



The Town of Hilton Head Island
Regular Town Council Meeting
December 16, 2014
4:00 P.M.
AGENDA

**As a Courtesy to Others Please Turn Off/Silence All Mobile Devices During
the Town Council Meeting**

- 1) Call to Order**
- 2) Pledge to the Flag**
- 3) Invocation**
- 4) 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.
- 5) Proclamations and Commendations**
None.
- 6) Approval of Minutes**
 - a. Town Council Meeting, December 2, 2014
- 7) Report of the Town Manager**
 - a. Certified Connected Community Award Presentation
 - b. FY2013 CAFR and Audit Presentation – Don Mobley, Scott & Company
 - c. Town Manager's Items of Interest
 - i. Town News
 - ii. Noteworthy Events/Upcoming Meetings
- 8) Reports from Members of Council**
 - a. General Reports from Council
- 9) Appearance by Citizens**
- 10) Unfinished Business**
 - a. None
- 11) 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.

- b. Consideration that the Town Council for the Town of Hilton Head Island authorize the Mayor to extend the appointment of Gregory M. Alford as the Town Attorney**

12) Adjournment

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, December 2, 2014

Time: 4:00 P.M.

Present from Town Council: David Bennett, *Mayor*; Bill Harkins, *Mayor Pro Tem*; Marc Grant, Kim Likins, Lee Edwards, Tom Lennox, John McCann, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Brad Tadlock, *Fire Chief*; Charles Cousins, *Director of Community Development*; Nancy Gasen, *Director of Human Resources*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; Victoria Shanahan, *Accounting Manager*; Shawn Colin, *Deputy Director of Community Development*; Jeff Buckalew, *Town Engineer*; Jayme Lopko, *Senior Planner*; Sally Krebs, *Sustainable Practices Coordinator*; Marcy Benson, *Senior Grants Administrator*; Faidra Smith, *Administration Manager/Public Information Coordinator*; Melissa Cope, *Systems Analyst*; Lyn Buchman, *Senior Administrative Assistant*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

Present from Media: Dan Burley, Island Packet

1) CALL TO ORDER

Council Member Edwards called the meeting to order at 4:00 p.m.

2) PLEDGE TO THE FLAG

3) INVOCATION

4) 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.

5) Swearing in of Mayor – David Bennett
- The Honorable Carmen Tevis Mullen

Swearing in of Ward 1 Council Member – William D. Harkins
-The Honorable Carmen Tevis Mullen

Swearing in of Ward 4 Council Member – Kimberly W. Likins
-The Honorable Carmen Tevis Mullen

Swearing in of Ward 5 Council Member – Thomas W. Lennox
-The Honorable Carmen Tevis Mullen

Judge Carmen Tevis Mullen administered the Oaths.

6) Election of Mayor Pro Tempore

Mayor Bennett asked for nominations. Mr. McCann moved to nominate Mr. Harkins as Mayor Pro-Tempore. Mr. Lennox seconded. There being no further nominations Mr. McCann moved to close the nominations. Mr. Lennox seconded. The motion was approved by a vote of 7-0. Mr. Harkins was elected as Mayor Pro Tempore by a vote of 6-0-1. (Mr. Harkins abstained.)

7) Proclamations and Commendations

a. Arbor Day

Mayor Bennett read the proclamation.

8) Approval of Minutes

a. Town Council Meeting, November 19, 2014

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the November 19, 2014 regular Town Council meeting were approved by a vote of 5-0-2. (Mayor Bennett and Mr. Lennox abstained.)

9) Report of the Town Manager

a. Town Manager's Items of Interest - a listing of upcoming meetings

Mr. Riley reported on some items of interest.

10) Reports from Members of Council

a. General Reports from Council

Mr. Grant stated that during the Public Safety Committee meeting held in November, the Committee members agreed to recommend that a speed limit study be conducted on North and South Forest Beach. He asked that staff be directed to work with the SCDOT and complete the study. After lengthy discussion it was the consensus of Council to discuss the issue at the upcoming retreat and consider combining it with the traffic study for the entire area.

Mr. McCann raised the issue of elected official term limits and said he would like to revisit having them implemented. After discussion, Mr. Edwards moved to direct staff to come up with a recommendation concerning elected official term limits and bring it forward to Town Council. Mrs. Likins seconded. The motion was unanimously approved by a vote of 7-0.

11) Appearance by Citizens

None.

12) Unfinished Business

None.

13) New Business

None.

14) Adjournment

Mr. Harkins moved to adjourn. Mr. McCann seconded. The meeting was adjourned at 4:22 p.m.

Approved:

Vicki L. Pfannenschmidt,
Executive Assistant/Town Clerk

David Bennett, Mayor



Items of Interest

December 16, 2014

1. Town News

Members of the SC Municipal Insurance Trust and SC Municipal Insurance and Risk Financing Fund recognized the first 30 graduates of the new Risk Management Institute at a joint meeting in Columbia on November 13. Among those recognized were Fire Chief Brad Tadlock and Sr. HR Administrator Lisa Stauffer.

The Risk Management Institute is a continuing education program for municipal staff with responsibilities related to risk management. Among the topics covered in the Institute are employment liability, driving safety, public works risk management, fire policy training, parks and recreation liability training, and public safety training. To successfully complete the Institute, participants must attend eight classes over a two year period.

(Contact: Nancy Gasen, Human Resources Director, (843) 341-4622 or nancyg@hiltonheadislandsc.gov)

Construction of the new Rowing and Sailing Center at Squire Pope Community Park has been completed on time and on budget, and the ribbon cutting ceremony was held December 1. In addition to the dock system which includes a timber fixed pier, aluminum gangway, and floating dock, the upland park includes parking areas, restrooms, an enclosed storage building, a picnic pavilion, playground, fire pit, swings, benches, walking trails and two fenced gravel storage areas for watercraft.

This park provides access to Skull Creek for non-motorized water craft (kayaks, rowing, sailing, paddle boarding, wind surfing, etc.), as well as fishing and crabbing. The park lies on the site of the old seafood co-op at 133 Squire Pope Road, and cost just under \$1.2 million to construct (\$492,405 for the dock and \$680,010 for the park). The park was funded 100% by the Town, using Tax Increment Financing. The Island Recreation Center may be contacted for information on the water craft programs they will run out of this facility.

(Contact: Jeff Buckalew, Town Engineer, (843) 341-4772 or jeffb@hiltonheadislandsc.gov)

2. Noteworthy Events

- a) Some of the upcoming meetings at Town Hall:
- Town Administrative Offices Closed in Observance of Christmas – December 25 & 26, 2014
 - Public Safety Committee Meeting – January 3, 2015, 10:00 a.m.
 - Public Projects and Facilities Committee – January 6, 2015, 2:00 p.m.
 - Town Council – January 6, 2015, 4:00 p.m.

(Meetings subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at www.hiltonheadislandsc.gov for meeting agendas.



MEMORANDUM

TO: Town Council

FROM: Susan Simmons, CPA, Director of Finance

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

DATE: November 25, 2014

RE: **CY 2015 State Accommodations Tax Grant Recommendations**

Recommendation: Staff recommends that Council review the attached Accommodations Tax Advisory Committee (ATAC) recommendations and award the calendar year 2015 grants.

Summary: For new, recurring calendar year 2015 grants, ATAC received 30 new applications and held hearings for 29 (one withdrew). From the nonrecurring grant applications earlier this year, the Town received 16 applications; Council previously awarded 3 grants; one application was subsequently withdrawn; hence, ATAC also considered the remaining 12. In total, ATAC considered and made recommendations for 41 recurring and nonrecurring applications. The attached ATAC recommendation letter proposes grant awards for 32 of these applications.

Council has \$3,456,540 total funds to award to applicants requesting a total of \$4,541,067, which means that Council has the ability to fund an average of 76% of requests. The funds available include both the recurring and nonrecurring funds as described below.

