and what is the organization's long term dependency on ATAX funding going to be?

In recent years, the ATAC has encouraged applicant organizations to better understand who they are serving and identify what their overall tourism contribution is within our community. We are pleased to see that many organizations have embraced this advice and would encourage the Town to reinforce the need for these important metrics. The grant review process is cumbersome and the ATAC has found that utilizing common metrics is imperative in ensuring that the recommendation process is both fair and objective.

This year, the ATAC had the ability to work with additional funding not available in previous years. There are several varying reasons why the amount has increased including: the South Carolina Department of Revenue made corrections to previous inaccurate allocations that the Town should have received in the past; the Town received a portion from lawsuit settlements with online travel agencies; "Forward Funded Grants" have ceased as of 2013, meaning none of the money has already been awarded for future grants; there has been a general increase in performance of overnight accommodations on the Island; and finally, the Town has added many new Accommodations Tax accounts through the ATAX Recovery Project which identified businesses and individuals that were not remitting Accommodations Taxes as required. Some of these factors should be recurring, leading to increases year-over-year; however some are non-recurring and will truly be a one-time occurrence. Due to the unique nature of Accommodations Tax revenue this year, the total funds available to recommend for 2014 grants have been divided into "Recurring" funds of approximately \$2,714,126, and "Non-recurring" funds of approximately \$566,610.

The ATAC is recommending that the non-recurring portion of the available funding be used selectively and with the best return on investment in mind. Recommended uses could be for capital projects, special one-time needs, well organized start-up organizations, and targeted one-time marketing campaigns through our DMO. The ATAC was only recently made aware of the extent of additional funding and is recommending that the non-recurring funding be awarded sparingly with this current round of grant applications. The ATAC has set up a special meeting on February 18, 2014 with the intent of further discussing the potential best uses for this additional funding with a recommendation being subsequently sent to the Town for review. Initial ideas discussed amongst the ATAC at our most recent meeting were to look at a special mid-year application period for these funds or allow the funds carry over to the normal 2015 grant application period and allow applicants to apply for special funding at that point. The ATAC understands that these funds will be available for 2 years once received by the Town. The ATAC feels that the Town has a special opportunity to put these additional one-time funds to good use and that further consideration should be given to how they are to be granted.

The remainder of this recommendation memo will provide you with summary information on the applicant organization, a snapshot of their funding request, and the ATAC's recommendation and rationale. This memo is not meant to encompass all the applicant data or information, as this can be further referenced within each individual grant application that was submitted for the 2014 grant cycle. A spreadsheet of the committee's grants recommendations accompanies this memo.

BASED ON THE ATAC'S REVIEW OF EACH GRANT APPLICATION, THEIR SUBSEQUENT INDIVIDUAL PRESENTATIONS, AND THE COMMITTEE'S PUBLIC DISCUSSION, THE ATAC SUBMITS THE FOLLOWING RECOMMENDATIONS TO YOU FOR REVIEW:

ART LEAGUE OF HILTON HEAD

13,720 tourists served out of 59,258 total people (27.3%)

2014 Grant Request is \$72,500

The Committee recommends a grant of \$45,000 for destination advertising and promotion of the Arts on Hilton Head Island

The Art League of Hilton Head has firmly established itself as a core component of the local arts community. The League is requesting funds to provide a strong visual art presence on Hilton Head Island through its innovative Gallery and Academy, and market creative events and partnerships with local organizations and businesses. The League recently redesigned its website as it seeks to enhance its marketing image.

The League is requesting funds as follows:

- \$65,000 to expand print and digital marketing of year-round visual arts and cultural programs. The League would like to add a sophisticated digital component to its monthly marketing campaigns.
- \$7,500 for the replacement of signage and two HVAC systems in their facilities.

The Committee was impressed with the League's new website and commitment towards evolving towards digital media and marketing. The diversity of offerings helps enhance the visitor stay on the Island and the Committee feels that continued funding is important to their mission.

ARTS CENTER OF COASTAL CAROLINA

13,440 tourists served out of 56,000 total people (24.0%)

2014 Grant Requests are \$378,000 and \$86,000 (Capital Request)

The Committee recommends a grant of \$365,000 for advertising and programming, with \$94,500 being allocated specifically for advertising and promotion

The Committee also recommends a second grant of \$86,000 for capital investment in their HVAC/Energy needs – to be funded from non-recurring funding

The Arts Center provides year round, high quality programming to both tourists and residents through their production of theater, performing arts, and community festivals. In 2014, the Arts Center will be producing 3 theatrical and 6 performing arts events encompassing a total of 88 performances. Additionally, the Arts Center will continue to host multiple exhibitions and educational programs throughout the year.

