



The Town of Hilton Head Island Special Town Council Meeting

Thursday, January 3, 2013
Council Chambers
4:00 PM

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. **New Business**
 - a. **Consideration of a Recommendation – SCDOT Fiscal Year 2013 Federal Match Program Grant Agreement**

Consideration of a Recommendation that Town Council authorize the Town Manager to execute the South Carolina Department of Transportation (SCDOT) Fiscal Year 2013 Federal Match program Grant Agreement and direct staff to amend the Fiscal Year 2013 Consolidated Municipal Budget in order to provide the 50% match requirement of \$771,132.50 to SCDOT. Funds are available in the form of unallocated Hospitality Tax Revenues or bond proceeds.
 - b. **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: Steve Riley, ICMA-CM, Town Manager
FROM: Marcy Benson, Senior Grants Administrator
VIA: Scott Liggett, Director of Public Projects and Facilities/Chief Engineer
DATE: December 20, 2012
RE: SCDOT Fiscal Year 2013 Federal Match Program Grant Agreement
Execution Authorization Request

The attached materials have been provided to the Public Facilities Committee for their review and recommendation earlier in the day on January 2, 2013. Because of the importance of this matter, Staff has asked to bring the recommendation of the Public Facilities Committee straight to Council for consideration on the same day.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Public Facilities Committee
VIA: Scott Ligget, *Director of Public Projects and Facilities/Chief Engineer*
VIA: Susan Simmons, Director of Finance
FROM: Marcy Benson, *Senior Grants Administrator*
DATE December 19, 2012
SUBJECT: SCDOT Fiscal Year 2013 Federal Match Program Grant Agreement
Execution Authorization Request

Recommendation: Town Staff is requesting the Public Facilities Committee recommend Town Council authorize the Town Manager to execute the South Carolina Department of Transportation (SCDOT) Fiscal Year 2013 Federal Match Program Grant Agreement and direct staff to amend the Fiscal Year 2013 Consolidated Municipal Budget in order to provide the 50% match requirement of \$771,132.50 to SCDOT. Funds are available in the form of unallocated Hospitality Tax Revenues or bond proceeds

Summary:

Town Staff submitted an application to the SCDOT on September 14, 2012 for the Fiscal Year 2013 Federal Resurfacing Match Program. This is a 50% matching grant program. The four (4) roadway resurfacing projects submitted for consideration to SCDOT include portions of roadway along Gum Tree Road, Mathews Drive, Beach City Road, and Folly Field Road. Town Engineering staff drafted preliminary project cost estimates for each project and the total for all four (4) projects is \$1,542,266. The total amount of matching funds to be provided by the Town for all four (4) projects is \$771,133. Town Staff is requesting approval of a recommendation for Town Council to authorize the Town Manager to execute the (SCDOT) Fiscal Year 2013 Federal Match Program Grant Agreement and direct staff to amend the Fiscal Year 2013 Consolidated Municipal Budget in order to provide the 50% match requirement of \$771,132.50 to SCDOT. Funds are available in the form of unallocated Hospitality Tax Revenues or bond proceeds.

Background:

In July 2012 SCDOT announced up to \$24 million would be available statewide for the 2013 Federal Resurfacing Match Program. This program has a 50% local match requirement, half of the project costs are in federal dollars and the remaining half of project costs are supported by local funds.

Candidate projects include pavement improvements and preservation (reconstruction, rehabilitation, or preventive maintenance treatments). Projects must be eligible for federal participation, must be on the state system, and must be included on SCDOT's list of Act 114 qualified projects. All four (4) Town projects submitted in the application comply with these requirements.

Upon application submittal on September 14, 2012 SCDOT staff reviewed the Town's application and requested revised project estimates which resulted in a downward adjustment to a total cost of \$1,542,266 from the original application submittal estimate of \$1,782,00. The SCDOT commission reviewed the applications at their October 2012 commission meeting and selected the Town's application for funding in this program. These projects will be administered by SCDOT.

Attachments:

Grant Agreement

Town of Hilton Head Island Grant Application

CFDA No. 20.205
Highway Planning & Construction

**Financial Participation Agreement & Contract
Between
South Carolina Department of Transportation
And
Town of Hilton Head**

This Agreement executed on this _____ day of _____, 20__, covers the financial responsibilities of the South Carolina Department of Transportation (hereinafter "SCDOT"), and Town of Hilton Head (hereinafter "PARTICIPANT") for the below described Project:

WITNESSETH THAT:

WHEREAS, the SCDOT is an agency of the State of South Carolina with the authority to enter into contracts necessary for the proper discharge of its functions and duties; and

WHEREAS, the PARTICIPANT is a body politic with all the rights and privileges of such including the power to contract as a necessary and incidental power to carry out the PARTICIPANT's functions covered under this Agreement;

NOW THEREFORE, in consideration of the several promises to be faithfully performed by the parties hereto as set forth herein, the SCDOT and PARTICIPANT do hereby agree as follows:

I. DESCRIPTION:

The Federal Match Program project which is the subject of this Agreement is generally described on Exhibit A (attached hereto and specifically made a part of this Agreement).

The project as described above shall be referred hereinafter as "the Project."

II. FUNDING:

- a. The PARTICIPANT estimates the total cost for the Project to be \$1,542,265.00. The total cost shall include all allowable and allocable costs for the Project. The total cost shall also include costs for oversight and administration, including but not limited to, attending public hearing(s), project location, design, other engineering services, and inspection and testing performed by SCDOT in accordance with state and federal requirements.

- b. The SCDOT's maximum share of the total cost of the Project is 50%, not to exceed the maximum amount of \$771,132.50 as authorized by the SCDOT Commission on December 6, 2012 from the Federal Match Program funds.
- c. The PARTICIPANT is responsible for 100% of the total cost of the Project excluding SCDOT's maximum share as identified in "b" directly above.

Funding Sources	Amount	File#	PIN #	Project #
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PROJECT SERVICES

SCDOT/Federal	\$771,132.50			
PARTICIPANT	\$771,132.50			
TOTAL	\$1,542,265.00			

III. INVOICING/PAYMENT SCHEDULE:

- a. The PARTICIPANT's share of funding for the Project is estimated at \$771,132.50. SCDOT will invoice the PARTICIPANT based on this Agreement and an executed Charge Memorandum Document (3025A) prepared at the direction of the SCDOT Project manager. The charge memorandum will have the name and address of the party to be invoiced and the amount.
- b. An invoice in the amount of \$771,132.50 will be submitted by the SCDOT Accounting/Finance Office to the PARTICIPANT approximately 30 days after execution of this Agreement. No work on the Project shall begin until payment is received.

IV. GENERAL TERMS:

- a. PERIODIC REPORTS. The SCDOT Program manager will periodically update the PARTICIPANT of the status of the Project and funds.
- b. COST UNDERRUN. In the event that total cost of the Project is less than originally estimated, SCDOT will refund any excess amount paid by the PARTICIPANT within thirty (30) days of the final completion and closure of the Project with SCDOT's accounting office. Refunds will not be unreasonably withheld, denied or delayed.
- c. COST OVERRUN. If it becomes apparent that the cost of the Project will exceed the funding available, SCDOT will provide the PARTICIPANT notice prior to total

expenditure of funding available and provide the estimate of funds needed to complete the Project. The PARTICIPANT shall remit to SCDOT within thirty (30) days of receipt of the notice the additional funds needed to complete the Project. No work will be completed beyond that covered by the available funds. If the PARTICIPANT does not have the additional funding needed to complete the Project, the SCDOT and the PARTICIPANT will mutually agree on a revision to the Project scope and termini that is in accordance with the available budget and maintains federal eligibility. The PARTICIPANT will be 100% responsible for the cost of overruns and SCDOT will not participate in the cost of overruns.

- d. MAINTENANCE RESPONSIBILITY. The SCDOT accepts responsibility for normal maintenance of standard transportation materials, structures and workmanship within SCDOT rights of way according to common local practices.
- e. CONFORMITY LAWS. The parties hereto agree to conform to all SCDOT, State, Federal and local laws, rules, regulations and ordinances governing agreements or contracts relative to the acquisition, design, construction, maintenance and repair of roads and bridges, and other services covered under this Agreement.
- f. AMENDMENTS. The PARTICIPANT, or its authorized agent, shall agree to hold consultations with SCDOT as may be necessary with regard to the execution of supplements to this Agreement during the course of this Project for the purpose of resolving any items that may have been unintentionally omitted from this Agreement. Such supplemental agreements shall be subject to the approval and proper execution of the parties hereto. No amendment to this Agreement shall be effective or binding on any party hereto unless such amendment has been agreed to in writing by all parties hereto.
- g. REVIEWS/APPROVALS. Any and all reviews and approvals required of the parties herein shall not be unreasonably denied or withheld.
- h. TERMINATION. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform, through no fault of the terminating party in accordance with the terms herein. The party so notified shall immediately stop work on the Project. This Agreement may also be terminated for convenience. If the services covered under this Agreement are not performed, this Agreement is then terminated. In the event of termination for convenience or for any reason each party to this Agreement is obligated on a quantum meruit basis. If the termination results in the Project not being eligible for federal participation, the PARTICIPANT will be totally responsible for all Project cost incurred prior to the termination on a quantum meruit basis.
- i. DISPUTES. All claims or disputes shall be filed with the Program manager and the parties will meet to attempt to resolve the dispute or claim. If unable to resolve the dispute with the program manager, the PARTICIPANT may appeal the claim or dispute to SCDOT's Division Deputy Director for Construction, Engineering and

Planning. The decision of the SCDOT's Division Deputy Director for Construction, Engineering and Planning in the matter shall be final and conclusive for both Parties.