Background:

Calendar year 2015 grants will be awarded from actual accommodations tax (ATAX) revenues from the first three quarters of calendar year 2014 and estimated revenues from the fourth quarter of calendar year 2014. Per policy, it will be adjusted for the difference in the prior year's fourth quarter estimate vs. actual.

The Town received \$4,495,928 from the first three quarters of calendar year 2014 and added estimated revenues of \$625,000 for the fourth quarter, to reach a total estimate of \$5,120,928. This is an estimated increase of \$114,569 or 2.3% from calendar year 2013 actual revenues of \$5,006,359.

The small, estimated increase of 2.3% should not be used to evaluate the results of tourism this year. The net increase is attributed to a variety of factors. The first quarter had a 45.1% decrease due to S.C. Department of Revenue (SCDOR) error corrections in calendar 2013 which increased revenues over \$300,000 (these revenues were actually received by SCDOR in the prior year). The first quarter of calendar year 2013 is believed to be the quarter with the largest corrections although the staffs of SCDOR and the Town continue to research anomalies, make

corrections, and improve joint collection efforts. Discounting the known corrections, it appears that the first three quarters' true "tourism" impact is positive - increases over the same quarters of the prior year. Finally, Town staff conservatively estimated the fourth quarter. Fourth quarter for the last two years exceeded \$600 thousand; however for several prior years, the amounts had been in the \$400 thousands. Staff's estimate for fourth quarter 2014 is \$625,000.

The following adjustments are made to the ATAX revenues to determine the amount available to award grants for calendar year 2015.

- \$475 of investment income is added;
- \$5,555 in lapsed grants is added, bringing the total available funds to \$5,126,958;
- formula funding is deducted:
 - to the Town - \$25,000 and 5% for an estimated total of \$279,796, and
 - to the Chamber/VCB as DMO - 30% or an estimated \$1,528,778;
- \$105,546 for the increase in actual vs. the estimated ATAX revenues for the fourth quarter of calendar year 2013 is added;
- \$32,610 available but not awarded for 2014 grants is added.

Funds available for 2015 grant allocation total \$3,456,540. This is \$175,804 more than the total of \$3,280,736 in combined recurring and nonrecurring funds last year, or 5.4%.

STATE ACCOMMODATIONS TAX REVENUE ANALYSIS
 Calendar 2014 Revenues Available for Calendar Year 2015 Grants
with comparative information for the prior year

	Calendar Year 2014 Revenues Available for CY2015 Grants			Calendar Year 2013 Revenues Available for CY2014 Grants	\$ Difference	% Difference
SOURCES:						
Jan - Mar ATAX Revenue	307,969			561,109	(253,140)	-45.1%
Apr - June ATAX Revenue	1,707,034			1,523,646	183,388	12.0%
July - Sept ATAX Revenue	2,480,925			2,286,725	194,200	8.5%
Oct - Dec ATAX Revenue:						
Actual 2013, Estimated Oct - Dec 2014	625,000			634,879	(9,879)	-1.6%
Estimated ATAX Revenues for CY15	5,120,928			5,006,359	114,569	2.3%
	Nonrecur- ring Portion	Recurring Portion				
Other Amounts to be granted:						
Interest (Estimated last 2-3 months)	-	475		376		
Lapsed Grants	5,555	-		25,156		
Total CY Sources	5,555	5,121,403		5,031,891		
USES:						
First \$25,000 to the Town's General Fund	N/A	(25,000)		(25,000)		
30% to Chamber (Town's Designated Advertising & Promotion Agency) (Est. for last qtr.)	N/A	(1,528,778)		(1,494,408)		
5% to the Town's General Fund (Est. for last qtr.)	N/A	(254,796)		(249,068)		
Available for Grants	5,555	3,312,828		3,263,416		
Amount Available in Prior Year but not Awarded	32,610	-	Total	23	\$	%
Amount Available in Next Year due to 4th Qtr being higher than Estimate (65%)	105,546	-	Available	17,297	Difference	Difference
Amount Available to Award New grants	143,711	3,312,828	3,456,540	3,280,736	175,804	5.4%
Requested "New" Grants/ <u>Balance</u> of Non-recurring Requests	696,387	3,844,680	4,541,067	3,570,021		
Percentage of Grant Requests that can be funded	21%	86%	76%	92%		

Notes:

- The amounts in the Non-recurring column are actual amounts on hand.
- While the details supporting the quarterly amounts the Town receives from SCDOR continue to be problematic, staff found no significant deviations to declare current year amounts non-recurring. We will continue to monitor and request SCDOR to investigate, correct, and pursue collections for the problems noted.
- The year-to-year changes by quarter reflect the following factors: the Jan.-Mar. decrease is due to the significant correction made by SCDOR for the prior year (over \$300k) offset by an improved economy in the current year; and 2nd and 3rd quarter increases reflect the improving economy and tourism as well as increased collection efforts.
- Staff cautiously increased the 4th quarter estimate to \$625k as the Town has received in this range for the last two years, which is a significant increase from earlier years. We hope that this is a reflection of an improved shoulder season as the fall months are attractive to golfers and retirees.

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: Mike Alsko, Chairman, Accommodations Tax Advisory Committee

Date: November 14, 2014

Subject: ATAC Recommendations for 2015 ATAX Grant Awards

On November 13, 2014, the Accommodations Tax Advisory Committee (ATAC) met to make grant funding recommendations for 41 total ATAX grant applications that were solicited from our traditional 2015 recurring grant cycle and also carried forward from our 2014 non-recurring grant cycle. As a result, the ATAC was pleased to make funding recommendations on 32 of these ATAX grant applications totaling \$3,328,359 from a total available funding pool of \$3,456,540.

Related to the above funding variance, the Committee recommends that Town Council carry over the \$128,180 remaining balance of available 2015 funds until next year's grant award cycle. The purpose of this recommendation was to ensure sustainable funding existed for 2016 grants in the event that ATAX proceeds were impacted for any reason over the next year or if additional grant applications were submitted.

This year, the Committee was in a fortunate position to make a number of full-funding recommendations due to increased ATAX receipts in 2014. However, some organizations were not recommended for full funding, despite being eligible. The Committee feels strongly that partial funding should not be considered a negative reflection on the organization. The determination generally fell to the Committee's belief that any funding above the recommended amount possibly would not generate a favorable ROI on the use of the funds. In most of these cases, the Committee looked at the applicant's past use of funds and viability to grow the event with additional funding when forming these recommendations. Additionally, the Committee was cautious in recommending increased funding to ensure that a new benchmark would not be created that could adversely impact the applicant in future years if the same funding levels were not available in upcoming years. Excluding the Town of Hilton Head's application and any application which was interpreted to be ineligible for funding, a total of 8 organizations were impacted by the Committee's partial funding recommendations. This resulted in approximately \$106,000 of these cumulative grant request balances remaining potentially unfunded. The Committee believes in making recommendations in the highest and best use of the available funds and felt comfortable making these few partial funding recommendations despite recommending carryover of remaining funds into the 2016 grant application cycle.

As with past practice, the ATAC has worked to establish a consistent philosophy in how applications are reviewed and prioritized. Over the past three 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?

Additionally, 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 continue to support the need for these important metrics.

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 2015 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 TOWN COUNCIL FOR REVIEW:

ART LEAGUE OF HILTON HEAD

2015 Grant Application (A) and 2014 Non-Recurring Grant Application (B)

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.

(A) 2015 Grant Application - "Visual Arts Enhance Tourism"

Tourism Ratio: 25.0% / 69,438 tourists served out of 277,750 total people
Grant Request: **\$85,000**
Grant Reason: To expand print and digital marketing of year-round visual arts and cultural programs.
Recommendation: **\$85,000 – Full funding**
ATAC Opinion: The Committee was impressed with the League's refreshed marketing efforts and their 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.