The Arts Center is seeking the following funding:

- \$378,000 to support their advertising efforts in addition to the visitor portion of program costs for theater, performing arts, and community festivals
- \$86,000 to fund the first phase of their capital needs focused on energy savings and HVAC challenges

The committee feels strongly that the Arts Center is the focal point of arts within our community. The quality and diversity of programming they provide both tourists and residents showcases our Island as a world class destination and assists in both the driving and enhancing of tourist stays. The Arts Center is over 17 years old and spans more than 45,000 sf² and has reached a point where their capital needs are equally as important as their operational needs. The Committee was impressed with their capital request presentation and was pleased to learn that the proposed \$86,000 capital request has a ROI of just less than 3 years and the anticipated savings would continue beyond the initial ROI period. The Committee feels the Arts Center is taking the right steps to find ways to overcome mounting maintenance and operational expenses to become more financially stable.

BEAUFORT COUNTY BLACK CHAMBER OF COMMERCE

231 tourists served

2014 Grant Request is \$25,000

The Committee recommends no funding for this organization for 2014

The BCBC is requesting \$25,000 for destination marketing and advertising of Hilton Head Island to group tour planners with a focus on cultural and social travel. In 2013, they were successful in placing a golf group of 231 people on Hilton Head Island, which generated more than 900 room nights. They are currently working with a number of groups who are considering booking upwards of 1,200 room nights on our island.

The Beaufort County Black Chamber of Commerce is seeking the following funding:

- \$25,000 for advertising via print and digital media to group tour planners

While the Committee appreciates the BCBC's commitment to supporting Hilton Head Island tourism, the Committee is concerned about the ROI of awarding a grant to the BCBC when we are already supporting our current DMO that is a proven driver of tourism to the Island. Although the BCBC is an established organization, their ability to drive or enhance tourism directly on Hilton Head Island is minimal in the Committee's opinion. This organization has shown that they have partnered with other local cultural organizations in support of their events

and destinations. The Committee's opinion is that the BCBC continue to collaborate directly with cultural organizations (such NIBCAA and Mitchellville) and that these local organizations engage the BCBC directly for marketing assistance.

BEAUFORT COUNTY GOVERNMENT – HILTON HEAD AIR SHOW

Startup Event

2014 Grant Request is \$10,000

The Committee recommends no funding for this organization for 2014

Beaufort County will be holding its inaugural "Air Day" at the Hilton Head Island Airport on April 26, 2014. This event will be marketed to Flying Clubs and Airport Associations in SC, GA, and NC. The purpose of the event is to encourage greater awareness and tourism use of the airport. The event is hoping to bring pilots, and their families, to the Island to spend the weekend.

Beaufort County is seeking the following funding:

- \$10,000 to advertise through both print and television to provide awareness of the "Air Day" as well as to offset the cost of brochure printing and other operational event expenses such as tables, chairs, and port-o-johns.

Although the Committee feels that the County has a unique idea, the Committee remains cautioned on funding start-ups where no data is available to base an objective recommendation upon. Additionally, the Committee is uncertain whether or not the event visitor draw will be overnight visitors versus locals or day trippers.

CENTER FOR SERVICE LEADERSHIP

Startup Organization

2014 Grant Request is \$25,000

The Committee recommends no funding for this organization for 2014

CSL has requested a grant to develop and implement a "Service Excellence Certification" program. The goal of the program will be to certify organizations, and their employees, in service training and create a marketable brand to promote Hilton Head Island as a certified destination, helping to generate and retain repeat guests. This program would be similar to ones successfully launched in Las Vegas and Singapore.

CSL is seeking the following funding:

- \$25,000 for destination marketing and advertising through the progressive success of the program.

The Committee was referred to a TERC ruling that service training was not a qualified expense under their guidelines. As such, the Committee felt that this organization's focus was solely on training and did not qualify for funding.

DAVID M. CARMINES MEMORIAL FOUNDATION

1,410 tourists served out of 3,000 total people (47.0%)

2014 Grant Request is \$10,000

The Committee recommends a grant of \$2,500 for advertising and promotion

The David M. Carmines Memorial Foundation organizes the annual Hilton Head Island Seafood

Fest. This is a two day event that features food, live entertainment, family activities, and other contests. In 2013, the event grew in size and benefited from the addition of a Friday night event. Approximately 78% of surveyed attendees indicated that they were extremely likely, or likely, return next year; 89% said they were extremely likely, or likely, to recommend the event to a friend; 16% said the event was very influential, or influential, towards planning their trip to Hilton Head Island.

DMCMF is seeking the following funding:

- \$10,000 for event marketing and advertising and event expenses

The Committee was pleased to hear of the growing success of the event and the applicant noted that their marketing spend was just under \$1,000 for the 2013 event. Due to the event's tourist draw and impressive survey metrics, the Committee felt it was important to fund this organization to bolster their marketing budget to help them continue to increase their event attendance.