V. SUCCESSORS AND ASSIGNS:

SCDOT and PARTICIPANT each binds itself, its successors, executors, administrators, and assigns to the other Party with respect to these requirements, and also agrees that neither party shall assign, sublet, or transfer its interest in the Agreement without the written consent of the other.

VI. ENTIRE AGREEMENT:

This Agreement with attached Exhibits and Certification constitutes the entire Agreement between the parties. The Agreement is to be interpreted under the laws of the State of South Carolina.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on their behalf

Signed, sealed and executed for the PARTICIPANT

TOWN OF HILTON HEAD

(City or County Name)

WITNESS:

By: _____
(Signature)

Title: _____
Fed. ID#: _____

Signed, sealed and executed for SCDOT

SOUTH CAROLINA DEPARTMENT OF
TRANSPORTATION

WITNESS:

By: _____
Deputy Secretary for Engineering or Designee

REVIEWED BY:

Deputy Secretary for Finance & Administration or
Designee

RECOMMENDED:

Title: _____

EXHIBIT A

PROJECT DETAILS

Applicant	Route	BMP	EMP	Mileage
<u>Resurfacing</u>				
Town of Hilton Head	Beach City Rd (S-333)	0.57 Matthews Dr (S-44)	1.85 Dillon Rd (S-334)	1.28
	Matthews Dr (S-44)	0.59 Beach City Rd (S-333)	2.08 Wm Hilton Pkwy (US 278)	1.49
	Gum Tree (S-482)	0.83 Squire Pope Rd (S-141)	1.10 Wild Horse Rd (S-294)	0.27
	Folly Field (S-308)	0.00 Starfish	0.62 Terminus	0.62
Total	4 Routes			3.66

Town of Hilton Head Island

One Town Center Court, Hilton Head Island, S.C. 29928

(843) 341-4600 Fax (843) 842-7728

<http://www.hiltonheadislandsc.gov>



GRANT APPLICATION

SCDOT Fiscal Year 2013 Federal Match Program

Grant Proposal

Title: SCDOT Fiscal Year 2013 Federal Match Program; Hilton Head Island; Gum Tree Road, Mathews Drive, Beach City Road and Folly Field Road Resurfacing Projects

Lead Organization: Town of Hilton Head Island, Scott Liggett, Director of Public Projects and Facilities / Chief Engineer, One Town Center Court, Hilton Head Island, SC 29928; scottl@hiltonheadislandsc.gov; Telephone 843-341-4776

Grant Administrator: Marcy Benson, Town of Hilton Head Island, One Town Center Court, Hilton Head Island, SC 29928; MarcyB@hiltonheadislandsc.gov; Telephone: 843-341-4689

Project Locations:

Gum Tree Road project is located along a portion of Gum Tree Road (S-7-294) from the intersection with S-7-482 to a pavement joint preceding the roundabout at Squire Pope Road and just south of Mac Donough Lane. The length of roadway segment is 0.16 mile.

Mathews Drive project is located along a portion of Mathews Drive (S-7-44) from north of its northern intersection with US 278 (Bus.) to a joint preceding the roundabout at Beach City Road (S-7-333) just north of Enterprise Lane. The length of roadway segment is 0.50 mile.

Beach City Road project is located along a portion of Beach City Road (S-7-333) from a joint just beyond the roundabout at Mathews Drive (S-7-44), near the intersection with Enterprise Lane through the four-way stop-controlled intersection with Dillon Road (S-7-334). The length of the roadway segment is 1.16 miles.

Folly Field Road project is located along a portion of Folly Field Road (S-7-308) from the intersection with S-7-148 to the roadway terminus at the Marriott and Westin resorts. The length of the roadway segment is 0.60 mile.

Project Descriptions: The four (4) projects proposed in this application request are currently eligible under the SCDOT's list of Act 114 qualified projects. These four (4) projects include 2.42 miles of federally eligible vehicle lane miles and are delineated in Exhibits 1 through 3.

Gum Tree Road exhibits pervasive alligator cracking throughout the proposed .16 mile segment of roadway. There are also various minor surface failures along this segment of roadway. Approximately ten (10) yards of the edge of roadway has severe edge of pavement failure and is breaking off into the shoulder of the roadway. This section of roadway is in very poor condition. The rideability grade for this portion of roadway is rated as B- and the pavement marking condition grade is rated as C- by Town Engineering staff. The SCDOT

resurfaced the remainder of this road (from Wild Horse Road to US 278 (Bus.) two years ago, however this segment was not included due to the road naming convention. The project cost estimate is \$118,000.

Mathews Drive exhibits minor alligator cracking throughout the proposed .5 mile segment of roadway. The rideability grade for this portion of roadway is rated as B and the pavement marking condition grade is rated as B by Town Engineering staff. The Town has funded approximately eleven million dollars worth of roadway, traffic, drainage, and pedestrian infrastructure improvements within the Mathews Drive corridor over the past five years, and plans to spend another million dollars this year on a new roundabout at Mathews Drive and Marshland Road. Resurfacing this remaining segment would be the culmination of improvements within this vital transportation corridor. The project cost estimate is \$474,000.

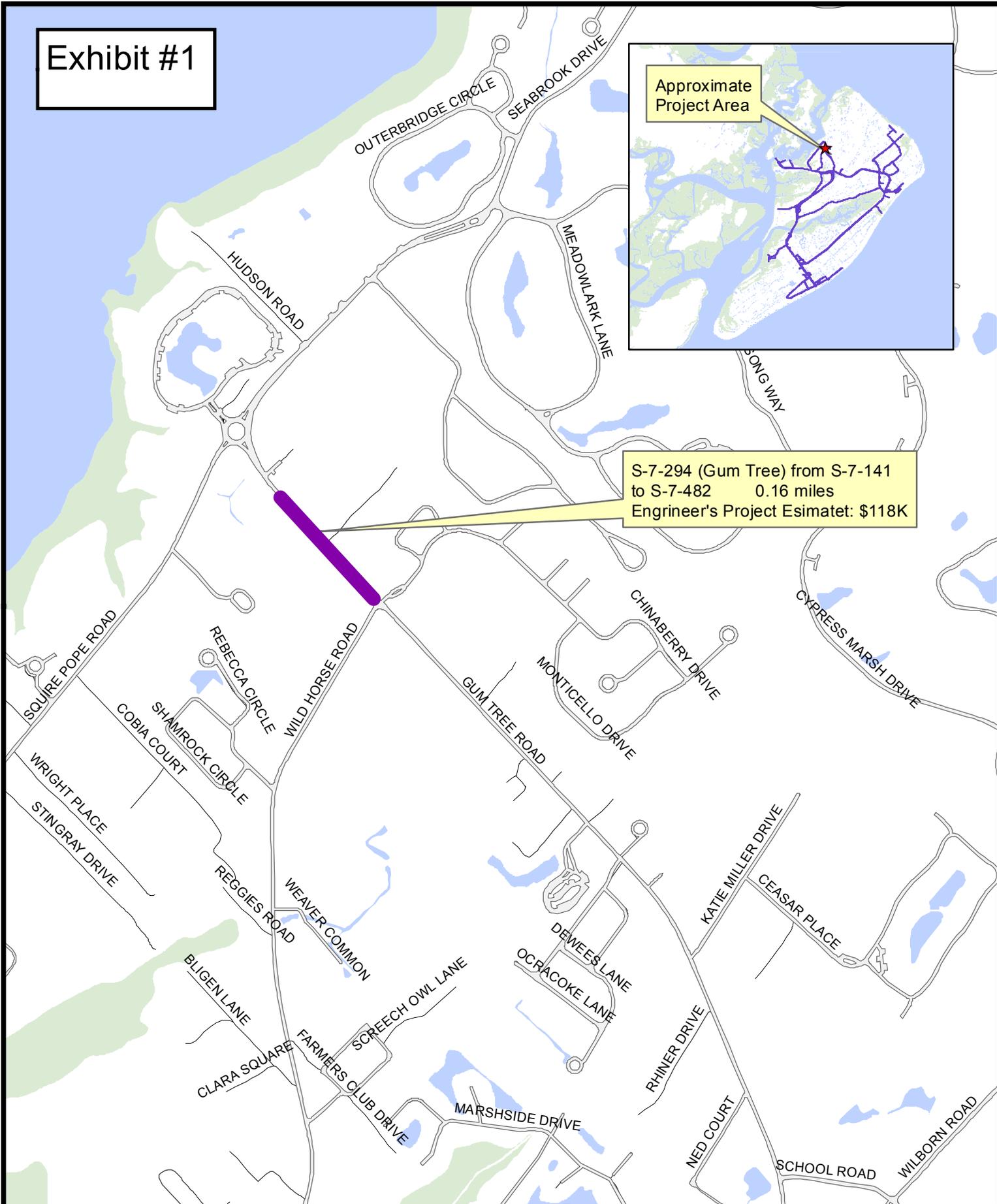
Beach City Road exhibits scattered alligator cracking throughout the proposed 1.16 mile segment of roadway, primarily in wheel paths. There are also moderate to severe, isolated surface failures near Cardinal Road and the shopping center at 154 Beach City Road. The rideability grade for this portion of roadway is rated as B+ and the pavement marking condition grade is rated as B by Town Engineering Staff. This road serves all traffic to and from the island's only airport. The project cost estimate is 788,000.