(B) 2014 Non-Recurring Grant

Tourism Ratio: 25%
Grant Request: **\$11,001**
Grant Reason: To replace overly worn carpet on both their floors and walls, interior and exterior painting needs, and repair and replacement of certain fence boards on their property.
Recommendation: **\$2,750 – Full funding based on TERC reimbursement guidelines**
ATAC Opinion: The Committee agrees that this would be appropriate use of non-recurring funds as it will help enhance the experience of visitors who take part in Art League events. During their presentation they noted that 200 out of town visitors became patron members this past year, which in the Committee's opinion reflects upon the quality and diversity of their offerings and highlights that tourists see value in this organization.

ARTS CENTER OF COASTAL CAROLINA

2015 Grant Application

The Arts Center provides year round, high quality programming to both tourists and residents through their production of theater, performing arts, and community festivals. Additionally, the Arts Center will continue to host multiple exhibitions and educational programs throughout the year.

“Tourism Operations Support for the Arts Center of Coastal Carolina”

Tourism Ratio: 21.0% / 8,349 tourists served out of 39,052 total people
Grant Request: **\$384,000**
Grant Reason: To support their marketing efforts in addition to the visitor portion of program costs for theater, performing arts, and community festivals. Their total cost to provide these programs in FY15 will be \$3,618,794.
Recommendation: **\$384,000 – Full funding**
ATAC Opinion: 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.

BEAUFORT COUNTY BLACK CHAMBER OF COMMERCE

2015 Grant Application

The BCBCC is requesting funding for destination marketing and advertising of Hilton Head Island to group tour planners, family reunion planners, and leisure travelers with a focus on cultural and historical travel. In 2014, they were successful in generating 800 visitors to Hilton Head Island through their involvement in planning four reunions.

“Cultural Tourism Marketing”

Tourism Ratio: not available / 800 tourists served through 4 reunions planned by the BCBCC
Grant Request: **\$55,000**
Grant Reason: For marketing via print and digital media to group tour planners with matches from other county and state funds.
Recommendation: **No funding due to potential DMO overlap**
ATAC Opinion: While the Committee appreciates the BCBCC’s commitment to supporting Hilton Head Island tourism, the Committee is concerned about the ROI of awarding a grant to the BCBCC when we are already supporting our current DMO that the designated driver of tourism to the Island. Although the BCBCC 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 BCBCC continue to collaborate directly with cultural organizations (such as NIBCAA, Gullah Museum, and Mitchellville) and that these local organizations engage the BCBCC directly for marketing assistance.

DAVID M. CARMINES MEMORIAL FOUNDATION

2015 Grant Application

The David M. Carmines Memorial Foundation organizes the annual Hilton Head Island Seafood Fest. This week long event culminates in an all day festival at Shelter Cove Community Park featuring food, live entertainment, family activities, and other contests. Approximately 85% of surveyed attendees indicated they were extremely likely, or likely, to recommend the event to a friend; 33% said the event was very influential, or influential, towards planning their trip to Hilton Head Island and 20% of the visitors stated that they would not have come to the Island if it weren’t for this festival.

“Hilton Head Island Seafood Festival”

Tourism Ratio: 52.3% / 2,196 tourists served out of 4,200 total people
Grant Request: **\$10,000**
Grant Reason: For event marketing expenses through print, online, social, TV, and radio
Recommendation: **\$6,500**
ATAC Opinion: 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. **Although the Committee had the ability to recommend full funding, the current recommendation is an 62.5% increase from 2014 levels. The Committee supports the event, but shared concern as to the ROI of full funding at this time in addition to the event's other reported sources of income.**

<p align="center"><u>GULLAH MUSEUM OF HILTON HEAD ISLAND</u> 2015 Grant Application</p>
--

The Gullah Museum of Hilton Head Island is requesting funding for a three day "Gullah Museum Cultural Tourism Expo" which would be held October 23 – 25, 2015. The event would feature a mini-conference for tourism professionals, historians, preservationists, scholars, and educators in addition to a festival at the Museum site, and a special Gullah performance.

"Gullah Museum Cultural Tourism Expo"

Tourism Ratio: 80.0% / 800 tourists served out of 1,000 total people – Gullah Museum stats
Grant Request: **\$50,000**
Grant Reason: For event marketing and operation expenses
Recommendation: **\$20,000**
ATAC Opinion: The Committee felt that there was merit with this application, but showed concern over the overall cost to tourism impact ratio. The event is forecasted to generate \$14,750 in revenue against \$64,000 in projected expenses. The Committee noted that there were staffing costs involved that might be filled through in-kind donations of time rather than expensing. **Although the Committee had the ability to recommend full funding of this application, a conservative approach was used due to it being a 1st year event and a hesitation to create a funding benchmark that might not be viable in future years due to not having an established track record. The Committee wants this organization to be successful and hopes that it establishes itself.**

<p align="center"><u>HARBOUR TOWN MERCHANTS ASSOCIATION</u> 2015 Grant Application</p>

The Harbour Town Merchants Association is seeking grant funding for its annual Fourth of July Fireworks display. The Association estimates that over 5,000 attended the display in 2014, which was a mixture of residents and tourists.

"Harbour Town 4th of July Fireworks"

Tourism Ratio: Not provided / estimated 5,000 total people served
Grant Request: **\$18,000**
Grant Reason: For event marketing and operational expenses
Recommendation: **\$12,000**
ATAC Opinion: 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. **Although the Committee had the ability to recommend full funding of this application, the past practice of treating all July 4th fireworks applications the same was applied. The Committee's recommendation reflects a 33% increase from 2014 to help the applicant offset increasing event expenses.**

HILTON HEAD CHORAL SOCIETY

2015 Grant Application (A) and 2014 Non-Recurring Grant Application (B)

In 2015, their 40th season, the Hilton Head Choral Society is planning to producing 4 concerts throughout the year, many in collaboration with other organizations. The Choral Society volunteers have worked hard to remain a fiscally responsible organization and have worked diligently to identify new marketing mediums that are more cost effective and efficient. In October 2015, they will also produce the first Hilton Head Choral Festival, bringing outside choral groups and visitors to the Island.

(A) 2015 Grant Application - "Hilton Head Choral Society ATAC Initiatives"

Tourism Ratio: 11.5% / 443 tourists served out of 3,840 total people served
Grant Request: **\$30,000**
Grant Reason: For marketing expenses with enhanced exposure through TV advertising and the creation of a short documentary video about the organization.
Recommendation: **\$30,000 – Full funding**
ATAC Opinion: The Committee is pleased that the Society is reaching out through new digital marketing channels. The Society produces great events and is an excellent collaborator with other organizations. It takes a business approach to operations and has impressed the Committee with how it is fine tuning its organization.

(B) 2014 Non-Recurring Grant Application - "Enhancing Internet Visibility"

Tourism Ratio: Tourist data not provided with application but historically reported around 15%
Grant Request: **\$4,790**
Grant Reason: For website redesign needs and for the procurement of an online ticketing system
Recommendation: **\$4,790 – Full funding**
ATAC Opinion: Currently, the Choral Society has to engage a third party to update its website, which incurs incremental costs. Additionally, people can currently request online tickets, but it is a manual system that involves volunteer hours to administrate and patrons are unable to print their tickets. The website redesign will create an interface where the Society would be able to easily and readily update its website on its own, without the need of a third party. The Society feels this will help keep its site more current and fresh. The proposed ticketing system will automate the ticketing process allowing patrons to purchase and receive tickets at home and will give flexibility to add specific seat numbers to certain performances.

HILTON HEAD ISLAND CONCOURS D'ELEGANCE, INC.