EXPERIENCE GREEN

Startup Organization/150 tourists served

2014 Grant Request is \$8,000

The Committee recommends no funding for this organization for 2014

Experience Green is an organization whose focus is on the education and implementation of sustainability in golf. In 2013, the first Experience Green conference was held at the Sea Pines Resort and had 150 attendees + guests. The event brought together experts, professionals, and practitioners from across the globe from both the sustainability and golf industries.

Experience Green is seeking the following funding:

- \$8,000 for destination marketing and advertising.

While the Committee felt this was a great event to showcase Hilton Head Island, it failed to see how it will significantly drive or enhance tourism. The Committee felt this was modeled like a trade meeting and that its funding should come from its presenting sponsors.

HARBOUR TOWN MERCHANTS ASSOCIATION

Estimated 5,000 total people served – no tourist information provided

2014 Grant Request is \$18,000

The Committee recommends a grant of \$9,000 for this event

The Harbour Town Merchants Association is seeking grant funding for its annual Fourth of July Fireworks display. The Association estimates that 5,000 attended the display in 2013, which was a mixture of residents and tourists.

The Harbour Town Merchants Association is seeking the following funding:

- \$18,000 for event marketing and advertising and event expenses

As with previous years, the Committee feels that it is appropriate to support this fireworks display as it is a worthwhile tourism enhancer for one of the Island's busiest weeks of the year.

HILTON HEAD CHORAL SOCIETY

1,355 tourists served out of 9,282 total people served (14.6%)

2014 Grant Request is \$28,000

The Committee recommends a grant of \$15,000 for this organization with \$11,200 being allocated for advertising and promotion and \$3,800 for advertising and promotion specifically associated with their signature professional concert

In 2014, the Hilton Head Choral Society is planning on producing 4 concerts throughout the year, many in collaboration with other vocal groups. One of their 2014 concerts will feature a world renowned group such as the Vienna Boys Choir or Chanticleer. The Choral Society has worked hard to remain a fiscally responsible organization and has worked diligently to identify new marketing mediums that are more cost effective and efficient.

The Hilton Head Choral Society is seeking the following funding:

- \$28,000 for marketing and production expenses

The Committee is pleased to see that the Society is reaching out through new digital marketing channels. The Society produces great events and is an excellent collaborator with other organizations. Their use of Facebook and YouTube should help bolster their overall exposure by allowing people to see their talent through these channels, which wasn't previously available.

HILTON HEAD ISLAND MOTORING FESTIVAL & CONCOURS D'ELEGANCE

8640 tourists served out of 18,000 total people (46.0%)

2014 Grant Request is \$134,000

The Committee recommends a grant of \$134,000 for advertising and promotion

The Hilton Head Island Motoring Festival & Concours d'Elegance continues to prove its position as one of the premiere destination events on the East Coast. In 2013, this event announced a major shift by changing venues from Honey Horn to the Port Royal Golf Club in an effort to remain competitive with other top-tier national events with sponsors, collectors, and attendees. In 2013, this event saw attendance rise 30% to 18,000 attendees. Additionally, the Motoring Festival saw 22% increase in repeat sponsorship dollars as well as recruiting Gulfstream, Marriott Vacation Club, and National Car Rental to sponsorship ranks.

The Hilton Head Island Motoring Festival & Concours d'Elegance is seeking the following funding:

- \$134,000 for event marketing and advertising

The Committee feels very strongly the Motoring Festival is a signature event for our Island and will only continue to grow and improve. Due to the Festival's ability to grow substantially year over year, show a clear vision and direction, and prove that it both drives and enhances tourism, the Committee recommends full funding of their grant request.

HILTON HEAD DANCE THEATER

Attendance count not specifically supplied – estimated tourist draw is 10% of total

2014 Grant Request is \$15,392

The Committee recommends a grant of \$12,000 for advertising and promotion

Currently in its 28th season, the Hilton Head Dance Theater has planned 8 different productions for 2014. The Dance Theater's productions of The Nutcracker and Terpsichore generate the most tourist visits out of any of the other showings. After a brief absence, the Dance Theater

will be utilizing the Arts Center for their production of Terpsichore in the spring. Unfortunately, due to scheduling conflicts they will not be able to bring The Nutcracker back to the Arts Center in 2014.

The Hilton Head Dance Theater is seeking the following funding:

- \$15,392 for event marketing and advertising and guest artist fees

The Committee feels that this is a worthy organization to continue supporting due to its ability to collaborate with other organizations and the quality of its productions. The Committee is extremely pleased to see that the Dance Theater will be able to utilize the Arts Center again for one of its productions.