Folly Field Road is currently in very poor condition with a moderate amount of alligator cracking throughout the proposed .60 mile segment of roadway. There are also several isolated tree root incursions, pavement edge failures, and some major pothole patches and dips in the pavement along this segment of roadway. The rideability grade for this portion of the roadway is rated a C and the pavement marking condition grade is rated as D- by Town Engineering staff. The segment of Folly Field Road from Starfish Lane to US 278 (Bus.) is also eligible for funding under this match program and the Town understands that Beaufort County has included it in their application. Thus if both are awarded, the full extent of Folly Field Road will be resurfaced under this program. The project cost estimate is \$402,000.

Budget: The total cost estimate for the four (4) proposed resurfacing projects is \$1,782,000. This total project cost is based on estimates prepared by Town of Hilton Head Island Engineering staff (see Exhibit 4). The Town's required 50-50 match is estimated to be \$891,000, which would primarily be funded by Hospitality Taxes.

Grant Request: \$891,000 in grant monies.

Exhibit #1

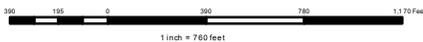


TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
Date Created: 09/13/2012

Town of Hilton Head Island

SCDOT Fiscal Year 2013 Federal Match Program - Gum Tree Road Resurfacing

September, 2012



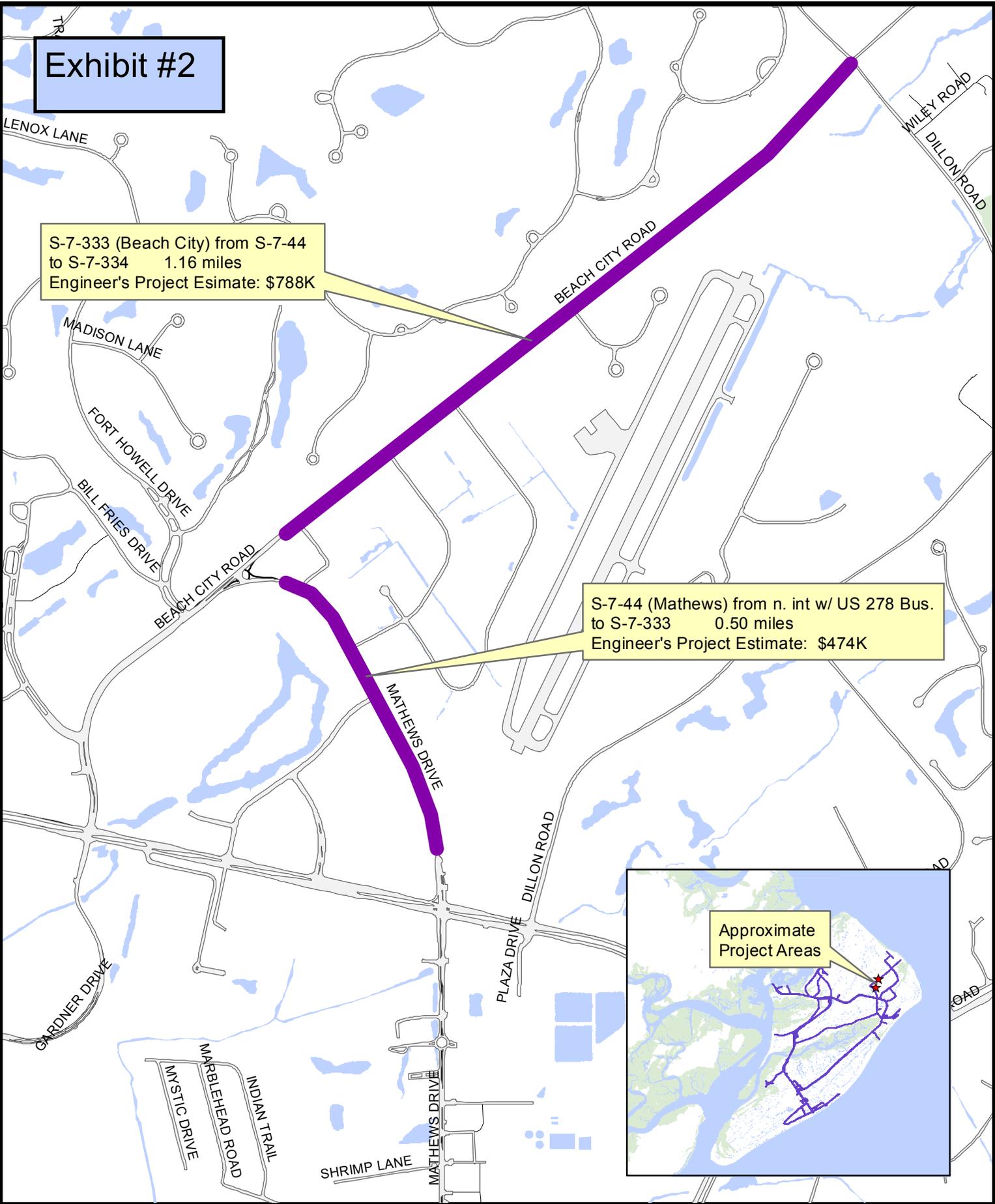
1 inch = 760 feet

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion or for any losses arising from the use of the map.

Exhibit #2

S-7-333 (Beach City) from S-7-44 to S-7-334 1.16 miles
Engineer's Project Estimate: \$788K

S-7-44 (Mathews) from n. int w/ US 278 Bus. to S-7-333 0.50 miles
Engineer's Project Estimate: \$474K

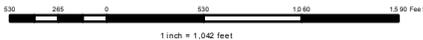


TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
Date Created: 09/13/2012

Town of Hilton Head Island

SCDOT Fiscal Year 2013 Federal Match Program - Mathews Drive and Beach City Road Resurfacing