2015 Grant Application

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 2014, this event saw ticket revenue increase 8% mainly in part to a 69% increase in advanced ticket sales. The Motoring Festival is focused on driving out of town visitors, pushing affluent business, and maintaining sponsor momentum.

"Hilton Head Concours d'Elegance & Motoring Festival"

Tourism Ratio: 57.0% / 8,550 tourists served out of 15,000 total people
Grant Request: **\$160,000**
Grant Reason: For event marketing and advertising, which contributes towards a total event budget of \$1,008,840.
Recommendation: **\$160,000 – Full funding**
ATAC Opinion: 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

2015 Grant Application

Currently in its 29th season, the Hilton Head Dance Theater has 3 major planned productions for 2015, in addition to several smaller ones. Their Summer Gala production returns in August 2015 after a brief hiatus. The Dance Theater's productions of The Nutcracker and Terpsichore generate the most tourist visits out of any of the other showings. The Dance Theater will be utilizing the Arts Center for their production of Terpsichore in the spring.

"Hilton Head Dance Theatre Performance Season"

Tourism Ratio: 6.8% / 178 tourists served out of 2,634 total people (6.8%)

Grant Request: **\$16,000**

Grant Reason: For event marketing for 3 major productions in 2015

Recommendation: **\$12,000**

ATAC Opinion: 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 that the Theater will be able to utilize the Arts Center again for one of its productions. **Although the Committee had the ability to recommend full funding, the current recommendation is equal to the 2014 award. The Committee supports this organization, but shared concern over the ROI of full funding at this time due to the relatively low tourism draw. The organization requests a 33% increase in marketing assistance and the Committee wasn't confident it would drive their tourism ratio higher.**

HILTON HEAD ISLAND AUDUBON SOCIETY, INC

2015 Grant Application (A) and 2014 Non-Recurring Grant Application (B)

This organization is one of seven local Audubon Society chapters in the State of South Carolina. The Hilton Head Island chapter has recently formed and incorporated the South Carolina Birding Trail. The Trail would provide credible information to nature lovers and birders visiting the state by providing a database of locations of interest to these individuals.

(A) 2015 Grant Application - "ATAX Grant Proposal"

Tourism Ratio: 30.0% / est. 3,600 tourists served out of 12,000 total people served

Grant Request: **\$50,000** – (\$40,000 for software, \$5,000 for marketing, and \$5,000 for attracting business sponsors)

Grant Reason: For the development of the software infrastructure and marketing of a proposed mobile app related to the Hilton Head Island Birding Trail.

Recommendation: **\$45,000**

ATAC Opinion: The Committee likes the idea of the Hilton Head Island Birding Trail mobile app and website. It would be the first of its kind in the state and could be useful in attracting a niche tourist market to the Island. The Committee believes this is a "one and done" request and that it could likely be sustainable through sponsorship in subsequent years. **Although the Committee had the ability to recommend funding of this application in full, it was felt that the \$5,000 line item in the application for attracting business sponsors may not be an acceptable use of ATAX funds.**

(B) 2014 Non-Recurring Grant Application - "South Carolina Birding Trail"

Tourism Ratio: 30%

Grant Request: **\$30,000**

Grant Reason: For the development of the software infrastructure (website, apps, etc...) related to the newly formed South Carolina Birding Trail.

Recommendation: **No funding due to interpretation of ATAX law regarding proximity of use**

ATAC Opinion: The Committee interprets that some of these expenses would not qualify for reimbursement under state ATAX law. Although the Committee saw great merit

to the initiative the concern was raised that we likely could not fund it because the infrastructure being developed would also benefit the entire state and not just Hilton Head Island. The Committee's interpretation of the ATAX statute is that it requires that the Town award funds only for the benefit of promoting tourism within the geographic area in which the tax was originally collected. It was further determined that this was an all or nothing application and that partial funding would not help this organization achieve its immediate goals.

<p align="center"><u>HILTON HEAD ISLAND LAND TRUST</u> 2014 Non-Recurring Grant Application</p>
--

"Construction of an Educational Kiosk at Fort Howell"

Tourism Ratio:	Ratio not provided / est. to correlate to the Heritage Library's estimate of 86%
Grant Request:	<u>\$15,000</u> – (\$12,972 for the construction of the kiosk and \$4,500 for the design and production of the educational signs. Note - The total project cost is estimated at \$17,472 but the grant application is only requesting \$15,000)
Grant Reason:	For the construction of an educational kiosk at Fort Howell
Recommendation:	<u>\$15,000 - Full funding</u>
ATAC Opinion:	The Committee feels that funding this grant would be an appropriate use of non-recurring funds. We noted that our Island has a number of historical landmarks that are underutilized due to their condition, inaccessibility, or through lack of proper marking. The Committee felt that this is a one-time request that would help identify a cultural treasure on our Island and could be sustainable in future years directly through the organization.

<p align="center"><u>HILTON HEAD ISLAND RECREATION ASSOCIATION</u> 2015 Grant Application</p>
--

The Hilton Head Island Recreation Association organizes their annual Wingfest. Entering its 20th year, Wingfest has become the "Super Bowl" of the chicken wing industry for local restaurants and food lovers. It has been showcased on national outlets, such as the Oprah Network and The Outdoor Channel.

"Wingfest"

Tourism Ratio:	54.7% / 2,326 tourists served out of 4,250 total people
Grant Request:	<u>\$10,000</u>
Grant Reason:	For event marketing with a strong focus on regional marketing through billboard, radio, digital through the Atlanta Journal Constitution, mobile billboards, and social media.
Recommendation:	<u>\$7,500</u>
ATAC Opinion:	The Committee was pleased to hear of the growing success of the event; the applicant noted its 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 its marketing budget to help them continue increasing event attendance. <u>Although the Committee had the ability to recommend full funding, the current recommendation is for \$7,500 that this organization has never applied for previously. The Committee supports the event, especially their desire to market at a regional level for the first time, but shared concern as to the ROI of full funding at this time in addition to the event's other reported sources of income.</u>

HILTON HEAD ISLAND ST. PATRICK'S DAY PARADE

2015 Grant Application

The Hilton Head Island St. Patrick's Day Parade will celebrate its 32nd year in 2015. The parade is comprised of floats, marching bands, walking groups, automobiles, animal units and other creative entries.

"Hilton Head Island St. Patrick's Day Parade"

Tourism Ratio: Not Provided / 22,000 total people served
Grant Request: **\$16,000**
Grant Reason: For event related expenses and securing additional band participants.
Recommendation: **\$16,000 – Full funding**
ATAC Opinion: 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

2015 Grant Application (A) and 2014 Non-Recurring Grant Application (B)

The Hilton Head Wine and Food Festival is going to celebrate its 30th year in 2015. For 2015, they announced a venue change to the Sea Pines Resort. New to the event will be a pro-am golf tournament, festival show home tours, and waterfront wine-tasting sessions. Their 2014 event continued to see a 40% attendance increase from the previous 2 years. HHWFF is a strong collaborator with other local organizations – HHI Motoring Festival, HHI Symphony, the Art League, and the HHI Chamber and VCB.

(A) 2015 Grant Application - "Hilton Head Island Wine and Food Festival"

Tourism Ratio: 63.0% / 3,230 tourists served out of 5,126 total people served
Grant Request: **\$147,500**
Grant Reason: To elevate event marketing through the enlistment of a national public relations team, enhanced web functionality, and other media opportunities.
Recommendation: **\$147,500 – Full funding**
ATAC Opinion: 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, the Committee recommended a significant increase to their ATAX funding and this organization delivered value on their use of those awarded funds. This year, the HHWFF is relocating to Sea Pines Resort which will quickly elevate the exposure of the event. The organization has expressed an immediate need to enlist the support of a national PR team, which is a significant portion of their increased request this year. The Committee sees their vision and supports their efforts to further elevate this event as a signature event on our Island.