HILTON HEAD ISLAND INSTITUTE

Est. 355 tourists served out of 1,775 total people served (20.0%)

2014 Grant Request is \$150,000

The Committee recommends no funding for this organization for 2014

The Hilton Head Institute finished its inaugural year of their Imagination 2013 lecture series. In 2014, the Institute is planning to produce 4 separate events culminating in a year-end 4 day event. The Institute estimates that it will draw upwards of 1,900 tourists between all 4 events in 2014.

- \$150,000 for marketing and event expenses

Although the Institute completed its first year of events, the Committee has concerns about the current vision and direction of their event. The Committee commented that it is important for the Institute to follow through with its plans to engage a marketing professional, or team. During their presentation, the Institute was reflective on their first year efforts and acknowledged that they were learning from first year hurdles. While this event series has potential, the Committee feels that until their vision and direction solidifies that it will be difficult to recommend funding due to the uncertainty of its ROI.

HILTON HEAD ISLAND ST. PATRICK'S DAY PARADE

Est. 20,000 total people served

2014 Grant Request is \$16,000

The Committee recommends a grant of \$12,000 for this organization

The Hilton Head Island St. Patrick's Day Parade will celebrate its 31st year in 2014. The parade is comprised of floats, marching bands, walking groups, automobiles, animal units and other creative entries.

The Hilton Head Island St. Patrick's Day Parade is seeking the following funding:

- \$18,000 for event related expenses and traffic control

The Committee continues to be pleased with the progressive success of this event and recommends that it continues to be funded.

HILTON HEAD WINE AND FOOD, INC

2,724 tourists served out of 4,394 total people served (62.0%)

2014 Grant Request is \$100,350

The Committee recommends a grant of \$100,350 for advertising and promotion

The Hilton Head Wine and Food Festival is going to celebrate its 29th year in 2014. The festival takes place March 10th through March 15th and also includes an International Wine Judging and Competition event that will take place January 24th to January 26th. Their 2013 event saw a substantial attendance increase of more than 30% over 2012 levels and has its sights set on achieving an attendance in excess of 10,000 people by 2016. HHWFF is a strong collaborator with other local organizations – HHI Motoring Festival, HHI Symphony, the Art League, and the HHI Chamber and VCB. Their 2014 event will showcase a new headline sponsor, Hoffman Media, as well as 2 celebrity guests – Eric Asimov (Chief Wine Critic for the New York Times) and Christy Jordan (Founder, SouthernPlate.com). Additionally, they will be hosting 3 Master Sommeliers, of which there are only 135 sommelier’s in the country with such designation.

Hilton Head Wine and Food, Inc. is seeking the following funding:

- \$100,350 for event advertising and promotion

The Committee continues to be impressed with this organization. It is impressive to see the strides this organization has taken under new leadership over the past few years. Last year’s growth of 30% builds tremendous confidence in the Committee decision to continue funding this worthy organization. HHWFF is a strong tourist draw to the Island and has clear vision and direction. This event is quickly becoming a signature Island event.

HILTON HEAD ISLAND-BLUFFTON CHAMBER OF COMMERCE

The Town’s DMO

2014 Grant Request is \$375,000

The Committee recommends a grant of \$330,000 for this organization, with the exclusion that the meeting planner mobile app requested in the application not be funded from this allocation

This year, the Chamber of Commerce has applied for a supplemental grant of \$375,000 for group business travel, golf, and tennis marketing, in addition to the 30% it is to receive this year under the state ATAX law. The goal in driving group business travel to the Island is to help create market compression in the gap left over from traditional leisure travel. In addition, with the reinvestment efforts by a number of resort and commercial partners there is a strong storyline to promote. The tennis marketing goal is to further target the tennis traveler by capitalizing on the market research funded by last year’s ATAX funding. The golf marketing goal is to continue the collaborative efforts with the Lowcountry Golf Course Owners Association to drive golf business to the Island.

The Hilton Head Island-Bluffton Chamber of Commerce is seeking the following funding:

- \$375,000 for group business travel marketing, tennis travel marketing, and golf island promotion

The Committee feels strongly that there continues to be a strong ROI on the funding received by the Chamber. The Chamber clearly outlines its annual plan and the Committee saw value in all areas presented except for one component which was the development of a mobile website that could be used by meeting planners to communicate with meeting attendees while on the Island. While the Committee felt this was a unique, value add initiative it was not felt that it was a strong driver of tourism for the associated cost, which was projected at \$45,000.