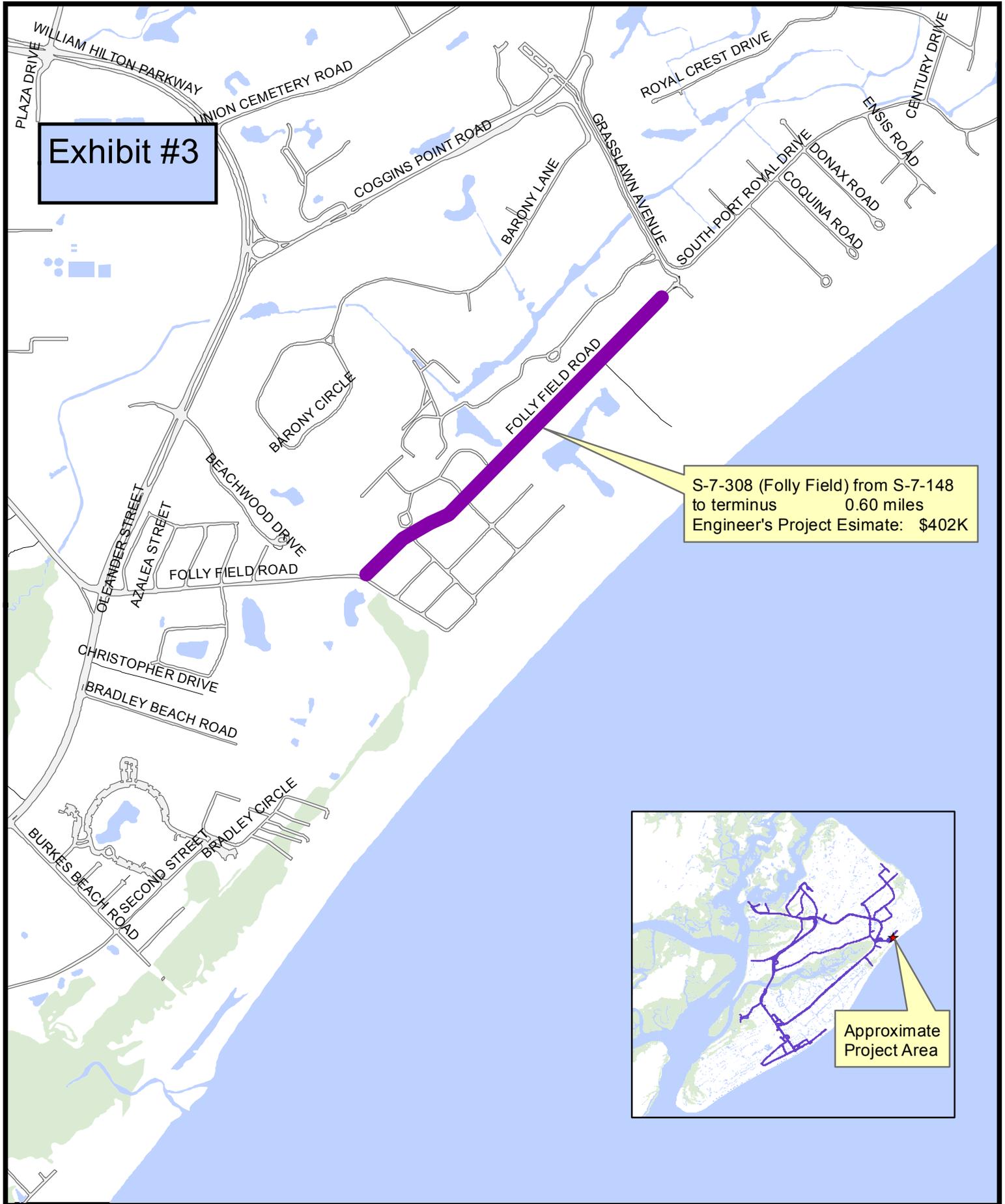
September, 2012



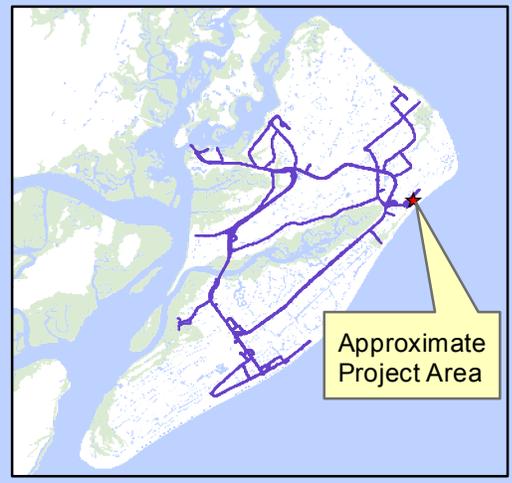
1 inch = 1,042 feet

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Exhibit #3



S-7-308 (Folly Field) from S-7-148 to terminus 0.60 miles
 Engineer's Project Estimate: \$402K



Approximate Project Area



TOWN OF HILTON HEAD ISLAND
 ONE TOWN CENTER COURT
 HILTON HEAD ISLAND, S.C. 29928
 PHONE (843) 341-4600
 DATE CREATED: 09/13/2012

Town of Hilton Head Island
 SCDOT Fiscal Year 2013 Federal Match Program - Folly Field Road Resurfacing
 September, 2012



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1071000	Traffic Control	LS			\$5,000.00
2033000	Borrow Excavation	CY	99	\$35.00	\$3,465.00
2035100	Excavation for Shoulder Widening	CY	141	\$25.00	\$3,525.00
2072000	Hauling for Shoulder Widening	STA	10	\$315.00	\$3,150.00
4011004	Liquid Asphalt PG64-22	TON	15	\$625.00	\$9,375.00
4013200	Mill Existing Pavement - 1.5" Depth	SY	2150	\$8.00	\$17,200.00
3100320	Hot Mix Asphalt Base Course Type B	TON	85	\$100.00	\$8,500.00
4020330	Hot Mix Asphalt Intermediate Course Type C	TON	53	\$100.00	\$5,300.00
4030320	Hot Mix Asphalt Surface Course Type B	TON	218	\$90.00	\$19,620.00
4041000	Surface Leveling (HMA)	TON	49	\$100.00	\$4,900.00
6051120	Permanent Construction Signs-Ground Mounted	SF	128	\$18.00	\$2,304.00
6250010	4" White Solid Lines (Edge Lines) - Fast Dry Paint	LF	1932	\$0.25	\$483.00
6250020	12" White Solid Lines-Fast Dry Paint	LF	120	\$2.50	\$300.00
6250110	4" Yellow Solid Line (Edge&Center Lines)-Fast Dry Paint	LF	1932	\$0.50	\$966.00
6271010	4" White Solid Lines (Edge Lines) - Thermoplastic 90 mil	LF	1932	\$1.00	\$1,932.00
6271015	12" White Solid Lines (Crosswalk) Thermoplastic 125 mil	LF	120	\$3.50	\$420.00
6271074	4" Yellow Solid Lines (Edge Lines & Center Lines)-Thermo	LF	1932	\$1.00	\$1,932.00
6301100	Permanent Yellow Pavement Markers - Bi-Directional	EA	12	\$12.00	\$144.00
6531210	U-Section Post for Sign Supports 3#	LF	80	\$30.00	\$2,400.00
8100001	Permanent Vegetation	MSY	0.6	\$1,000.00	\$600.00
SUBTOTAL					\$102,016.00
Add 20% Contingency					\$20,403.20
TOTAL					\$122,419.20

FOLLY FIELD FROM STARFISH TO TERMINUS

Item #	Description	Unit	Qty	Unit \$	Extension
1031000	Mobilization	LS			\$10,000.00
1050800	Construction Lines & Grades	LS			\$6,000.00
1071000	Traffic Control	LS			\$8,000.00
2033000	Borrow Excavation	CY	327	\$35.00	\$11,445.00
2035100	Excavation for Shoulder Widening	CY	472	\$25.00	\$11,800.00
2072000	Hauling for Shoulder Widening	STA	32	\$315.00	\$10,080.00
4011004	Liquid Asphalt PG64-22	TON	51	\$625.00	\$31,875.00



MEMORANDUM

TO: Town Council

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

VIA: Susan Simmons, CPA, Director of Finance

DATE: December 27, 2012

RE: **CY 2013 State Accommodations Tax Grant Recommendations**

Calendar year 2013 grants will be awarded from actual revenues from the first three quarters of calendar year 2012 and estimated revenue from the fourth quarter of calendar year 2012. The Town received \$3,233,916 from the first three quarters and added estimated revenue of \$471,200 for the fourth quarter, which totals \$3,705,116 available for calendar year 2013 State Accommodations Tax Grants. This was an increase of \$224,143 or 6.44% from 2011 actual revenues of \$3,480,973.

An investment income of \$357 is added to the total; bringing the total available funds to \$3,705,473. After deducting the formula funding that both the Town and Chamber receive, funds available for grant allocation to the forward-funded grants and new grants total \$2,394,252, which is \$132,530 or 5.86% more than the amount available for 2012 grants.

Update on Forward-Funded Grants for 2013

Last year, Council approved forward grants for 2013 at an estimated amount of \$1,300,050, which would be finalized upward or downward by the same increase or decrease in 2012 revenues. The 5.86% increase equates to \$76,179 for an adjusted total of \$1,376,229 in forward-funded grants for 2013.

Town Council determined in 2011 that the forward-funding grants process would cease with the calendar year 2013 grants. Therefore, there will not be any new forward-funded grants to award.

New Grants for Calendar Year 2013

New grants requested for calendar year 2013 totaled \$1,960,987. Funds available for new grants are \$1,018,023 which is 52% of the requested grants. ATAC's recommendations for new grants per the attached worksheet and chairman's letter total \$1,016,000, which leaves a balance of \$2,023 for Town Council to award.

ATAC recommends that Council approve the 2013 new grants at its January 3, 2013 meeting.