(B) 2014 Non –Recurring Grant Application - "2015 Hilton Head Island Wine & Food Festival"

Tourism Ratio: 63.0%
Grant Request: **\$25,000**
Grant Reason: For office space, furnishings, and equipment
Recommendation: **No funding due to interpretation of ATAX law related to facility expenses**
ATAC Opinion: The Committee interprets that some of these expenses would not qualify for reimbursement under TERC's published opinions. Although the Committee continues to be impressed with this organization and agrees with the reasoning of their request, we do not feel comfortable recommending the funding of its grant. In referencing a TERC opinion, the reimbursement for the operation of a facility qualifies only if it is considered a venue. The grant proposal is for the applicant's needed office space, which would be off-site and not part of the event venue. Although we felt that some of the expenses could be liberally interpreted as marketing expenses, we did not feel that funding only that component would be useful to the organization without rent reimbursement.

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE / VCB

2015 Grant Application

This year, the Chamber of Commerce has applied for a supplemental grant of \$400,000 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 continued 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 previous 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.

"2015 Destination Marketing Application"

Tourism Ratio: Not Provided / 1,900,000 unique visitors to destination website w/ 722,000 prospects converted to referrals (38%)

Grant Request: **\$400,000**

Grant Reason: For group business travel marketing, tennis travel marketing, and golf island promotion

Recommendation: **\$400,000 – Full funding**

ATAC Opinion: The Committee feels strongly that our DMO has the greatest reach and best potential to reach the maximum amount of potential visitors to our Island. Due to the successful year that the Island had, it is clear that there is a need to reinvest in ourselves to continue to drive and enhance tourism. The Committee felt that full funding would be appropriate this year due to the amount of available funding after all other organizations needs were reviewed and recommended.

HILTON HEAD SYMPHONY ORCHESTRA, INC.

2015 Grant Application

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. In 2014, the Symphony served almost 11,000 people through its performances and productions with approximately 22.3% of attendees being considered tourists. In 2014, their total attendance increased by 14% to 12,530 with a marked increase by doubling the amount of tourists served from 2,456 to 5,227.

"HHSO General Operating Grant"

Tourism Ratio: 41.7% / 5,227 tourists served out of 12,530 total people served

Grant Request: **\$215,000**

Grant Reason: For marketing and operational expenses to contribute towards the organizations full year budget of \$1,666,064.

Recommendation: **\$215,000 – Full funding**

ATAC Opinion: 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.

HILTON HEAD SYMPHONY ORCHESTRA & HILTON HEAD CHORAL SOCIETY

Joint 2014 Non-Recurring Application

"Hilton Head Symphony Orchestra / Hilton Head Choral Society"

Tourism Ratio: 29%

Grant Request: **\$30,200**

Grant Reason: For the purchase and repair of shared equipment and risers. \$20,000 for the purchase of a new tympani drum set, \$11,000 for purchase of percussion instruments, \$9,400 for the purchase of replacement parts for the riser stage system, and \$1,000 for purchase of a conductor's podium. Note: the total project cost is estimated at \$40,400 but the grant application is only requesting \$30,200.

Recommendation: **No funding due to TERC staff interpretation of ATAX law related to moveable capital**

ATAC Opinion: Although the Committee was very pleased to see this collaborative application, it was recommended for TERC review and subsequently determined to not meet eligibility requirements. The TERC opinion indicated that the items above were considered moveable capital and were necessary for everyday use, thus not eligible for funding per guidelines.

THE HILTON HEAD ISLAND VISITORS AND CONVENTION BUREAU, INC.

2015 Grant Applications (A) and 2014 Non-Recurring Application (B)

The Hilton Head VCB is a recently formed non-profit entity whose purpose is to improve the HHI tourism economy by attracting my conference and meeting business. This organization feels that there is an opportunity to improve upon past performance of the Town's DMO is this segment of our tourism economy.

(A) 2015 Grant Application - "2015-2016 Supplemental Fund Grant"

Tourism Ratio: New organization - actual numbers not available at this time

Grant Request: **\$325,000**

Grant Reason: For the implementation of a meeting technology platform, a hotel selection platform, and marketing personnel and operations expenses

Recommendation: **No funding due to potential DMO overlap and being a start-up organization**

ATAC Opinion: The Committee continues to feel that this organization is not at a stage where funding would generate an ROI. There are still concerns about organizational viability, local support, and no established track record. Although, the Committee respects the organizations continued efforts to obtain funding it was not felt that this would be the highest and best use of ATAX funds at this time.

(B) 2014 Non-Recurring Grant Application - "Improved Meeting Business Marketing Initiative"

Tourism Ratio: New organization - actual numbers not available at this time

Grant Request: **\$250,000**

Grant Reason: For the implementation of an innovative, "next generation" online booking tool that meeting planners can use to confirm availability blocks.

Recommendation: **No funding due to potential DMO overlap and being a start-up organization**

ATAC Opinion: The Committee felt that this organization had a very aggressive plan for its first year. Although, there appeared to be limited initial funding and membership statistics included in the application, the organization felt optimistic about its future potential for success. The organization noted that it felt it could be self-sustaining after an initial round of funding, but the Committee was reluctant to recommend funding due to the lack of a track record. The Committee noted that the amount of the request was very large and that it wouldn't be the highest and best use of available grant funds due to the start-up nature of the organization.

LOWCOUNTRY GOLF COURSE OWNERS ASSOCIATION

2014 Non-Recurring Grant Application

The Lowcountry Golf Course Owners Association is an organization that is focused on driving golf tourism to the local area golf courses and is comprised of 29 member courses. Since the consumer golf show season runs from mid-January through mid-March, there are a minimum of 18 golf shows offered during this two-month window. Attendance at these shows has been limited previously due to only having one show booth available to exhibit with at these shows. The LGCOA is seeking to add a second show booth that would allow them to attend multiple golf consumer shows on the same weekend. Doing so would allow the LGCOA to reach an additional 85,500+ potential Island golfers.

"Consumer Golf Show Booth + Toronto Golf & Travel Show"

Tourism Ratio: Not Provided

Grant Request: **\$42,510**

Grant Reason: For the production of a 2nd golf show booth and marketing expenses for 5 new golf shows

Recommendation: **\$42,510 – Full funding**

ATAC Opinion: The Committee felt that the LGCOA has the ability to drive business to the Island. The Committee agreed that having a 2nd show booth would allow a greater reach to the organization and that it has the potential to generate additional tourism to the Island.

MAIN STREET YOUTH THEATER

2015 Grant Application

Main Street Youth Theater is planning to produce 3 performances in 2015. The MSYT is dedicated to providing opportunities for youth and adults to experience live theater productions. Each of their productions includes 10 to 15 performances with 5 to 6 weeks of rehearsal for each show.

"2015 MSYT Grant Application"

Tourism Ratio: 25.3% / 496 tourists served out of 1,962 total served

Grant Request: **\$25,000**

Grant Reason: For marketing expenses to promote season productions and the camps/workshops offered.

Recommendation: **\$15,000**

ATAC Opinion: The Committee feels it is important to continue to support this arts organization. **Although the Committee had the ability to recommend full funding, the current recommendation is a 25% increase to the 2014 award. The Committee supports this organization, but shared concern over the ROI of full funding at this time due to their tourism draw and potential to significantly increase it.**

MITCHELVILLE PRESERVATION PROJECT

2015 Grant Application

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 2014, this exhibit found a permanent home on Hilton Head Island at the Westin Hotel.