HILTON HEAD SYMPHONY ORCHESTRA

2,456 tourists served out of 10,986 total people served (22.3%)

2014 Grant Request is \$200,000

The Committee recommends a grant of \$175,000 for this organization, with \$120,000 being allocated for advertising and promotion

The Hilton Head Symphony Orchestra provides world-class arts programming for residents and visitors. In addition to Symphony productions and collaborative performances with many of the other local arts organizations, the Symphony hosts and produces the International Piano Competition which helps drive tourism over an 8 day period. The Symphony serves almost 11,000 people through its performances and productions with approximately 22.3% of attendees being considered tourists.

The Hilton Head Symphony Orchestra is seeking the following funding:

- \$200,000 for marketing and advertising as well as operations and certain salaries

The Committee agrees that the Symphony is signature organization within our community. They have remained consistent in their success and quality of productions. As such, the Committee recommends the continued funding of this worthwhile organization.

ITALIAN AMERICAN CLUB OF HILTON HEAD

*625 tourists served out of 5,000 total people served (12.5%) *2012 Figures*

2014 Grant Request is \$64,200

The Committee recommends a grant of \$5,000 for advertising and promotion

The Italian-American Heritage Festival operates in partnership with the Island Recreation Association, local restaurants, charities, and community service agencies. The 2014 Festival will be the organization's 5th year in producing the event. The 2013 Festival was held on 9/21/2013 and due to timing was not able to submit updated attendance figures, except to note that attendance was down due to the parking situation in the Shelter Cove area. In 2012, the festival drew 5,000 patrons, 12.5% of which were visitors with a mean length of stay of 7+ days.

The Italian American Club of Hilton Head is seeking the following funding:

- \$64,200 for RV and Motor Coaching target marketing, regional radio advertising, cross promotion with regional Italian-American clubs, and partnership expenses related to their bocce tournament

The Committee feels that this organization has the passion and drive to be successful. Although past festivals have driven large attendance, the proportional amount of tourists served is rather small. The Committee is impressed with the vision of the group, but is concerned the marketing amount requested is a little aggressive for the amount of overall tourist draw. The Committee feels that this organization should receive partial funding to assist with its marketing plan.

LOWCOUNTRY GOLF COURSE OWNERS ASSOCIATION

Attendance figures not supplied

2014 Grant Request is \$50,000

The Committee recommends a grant of \$50,000 for advertising and promotion

In 2013, the LGCOA engaged a leading golf industry marketing company, Buffalo

Communications, to market and attract golf business to the Island through a number of initiatives and strategic marketing and media placements. The LGCOA partners with the HHI VCB to market the Island as a premier golf destination and represents 29 local area golf courses. The expenses related to this grant request are used for media visits and on-site travel expenses related to the various initiatives. Between January and August the estimated value of the media initiatives executed was \$481,210 on a prorated spend of \$40,000.

The Lowcountry Golf Course Owner's Association is seeking the following funding:

- \$50,000 for advertising and promotion

The Committee was pleased to see the exposure that the Island's golf community received from working with Buffalo Communications. The value of the placements was more than 10x the investment made. The Committee feels that this organization is well organized and has a clear vision regarding how they want to drive tourism to the Island.

MAIN STREET YOUTH THEATER

*400 to 13,000 tourists served out of 4,000 to 26,000 total people served (10-50%) *Multiple Figures Provided
2014 Grant Request is \$50,000*

The Committee recommends a grant of \$5,000 for advertising and promotion

Main Street Youth Theater is planning to produce 3 performances in 2014, including Mary Poppins during the summer. The MSYT is dedicated to providing opportunities for youth and adults to experience live theater productions. Each of their performances include 10 to 15 performances with 5 to 6 weeks of rehearsal for each show. In their grant application, the MSYT indicated that they served 26,000 people in total, of which 13,000 people (50% of the total) were tourists to the Island. During their grant presentation, they indicated that their attendance figures were around 4,000 with tourist related tickets coming in around 10% of the total served. When questioned during their presentation, the management team could not explain the discrepancy in figures and added that the likely number of people served was closer to 9,000, adding another unconfirmed figure to the mix.

The Main Street Youth Theater is seeking the following funding:

- \$50,000 for marketing and production expenses

The Committee was very concerned about the management of this organization. The red flag is the discrepancy in the number of people served – having heard a range of figures from 4,000 to 13,000. As such the Committee is reluctant to recommend significant funding due to the disorganization observed.

MITCHELVILLE PRESERVATION PROJECT

*1,108 tourists served out of 3,359 total people served (33.0%)
2014 Grant Request is \$50,000*

The Committee recommends a grant of \$28,000 for advertising and promotion

The Mitchelville Preservation Project's *Dawn of Freedom* exhibit is entering its 3rd year of operation. Mitchelville has collaborated with the prestigious McKissick Museum at the University of South Carolina who was the curator and developer of this exhibit. In 2013, this exhibit came to Hilton Head Island for a 3 month run and generated an attendance of 3,359 for this short period. Additionally, out of the area, this exhibit had an attendance of 2,571 at the McKissick Museum. Due to its success, Mitchelville is planning to bring the exhibit back to the Island in 2014 for a 6 month run. Mitchelville has projected that this exhibit could generate an

attendance of 12,000 with a tourist draw of 50% of that total.