STATE ACCOMMODATIONS TAX REVENUE ANALYSIS
 Calendar 2012 Revenues Available for Calendar Year 2013 Grants
 with comparative information for the prior year

	<u>Calendar Year 2012 Revenues Available for CY2013 Grants</u>	<u>Calendar Year 2011 Revenues Available for CY2012 Grants</u>	<u>\$</u> <u>Difference</u>	<u>%</u> <u>Difference</u>
SOURCES:				
Jan - Mar ATAX Revenue	217,109	171,509	45,600	26.59%
Apr - June ATAX Revenue	1,267,859	1,116,037	151,822	13.60%
July - Sept ATAX Revenue	1,748,948	1,727,579	21,369	1.24%
Oct - Dec Actual 2011, Estimated Oct - Dec 2012 ATAX Revenue	<u>471,200</u>	<u>465,848</u>	<u>5,352</u>	1.15%
Estimated ATAX Revenues for CY12	3,705,116	3,480,973	224,143	6.44%
Other Amounts to be granted:				
Interest (Estimated last 2 months)	357	829	(472)	
Lapsed Grants	<u>0</u>	<u>1,399</u>	(1,399)	
Total CY Sources	3,705,473	3,483,201	222,272	6.38%
USES:				
First \$25,000 to the Town's General Fund	(25,000)	(25,000)		
30% to Chamber (Town's Designated Advertising & Promotion Agency) (Est. for last qtr.)	(1,102,475)	(1,025,554)		
5% to the Town's General Fund (Est. for last qtr.)	<u>(183,746)</u>	<u>(170,926)</u>		
Available for Grants	2,394,252	2,261,722	132,530	5.86%
Forward-Funded Grants Awarded last year	(1,300,050)	(1,458,963)		
Estimated Adjustment due to changes in CY revenues	<u>(76,179)</u> 2	<u>16,744</u> 1		
	(1,376,229)	(1,442,219)		
Amount Available to Award New grants	<u>1,018,023</u> 3	<u>819,503</u>	198,520	
Requested "New" Grants	1,960,987	1,427,978		
Percentage of "New" Grant Requests that can be funded	52%	57%		

1 - At its March 15, 2011 meeting, Council approved the recommendations of ATAC which included that forward-funded grants would increase or decrease according to the same increase or decrease in 2011 revenues. Total sources decreased 1.15%. Therefore, the forward-funded grants have been adjusted downward by the same 1.15%. The revised forward funding amount is \$1,442,219 leaving \$819,503 available for new grants.

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 is estimated the increase after the effect of the required distributions) will be 5.86%. Therefore, the forward-funded grants will be adjusted \$76,179. This leaves \$1,018,023 available for new grants.

3 - It is important to note that while revenues have increased, the majority of the increase is due to the change in forward-funded grants. The Symphony has been forward-funded in prior years but will need to be funded from the amount available for "new" grants. For comparison purposes, the Symphony received \$142,169 and has requested \$175,000 for CY2013.

2013 Accommodations Tax Advisory Committee Recommendations

	Council Grant 2011	2012 Town Council Award - (inc. Fwd-Fd Grants)	Adjusted Forward Approved for 2013	2013 Request	ATAC Recom- mendation	Town Council Award
Art League of Hilton Head	45,000	50,000	N/A	61,900	45,000	
Arts Center of Coastal Carolina	350,703	346,678	366,993	N/A	N/A	N/A
Arts Center of Coastal Carolina - Capital Improvement	75,000	N/A	N/A	N/A	N/A	N/A
Beaufort County Black Chamber of Commerce	N/A	0	N/A	10,000	4,000	
David M. Carmines Memorial Foundation				10,000	2,500	
Harbour Town Merchants Assoc.-(July 4th fireworks)	8,000	8,000	N/A	15,000	8,500	
Harbour Town Merchants Assoc.-(Harbour Town Lights)				10,000	2,500	
Hilton Head Audubon Society	3,200	5,000	N/A	N/A	N/A	N/A
Hilton Head Choral Society	17,000	22,000	N/A	28,000	17,000	
Hilton Head Concours d'Elegance (advertising only)	88,000	103,000	N/A	134,000	115,000	
Hilton Head Dance Theater	9,000	12,000	N/A	19,300	8,000	
HH Area Hospitality Association/ Hilton Head Wine & Food, Inc.	N/A	36,853	N/A	104,769	47,000	
Hilton Head Island Airport	withdrawn	0	N/A	132,608	0	
Hilton Head Island Institute				150,000	0	
HHI St. Patrick's Day Parade	8,000	8,000	N/A	15,000	8,500	
Hilton Head Island-Bluffton Chamber of Commerce VCB	208,850	240,000	N/A	400,000	250,000	\$150 K for Golf Marketing; VCB may decide rest
Hilton Head Symphony Orchestra	143,820	142,169	N/A	175,000	142,000	
Hilton Head Symphony Orchestra - Special Request	15,000	30,000	N/A	N/A	N/A	N/A
Italian American Club of Hilton Head				64,310	10,000	
LoCo Motion				27,000	10,000	
Lowcountry Golf Course Owners Association				67,500	55,000	
Main Street Youth Theater	40,000	42,000	N/A	60,000	20,000	
Mitchelville Preservation Project	50,000	0	N/A	85,000	10,000	
Native Island Business & Community	75,000	75,266	79,673	N/A	N/A	N/A
Penn Center				15,000	0	
SC Lowcountry & Resort Islands Tourism	N/A	0	N/A	35,000	0	
SC Watercolor Society dba SC Watermedia Society				3,500	1,000	
Shelter Cove Harbour Company-(July 4th fireworks)	8,000	8,000	N/A	18,600	8,500	
Skull Creek July 4th Celebration	8,000	6,650	N/A	8,500	8,500	
South Carolina Repertory Company	15,000	15,000	N/A	30,000	10,000	
The Coastal Discovery Museum	165,000	168,000	N/A	180,000	168,000	
The Heritage Library	15,000	15,000	N/A	15,000	10,000	For development of phone app
The Heritage Library - Encyclopedia Hilton Head				26,000	0	
The Sandbox	42,500	50,000	N/A	60,000	55,000	
Town of Hilton Head Island	888,300	878,106	929,563	N/A	N/A	N/A
Totals	2,278,373	2,261,722	1,376,229	1,960,987	1,016,000	0
Remaining Balance Available					\$ 2,023	
Grant Funds Available for 2013	2,394,252					
Already approved for 2013 (forward-approved grants)	(1,376,229)					
Funds available for 2013 New Grants	1,018,023					

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

**THE TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

December 21, 2012

To the Mayor, Council Members and Town Manager of the Town of Hilton
Head Island

Committee Recommendations for Award of 2012 ATAX Grants

This recommendation letter is in two parts. First it will deal with the ATAC recommendations regarding grant requests from this year's funds; second, it will review and renew our request for the gathering and analysis of data regarding the Island's ability to and success in attracting tourists to the Island and in serving them once they are here.

A spreadsheet of the committee's grants recommendations accompanies this memorandum.

ART LEAGUE OF HILTON HEAD:

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 arts presence on Hilton Head Island through its innovative Gallery and Academy, and market creative events and partnerships with local organizations and businesses.

The League is requesting funds to advertise and promote (1) the Art League and Hilton Head as a creative hub and vibrant arts destination and (2) the expanded exhibition and educational programming through print, electronic and broadcast media.

The move in 2011 into the Walter Greer Gallery has increased visitors more than 100% from under 9,000 to over 18,000+ in 2012. Of the visitors, 64% of those are from beyond Hilton Head (13% are from Bluffton and the remaining 51% from outside of our area). The May Featured Artist Show with 2,232 visitors was their best month this year. The League expects the Fine Art Craft Guild to significantly outpace the 2,013 attendees at the 2011 show. The League operates the Gallery, the Biennale National Juried Show, the Fine Arts Craft Guild, Pop-Up Galleries, the Art Academy, Workshops, Lectures and Events.

The League has formed outstanding partnerships with the Arts Center, the RBC Heritage, the Coastal Discovery Museum, the Chamber/VCB, the Concourse, Wine and Food Festival, the Hospital and local schools.

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

BEAUFORT COUNTY BLACK CHAMBER OF COMMERCE:

The Chamber is requesting \$10,000 to feature Hilton Head in the *Beaufort County Guide to the Gullah Geechee Heritage*

The *Beaufort County Guide to the Gullah Geechee Heritage* covers the history and heritage of Beaufort County as a key attraction to promote tourism. All cities, towns and rural areas are showcased with focus on the African American origin which is an important and valued asset interesting visitors in their selection of Beaufort County for vacation, family reunion and group tours. It is the only guide of its kind covering food and folkways, cultural events and historic sites, churches and ruins. The chamber was instrumental in bringing to Hilton Head for the current season a golf group of 231 for a total of more than 900 room nights.

Also, the chamber is planning a cultural event to be located in a Hilton Head hotel in spring 2013, and this event will be advertised nationally with potential to create demand for more than 100 room nights. The printed guides will be distributed to these groups and additionally to SC welcome centers, local and neighboring visitor centers, the Savannah/Hilton Head Airport, at trade shows and to fulfill inquiries generated by the chamber's year-round cultural tourism advertising. Last year 50,000 print guides were distributed.