"Accommodations Tax Grant Application"

Tourism Ratio: 84.4% / 7,600 tourists served out of 9,000 total people served

Grant Request: **\$53,500**

Grant Reason: For marketing expenses and the cost of purchasing the exhibit, which is \$15,000

Recommendation: **\$38,000**

ATAC Opinion: The Committee has been pleased in the progression of the vision and commitment of Mitchelville’s board over the years. The Committee noted that they were pleased to see the collaborating efforts of the Islands cultural organizations as well as this organization’s ability to find a near-permanent home at the Westin. Although the Committee had the ability to recommend full funding of this application, it was felt that the \$15,000 line item in the application for the purchase of the exhibit from the McKissick Museum would be a questionable use of ATAX funds, as it could be considered necessary for everyday use. While the Committee appreciated the intent of the purchase, the decision to recommend the exclusion of this item was a result of our conservative approach to TERC guidelines. The Committee was pleased to recommend funding of this organization at a 35% increase over 2014 levels.

NATIVE ISLAND BUSINESS & COMMUNITY AFFAIRS ASSOCIATION, INC.
2015 Grant Application

The Native Island Business & Community Affairs Association produces the annual Gullah Celebration on Hilton Head Island. NIBCAA will host the 19th annual event in 2015 which will be held across the month of February. Over this month, NIBCAA produces a number of arts and cultural events, festivals, and expos.

“Hilton Head Island Gullah Celebration”

Tourism Ratio: 67.8% / 9,254 tourists served out of 13,654 total people served

Grant Request: \$150,000

Grant Reason: For marketing and event expenses

Recommendation: \$110,000

ATAC Opinion: 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. Although the Committee had the ability to recommend full funding, the current recommendation is a 15.8% increase from 2014 levels. The Committee fully supports the event, but shared concern as to the ROI of full funding at this time. The Committee also shared concern about creating a new annual funding benchmark that was significantly higher than previous years, especially when such funding might not be sustainable in future years.

SOUTH CAROLINA LOWCOUNTRY & RESORT ISLANDS TOURISM COMMISSION
2015 Grant Application

The South Carolina Lowcountry & Resort Island Tourism Commission’s mission is to promote economic development through tourism across a four county region, which includes Hilton Head Island. The Tourism Commission has a welcome center and museum strategically placed at Exit 33 on I-95. Although not solely focused on the Island, the Tourism Commission actively markets and recommends to visitors interested in visiting the Island.

“SC Lowcountry & Resort Island Tourism Commission”

Tourism Ratio: Not Provided / 69,666 total visitor count (Guidebook distribution and Visitor Center guests)

Grant Request: \$45,000

Grant Reason: For specific Hilton Head Island marketing campaigns through their website, social media outlets, published guidebook, print ads, travel shows, and media FAM trips.

Recommendation: No funding due to potential DMO overlap

ATAC Opinion: The Committee noted that in previous years, funding had been denied on the assumption that we would generate a stronger ROI through our investing marketing dollars in our own DMO. However, in 2014 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. Although the Committee supports this organization's efforts, we failed to see specific results related to our \$15,000 investment last year. As such, the Committee felt that this funding would better be utilized locally.

<p style="text-align: center;"><u>SHELTER COVE HARBOUR COMPANY</u> 2015 Grant Application (A) and 2014 Non-Recurring Grant Application (B)</p>

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 in 2013 saw a significant increase in event expenses. This has put the Tuesday night firework series in jeopardy of being further downsized.

(A) 2015 Grant Application - "4th of July at Shelter Cove Harbour"; also Tuesday night fireworks

Tourism Ratio: 100.0% / 60,000 tourists served out of 60,000 total people served

Grant Request: **\$42,000**

Grant Reason: For event expenses related to (8) annual Tuesday night displays and the annual 4th of July firework display and to offset forecasted 2015 loss of \$42,000. If full funding were provided, the Applicant has indicated that they would be able to add an additional Tuesday night display to the summer season.

Recommendation: **\$42,000 – Full funding**

ATAC Opinion: 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, in full, at **\$12,000** in conjunction with the two other Island displays. Additionally, the Committee continues to feel strongly that the Shelter Cove Tuesday night fireworks are a community event that has become an expectation of tourists who visit the Island. The Committee recommends that **\$30,000** be awarded to assist the applicant in defraying the weekly cost of these events. This recommendation provides \$3,750 for each of the 8 Tuesday displays. Although, there is commercial benefit to the Shelter Cove merchants, the weekly size of the event is well beyond the scale of what the merchants can service during this short period of time. In addition, the merchants also contribute towards the expenses. The \$42,000 request is equal to the annual shortfall that the organization is faced with annually due to this event.

(B) 2014 Non-Recurring Grant Application - "Harbour Fest / Shelter Cove Harbour"

Tourism Ratio: 95%

Grant Request: **\$73,929** - (\$61,429 for the purchase of a 20'x100' floating platform dock and anchoring system + \$12,500 for the installation of the floating platform)

Grant Reason: For the purchase of a floating dock for fireworks displays

Recommendation: **No funding due to the need for further vetting of this project**

ATAC Opinion: The Committee was very intrigued with this application and noted its creativity. Unfortunately, despite much conversation, the Committee was concerned that there was no formal commitment given to the future of their weekly firework shows so it was difficult to determine a feasible return on investment, although it was shared that the organization currently spends \$15,000 per year on renting a barge. Additional concerns shared were possible permitting issues and if there were any used dock options available for a lower cost. The applicant highlighted how this dock could be utilized across the island, for community emergency needs, and possibly lead to other shows becoming available to the community.

SKULL CREEK JULY 4TH CELEBRATION, INC.

2015 Grant Application

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.

"Skull Creek July 4th Celebration

Tourism Ratio: Ratio not provided / est. 1,000 tourists served
Grant Request: **\$12,000**
Grant Reason: For marketing and event expenses
Recommendation: **\$12,000 – Full funding**
ATAC Opinion: 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.

THE COASTAL DISCOVERY MUSEUM

Two 2015 Grant Applications (A) (B) and One 2014 Non-Recurring Grant Application (C)

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 over 30 programs and tours every week throughout the year. The Museum consistently has high attendance with a large saturation of tourists. In 2014, the Museum saw a 15% increase in exhibit traffic, a 25% increase in tours/walks/talks, and a 33% increase in adult education attendance.

(A) 2015 Grant Application - "Cultural and Eco-Tourism Programs"

Tourism Ratio: 82.0% / 80,927 tourists served out of 98,691 total people served
Grant Request: **\$223,000**
Grant Reason: For marketing, event, and facility expenses
Recommendation: **\$223,000 – Full funding**
ATAC Opinion: 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.

(B) 2015 Grant Application - "ARKHAIOS Heritage and Archaeology Film Festival"

This is the 2nd year that the Coastal Discovery Museum has hosted the Arkhaios Film Festival. It is 1 of only 2 archaeology film festivals in the US and coincides with SC Archaeology Month (October). In 2014, the festival received 40 film submissions, with 17 films being selected for viewing. Attendance from '13 to '14 grew from 156 people to 236 people.

Tourism Ratio: 42.0% / 84 tourists served out of 200 total people served
Grant Request: **\$8,470** – (\$4,490 for theater and equipment rental and \$3,980 for marketing)
Grant Reason: For marketing and event expenses
Recommendation: **No funding due to low tourism draw**
ATAC Opinion: The Committee was intrigued by the film festival but unfortunately was not inclined to recommend funding to this organization based on it being a 1st time applicant and the overall attendance numbers. While this is a unique event, and only one of two such festivals in the country, the Committee didn't feel it was in the highest and best use to fund this organization directly. The Committee did note that perhaps the Coastal Discovery Museum might be in a position to assist with funding this event through its operations.

(C) **2014 Non-Recurring Grant Application - "Discovery Lab/Building Construction and Interactive Exhibits"**

Tourism Ratio: 82%
Grant Request: **\$102,613**
Grant Reason: For the construction of a 1,072 square foot Discovery Lab at the museum that will provide hands on nature-based experiences for visitors.
Recommendation: **\$102,613 – Full funding**
ATAC Opinion: Based on the continued success of the Museum and their ability to drive and enhance tourism to the Island the Committee felt that funding this grant application would be an appropriate use of non-recurring funds. The Committee was impressed that this specific project already had a significant amount of funds raised and that the organization was seeking to close the gap so they could begin construction sooner. We feel that this is a significant addition to their offerings and has the potential to really enhance the experience of visitors and also create a venue that could collaborate with other organizations needs moving forward.