The Mitchelville Preservation Project is seeking the following funding:

- \$50,000 for marketing and exhibit expenses

The Committee has been pleased in the progression of the vision and commitment of Mitchelville's board over the years. The Committee noted that the attendance numbers were very strong for the initial 3 month run of the exhibit and feel that a 6 month run would benefit the organization in getting the word out of this very special Island historical site. The Committee feels confident that increased funding for 2014 will be well spent.

NATIVE ISLAND BUSINESS & COMMUNITY AFFAIRS ASSOCIATION, INC.

5,994 tourists served out of 9,000 total people served (66.6%)

2014 Grant Request is \$150,000

The Committee recommends a grant of \$95,000 for advertising and promotion

The Native Island Business & Community Affairs Association produces the annual Gullah Celebration on Hilton Head Island. NIBCAA will be hosting the 18th annual event in 2014 and it will be held across the month of February. Over this month, NIBCAA produces a number of arts and cultural events, festivals, and expos.

The Native Island Business & Community Affairs Association is seeking the following funding:

- \$150,000 for marketing and event expenses

The Committee commended NIBCAA for its month long effort to drive and enhance tourism during a historically slow tourism period. Based on its figures, the Committee feels strongly that NIBCAA's events are a tourist draw and enhance the stay of Island guests through its diverse offerings.

SOUTH CAROLINA LOWCOUNTRY & RESORT ISLANDS TOURISM COMMISSION

14,229 tourists served out of 28,980 total people served (49.1%)

2014 Grant Request is \$36,800

The Committee recommends a grant of \$15,000 for Island focused digital marketing

The South Carolina Lowcountry & Resort Island Tourism Commission's mission is to promote economic development through tourism across a four county region. The Tourism Commission has a welcome center and museum strategically placed at Exit 33 on I-95. Although not directly related on the Island, the Tourism Commission actively markets and recommends to visitors interested in visiting the Island. They estimate that 49.1% of their referrals to the 4 county area are for Hilton Head Island.

The South Carolina Lowcountry & Resort Island Tourism Commission is seeking the following funding:

- \$36,800 for specific Hilton Head Island marketing campaigns through their website, social media outlets, their published guidebook, print ads, travel shows, and media FAM trips.

The Committee spent considerable time discussing this grant applicant. In previous years funding has been denied on the assumption that we would generate a stronger ROI through our investing marketing dollars in our own DMO. However, it was felt that this organization is better suited to market the Island, over our own DMO, based on its location on I-95 where it can

generate a stronger return on transient, en-route tourist traffic. The Committee feels that although there is a functional overlap between our DMO and the Tourism Commission, both market to two distinctively different audiences and that there is a separation of strength in both organizations. The Committee would recommend funding if the Tourism Commission could invest the funding in direct Island marketing through its digital channels.

SHELTER COVE HARBOUR COMPANY

57,000 tourists served out of 60,000 total people served (95.0%)

2014 Grant Request is \$43,850

The Committee recommends a grant of \$9,000 for the July 4th display

The Committee also recommends a second grant of \$10,000 to be funded from non-recurring funding, for the Tuesday night displays

The Shelter Cove Harbour Company hosts a summertime fireworks series at its marina. There are 9 events that include (8) Tuesday night displays and (1) July 4th display. These events have become a tradition for many Island tourists and 2014 will be the first year that the SCHC may not receive shortfall funding from Greenwood Communities and Resorts. This is putting the Tuesday night firework series in jeopardy of being cancelled.

The Shelter Cove Harbour Company is seeking the following funding:

- \$43,850 event expenses

The Committee approached the grant request in two different parts: the July 4th display and the Tuesday night displays. Regarding the July 4th display, the Committee agreed that it should be funded along with the two other Island displays. Regarding the Tuesday night displays, the Committee is concerned about providing 2014 shortfall funding without a long term plan in place to make these events sustainable. The Committee commented on the disappointment that would be felt Island-wide should the Tuesday events be cancelled and felt that some of the surplus, non-recurring ATAX funding should be used to help bridge 2014 expenses while further sponsorships were sought. The Committee agreed that there are a number of local businesses that directly benefit from these Tuesday night events and they should also assist with sponsoring the events.

SKULL CREEK JULY 4TH CELEBRATION, INC.

Attendance figures not provided

2014 Grant Request is \$9,000

The Committee recommends a grant of \$9,000 for the July 4th display

The Skull Creek July 4th Celebration, Inc. hosts a summertime fireworks display in Skull Creek and is sponsored by a number of local business, many of whom receive direct benefit from this display. In 2013, there were technical difficulties that prevented the display from happening.