The guide will also be available for download from the chamber's website (bcbcc.org), and its features will be described in a series of blog posts linked from the website. Social media including Twitter, Facebook, Flickr and YouTube will also point national followers to the features covered in the guide. Thousands of leisure travelers, group tour planners and other chambers of commerce and businesses will be invited to visit Beaufort County's rich historic destinations via photographs and description included in the guide.

The committee recommends a grant of \$4,000 for destination advertising and promotion of the Hilton Head Island.

HILTON HEAD INSTITUTE:

This applicant is requesting \$150,000 for events, advertising/promotion, tourism related facilities and tourist public transportation for "the Institute Fall Event" in October, 2013.

The Hilton Head Island Institute (The Institute) will plan, program, market and conduct a recurring annual fall series of intellectual, cultural and entertainment programs currently titled "The Institute Fall Event", aimed at bringing in new and additional visitors. The focus on lifelong learning, culture and the arts, and sustainable community planning will offer vacation with content for people who want more, and will serve to complement the Island's appeal for beach, tennis and golf.

While this applicant has a good idea, a high caliber Board behind it and a strong vision for the future, the Event is unproven and with the amount of the request and limited funds the Committee recommends no funding in 2013.

HILTON HEAD HOSPITALITY ASSOCIATION,

HILTON HEAD WINE AND FOOD, INC:

The applicant is requesting \$104,769.

Going on 28 years, the Hilton Head Wine and Food Festival continues to be a premier event for the Island in the month of March. The 2013 Hilton Head Island Wine & Food Festival, named a 2013 Top 20 Event by the Southeast Tourism Society is an annual event that takes place on Hilton Head Island to promote the culinary arts and cultural aspects of wine. The weeklong event will take place March 4-9, 2013, with its International Wine Judging & Competition taking place January 25-27, 2013.

In its second year under new leadership, the Wine and Food Festival has proven itself with capable execution of the event, good data from the attendees and an aggressive vision for the future. The 2012 gate analysis finds a 60%-75% range of out of state visitors during the week long events.

The committee recommends a grant of \$47,000 to be used exclusively for destination advertising and promotion of the Festival.

HILTON HEAD ISLAND AIRPORT:

Beaufort County has filed an application for \$132,608 to help defray the costs of public services (sheriff deputies and fire rescue staff) at the Hilton Head Airport.

The State's Tax Expenditure Review Committee (TERC) ruled on November 22, 2010, that the County is not qualified for an ATAX grant from the Town for police and fire protection services because of the State law provision that ATAX funds "must not be used as an additional source of revenue to provide services normally provided by the county or municipality."

The A-Tax Committee recognizes the importance of the airport to our community and our destination but feels the ruling from TERC still applies to this grant request.

Accordingly, the committee recommends that no grant be made to the County in response to this application.

LO-CO MOTION:

LoCo Motion is a 3 day walk for breast cancer on Hilton Head and Callawassie Islands. 2012 data to date show that over 1/3 of the approx. 600 participants come from outside of 50 miles and travel with four or more people in their party. The request for A-Tax funds from the Town of Hilton Head will 1) Help LoCo motion to become the signature breast cancer event for the State of SC & 2) Allow for sponsorship promotion to the active traveler in key markets.

In its second year, Lo-Co Motion has good momentum and leadership behind their event. They have a solid marketing plan and provide good economic impact data from the participants.

The committee recommends a grant of \$10,000 to be used exclusively for destination advertising and promotion of the Event on Hilton Head Island.

HILTON HEAD DANCE THEATER:

The Hilton Head Dance Theatre requests \$19,300 to support the costs associated with productions planned for calendar year 2013. Specifically, they are requesting assistance with advertising costs as well as production expenses for the hiring of professional guest artists. This figure represents 10% of the projected budget of \$193,000.

For the 27th season, Hilton Head Dance Theatre has the following productions planned: ***Outreach Program*** Sponsored by the Beaufort County School District, this program will feature the Company Members and will be presented at no charge to approximately 2,000 local students at the Visual and Performing Arts Center in early January ***Terpsichore*** - *Terpsichore* will feature the Company Members partnered by professional guest artists and the program will include both classical and contemporary ballet pieces as well as a jazz piece and will be held at the Visual and Performing Arts Center in mid April.

Terpsichore, Too - Planned for dancers in the middle grades, this production will also be held at the Visual and Performing Arts Center and is scheduled for early May. ***Peter Rabbit*** - Planned for the youngest dancers, this production is also scheduled for early May

and will feature original choreography. ***The Nutcracker*** - This holiday classic will include all Hilton Head Dance School students as well as guest artists and is scheduled for November at the Visual and Performing Arts Center.

The Committee recommends a grant of \$8,000 for the destination advertising and promotion of the 2013 performance Season.

ST. PATRICK'S DAY PARADE:

The Hilton Head Island St. Patrick's Day Parade will celebrate its 30th year with on March 17th, 2013. The event is historically held on the Sunday prior to St. Patrick's Day as they do not attempt to compete with the Savannah parade.

In a rare occurrence St. Patrick's Day 2013 will fall on a Sunday which precludes Savannah from having their parade on that day. The parade may have the opportunity to supplement the regular parade participants with floats, bands and attractions from the Savannah parade because of the Savannah celebration is on Saturday March 16, 2012.

The committee recommends a grant of \$8,500 for tourism related events and public services.

HILTON HEAD CHORAL SOCIETY:

The Hilton Head Choral Society requests \$28,000 to be used for marketing and direct production expenses related to its 2013 concerts. A major thrust of marketing efforts this year will be the development of a robust social media presence in order to attract larger audiences from outside the local area.

The availability of high quality musical entertainment, including the HHCS, enhances the visitor experience and helps define Hilton Head Island as a premier tourist destination.

In 2013 the HHCS will offer a series of concerts which will provide great variety in vocal repertoire to its audiences. The Chorus will present its annual Masterworks concert *Sing of Spring* in April. The widespread appeal of these classical works is evidenced by the

increased sale of tickets to people from outside the immediate area. In May the Choral Society will present its Memorial Day concert, *America Sings*, which includes patriotic music and other songs of the American experience. The HHCS will also participate in the community Memorial Day service at Shelter Cove Veterans Park, sponsored by the Navy League. While Labor Day weekend marks the end of the summer tourist season, it marks the beginning of the

2013-14 concert season with the annual Pops concert, accompanied by full orchestra. In October, the HHCS singers will be joined by singers from other choral organizations from the area to present the *Festival Invitational Concert*. To round out the calendar year, December features the *Sounds of Christmas* concert which has been a staple of the group for over 35 years. This concert is accompanied by full orchestra and draws a large local and visitor audience. Also in December, the Choral Society presents its annual Tour of Homes which draws about 900 attendees, many of whom are visitors to the area and plan their vacations to be here for this event.

The committee recommends a grant of \$17,000 for tourism related events and destination advertising and promotion.

SOUTH CAROLINA LOWCOUNTRY & RESORT ISLANDS TOURISM:

The Lowcountry Tourism Commission is one of eleven similar programs across the State designated by SC-PRT and created by State law. The Commission's primary mission is the stimulation of economic growth and the development of the area's tourism industry through regional tourism promotional activities, promoting Hilton Head Island and Beaufort, Colleton, Hampton & Jasper counties.

This organization is already substantially funded by a two-percent take at the state level from the top of ATAX collections before remitting the balance back to the counties and towns. According to the grant, it receives over \$80,000 from that source. It provides information to travelers on I-95 and through its website and social media.

The committee recommends that no funds be granted to this organization for 2013.

MAIN STREET YOUTH THEATER:

Main Street Youth Theater is requesting \$60,000 in ATAX funding to support portions of the annual operating expenses including show royalties, production costs, and marketing activities. The annual operating expenses for 2012 are expected to be \$216,000. Ticket sales, program ads, participation fees, concessions, and income from educational programs are estimated to cover roughly 65% of these expenses. Grants, scholarships, and fundraising activities are needed to cover the remaining 35%.

While Hilton Head Island tourism numbers appear to still be strong, visitors are spending less on vacation entertainment. The ability to offer live performances at affordable prices is an added advantage for our Island guests. This grant request will help in efforts to produce and market a high quality and entertaining show which will contribute to Hilton Head Island tourists' positive vacation experiences. Main Street Youth Theatre uses seat yourself automated software on-line and in its box office for ticket sales. The software allows the Theatre to capture the names and addresses of all patrons. This information allows the Theatre to accurately determine where the patrons reside. Data indicates that to date in 2012 the Theatre has served tourists from PA, CA, MD, NY, LA, WV, NJ, OH,

GA, NC, IL, VA, WA, WI, KY, MA, TN, AL, FL, IA, MI, IN, NH, OK, CO, Canada and many other regions throughout SC. Its goal is to become a family favorite destination for tourists to return to each summer.