THE COASTAL DISCOVERY MUSEUM & THE HERITAGE LIBRARY FOUNDATION

Joint 2015 Grant Applications (A) (B)

(A) **2015 Grant Application - "2015 History Day"**

The Heritage Library Foundation and the Coastal Discovery Museum, in conjunction with Port Royal Plantation, Mitchelville Preservation Project, Hilton Head Open Land Trust, and the Gullah Museum are looking to establish a History Day during the first part of the year, that was originally part of the Island's 350/30 Celebration. This would be a "hop-on/hop-off" bus tour highlighting many of the Island's cultural and historical landmarks and is scheduled for February 28, 2015.

Tourism Ratio: 92.0% / 460 tourists served out of approximately 500 total people served
Grant Request: **\$16,000**
Grant Reason: For event marketing (\$8,000) and operational expenses (\$8,000)
Recommendation: **\$8,000**
ATAC Opinion: The Committee agreed that this was a fantastic idea, but shared concern about the expense for this one day event. The Committee speculated that there may be more interest in this event and that it might be worthwhile to explore the possibility of expanding it to achieve greater success. The application was expense driven with no stated ticket income, which the applicant stated would ultimately be based upon the final need of the event. **Although the Committee had the ability to recommend full funding, the current recommendation is for \$8,000 which represents the applicants full marketing budget needs. The Committee felt that full funding might be too aggressive for a newer event but felt that the difference could be easily made up by selling reasonably priced tickets for the tour, which were not included in the submitted budget.**

(B) **2015 Grant Application - "2015 Speakers Series"**

The Heritage Library Foundation and the Coastal Discovery Museum are looking to produce a series of 5 lecture events in 2015 entitled "Hilton Head in the Modern Era – Perspectives.

Tourism Ratio: 12%
Grant Request: **\$10,425**
Grant Reason: For marketing and event expenses
Recommendation: **\$6,531 – Full funding based on TERC reimbursement guidelines**
ATAC Opinion: The Committee felt this series of events helps enhance the overall Island experience. Based on TERC guidelines, this application is eligible for \$6,000 of marketing expense reimbursement and up to \$531 of event expenses. The Committee felt that it would be appropriate to fund this application in full based on these reimbursement guidelines.

THE HERITAGE LIBRARY FOUNDATION

2015 Grant Application (A) and 2014 Non-Recurring Grant Application (B)

The Heritage Library Foundation is a history and genealogy research center and owns and operates Ft. Mitchel and the Zion Chapel of Ease Cemetery.

(A) 2015 Grant Application - "Heritage Library 2015"

Tourism Ratio: 82.4% / 9,121 tourists served out of 11,070 total people served
Grant Request: **\$20,000**
Grant Reason: For advertising and promotion
Recommendation: **\$20,000 – Full funding**
ATAC Opinion: The Committee continues to applaud the efforts of this organization. They have found new ways to reinvent themselves. The Committee was impressed with their efforts focusing on genealogy of our area.

(B) 2014 Non-Recurring Grant Application - "Zion Learning Center"

Tourism Ratio: 86%
Grant Request: **\$8,421**
Grant Reason: For tree remediation and signage for the Zion Chapel of Ease Cemetery
Recommendation: **\$7,242 – Full funding based on TERC reimbursement guidelines**
ATAC Opinion: The Committee noted that our Island has a number of historical landmarks that are underutilized due to their condition, inaccessibility, or through lack of proper marking. The Committee felt that this is a one-time request that would help identify a cultural treasure on our Island and could be sustainable in future years directly through the organization. The Committee has followed TERC guidelines in terms of recommending a prorated award based on the reported percentage of tourists served for the tree remediation but interprets the signage expense as marketing and advertising, thus this item would be eligible for full reimbursement under TERC's opinion.

THE SANDBOX

2015 Grant Application (A) and 2014 Non-Recurring Grant Application (B)

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. During the summer months, The Sandbox offers 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.

(A) 2015 Grant Application - "Enhancing the Tourist Experience by Expanding Young Minds"

Tourism Ratio: 76.1% / 17,063 tourists served out of 22,416 total people served
Grant Request: **\$56,300** – (\$39,800 for marketing and advertising expenses, \$9,500 for programming expenses, \$7,000 for facility and exhibit expenses)
Grant Reason: For marketing, advertising, programming, facility and exhibit expenses
Recommendation: **\$56,300 – Full funding**
ATAC Opinion: 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.

(B) 2014 Non-Recurring Grant Application - "Museum Revitalization to Enhance the Visitor's Experience"

Tourism Ratio: 82%
Grant Request: **\$102,623**
Grant Reason: For museum exhibit revitalization and facility upgrades. \$43,000 for the

transformation of the Café exhibit, \$35,000 for an addition to the Transportation Zone exhibit, \$25,000 for future exhibit funds, \$12,150 for the renovation of the loft space, \$10,000 for general cosmetic improvements.

Recommendation: **\$82,123**

ATAC Opinion: The Committee noted this applicant has continually proven to be a destination for tourists who are on the Island and provided a much needed resource to travelers who have very young children. The Committee feels that the funding of this grant application would be very beneficial to this organization so that it can further enhance the experience it provides to the Island. The Committee did not include a \$25,000 future exhibit line item in our funding recommendation because we determined it would not be able to be spent within the shelf life of these available funds and would not comply with ATAX law. **Although the Committee had the ability to recommend full funding, it was determined that \$25,000 the application would be for future exhibit needs and without a timeline there is the possibility that the funds would expire prior to their use. As a result, the Committee recommended funding without this line item included.**

<p style="text-align: center;"><u>TOWN OF HILTON HEAD ISLAND</u> 2015 Grant Application</p>

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.

"Municipal Town Operations – Tourism Support"

Tourism Ratio: Not Provided / 2,466,654 tourists served

Grant Request: **\$1,211,485**

Grant Reason: For tourism related public services such as police and beach safety, code and LMO enforcement, and roadside, pathway, and park maintenance.

Recommendation: **\$1,000,000**

ATAC Opinion: The Committee feels that the services provided by the Town are vital towards enhancing and serving the tourist visit. **Although the Committee had the ability to recommend full funding, the current recommendation is approximately equal to 2014 levels. The Committee fully recognizes the services from the Town, but wanted to ensure that all other less funded applicants were addressed before this specific large grant request.**

Respectfully submitted on behalf of the Accommodations Tax Advisory Committee,



Mike Alsko, Chairman

2014/2015 Accommodations Tax Advisory Committee Members:

Mike Alsko, Chairman	Rob Bender, Vice Chairman
Stewart Brown	Trish Heichel
Brad Marra	Charlie Miner
	Bob Spear