The Skull Creek July 4th Celebration, Inc. is seeking the following funding:

- \$9,000 for marketing and event expenses

As with previous years, the Committee feels that it is appropriate to support this fireworks display as it is a worthwhile tourism enhancer for one of the Island's busiest weeks of the year.

SOUTH CAROLINA REPERTORY COMPANY

*Estimated 40% of total people served are tourists – no attendance figures provided
2014 Grant Request is \$27,000*

The Committee recommends a grant of \$8,100 for advertising

The South Carolina Repertory Company operates a 75 seat theater and is entering its 22nd season. In 2014, the SCRC is planning on producing 4 productions, and is planning to collaborate with 3 other theaters for 3 of their productions.

The South Carolina Repertory Company is seeking the following funding:

- \$27,000 for marketing and production expenses

The Committee feels that although the SCRC is a small organization, their efforts help enhance tourism on the Island through its quality and unique productions.

THE COASTAL DISCOVERY MUSEUM

*83,470 tourists served out of 98,200 total people served (85.0%)
2014 Grant Request is \$185,000*

The Committee recommends a grant of \$185,000 for this organization

The Coastal Discovery Museum was established in 1985 with the mission to educate the public about cultural heritage and natural history of the Lowcountry. The Museum hosts a number of events, exhibits, and experiences throughout the year. The Museum consistently has high attendance with a large saturation of tourists.

The Coastal Discovery Museum is seeking the following funding:

- \$185,000 for event and facility expenses

The Committee continues to be impressed with the Museum and its ability to enhance tourism on the Island. Each year, the Museum creates new experiences for visitors and enhances its static exhibits. The Museum's commitment to continuous growth and evolution plays a key part in providing repeat visitors with new experiences and memories.

THE HERITAGE LIBRARY FOUNDATION

*Estimated 10,000 tourists served
2014 Grant Request is \$27,370*

The Committee recommends a grant of \$10,000 for advertising and promotion

The Committee also recommends a second grant of \$2,500 for deferred maintenance expenses at Ft. Mitchel, to be funded from non-recurring funding

The Heritage Library Foundation is a history and genealogy research center and owns and operates Ft. Mitchel and the Zion Chapel of Ease Cemetery. Through its aggregate operations, the Library estimates that it serves an estimated 10,000 tourists annually. This past year the Library hosted of a visit from the staff of Ancestry.com – a leading genealogy website – on assignment with a potential story lead.

The Heritage Library Foundation is seeking the following funding:

- \$27,370 for advertising and promotion; deferred maintenance of its historical sites; and website enhancements to better engage and retain visitors.

The Committee applauded the success of the Library's involvement in the 350/30 Celebration this year. It was noted that the Library has identified key areas in which to spend potential ATAX funding. The Committee has recommended two tiers of funding for the Library – one for advertising and one for their deferred maintenance at Ft. Mitchel.

THE SANDBOX

*24,500 tourists served out of 29,750 total people served (82.0%) *Estimated from 2012 Figures
2014 Grant Request is \$50,000*

The committee recommends a grant of \$50,000 for marketing and programming expenses.

The Sandbox is a museum attraction for tourist families visiting the Hilton Head Island area. The Sandbox promotes hands-on, education learning in a fun and safe environment. Through the years, The Sandbox has steadily grown and enhanced its programming. In 2014, The Sandbox will be engaging in outreach ventures throughout the community to maintain the Museum's visibility. Additionally, they plan to enhance their marketing in order to continue capturing a high saturation of tourists. During the summer, The Sandbox will offer a number of events and programs geared towards tourists – including hosting parent's night out – providing an opportunity for parents to enjoy the Island's culinary options.

The Sandbox is seeking the following funding:

- \$50,000 for marketing and programming expenses

The Committee continues to applaud the efforts of The Sandbox. They have shown steady and consistent growth since inception. The Committee takes great note in the fact that 82% of the people served are tourists and that many are repeat visitors. The Sandbox fills a unique niche in our community by providing our Island's youngest guests the opportunity to create lasting memories.

TOWN OF HILTON HEAD ISLAND

*2,346,498 tourists served
2014 Grant Request is \$1,175,559*

The committee recommends a grant of \$1,045,176 for tourism related public service expenses.

The Town of Hilton Head Island is requesting funding to offset municipal operations that directly support tourism related public services. Included items are police and beach safety services; municipal code and land management ordinance enforcement services; and roadside, pathway, and public park maintenance.

The Town of Hilton Head Island is seeking the following funding:

- \$1,175,559 for tourism related public services

The Committee feels that the services provided by the Town are vital towards enhancing and serving the tourist visit.