The theatre has relocated their operations to the building they recently vacated. Last year's grant was significantly higher to assist with promoting their new venue which provided many more seats to fill. The Committee recommends a grant of \$20,000 for Destination promotion and advertising of its programs and tourism related facilities and events.

THE SANDBOX:

The Sandbox: An Interactive Children's Museum is an attraction and entertainment for tourist families visiting the Hilton Head Island area. The Increasing Tourism through Fun Educational Play program involves an advertising program to promote The Sandbox throughout family-oriented markets to attract them to Hilton Head and increase the awareness of the family entertainment opportunities at The Sandbox. The project also includes adding/modifying new exhibits and fun programs to attract tourists.

In 2011, The Sandbox attracted more than 29,000 visitors, with more than 24,000 being tourists (84%). From January through August of this year, The Sandbox has hosted more than 21,000 visitors, with 17,600 (84%) being tourists. They estimate that by the end of 2012, they will host over 27,000 visitors for the year, and 22,600 or 84% tourists. Since opening in December of 2005, 195,000 individuals have walked through the doors; and more than 135,000 of these individuals are documented as tourists.

The committee recommends a grant of \$55,000 for destination advertising and promotion and tourism related facilities and events.

COASTAL DISCOVERY MUSEUM:

This operation continues to render a significant service to the Island residents and particularly to visitors. In October 2012, The Coastal Discovery Museum (established in 1985) celebrated its Fifth Anniversary at the historic 69 acre Honey Horn campus. During this time frame, Museum attendance has steadily increased annually. Approximately 375,000 people have visited the Honey Horn property since the Grand Opening.

Attendance data for the fiscal year ending June 30, 2012 recorded a total of 100,941 visitors to the property, a 13% increase over last year. From that number, 42,148 people visited the Discovery House, a 17% increase in house attendance over the previous year. Ninety-seven percent (97%) of the Discovery House visitors were from off Island.

The Museum continues to improve its facilities and programming year after year and is one of the premier attractions of Hilton Head Island, providing memorable experiences and a reason for guests to return to our destination.

The committee recommends a grant of \$168,000 to this applicant for tourism related events, facilities and destination advertising and promotion.

HARBOUR TOWN FIREWORKS:

This Fourth of July event--properly considered a cultural one--has been supported by Town ATAX for many years. It is also a tourist attraction and service to tourism. The expense of presentation (\$21,000) is substantially in excess of the grant requested. This south-island event along with the simultaneous middle- and north-island events attracts a large tourist attendance.

The committee recommends a grant of \$8,500.

HILTON HEAD CONCOURS d'ELEGANCE:

The Hilton Head Island Motoring Festival & Concours d'Elegance is currently cementing its position as one of the premiere destination events on the East Coast. Ranked as one of the top four Concours events in the US by automotive enthusiasts, collectors, judges, media and sponsors, the Motoring

Festival has become a major attraction for destination travelers to Hilton Head Island with 69% of attendees coming to the Island specifically for the Festival in 2011.

Compared most often to the Monterey Auto Week of which the Pebble Beach Concours d'Elegance is a part, the Hilton Head Island

Motoring Festival offers a distinct approach. With a formula unique to any other automotive event in the surrounding areas, the Hilton Head Island Motoring Festival is comprised of four signature events, all critical to the event's success (attendance, sponsor participation, media interest/coverage, etc). Event offerings, attendance and tourist attraction (73% coming from off-Island), continue to develop. The 2012 attendance exceeded 2011's attendance of more than 14,600.

A grant is sought for advertising and promotion, with emphasis in the coming year of increasing out-of-area visitor attendance. As in the past advertising and promotion expenses have been well-spent and continue to demonstrate a significant "return-on-investment".

The committee recommends a grant of \$115,000 for advertising and promotion of tourism.

HILTON HEAD ISLAND-BLUFFTON CHAMBER OF COMMERCE:

This year, the Chamber of Commerce has applied for a supplemental grant of \$400,000 for golf, culinary travel and tennis marketing, in addition to the 30% it is to receive this year under the state ATAX law.

Golf: Since last year's supplemental grant effort, the Island has for the first time in many years experienced an increase in golf rounds. Over the past ten years, golf play on the Island is off over 20%. Last year's Chamber's request for \$150,000 is believed by the President of the Low Country Golf Course Owner's Association, Cary Corbitt, to be a primary driver of this improvement. The Chamber would like to continue this effort "to refocus and reenergize the Island golf experience, particularly in the shoulder seasons, as well as continue to tie in more fully to the opportunities presented with the RBC Heritage sponsorship." The committee believes that this program should continue to have Council's full support.

Culinary Travel and Tennis: The continuation of last year's supplemental grant to improve culinary travel and also now to implement a new program to market the island as a tennis destination at the request of the Chamber's "Marketing Council", have significant merit and should also have Town Councils full support.

The committee recommends that this applicant be given a grant of \$150,000 for Island golf advertising and promotion; the remaining \$100,000 to be determined by the Chambers Marketing Council but be directed to market culinary travel and Tennis.

HILTON HEAD SYMPHONY ORCHESTRA:

The Hilton Head Symphony Orchestra provides world class arts programming for residents and visitors. We provide quality experiences for visitors while they are here and in the case of the Hilton Head International Piano Competition, and the Youth Concerto Competition, we provide a draw for tourists to visit the area. The piano competition is an 8 day event that brings visitors for over a week. ATAX funds will be used to cover marketing/advertising expenses and general operating expenses.

Evidence over the last several years indicates that the symphony averages from a low of 18% out of area subscribers, (many from Canada), to 35% of single ticket buyers - mostly from the drive markets of Savannah and the southeast, but also from the mid west and north east and in the months of Jan to April, many from Canada. Their highest percentage of tourists attend the IPC where 55% attend from off island, and 48% attend from outside Beaufort County. These tourists attend multiple days of the competition and report that they plan their vacations to coincide with the event.

Of the 5309 subscription tickets sold 18% (955) were tourists

Of the 2461 single tickets sold 35% (861) were tourists

Of the 2200 IPC tickets sold 48% (1469) were tourists

The committee commends the Symphony Orchestra for its ability to improve its visibility and attendance from visitors through its recent promotional efforts. Members of the committee also recognized the data presented to support not only visitors to the island but the ability of the Symphony Orchestra to attract and support the possible conversion of affluent travelers to second home owners and residents for the Island.

The committee recommends a grant of \$142,000 for advertising, promotion and tourism related events.

MITCHELVILLE PRESERVATION PROJECT:

The application in this case seeks \$85,000; Funds awarded will support the organization's events and cultural marketing program. The marketing campaign is inextricably connected to generating tourism and fund development. With the installation of the information panels, Mitchelville Freedom Park is a designated attraction. They will actively pursue tourists to visit the site through the implementation of a comprehensive integrated marketing program that incorporates internet, print and public relations campaigns.

The committee recommends a grant of \$10,000 for advertising and promotion of tourism.

SHELTER COVE HARBOUR FIREWORKS:

For this middle-Island event, the committee recommends a grant of \$8,500 to this applicant. This is a cultural event celebrating our Independence; and has substantial tourist attendance.

SKULL CREEK FIREWORKS:

This north-Island event is much like the other two Fourth-of-July fireworks displays. It is a substantial attraction to tourists and celebrates a cultural event. The committee recommends a grant of \$8,500.

SOUTH CAROLINA REPERTORY COMPANY:

This 75-seat theater offers to sold-out houses a variety of drama, music, comedy and period offerings which appeal to an audience of 65% locals and 35% visitors. The Company brings top-quality theatre to an annual audience of more than 5000. This season includes a world premiere, Tony-nominated works, a Pulitzer Prize nominee, Katherine Hepburn, & Noel Coward. To address changing times and economics the Company now has a year-round theatre offering performing arts education and an August New Play Festival, now in its 3rd year.

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

THE HERITAGE LIBRARY:

The Heritage Library Foundation is a history and genealogy research library. The Foundation also owns and maintains Ft. Mitchel and the Zion Chapel of Ease cemetery, and the Baynard Mausoleum. They have experienced steady growth in programs and personnel in the past 15 yrs, and this growth has been energized by the addition of an executive director with experience in project management and information technology. The funds requested here are specifically for the daily operation of the library.

Efforts of the Library to increase its visibility on the island through advertising, lectures, tours, classes, special programs and its table at the Farmer's Market have led to an increase in its percentage of tourism from 21% last year to 26.41% in 2012. 33% of members live outside of Hilton Head Island. Visitors to the island have indicated that the work done by the Library on the history of Hilton Head Island in the Civil War has led to an increased interest in the other historic periods of the island, as well. The total number of visitors to the library in the first eight months of this year is 2618, a 40% increase over the same time last year, while the total tourist number of visitors to Ft. Mitchel and the library has increased by 77% over 2011, largely because of the addition of the Ft. Mitchel tours.