Calendar Year 2015 Accommodations Tax Advisory Committee Recommendations

	2013	2014 Regular & Initial Nonrecurring			2014/2015 NON-RECURRING					2015 GRANTS				
	Town Council Award - inc. Fwd-Fd Grants	2014 Applicant Request	Town Council Award	Specifically from Non- Recurring	2015 Applicant Request	ATAC Recom- mendation	ATAC Restric- tions	Town Council Award	Remaining Balance	2015 Applicant Request	ATAC Recom- mendation	ATAC Restrictions	Town Council Award	TC Add'l Restrictions
Art League of Hilton Head	40,000	72,500	45,000	-	N/A	N/A	N/A	N/A	N/A	85,000	85,000	N/A		
Art League of Hilton Head - Nonrecurring	N/A	N/A	N/A	N/A	11,301	2,750	N/A	-	11,301	11,301	2,750	N/A		
Arts Center of Coastal Carolina	366,993	378,000	365,000	-	N/A	N/A	N/A	N/A	N/A	384,000	384,000	N/A		
Arts Center of Coastal Carolina - Capital Improvement - HVAC	N/A	86,000	86,000	86,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arts Center of Coastal Carolina - Nonrecurring - Sound System	N/A	N/A	N/A	N/A	260,850	124,432	N/A	260,850	-	N/A	N/A	N/A	N/A	N/A
Beaufort County Black Chamber of Commerce	-	25,000	-	-	N/A	N/A	N/A	N/A	N/A	55,000	-	N/A		
Beaufort County Government (Hilton Head Air Day)	N/A	10,000	-	-	N/A	N/A	N/A	N/A	N/A	WITHDREW APPLICATION		N/A	N/A	N/A
David M. Carmines Memorial Foundation	-	10,000	4,000	-	N/A	N/A	N/A	N/A	N/A	10,000	6,500	N/A		
Gullah Museum of Hilton Head Island	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50,000	20,000	N/A		
Harbour Town Merchants Assoc.	8,000	18,000	9,000	-	N/A	N/A	N/A	N/A	N/A	18,000	12,000	N/A		
Hilton Head Choral Society	12,000	28,000	18,000	-	N/A	N/A	N/A	N/A	N/A	30,000	30,000	N/A		
Hilton Head Choral Society - Nonrecurring	N/A	N/A	N/A	N/A	4,790	4,790	N/A	-	4,790	4,790	4,790	N/A		
Hilton Head Concours d'Elegance	115,000	134,000	134,000	-	85,000	85,000	N/A	85,000	-	160,000	160,000	N/A		
Hilton Head Dance Theater	12,000	15,392	12,000	-	N/A	N/A	N/A	N/A	N/A	16,000	12,000	N/A		
HHI Audubon Society	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50,000	45,000	can be self-sustaining thru sponsors/business partners		
HHI Audubon Society - Nonrecurring	N/A	N/A	N/A	N/A	30,000	-	N/A	-	30,000	30,000	-	N/A		
HHI Land Trust - Nonrecurring	N/A	N/A	N/A	N/A	15,000	15,000	N/A	-	15,000	15,000	15,000	N/A		
HHI Recreation Association	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,000	7,500	N/A		
HHI St. Patrick's Day Parade	8,000	16,000	12,000	-	N/A	N/A	N/A	N/A	N/A	16,000	16,000	N/A		
HHI Wine and Food, Inc.	40,000	100,350	100,350	-	N/A	N/A	N/A	N/A	N/A	147,500	147,500	N/A		
HHI Wine and Food, Inc. - Nonrecurring	N/A	N/A	N/A	N/A	25,000	-	N/A	-	25,000	25,000	-	N/A		
Hilton Head Island-Bluffton Chamber of Commerce VCB	250,000	375,000	330,000	-	N/A	N/A	N/A	N/A	N/A	400,000	400,000	desire better metrics by categories in supplemental		
Hilton Head Island-Bluffton Chamber of Commerce VCB - Nonrecurring	N/A	N/A	N/A	N/A	340,000	-	N/A	100,000	-	N/A	N/A	N/A	N/A	N/A
Hilton Head Symphony Orchestra	175,000	200,000	200,000	-	N/A	N/A	N/A	N/A	N/A	215,000	215,000	N/A		
Hilton Head Symphony Orchestra - Nonrecurring	N/A	N/A	N/A	N/A	SUBSEQUENTLY WITHDREW APPLICATION				N/A	N/A	N/A	N/A	N/A	N/A
Hilton Head Symphony Orchestra-Hilton Head Choral Society Joint	N/A	N/A	N/A	N/A	30,200	12,000	TERC Opn	-	30,200	30,200	-	N/A		
Hilton Head Island Visitors and Convention Bureau	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	325,000	-	N/A		
Hilton Head Island Visitors and Convention Bureau - Nonrecurring	N/A	N/A	N/A	N/A	250,000	-	N/A	-	250,000	250,000	-	N/A		
Lowcountry Golf Course Owners Association	50,000	50,000	50,000	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lowcountry Golf Course Owners Association - Nonrecurring	N/A	N/A	N/A	N/A	42,510.26	42,510	N/A	-	42,510	42,510	42,510	N/A		
Main Street Youth Theater	12,000	50,000	12,000	-	N/A	N/A	N/A	N/A	N/A	25,000	15,000	N/A		
Mitchelville Preservation Project	15,000	50,000	28,000	-	N/A	N/A	N/A	N/A	N/A	53,500	38,000	N/A		
Native Island Business & Community	79,673	150,000	95,000	-	N/A	N/A	N/A	N/A	N/A	150,000	110,000	N/A		
SC Lowcountry & Resort Islands Tourism	-	36,800	15,000	-	N/A	N/A	N/A	N/A	N/A	45,000	-	N/A		
Shelter Cove Harbour Company	8,000	43,850	9,000	-	N/A	N/A	N/A	N/A	N/A	42,000	42,000	\$12k for 4th of July; plus 8 Tuesdays		
Shelter Cove Harbour Company - Nonrecurring	N/A	N/A	N/A	N/A	73,929	-	N/A	-	73,929	73,929	-	N/A		
Skull Creek July 4th Celebration	8,000	9,000	9,000	-	N/A	N/A	N/A	N/A	N/A	12,000	12,000	N/A		
South Carolina Repertory Company	12,000	27,000	12,000	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
The Coastal Discovery Museum (Cultural & Eco-Tourism Programs)	168,000	185,000	185,000	-	N/A	N/A	N/A	N/A	N/A	223,000	223,000	N/A		
The Coastal Discovery Museum (Discovery Lab)	N/A	N/A	N/A	N/A	102,613	102,613	N/A	-	102,613	102,613	102,613	N/A		
The Coastal Discovery Museum (ARKHAIOS Heritage & Archaeology Film Fest)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,470	-	suggest funding from CDM recurring grant		
The Coastal Discovery Museum & Heritage Library (History Day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16,000	8,000	marketing		
The Heritage Library	10,000	27,370	17,150	2,150	N/A	N/A	N/A	N/A	N/A	20,000	20,000	N/A		
The Heritage Library - Nonrecurring	N/A	N/A	N/A	N/A	8,421	7,242	N/A	-	8,421	8,421	7,242	N/A		
The Heritage Library & Coastal Discovery Museum (Speaker Series)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,425	6,531	N/A		
The Sandbox	50,000	50,000	50,000	-	N/A	N/A	N/A	N/A	N/A	56,300	56,300	N/A		
The Sandbox - Nonrecurring	N/A	N/A	N/A	N/A	102,623	82,123	N/A	-	102,623	102,623	82,123	N/A		
Town of Hilton Head Island	929,563	1,175,559	999,776	-	N/A	N/A	N/A	N/A	N/A	1,211,485	1,000,000	N/A		
Subtotal of Current Year Requests/Recommendations/Awards	2,394,229	3,570,021	2,802,276	88,150	1,382,237	478,460	N/A	445,850	696,387	4,541,067	3,328,359	N/A	-	N/A
Non-recurring Funds Reserved for allocation after CY14 awards	N/A	N/A	(88,150)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Totals	2,394,229	3,570,021	2,714,126	88,150	1,382,237	478,460	N/A	445,850	696,387	4,541,067	3,328,359	N/A	-	N/A

Remaining Balance Available to Award

- 32,610

128,180 3.7%

3,456,539

Nonrecurring

N/A

478,460

N/A

CY14 Revenues Available for CY15 Grants

Non-Recurring Funds

Total Available for Grants from Nonrecurring &

New Recurring Applications

Revenues

3,312,828

143,711

3,456,539