Respectfully submitted by the Accommodations Tax Advisory Committee,

Robert Stenhammer, Chairman

Frank Soule

Mike Alsko, Vice Chairman

Trish Heichel

Stewart Brown

Rob Bender

Bob Spear

Calendar Year 2014 Accommodations Tax Advisory Committee Recommendations

	2011 Town Council Award - inc. Fwd-Fd Grants	2012 Town Council Award - inc. Fwd-Fd Grants	2013 Town Council Award - inc. Fwd-Fd Grants	2014 Applicant Request	2014 ATAC Recommendation	Specific from Non-Recurring	Restrictions	2014 Town Council Award
Art League of Hilton Head	45,000	50,000	40,000	72,500	45,000		all advertising	
Arts Center of Coastal Carolina	350,703	346,678	366,993	378,000	365,000		94.5k adv	
Arts Center of Coastal Carolina - Capital Improvement	75,000	N/A	N/A	86,000	86,000	86,000	non-recurring	
Beaufort County Black Chamber of Commerce	N/A	0	0	25,000	0			
Beaufort County Government (Hilton Head Air Day)	N/A	N/A	N/A	10,000	0			
Center for Service Leadership	N/A	N/A	N/A	25,000	0			
David M. Carmines Memorial Foundation	N/A	N/A	0	10,000	2,500		all advertising	
Experience Green	N/A	N/A	N/A	8,000	0			
Harbour Town Merchants Assoc.-(July 4th fireworks)	8,000	8,000	8,000	18,000	9,000			
Hilton Head Choral Society	17,000	22,000	12,000	28,000	15,000		\$3.8k for prof org; rest for adv	
Hilton Head Concours d'Elegance (advertising only)	88,000	103,000	115,000	134,000	134,000		all advertising	
Hilton Head Dance Theater	9,000	12,000	12,000	15,392	12,000		all advertising	
Hilton Head Island Institute	N/A	N/A	25,000	150,000	0			
HHI St. Patrick's Day Parade	8,000	8,000	8,000	16,000	12,000			
HH Area Hospitality Association / Hilton Head Wine and Food, Inc.	N/A	36,853	40,000	100,350	100,350		all advertising	
Hilton Head Island-Bluffton Chamber of Commerce VCB	208,850	240,000	250,000	375,000	330,000		all adv excludes meeting planner mobile app	
Hilton Head Symphony Orchestra	143,820	142,169	175,000	200,000	175,000		\$120k adv	
Italian American Club of Hilton Head	N/A	N/A	0	64,200	5,000		all advertising	
Lowcountry Golf Course Owners Association	N/A	N/A	50,000	50,000	50,000		all advertising	
Main Street Youth Theater	40,000	42,000	12,000	50,000	5,000		all advertising	
Mitchelville Preservation Project	50,000	0	15,000	50,000	28,000		all advertising	
Native Island Business & Community	75,000	75,266	79,673	150,000	95,000		all advertising	
SC Lowcountry & Resort Islands Tourism	N/A	0	0	36,800	15,000		digital mkt of HHI	
Shelter Cove Harbour Company-(July 4th fireworks)	8,000	8,000	8,000	43,850	19,000	10,000	9k July 4; 10k non-rec for Tues	
Skull Creek July 4th Celebration	8,000	6,650	8,000	9,000	9,000			
South Carolina Repertory Company	15,000	15,000	12,000	27,000	8,100		all advertising	
The Coastal Discovery Museum	165,000	168,000	168,000	185,000	185,000			
The Heritage Library	15,000	15,000	10,000	27,370	12,150	2,150	\$10k mkt; Ft Mit \$2.15k non-rec	
The Sandbox	42,500	50,000	50,000	50,000	50,000		\$25k advertising	
Town of Hilton Head Island	888,300	878,106	929,563	1,175,559	1,045,176			
Subtotal of Current Year Recommendations/Awards					2,812,276			0
Reserved for Future Allocation (Non-recurring Funds)	N/A	N/A	N/A	N/A	566,610			
Totals	2,278,373	2,261,722	2,394,229	3,570,021	3,378,886	98,150		0
Remaining Balance Available					-98,150			0
	CY2013	CY2012	Total		98,150	468,460	<i>reconvene in Feb to consider direction on non-recurring Tues Feb 18 at 9 a.m.</i>	
Grant Funds Available	3,157,869	122,867	3,280,736		0			
Non-Recurring Funds - Timing and Award Process to be Determined	(443,743)	(122,867)	(566,610)					
Recurring Funds available for 2013 Grants	2,714,126	-	2,714,126					

ATAC recommends various restrictions and budgeted categories for these grant recommendations as outlined in its recommendation letter.