In their presentation to the Committee, representatives of the Library indicated that they were investigating the development of a smart phone app that would allow residents and visitors to download a map with locations and details of Island Historical sites. Members of the committee saw a great deal of potential in the development of this app to promote the history of the Island to visitors and felt that the development and promotion of this

app could greatly enhance the awareness of the Islands history and provide a great value to visitors.

The committee recommends a grant of \$10,000 for the development, advertising and promotion of this app specifically.

THE HERITAGE LIBRARY – ENCYCLOPEDIA HILTON HEAD:

Encyclopedia Hilton Head is the creation of a searchable online Encyclopedia Hilton Head to describe history and present-day Hilton Head Island for a world-wide audience, including the Civil War occupation, Mitchelville, and the aesthetics of Hilton Head from the development to today. It will be useful for researchers (scholars, students, historians) and African-American genealogists and increase exposure of our island.

It is expected that directly quantifying the impact on tourism will be somewhat subjective but it will be possible to measure the usage of the site. The site will be a direct promotion for the beauty and lifestyle of the Island, emphasizing how we differ in a positive way from many other destinations.

Many committee members doubted that the practical use of a standalone encyclopedia could be a success, let alone support tourism.

The committee recommends no grant at this time.

HARBOURTOWN MERCHANTS ASSOC. – (HARBOURTOWN Lights):

Harbour Town Lights: A display of illuminated seasonal figures, lighted Christmas tree and a New Year's Eve ball drop beginning the day before Thanksgiving until New Year's Day. There are also numerous holiday-related activities and entertainment. This unique event provides holiday experiences for tourists and residents and serves as a means for attendees to make donations to Deep Well. The event attracts approximately 3,000+ tourists and residents from the day before Thanksgiving until

New Year's Day. It also serves as a means to support the work of Deep Well through non-perishable food, unwrapped toys and monetary donations by attendees. This event continues to grow during a time when the Island desperately needs an attraction to bring and/or entertain visitors.

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

DAVID M. CARMINES MEMORIAL FOUNDATION – HILTON HEAD ISLAND SEAFOOD FESTIVAL:

The annual Hilton Head Island Seafood Fest, sponsored by the David M. Carmines Memorial Foundation, helps raise money for the American Cancer Society, MD Anderson Cancer Research Center & Island Recreation Scholarship Fund. The two day family-friendly event features area

restaurants/chefs serving up seafood specialties and other tasty cuisine, live entertainment, a Kids Zone, silent auction, iron chef competition and more.

Each year event attendance has grown. Close to 3,000 island residents and visitors attended the 2012 event. 252 surveyed attendees and reported the following:

- 42% were visitors
- 41% of visitors stayed at villa/condo-timeshares
- 38% of visitors indicated the Seafood Fest was influential toward planning their trip
- 91% rated the overall value of the event as very good or good and likely to return
- Largest percent of attendees (20%) have an annual household income of \$100,000-\$150,000
- Over half of the visitors have been to Hilton Head Island 5 or more times
- 57% of visitors stay on the island a minimum of 7 days
- 57% of visitors stay on the island a minimum of 7 days
- Over 80% of visitors stayed in villa/condo rentals or timeshares, hotels or house rentals
- When asked about recreation demand, festivals/special events came in third to beaches and restaurants

This event continues to grow and expand its offerings, now a two day event. The committee recommends a grant of \$2,500 for advertising, promotion and event related expenses.

SC WATERCOLOR SOCIETY dba SC WATERMEDIA SOCIETY:

The 2013 SC Watermedia Exhibition will be held July 13-August 24, 2013 at the Coastal Discovery Museum. This is a widely recognized high caliber arts event that pulls the best artists from three states and the work that is shown is juried in. Funds would be use to advertise and market the event to tourists through art catalog, DVD and paid advertising in statewide publications.

Attendance is expected to be 8,000 to attend the events and 2,000 of those to be tourists. Approximately 300 will be coming for the opening night's events and will be out of area and considered tourists. It is estimated (by the Society), that visitors who come from out of the area generate at least \$100 a day, which totals \$30,000 in tourism income for the local economy. In addition, this event is open to the public. There is no charge and all demographics are welcomed. In addition to advertising outside of the area in order to attract tourists, SCWS is currently partnering with several media outlets to make sure area residents know about this opportunity.

The committee recommends a grant of \$1,000 for advertising and promotion related expenses.

LOW COUNTRY GOLF COURSE OWNER'S ASSOCIATION:

Investment in golf destination marketing will provide dollars back to the community directly through generation of overnight visitation by golf travel parties that spend on average well over \$3,000 per visit. This marketing effort seeks to attract a key customer to the long term success of the Island, affluent Golf travelers. They dine out in the Town's restaurants, shop in our retail stores, as well as help sustain good paying jobs for our residents. The Town receives accommodations taxes, hospitality taxes, benefits from state sales taxes and county and state attractions taxes generated as well as indirect benefit from golf industry property and payroll taxes - all while reinvesting in the Island's golf industry through this modest allocation of accommodations tax funds.

An aggressive, strategic golf public relations program is needed to cost-effectively reach this diverse and dispersed audience. Sourcing new golfers in drive-to and fly-in markets, and reminding repeat visitors the Lowcountry is a unique golf destination is critical to the area's economic vitality.

The committee recommends a grant of \$55,000 for advertising and promotion related expenses.

ITALIAN AMERICAN CLUB of HILTON HEAD:

The Italian-American Heritage Festival Operates in partnership with the Island Recreation Assoc, local restaurants, charities, community service agencies, etc. In 2012 the festival drew 5,000 patrons, 12.5% of which were visitors with a mean length of stay of 7+ days. The festival features food, wine, games, a bocce tournament, entertainment, grape stomping, cooking demonstrations and instruction. The festival received a patron satisfaction rate of 89%.

The Festival attracted over **600 overnight visitors** in both 2011 and 2012 via promotion to visitors *after* they arrived on HHI .

Festival Tourism Impact at a Glance Preliminary

	2011	2012
Overnight Visitor Patrons*	630 (18%)	618 (12.5%)
Festival Primary Reason	17%	10%
Festival Very Influential/Influential	32%	19%
Overnight Visits: Direct	107	60
Overnight Visits: Contributed	200	114
Mean Length of Stay (LOS)	5.7 days	6.3 days
Bed Nights Caused by Festival	610	378
Increased HHI Real Estate Interest	N/A	14.4%

The 2012 Festival exit survey and the relevant questions in the 2011 USCB survey indicated a deep patron satisfaction with their Festival experience. 80% of those surveyed said that they would return. The visitor attendance at the 2012 Festival confirms the strong return rate. The Festival has substantial potential both as a Destination Driver and as a major enhancer of visitor satisfaction.

The committee recommends a grant of \$10,000 for advertising, promotion and event related expenses.

Finally, the committee has discussed at some length, the need to pursue our request from last year to improve our ability to collect, review and make recommendations based on tourism related data independently and consistently collected. As you will recall our letter of recommendation included the below request.

“Finally, as mentioned in our opening paragraph the committee spends a great deal of time trying to understand the impact all recipients of Accommodations Tax funding have on tourism. Currently we ask each applicant to provide us with information on their impact and each applicant prepares its own estimate of this impact. The challenge with our current method is that each applicant utilizes a different method and hence provides the committee with its own determination through its own method.

Recently however a few applicants have utilized an outside entity to help them evaluate the impact. One of the most impressive is the Hilton Head Concours d’Elegance, after review of their application and many informative discussions with Dr. John Salazar of USC Beaufort who collects and performs much of the research for the statistical information collected by the Concours d’Elegance and a few other applicants. The Committee recommends a proposal from Dr. Salazar to apply the consistent research methods now being utilized with some specific and consistent objectives to provide the Committee with a consistent tourism impact of each applicant. The initial cost of this proposal is approximately \$28,000 and the details of the proposal are attached.

The Committee believes that especially in the current tourism and overall economic environment it is imperative to better understand the economic benefits and the relative importance to Accommodation Tax Funding each applicant provides. The data and comparative analysis provided by a consistent method of collection across the recipients will certainly provide the committee and Town with a much improved recommendation process.”

We understand there were concerns raised by Town Council as to the use, cost and purpose of this data. The committee would like to request the opportunity to address these concerns. We are open to a forum for discussion or to respond to a written list of the questions and concerns that each Council member may have. We would like to thoroughly and accurately address each concern. We continue to believe that our request will help the committee today and in the future provide Town Council with a more efficient, accurate and productive recommendation process.

Respectfully submitted by the Accommodations Tax Advisory Committee

Bret Martin, Chair
Robert Stenhammer
John Munro
Frank Soule
Trish Heichel
Stewart Brown
Mike Alsko